

Quarterly Activities Report to 31 December 2023

Key Highlights

Volt Progresses on US Department of Energy Grant to Fast-Track Downstream Graphite Anode Business

- In November 2023, the US Department of Energy announced US\$ 3.5 billion in grants for Battery Materials Processing and Battery Manufacturing. Volt has created a consortium to submit a formal application in March 2024 for over US\$100 million of grant funds.
- Funds would be allocated towards design, construction, and commissioning of the planned 10,250 tpa natural graphite anode plant.
- DOE expects to announce winners by August 2024.

Continued Excellent Performance of Volt Graphite Anode

- Cycle life studies of Volt's natural graphite anode have continued since the last update in June 2023. Results of the test continue to be highly encouraging. Extrapolation of test data suggest that one can obtain over 1,750 cycle life (number of cycles to get 20% degradation of capacity) with Volt natural graphite anode which exceeds the typical industry target of 1,000 cycles.

Volt Signs Agreement with US Graphite Specialist and Manufacturer American Energy Technologies Company (AETC)

- Volt US-subsiary, Volt Energy Materials LLC, signed a limited scope exclusivity agreement with American Energy Technologies Company "AETC" - the only organization in North America capable of producing commercial quantities of spheroidized surface coated battery ready graphite for lithium-ion battery anodes.
- AETC and Volt have worked together for three years, conducting successful test work on Volt graphite.
- AETC is working with Volt-led team that is now preparing a US Department of Energy funding proposal for a 10,250 tpa natural graphite anode plant.

Sample Delivered to a Large Customer to Enable Bunyu Project Financing

- The company is currently assessing all options to deliver the best financing outcome for shareholders and is negotiating commercial terms with a large customer to enable financing for Bunyu.
- 113 tonnes of ore was mined, transported to Dar es Salaam and a portion of the ore has been processed into graphite concentrate for customer delivery.

Volt Signs LOI With M2i Global, Inc. To Supply Up To 20,000 Tonnes of Graphite Per Year to US Government

- Volt signed a Letter of Intent with M2i Global, Inc., a company that specializes in the development and execution of a complete global value supply chain for critical minerals for the US Government and US free trade partners.
- M2i Global's objective is to secure a contract to supply US Department of Defense with up to 20,000 tpa of graphite.
- Graphite intended to be supplied by Volt subsidiary Zavalievsky Graphite (ZG).

Volt Raised Funds to Advance Downstream Graphite Anode Business

- Firm commitments received for \$1.132 million via an Institutional Placement (Placement) with support from current and new institutional and sophisticated investors
- Placement received strong support from Volt's Board with Executive Chairman Asimwe Kabunga subscribing for \$150,000, Managing Director and Chief Executive Officer Prashant Chintawar, subscribing for \$40,000, and Non-executive Director Jack Fazio, subscribing for \$10,000 in placement shares, subject to shareholder approval.
- Share Purchase Plan offered to eligible shareholders in Australia and New Zealand raised \$403,000.

Graphite producer and natural graphite anode developer Volt Resources Limited (**ASX: VRC**) ("**Volt**" or the "**Company**") is pleased to report on the Company's activities for the quarter ended 31 December 2023.

Volt's Managing Director and Chief Executive Officer, Prashant Chintawar, commented

"With the successful completion of the revised Bunyu Stage 1 feasibility study in August 2023, the focus for the Bunyu project during October – December 2023 quarter was advancing the activities associated with the financing of the project – mining the ore, and successful conversion of the ore into high quality graphite concentrate that meets customer specifications, and delivery of the ore to the customer for assessment. We also delivered progress on downstream business on natural graphite anode product development, financing, partnerships, and site selection. Our pipeline of potential non-dilutive funding exceeds \$150M, which would dramatically change the organization.

The Placement and Share Purchase Plans were successful, and we are thankful with the vote of confidence from current and new institutional and sophisticated investors. Throughout the quarter, and the year, we maintained fiscal discipline and achieved significant cost reduction. The Company ended the December 2023 quarter with \$983,000 in cash, with an additional \$200,000 (Board's participation in the last capital raise) to be received in the next quarter, subject to

shareholder approval and the issuing of the securities.”

Graphite Market

It is a foregone conclusion now that China has a stronghold on the natural graphite supply chain. Per Benchmark Market Intelligence (November 2023 report), China has 99% share of the purified and spherodized graphite market (precursor to natural graphite anode powder also known as coated spherodized purified graphite (CSPG) production), even though China mines only 67% of world’s graphite.

This is further complicated by China’s export restrictions announced in October 2023. On 20 October 2023, China announced a new set of export restrictions on certain graphite products. As of 1 December 2023, Chinese exporters are required to apply for permits to ship two types of the material. Export controls apply to natural graphite and its products, including uncoated spherical graphite, coated spherical graphite, and expandable graphite. Existing temporary China export controls for high purity, high density and high strength synthetic graphite materials are permanent now.

China’s exports of natural graphite plummeted in December 2023 after China imposed controls, tightening its grip on the supply of minerals vital to advanced manufacturing. Overseas sales plunged 91% month-on-month to 3,973 tonnes, according to Chinese customs data, after a rush to buy ahead of the deadline saw them surge to more than 45,000 tonnes in November 2023. Exports had averaged about 17,000 tonnes a month in the year through October 2023.

The export restrictions are generally viewed as China’s response to trade barriers raised on Chinese products by Western nations. Restrictions apply to materials deemed highly sensitive as so-called dual-use items, a reference to military applications. The curbs were announced just days after the US stepped up efforts to keep advanced semiconductor chips out of China.

The latest graphite price forecast from Fastmarkets is shown below (Fig 1). Fastmarkets does not expect any significant graphite price recovery in 2024, however sees a more bullish outlook beyond that. The imposition of Chinese graphite export controls on December 1, 2023, may support prices, prompting short-term supply concerns and extended lead times, particularly with the timing coinciding with reduced Chinese graphite production during the winter months. Despite expected price sluggishness in 2024, price forecast beyond 2025 is highly encouraging and positively impacts Bunyu project financials.

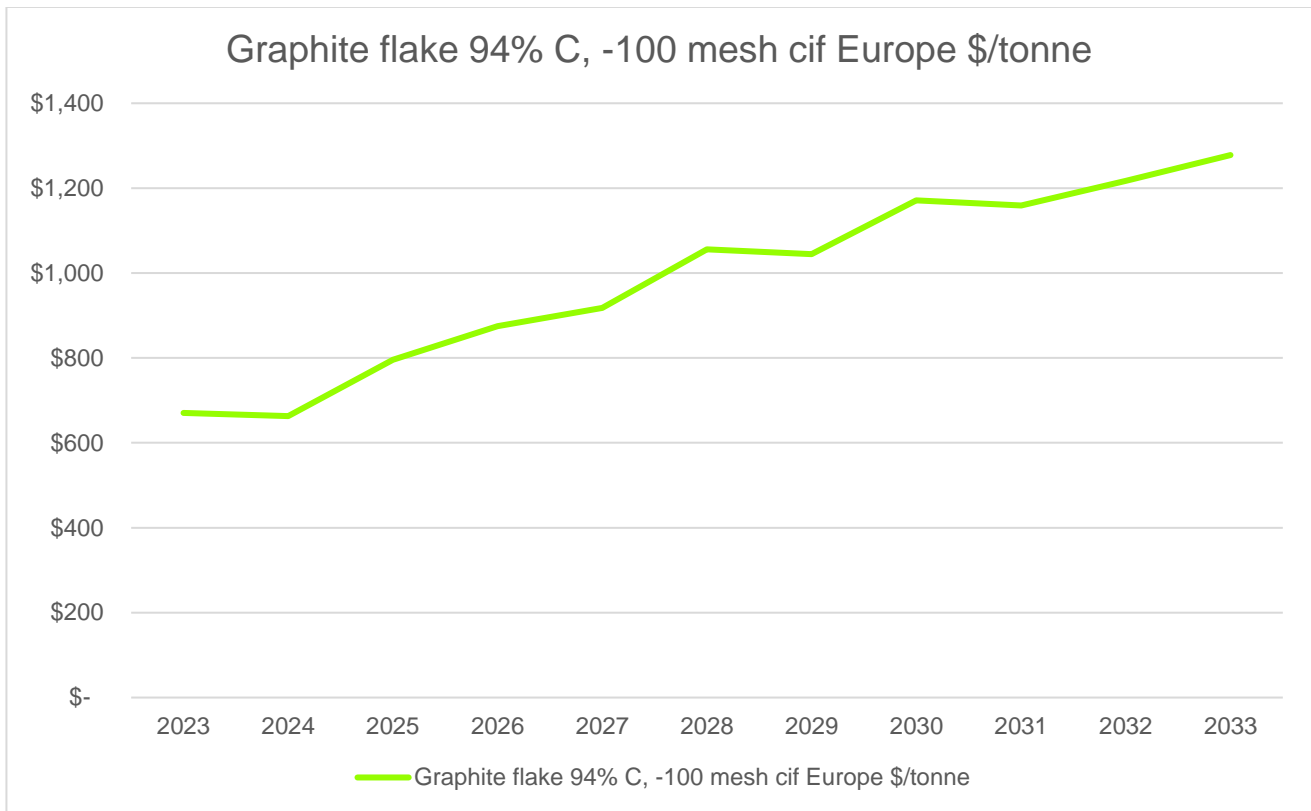


Fig 1: Fastmarket Graphite Price forecast

Other graphite forecasts include

- Benchmark Mineral Intelligence forecasts that we will need 97 new 56 ktpa natural flake graphite mines from 2022 to 2035 to meet surging demand.
- The IEA forecasts flake graphite demand to rise 8-25x from 2020 to 2040.
- Trend Investing forecasts flake graphite demand to rise 17x from 2020 to 2037.

Upstream - Bunyu Graphite Project

The focus this quarter was on activities associated with financing for the Bunyu project. To provide a large quantity of graphite concentrate sample needed for customer qualification, selective mining campaign was undertaken at Bunyu. Volt identified the location for mining, secured necessary approvals from the Government officials and the community, rented the mining equipment, and mined 113 tonnes of graphite ore. The ore was transported from Bunyu site to Dar Es Salaam, tested by Government officials, and we obtained export permit in November 2023.

A competent graphite ore processing pilot plant was identified, and Volt personnel oversaw the ore processing to ensure that we obtained the desired quantity and quality of the graphite concentrate. As of January 2024, graphite concentrate, which meets customer specifications including

particle size, particle size distribution, density, moisture, and carbon content, has been delivered to the customer. We expect to get the customer feedback before 29 March 2024.

The Company believes that successful completion of product qualification by the customer and commercial negotiation coupled with China's recent announcement to implement export controls on graphite products, will enable it to secure Bunyu financing.

Upstream - Zavalievsky Graphite

During the second graphite production campaign at ZG, we produced about 600 tonnes in the before the onset of annual winter shutdown. Total graphite production in 2023 was about 1,666 tonnes compared to 846 tonnes in 2022. During October – December 2023, Zavalievsky Graphite also generated product sales revenue of €188,000.

As indicated in the last quarterly Report, the ZG mine has garnet in stockpile and in mine. Garnet is an industrial mineral used in applications such as water filtration, abrasive blasting, water jet cutting, abrasive powders, and other applications. Volt considers that given the ZG mine's proximity to European markets there is an opportunity to develop a viable industrial garnet business. This could be a near term revenue opportunity and we started customer dialogue and sampling.

A large potential garnet customer completed evaluation of 500 kg garnet sample delivered by ZG last quarter. The customer observed pyrope crystalline phase vs our expectation of almandine phase which impacted the garnet performance for abrasive applications. Further data analysis is underway.

Downstream - Natural Graphite Anode

With growing emphasis on downstream activities, several initiatives are underway, including:

Government Funding (Non-Dilutive Funding)

We are currently working towards submission of a total of three funding proposals in the US and Europe and our non-dilutive funding pipeline exceeds \$150 million.

In November 2023, the US Department of Energy (DOE) announced a US\$ 3.5 billion grant program for Battery Materials Processing and Battery Manufacturing. Volt submitted a Concept Paper (Step 1 of the proposal submission) in January 2024 seeking funds for design, construction, and commissioning of the planned 10,250 tpa integrated natural graphite anode powder plant located in the US. We expect positive feedback from DOE on the Concept Paper and Full Proposal submission is planned for March 2024.

Product & Customer Development

Of the planned 10,250 tpa capacity, Volt has obtained Letters of Support for the purchase of over 9,000 tpa of anode powder from leading battery producers. Discussions are also underway with Defense battery producers.

In addition to robust and economical plant design and customer support for the plant, strong performance of our natural graphite anode is also of importance. The Company is pleased to confirm that cycle life studies of Volt's natural graphite anode have continued since the last update in June 2023. Results of test continue to be highly encouraging and showed long cycle life, well in excess of typical industry target of 1,000 cycles, under the test conditions.

Other Activities

Exploration and Development Activities

The Company did not undertake any substantive mineral exploration, mine development or mining production activities during the quarter at the Guinea gold projects.

Corporate

Cash Position and Summary of Expenditure Incurred on Exploration Activities

The Company ended the December 2023 quarter with \$983,000 in cash, with an additional \$200,000 (Board's participation in the last capital raise) to be received in the next quarter, subject to shareholder approval and the issuing of the securities. Volt continues to manage costs, with considerable effort and time being spent in lowering and our current holding costs associated with our assets across the global. Further details as to the use of funds during the quarter can be found within the Appendix 5B – Quarterly Cashflow Report.

The Company spent \$175,000 on exploration and evaluation activities during the quarter predominantly on the Tanzanian Bunyu's asset, where graphite samples are being produced for customer evaluation. A further \$101,000 was used in the continuing support of the Ukraine investment into Zavaliesky Graphite and operating expenditure in Tanzania.

Business development costs during the quarter totaled \$270,000, where Volt continued to develop its downstream capabilities via its US entity Volt Energy Materials LLC.

Related Party Payments

During the quarter, payments to related parties totaled \$177,000 comprising non-executive director fees and consulting charges.

Mineral Tenements

The schedule of the Company's interest in mining tenements on 31 December 2023 follows:

All tenements within Tanzania are held by Volt Graphite Tanzania Plc, a wholly owned subsidiary of Volt Resources Ltd. Tenements in Guinea are held by two subsidiary companies, KB Gold SARLU and Novo Mines SARLU.

Project	Location	Tenement Number	Status change during quarter	Volt's Interest
Zavalievsky Graphite	Ukraine - Zavallya	Special Permit No.430	None	70%
Volt Tanzania Graphite Plc	Tanzania – Lindi Rural District	ML 591/2018	None	100%

Bunyu Graphite Project	Tanzania – Lindi Rural District	ML 592/2018	None	100%
	Tanzania - Nachingwea, Ruangwa & Masasi Districts	PL 10643/2015	None	100%
	Tanzania - Ruangwa & Masasi Districts	PL 10644/2015	None	100%
	Tanzania - Newala & Masasi Districts	PL 10667/2015	None	100%
	Tanzania - Newala, Ruangwa & Masasi Districts	PL 10668/2015	None	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10717/2015	None	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10788/2016	None	100%
	Tanzania – Masasi District	PL 13207/2018	None	100%
	Tanzania – Masasi District	PL 13208/2018	None	100%
KB Gold SARLU – Kourouss and Mandiana Projects	Guinea - Nzima	EP 22980	None	100%
	Guinea - Monebo	EP 23058	None	100%
	Guinea - Kouroussa	EP 22982	None	100%
	Guinea - Fadougou	EP 22981	None	100%
	Guinea - Kouroussa West	EP 23057	None	100%
Novo Mines SARLU - Konsolon Project	Guinea - Konsolon	EP 22800	None	100%

The Company is not a party to any farm-in or farm-out agreements.

This announcement was authorised for release by the Board of Volt Resources Ltd.

Contacts

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About Volt Resources Limited

Volt Resources Limited (“Volt”) is critical minerals and battery material company listed on the Australian Stock Exchange under the ASX code VRC. We are an established graphite producer and an emerging natural graphite anode (a key component of lithium-ion batteries) manufacturer. Volt has a 70% interest in the Zavalievsky Graphite (ZG) business in Ukraine. The ZG mine and processing facilities have been in operation since 1934 and are near key markets with significant developments in lithium-ion battery production. ZG benefits from an existing customer base and graphite product supply chains based on excellent transport infrastructure covering road, rail, river, and sea freight combined with reliable grid power, ample potable ground water supply and good communications^[1].

Volt acquired three licence applications that are prospective for lithium-borate mineralisation. The licence applications are in respect to a total area of 291km², located in Serbia and are west and south-west of the Serbian capital, Belgrade^[2].

Volt is progressing the development of its large wholly owned Bunyu Graphite Project in Tanzania. The Bunyu Graphite Project is ideally located near to critical infrastructure with sealed roads running through the project area and ready access to the deep-water port of Mtwara 140km from the Project. In August 2023, Volt reported the completion of the revised Feasibility Study (“FS”) for Stage 1 development of the Bunyu Graphite Project. The Stage 1 development is based on a mining and processing plant annual throughput rate of 400,000 tonnes of ore to produce on average 24,780 tpa of graphite products^[3]. Key objectives of Stage 1 development are to establish Bunyu Graphite Project as a world-class supplier of graphite products, grow Volt’s existing natural flake graphite business, provide cashflow, and establish infrastructure in support of the development of the significantly larger Stage 2 expansion project.

^[1] Refer to Volt’s ASX announcements titled “Volt to Acquire European Graphite Business following Completion of Due Diligence” dated 14 May 2021 and “Completion of the ZG Group Transaction Following Execution of New Convertible Securities Facility” dated 26 July 2021.

^[2] Refer to Volt’s ASX announcement titled “Strategic European Lithium Acquisition – Jadar North” dated 18 November 2021.

^[3] Refer to Volt’s ASX announcement titled “Feasibility Study Update for Bunyu Graphite Project Stage 1, Tanzania, delivers significantly improved economics” dated 14 August 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VOLT RESOURCES LIMITED

ABN

Quarter ended ("current quarter")

28 106 353 253

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	6
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(270)	(340)
	(c) production	-	-
	(d) staff costs	(15)	(30)
	(e) administration and corporate costs	(826)	(1,605)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	24
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (details below)	-	-
	Acquisition legal fees and associated costs	-	-
1.9	Net cash from / (used in) operating activities	(1,102)	(1,945)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) exploration & evaluation	(175)	(1,086)
	(e) investments	(101)	(184)
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(276)	(1,270)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,279	1,279
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(47)	(47)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,232	1,232

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,129	2,966
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,102)	(1,945)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(276)	(1,270)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,232	1,232
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	983	983

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	983	1,129
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	983	1,129

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	177
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

6.1 Payment of both executive directors and non-executive director fees as well as consulting charges, \$177k.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,102)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(175)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,277)
8.4	Cash and cash equivalents at quarter end (item 4.6)	983
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	983
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.77
<i>Note: if the entity has reported positive relevant outgoings (i.e., a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes, Volt is forecasting to have similar cash flows for the next quarter.		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. The Company is evaluating funding options for further working capital which may be equity, debt, or a combination of the two and expects to be successful based on the Company's history of sourcing capital.		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The Company has a track record of being able to raise funds via equity when additional funds have been needed. Volt is also currently progressing with opportunities around non-dilutive funding.		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance Statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: The Board of Volt Resources Limited.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board*]

committee – e.g. Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.