



VOLT
RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

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NEW STRATEGIC PLAN DEVELOPED FOR 2018 PRODUCTION

- **Namangale Graphite Project to be developed in stages**
- **Feasibility studies being revised to focus on a Stage 1 starter project and a Stage 2 expansion project**
- **Performance Rights Amended**
- **Cancellation Of Unlisted Options**

Volt Resources Ltd (ASX:VRC) advises that its Board has recently amended the Company's strategy for the development of its Namangale Graphite Project and its entry into the ranks of graphite producers.

The revised strategy is to develop Namangale in two stages. Stage 1 will now be focussed on the potential development of a 10,000tpa to 20,000tpa graphite mine and processing facility in Tanzania with exports of graphite products expected into the USA, China and other markets¹. The Stage 2 development is an expansion of production based on the market demand for Namangale's graphite products.

This Stage 2 expansion is targeted to be completed by 2020 to meet expected significant increases in demand for large flake graphite in the expandable market and smaller flake size products for battery anode material and other existing and evolving industrial uses for micro carbon products.

Volt's Board and Management is now working on the following key objectives.

- Preparation of a Stage 1 Feasibility Study based on production of 10,000tpa to 20,000tpa of graphite concentrate with production commencing mid 2018.

¹ Whilst the Company previously released the results of a Pre-Feasibility Study in relation to the development of the Namangale Graphite Project on 16 December 2016, the Company is now revisiting that study based on the Company's revised objectives for the Stage 1 production from the project. The Company expects that all of the initial Stage 1 production will come from existing estimated ore reserves and measured and indicated mineral resources attributable to the Project area.

- Determine an interim processing solution to produce graphite concentrate to deliver product to Nano Graphene Inc, and therefore facilitate early market testing of product from the Namangale Project, in accordance with the current binding offtake agreement by January 2018.²
- Completion of sufficient binding offtake agreements, completion of Project approvals and the grant of the mining licence(s), arranging of development funding, EPC contracts and other key contracts and conditions for the development of Stage 1 to enable the commencement of construction by Q4 2017.
- The completion of the Stage 2 Feasibility Study (FS) based on the scalable development of the Namangale Project. The FS will build on the previously released Pre-Feasibility Study and incorporate the Stage 1 development plan. The FS is scheduled for completion by end Q1 2018.

Volt Chairman, Stephen Hunt commented “The Board and Senior Management have reviewed the product and financial markets and developed a clear strategic pathway for Volt to become a producer of material quantities of high quality graphite products on an accelerated basis via the staged development of the Project. This is an exciting period for the Company and its shareholders as we work on this important transition from early stage developer to producer by mid next year.”

Performance rights

In accordance with the amended strategy, the Company intends to replace the performance rights previously issued to the board and executive management with performance rights that have vesting conditions tied to the satisfaction of key milestones in achieving the above strategic objectives.

Subject to obtaining prior shareholder approval where necessary, the Board has agreed to issue the following performance rights pursuant to and in accordance with the the performance rights plan approved by shareholders on 22 October 2015.

| Milestone | Expiry Date | Trevor Matthews | Stephen Hunt | Alwyn Vorster | Matt Bull | Asimwe Kabunga | Total |
|---|-------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Commence Stage 1 construction of the Namangale project* | Within 3 years of grant | 10,000,000 | 4,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 23,000,000 |
| Completion of the DFS for the Namangale project | 31 March 2018 | 2,000,000 | | | | | 2,000,000 |
| Achieving a Volt Resources Ltd 30-day VWAP of 20c/share | Within 3 years of grant | 5,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 9,000,000 |
| Total | | 17,000,000 | 5,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 34,000,000 |

* This milestone will be satisfied if the Company’s Board approves the commencement of Stage 1 construction of the Namangale project with all necessary conditions precedent for mobilisation having being met.

² Refer to ASX announcement released 3 March 2017.

The performance rights currently on issue to the above members of the board and executive management team are intended to be cancelled for no consideration, subject only to the grant of these replacement performance rights being approved by shareholders (to the extent required).

Cancellation of unlisted options

On 13 September 2016, 22,500,000 unlisted options at varying exercise prices pursuant to a corporate advisory agreement were issued. Recently, the Company and the advisors have mutually agreed to terminate this agreement, which includes the cancellation of these unlisted options.

For and on behalf of Volt Resources Limited

Trevor Matthews
Chief Executive Officer