



**ASX ANNOUNCEMENT**

By e-lodgement

**22 October 2018**

## **Grant of CEO Performance Rights**

Tanzanian-focused flake graphite development company **Volt Resources Limited (ASX: VRC)** ("**Volt**" or "**the Company**") advises it has issued three tranches of performance rights to the Company's Chief Executive Officer, Mr Trevor Matthews as an incentive and reward should certain significant performance milestones be met.

Mr Matthews commenced in his current role with Volt on 1 January 2017 and led the Company through the revision of its development strategy and its implementation, including completion of the Bunyu Stage 1 Feasibility Study, execution of a number of offtake and cooperation agreements to support the project's economics, achievement of environmental approval and mining licences for both the Stage 1 and 2 projects, development of the Resettlement Action Plan (RAP) and government approval of the RAP compensation valuation.

The Bunyu Project is now development ready and the Company is advancing with the regulatory approval for its 100% owned subsidiary company, Volt Graphite Tanzania Ltd, to raise the necessary funds to commence construction of the Bunyu Stage 1 Project.

In considering the issue, timing and quantum of performance rights, the Board has taken into account the changes in government legislation in Tanzania and the consequent impact on the timing for completion of past and future milestones combined with the benefits to the Company and its shareholders in achieving the performance conditions used for this incentive plan.

The agreed performance milestones include ambitious funding, production and share price targets, which will align the CEO Performance Rights with shareholder value creation.

### **Performance Condition 1: Bunyu Development Funding**

<b>Performance Period</b>	Achieved by 31 March 2019
<b>Performance Condition</b>	The Company or its subsidiary raises a minimum of US\$30M for the development of the Bunyu Stage 1 Project.
<b>Number of Performance Rights</b>	15,000,000

### **Performance Condition 2: Sales Revenue from Stage 1 Production**

<b>Performance Period</b>	Achieved by 30 June 2020
<b>Performance Condition</b>	The receipt of first sales revenue from product produced from the Bunyu Stage 1 Project evidenced by the receipt of cash proceeds in a Volt group company's bank account.
<b>Number of Performance Rights</b>	10,000,000

### **Performance Condition 3: Share Price Performance**

<b>Performance Period</b>	3 years from the date of grant of the Performance Rights
<b>Target Price<sup>1</sup></b>	A VWAP equal to or exceeding \$0.15 per share for a continuous 20 business day period
<b>Number of Performance Rights</b>	10,000,000

<sup>1</sup> In the event that the Company completes any discounted entitlement equity issue(s) prior to the Test Date (being the expiry of the relevant Performance Period), the Minimum Target Price will be adjusted to reflect the dilutive impact of the issue.

Each Performance Right is an entitlement to receive one fully paid ordinary Share for no consideration on achievement of the relevant Performance Condition (Hurdle) within the Performance Period. The Performance Rights issued will only vest to the extent that the Hurdles have been satisfied within the prescribed period (as determined by the Board). The Performance Rights granted to Mr Matthews are detailed below and have been issued pursuant to the Performance Rights Plan which was approved by shareholders on 22 October 2015.

An Appendix 3B is attached.

**-ENDS-**

*For and on behalf of Volt Resources Limited*

**Trevor Matthews**  
**Chief Executive Officer**

**For further information please contact:**

<b>Trevor Matthews</b> <b>Chief Executive Officer</b> <b>Tel: +61 8 9486 7788</b>	<b>Released through Sam Burns</b> <b>Six Degrees Investor Relations</b> <b>M: +61 400 164 067</b>
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## **About Volt Resources Limited**

Volt Resources Limited (“Volt”) is a graphite exploration and development company listed on the Australian Stock Exchange under the ASX code VRC. Volt is currently focused on the exploration and development of its 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 away.

In July 2018, Volt reported the completion of the Feasibility Study (“FS”) into the 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 23,700tpa of graphite products<sup>1</sup>. A key objective of the Stage 1 development is to establish infrastructure and market position in support of the development of the significantly larger Stage 2 expansion project at Bunyu.

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<sup>1</sup> Refer to Volt’s ASX announcement titled “Positive Stage 1 Feasibility Study Bunyu Graphite Project” dated 31 July 2018. 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 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Volt Resources Limited

ABN

28 106 353 253

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                                |
|---|---|--------------------------------|
| 1 | +Class of +securities issued or to be issued  | Performance rights.            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 35,000,000 performance rights. |

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Performance Rights issued to the CEO, Trevor Matthews, issued pursuant to the Performance Rights Plan approved by shareholders on 22 October 2015 and subject to certain performance conditions as detailed below –</p> <ul style="list-style-type: none"> <li>• 15,000,000 performance rights Performance condition - The Company or its subsidiary raises a minimum of US\$30M for the development of the Bunyu Stage 1 Project by 31/3/19.</li> <li>• 10,000,000 performance rights Performance condition - The receipt of first sales revenue from product produced from the Bunyu Stage 1 Project evidenced by the receipt of cash proceeds in a Volt group company's bank account by 30/6/20.</li> <li>• 10,000,000 performance rights Performance condition - a VWAP equal to or exceeding \$0.15 per share for a continuous 20 business day period during the period 3 years from date of grant. (Note - in the event that the Company completes any discounted entitlement equity issue(s) prior to the expiry of the relevant performance period, the minimum target share price will be adjusted to reflect the dilutive impact of the issue).</li> </ul>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No – unquoted performance rights are a class of unquoted securities. If the performance rights vest, the fully paid ordinary shares issued will rank equally with existing quoted fully paid ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>Issued pursuant to the Performance Rights Plan approved by shareholders on 22 October 2015.</p>

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issue of Performance Rights to the CEO, Trevor Matthews, pursuant to the Performance Rights Plan approved by shareholders on 22 October 2015 subject to certain performance hurdles as detailed in section 3 above.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/A
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6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

Listing Rule 7.1 – 60,241,953.  Listing Rule 7.1A – N/A.
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7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

19 October 2018.
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	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	1,455,478,161	Fully paid ordinary shares (ASX:VRC)

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	12,200,000	Options exercisable at \$0.06 on or before 30 April 2019.
	4,200,000	Options exercisable at \$0.08 on or before 30 April 2019.
	4,200,000	Options exercisable at \$0.10 on or before 30 April 2019.
	4,200,000	Options exercisable at \$0.12 on or before 30 April 2019.
	39,500,000	Performance Rights.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
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13	Ratio in which the +securities will be offered	N/A
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14	+Class of +securities to which the offer relates	N/A
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15	+Record date to determine entitlements	N/A
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
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17	Policy for deciding entitlements in relation to fractions	N/A
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18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
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19	Closing date for receipt of acceptances or renunciations	N/A
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20	Names of any underwriters	N/A
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21	Amount of any underwriting fee or commission	N/A
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22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

### Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 22 October 2018  
(Company secretary)

Print name: Susan Hunter

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid <sup>+</sup> ordinary securities on issue 12 months before the <sup>+</sup> issue date or date of agreement to issue	977,039,299
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid <sup>+</sup>ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid <sup>+</sup>ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid <sup>+</sup>ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>1/11/17 – 666,500 shares. (LR 7.2, exception 1).</p> <p>1/11/17 – 111,379,981 shares. (LR 7.2, exception 15)</p> <p>24/11/17 – 2,000,000 shares. (LR 7.2, exception 1)</p> <p>11/12/17 – 3,922,193 shares. (LR 7.2, exception 1)</p> <p>8/12/17 – 6,079,335 shares. (LR 7.2, exception 1)</p> <p>15/12/17 – 24,808,644 shares. (LR 7.2, exception 1)</p> <p>21/12/17 – 1,601,173 shares. (LR 7.2, exception 1)</p> <p>22/12/17 – 44,555,683 shares. (LR 7.2, exception 1)</p> <p>28/12/17 – 37,103,833 shares. (LR 7.2, exception 1)</p> <p>29/12/17 – 91,455,112 shares. (LR 7.2, exception 1)</p> <p>5/1/18 – 24,122,458 shares. (LR 7.2, exception 12)</p> <p>8/1/18 – 71,462 shares. (Approved – 24/10/17)</p> <p>9/4/18 – 69,890 shares. (Approved – 24/10/17)</p>

	2/8/18 – 70,677 shares. (Approved – 24/10/17) 11/10/18 – 27,773 shares. (Approved – 24/10/17)
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	-
<b>“A”</b>	1,324,974,013
<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	198,746,101
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"><li>• Under an exception in rule 7.2</li><li>• Under rule 7.1A</li><li>• With security holder approval under rule 7.1 or rule 7.4</li></ul> <b>Note:</b> <ul style="list-style-type: none"><li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li><li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li><li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li></ul>	6/11/17 – 42,857,145 shares. 7/11/17 – 690,480 shares. 21/6/18 – 86,956,523 shares. 21/6/18 – 8,000,000 options.
<b>“C”</b>	<b>138,504,148</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	198,746,101

3436-6262-5541v1

+ See chapter 19 for defined terms.

<b>Subtract "C"</b> <i>Note: number must be same as shown in Step 3</i>	138,504,148
<b>Total ["A" x 0.15] – "C"</b>	60,241,953 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	



**Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A**

“A” x 0.10

*Note: number must be same as shown in Step 2*

**Subtract “E”**

*Note: number must be same as shown in Step 3*

**Total** [“A” x 0.10] – “E”

*Note: this is the remaining placement capacity under rule 7.1A*