VOLT RESOURCES

ABN: 28 106 353 253

And Controlled Entities

CONSOLIDATED HALF YEAR REPORT

For the Half Year Ended
31 December 2018

CONTENTS

DIRECTORS

Asimwe Kabunga	Non-Executive Chairman
Stephen Hunt	Non-Executive Director
Alwyn Vorster	Non-Executive Director
Matthew Bull	Non-Executive Director (resigned 9 July 2018)

CHIEF EXECUTIVE OFFICER
Trevor Matthews

SECRETARY
Susan Hunter

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AUDITORS
HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

Your Directors submit the financial report of Volt Resources Limited (the Company) and its Controlled Entities (Consolidated Entity) for the half year ended 31 December 2018.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Asimwe Kabunga	Non-Executive Chairman
Stephen Hunt	Non-Executive Director
Alwyn Vorster	Non-Executive Director
Matthew Bull	Non-Executive Director (resigned 9 July 2018)

Trevor Matthews is the Chief Executive Officer.

RESULTS

The loss after tax for the half year ended 31 December 2018 was $1,369,201 (2017: $2,203,504).

REVIEW OF OPERATIONS

Background

Volt Resources 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 to the south east.

Key Operational Milestones for the Half-Year Period

Stage 1 Feasibility Study Completed

In July 2018, the Company completed the Feasibility Study into the Stage 1 development of the flagship Bunyu Graphite Project. The Stage 1 development is focussed on the development of a 20,000 to 24,000 tonnes per annum graphite mine and processing facility in Tanzania with exports of graphite products planned into the USA, China and other markets.

The development incorporates a significant amount of infrastructure, utilities and mine development work that will deliver material benefits to the Stage 2 expansion, including the site access road, plant laydown area, tailings storage facility, waste dumps, stockpile areas, open pit development and mining, accommodation village and water supply.

The proposed Stage 2 development is an expansion of Stage 1 production based on the market demand for Bunyu's graphite products and leveraging the large-scale graphite mineral resource and Bunyu's close proximity to critical infrastructure. Stage 2 is targeted to meet expected significant increases in demand for coarse flake graphite in the expandable graphite market and fine flake size products for battery anode material and other existing and evolving industrial uses for micro carbon products. Production for Stage 2 is forecast at 170,000 to 200,000 tonnes of graphite per annum.

Key outcomes of the Feasibility Study include:

- Stage 1 based on a mining and processing plant annual throughput rate of 400,000 tonnes to produce 20,000 to 24,000 tonnes per annum of graphite products

- Average FOB operating cost of US$664 per tonne and start-up capital cost estimate of US$31.6M
- Pre-tax NPV_{10} of US$18.6M and post tax US$14.7M
- Pre-tax IRR of 21%
- EBITDA of US$93.6M over 7-year project life

Key approvals granted for Bunyu Stage 1 and 2 developments

By October 2018, two key project approvals were granted for Bunyu. With environmental approval and mining licences secured, all requisite environmental and regulatory approvals have now been accounted for in relation to the respective Stage 1 and 2 developments at Bunyu.

Environmental and Social Impact Statement approved

The Environmental Impact Assessment (EIA) Certificate for Bunyu was issued by the National Environment Management Council of Tanzania to the Company's 100%-owned subsidiary Volt Graphite Tanzania ("VGT").

The EIA certificate represented the final pre-requisite for the granting of Volt's Mining Licences (granted in October as announced to the ASX on 18 October) and one of the final remaining major milestones in terms of Government permitting for Bunyu.

Volt's Environmental and Social Impact Study submission was prepared in accordance with the requirements of relevant Tanzanian legislation, including the Environmental Management Act 2004; the Environmental Impact Assessment and Audit Regulations 2005 as well as the Mineral Sector Environmental Impact Assessment Guidelines 2014.

Mining Licences for Bunyu secured

The Company formally received two Mining Licences (MLs) on 22 October 2018 from the Mining Commission of the Ministry of Minerals of Tanzania. The licences (ML 591/2018 and ML 592/2018) cover both Bunyu's respective Stage 1 and Stage 2 developments.

Offtake Agreements Signed

At the start of August 2018, VGT signed a binding sales agreement with Qingdao Tianshengda Graphite Co. Ltd. ("Tianshengda") for 9,000 tonnes per annum of Bunyu Graphite Product over five years representing the second binding offtake agreement signed by VGT (see ASX Announcement dated 2 August 2018).

An integrated graphite processor and distributor across China and internationally, Tianshengda has substantial annual capacity to further process graphite by producing value added products including expandable graphite, flake graphite and powder, as well as supplying graphite to the lithium-ion battery market. There is an option for a further five-year term by mutual agreement as part of the sales agreement.

Furthermore, in late August VGT signed a cooperation agreement with one of China's largest graphite companies, HAIDA Graphite ("HAIDA").

Tanzanian Note Issue Developments

As previously advised, Volt engaged Exotix Capital as funding advisor to undertake a Tanzanian Note Issue to raise the required funding for the Stage 1 development at Bunyu (see ASX Announcement dated 25 October 2017). The Note Offer is by VGT through the issue of a

Prospectus to potential investors in East Africa. The Notes are to be listed on the Dar es Salaam Stock Exchange (DSE) which required the approval of the DSE.

The Company continued to advance the US$30 to US$40 million Note Issue throughout the half-year period.

The Prospectus was first lodged with the Tanzanian Capital Markets and Securities Authority ("CMSA") and the Dar Es Salaam Stock Exchange ("DSE") on 27 March 2018. An updated Prospectus was lodged with the CMSA on 28 September following feedback and requests for additional information.

On 13 December VGT received approval from the Dar es Salaam Stock Exchange PLC to list its Notes on the DSE. This represented an important progression in the funding process. Post-period updates on the funding process can be found under "Events Subsequent To Reporting Date".

Roadshow Activity

Prior to the approval from the Dar es Salaam Stock Exchange PLC, Volt management and its advisors, Exotix Capital and Orbit Securities, undertook an investor roadshow in Tanzania and North America in late November/early December. Strong interest was received from a number of investment funds and banks, and Volt and Exotix Capital are continuing to actively progress a number of discussions in relation to the Stage 1 development funding requirements through early 2019.

Community Relations Overview

The Company's 100%-owned subsidiary VGT continued to strengthen relationships with local communities as project development activities progressed. VGT maintained strong communication through monthly update reports, Resettlement Working Group meetings and meetings with the ward and village leaders.

Importantly, the Lindi District Council's Economic, Work & Environmental Committee continue to be supportive of the planned development, culminating in a positive visit to the Bunyu 1 site in September 2018. VGT initiated and sponsored the development of a formal Village Land Use Plan (VLUP) with the report approved by the District Council on 31 July 2018.

Furthermore, VGT continued to make local financial contributions as part of its social investment program. The Company sponsored a monthly allowance to Nursery School teachers at Utimbula village, donated desks for Utimbula Nursery School and provided financial assistance for the repair of storm damage at Namangale Primary School.

CORPORATE

The AGM was held on 21 November 2018 and all resolutions passed on a show of hands.

Board Resignation

On July 9 2018, Matthew Bull resigned as Non-Executive Director of the Company.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial periods other than the following:

Tanzanian Note Issue Developments Subsequent to Reporting Date

The Company continues to progress the planned US$30-US$40 million Tanzanian Note issue raising on the Dar es Salaam Stock Exchange with advisors Exotix Capital. On 25 January, VGT received correspondence from the CMSA, which included an unrealistic commercial condition for the Note Issue to proceed. Discussions with CMSA remain ongoing in the short term, to ensure an appropriate commercial balance is reached.

In parallel, Volt is continuing to advance alternative funding options including, but not limited to a Note Issue and Listing on the Stock Exchange of Mauritius ("SEM") using principally the same Tanzanian Note Prospectus, and involving US-based institutional funds for participation in the Stage 1 development funding.

$1.3 Million (AUD) Funding Facility Secured

On 15 January, the Company secured a short-term (six-month) funding facility of A$1.3 million, providing added funding flexibility over the coming months while the Company completes its development funding activities. The funding facility will not be dilutionary to existing shareholders as no equity will be issued during the six-month loan period.

AUDITOR'S DECLARATION OF INDEPENDENCE

Section 307C of the Corporations Act requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on the following page and forms part of this Directors' Report for the half-year ended 31 December 2018.

Signed in accordance with a resolution of directors.

Asimwe Kabunga
Non-Executive Chairman
12 March 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Volt Resources Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**B G McVeigh**
12 March 2019	**Partner**

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
Revenue	7	**4,021**	5,451
Corporate compliance fees		**(223,805)**	(228,402)
Corporate management costs		**(958,413)**	(1,128,286)
Foreign exchange gain (loss)		**70,590**	(25,318)
Marketing and investor relations costs		**(98,823)**	(217,517)
Occupancy expenses		**(73,057)**	(100,013)
Share-based payments	6	**(343,904)**	(60,000)
Interest expense		**(13,951)**	(84,687)
Other expenses		**(373,032)**	(364,732)
Loss before income tax benefit		**(2,010,374)**	(2,203,504)
Income tax benefit		**641,173**	-
Net loss for the period		**(1,369,201)**	(2,203,504)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(59,025)**	(184,801)
Total comprehensive loss for the period		**(1,428,226)**	(2,388,305)
Loss attributable to:			
Owners of the parent		**(1,379,450)**	(2,200,757)
Non-controlling interests		**10,249**	(2,747)
		(1,369,201)	(2,203,504)

	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
Total comprehensive loss attributable to:		
Owners of the parent	**(1,438,475)**	(2,385,558)
Non-controlling interests	**10,249**	(2,747)
	(1,428,226)	(2,388,305)
Basic and diluted loss per share (cents)	**(0.09)**	(0.21)

The accompanying notes form part of these financial statements.

	Note	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	2	**107,730**	2,192,277
Trade and other receivables	3	**108,586**	214,820
Prepayments		**19,044**	47,330
Total Current Assets		**235,360**	2,454,427
Non-Current Assets			
Trade and other receivables		**2,400**	2,400
Other financial assets		**30,000**	30,000
Plant and equipment		**75,167**	100,480
Deferred exploration expenditure	4	**22,293,745**	21,786,559
Total Non-Current Assets		**22,401,312**	21,919,439
Total Assets		**22,636,672**	24,373,866
LIABILITIES			
Current Liabilities			
Trade and other payables		**328,621**	614,647
Borrowings	5	**-**	399,844
Provisions		**47,130**	58,867
Total Current Liabilities		**375,751**	1,073,358
Total Liabilities		**375,751**	1,073,358
Net Assets		**22,260,921**	23,300,508
EQUITY			
Issued capital	6	**64,017,969**	63,973,234
Reserves		**158,083**	163,204
Accumulated losses		**(41,704,324)**	(40,614,874)
Parent entity interest		**22,471,728**	23,521,564
Non-controlling interests		**(210,807)**	(221,056)
Total Equity		**22,260,921**	23,300,508

The accompanying notes form part of these financial statements.

Consolidated Entity	Issued Capital	Reserves	Accumulated Losses	Parent Entity Interest	Non-Controlling Interest	Total
	$	$	$	$	$	$
Balance at 1 July 2018	**63,973,234**	**163,204**	**(40,614,874)**	**23,521,564**	**(221,056)**	**23,300,508**
Profit /(loss) for the period	-	-	(1,379,450)	(1,379,450)	10,249	(1,369,201)
Other comprehensive loss	-	(59,025)	-	(59,025)	-	(59,025)
Total comprehensive loss for the period	-	(59,025)	(1,379,450)	(1,438,475)	10,249	(1,428,226)
Transactions with owners in their capacity as owners:						
Shares issued during the period	4,923	-	-	4,923	-	4,923
Security issue (expenses) credits	39,812	-	-	39,812	-	39,812
Cancellation of rights	-	(290,000)	290,000	-	-	-
Share based payments	-	343,904	-	343,904	-	343,904
Balance at 31 December 2018	**64,017,969**	**158,083**	**(41,704,324)**	**22,471,728**	**(210,807)**	**22,260,921**
Balance at 1 July 2017	**53,342,884**	**4,173,650**	**(40,946,202)**	**16,570,332**	**(218,309)**	**16,352,023**
Loss for the period	-	-	(2,200,757)	(2,200,757)	(2,747)	(2,203,504)
Other comprehensive loss	-	(184,801)	-	(184,801)	-	(184,801)
Total comprehensive loss for the period	-	(184,801)	(2,200,757)	(2,385,558)	(2,747)	(2,388,305)
Transactions with owners in their capacity as owners:						
Shares issued during the period	7,510,080	-	-	7,510,080	-	7,510,080
Security issue expenses	(177,086)	-	-	(177,086)	-	(177,086)
Share based payments	-	60,000	-	60,000	-	60,000
Balance at 31 December 2017	**60,675,878**	**4,048,849**	**(43,146,959)**	**21,577,768**	**(221,056)**	**21,356,712**

The accompanying notes form part of these financial statements.

	Consolidated 31 December 2018 $ Inflows/ (Outflows)	Consolidated 31 December 2017 $ Inflows/ (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees	**(1,521,166)**	(2,013,265)
Research and development tax credit received	**641,173**	-
Interest paid	**(18,873)**	(57,917)
Interest received	**4,021**	5,451
Net cash used in operating activities	**(894,845)**	(2,065,731)
Cash flows from investing activities		
Payments for plant and equipment	**-**	(3,139)
Payments for exploration and evaluation expenditure	**(839,514)**	(1,453,591)
Net cash used in investing activities	**(839,514)**	(1,456,730)
Cash flows from financing activities		
Proceeds from issue of shares	**-**	6,731,105
Refund/(payment) of share issue costs	**39,812**	(177,086)
Proceeds from borrowings	**512,000**	1,244,301
Repayment of borrowings	**(902,000)**	(250,000)
Net cash (used in)/provided by financing activities	**(350,188)**	7,548,320
Net (decrease)/increase in cash held	**(2,084,547)**	4,025,859
Cash and cash equivalents at beginning of the financial period	**2,192,277**	102,208
Effects of exchange rates on cash and cash equivalents	**-**	-
Cash and cash equivalents at period end	**107,730**	4,128,067

The accompanying notes form part of these financial statements.

1. *Basis of Preparation of Half Year Financial Report*

a) Reporting entity

Volt Resources Limited (the "Company") is a Company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the half year ended 31 December 2018 comprise the Company and its controlled entities (together referred to as the "Consolidated Entity").

b) Statement of compliance

These consolidated interim financial statements constitute a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Consolidated Entity as at and for the year ended 30 June 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These consolidated interim financial statements were approved by the Board of Directors on 12 March 2019.

The interim financial statements have been prepared in accordance with the accounting policies and methods of computation adopted in the Consolidated Entity's last annual financial statements for the year ended 30 June 2018 and the corresponding half year, except for the impact of the new Standards and Interpretations effective 1 July 2018 disclosed in section 1(c). The accounting policies have been applied consistently throughout the Consolidated Entity for the purposes of preparation of these interim financial statements.

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

c) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2018

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the half-year reporting periods beginning on or after 1 July 2018. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity's accounting policies.

The new Standards effective and adopted are documented below:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Consolidated Entity and effective for the half-year reporting periods beginning on or after 1 January 2019. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity’s accounting policies.

1. *Basis of Preparation of Half Year Financial Report (Continued)*

Significant accounting judgments and key estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this half-year financial report, the significant judgments made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018, except for the impact of the new Standards and Interpretations effective 1 July 2018 disclosed in section 1(c).

d) *Going Concern*

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 31 December 2018 the Consolidated entity had cash of $107,730 and subsequently received further funding of $1.3 million on 15 January 2019. Net assets totalled $22,260,921 and were primarily represented by deferred exploration expenditure of $22,293,745 on the group's Graphite prospecting tenements in Tanzania. During the half-year, net cash outflows from operating activities totalled $894,845 primarily in relation to corporate compliance, management, marketing and investor relations costs of the listed parent entity less the R&D tax incentive rebate claimed on prior year eligible expenditures. The cash outflows from investing activities were primarily exploration and evaluation expenditure of $839,514, which was spent in maintaining the Tanzanian graphite tenements and completing (i) finalization of the feasibility study for the Stage 1 Bunyu Graphite project and (ii) ongoing environmental and exploration activities. In the near term, operating activities are expected to continue at similar levels while investing activities will be reduced until funding is available.

The Directors are of the opinion that the Consolidated Entity is a going concern due to the following factors:

(i) The Company has sought regulatory approval in Tanzania to issue a Prospectus or Information Memorandum to raise debt funding through the issue of Listed Notes on the Dar es Salaam Stock Exchange for the equivalent of US$30 to US$40 million. Current negotiations continue around an unrealistic commercial condition requested by the regulator. Should the Note Issue be approved and sucessful, all expenditures relating to the Bunyu Graphite project and Tanzanian activities will be met out of these funds in Tanzania. The remaining corporate costs to be incurred in Australia are expected to approximate A$2.5 million per annum;

(ii) The Company in parallel with the above, continues to advance alternative funding options including, but not limited to, a Note Issue and Listing on the Stock Exchange of Mauritius and US based institutional funds participation in the Stage 1 development funding;

(iii) The Company has the ability to raise additional working capital in the shorter term from:
   - a capital raising; and
   - issue of convertible loan notes;

(iv) The Company has the ability to sell assets, or an interest in assets.

1. *Basis of Preparation of Half Year Financial Report (Continued)*

Whilst the Directors are confident that the above initiatives will generate sufficient funds to enable the Consolidated Entity to continue as a going concern for at least the period of 12 months from the date of signing this financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Consolidated Entity to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

e) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Consolidated Entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
2. Cash and cash equivalents		
Cash in Bank	**8,695**	2,192,277
Cash held in Trust (a)	**99,035**	-
	107,730	2,192,277

(a) The Cash held in Trust relates to the R&D Tax incentive which was paid by the ATO to Radium Capital in order to settle the loan liability and interest on the loan. The cash was transferred to Volt Resources on 3 January 2019. Refer to Note 5 with regards to the borrowings.

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
3. Trade & Other Receivables		
Other receivables	**49,498**	155,732
Rental bonds	**59,088**	59,088
	108,586	214,820

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
4. *Deferred exploration expenditure*		
Balance at beginning of period/year	**21,786,559**	16,581,589
Expenditure during the period/year	**501,871**	4,863,440
Foreign currency translation	**5,315**	341,530
Balance at end of period/year	**22,293,745**	21,786,559

Capitalised exploration and evaluation expenditure represents the accumulated cost of acquisition and subsequent cost of exploration and evaluation of the properties. Ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

5. Borrowings	**Consolidated 31 December 2018 $**	**Consolidated 30 June 2018 $**
Convertible loans (a)	**-**	399,844
Loan (b)	**-**	-
	-	399,844

	Consolidated 31 December 2018 $	**Consolidated 30 June 2018 $**
Balance at beginning of period/year	**399,844**	-
Proceeds from convertible loans	**-**	875,000
Repayment of convertible loans	**(390,000)**	(475,000)
Repayment of convertible loan through share issue	**-**	(10,000)
Interest accrued on convertible loans	**-**	9,844
Interest paid that was previously accrued	**(9,844)**	-
Proceeds from loan (b)	**512,000**	439,301
Repayment of loan (b)	**(512,000)**	(439,301)
Balance at end of period/year	**-**	399,844

(a) These funds were raised from various lenders through a convertible loan facility for 12 months, with an interest rate of 10% per annum which accrued daily. The interest was payable quarterly in arrears in cash or Company shares. The lender could convert the facility into Company shares at any time prior to maturity at a conversion price of $0.05 per share.

(b) The Company entered into a secured loan agreement in October 2018 for $512,000 with an annual interest rate of 14% per annum. This was secured against the Company's present and future right, title and interest in its eligible research and development expenditure to which it became entitled as a tax refund under the applicable tax legislation. The loan was settled on 21 December 2018.

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
6. *Issued capital*		
Issued and paid up capital:		
Ordinary shares fully paid of no par value	**64,017,969**	63,973,234
	64,017,969	63,973,234

	Consolidated 31 December 2018 Number	$	Consolidated 30 June 2018 Number	$
Movement in ordinary shares on issue:				
Balance at beginning of period/year	**1,455,379,711**	**63,973,234**	976,784,189	53,342,884
Share purchase plan	**-**	**-**	111,379,981	2,338,980
Share placement	**-**	**-**	130,504,148	2,914,500
Shares issued in lieu of interest	**98,450**	**4,923**	196,462	9,818
Convertible loan converted into shares	**-**	**-**	200,000	10,000
Transfer from share based payment reserve on exercise of options	**-**	**-**	-	1,216,300
Options exercised at $0.02 per share	**-**	**-**	236,314,931	4,726,299
Security issue expenses	**-**	**39,812**	-	(585,547)
Balance at end of period/year	**1,455,478,161**	**64,017,969**	**1,455,379,711**	**63,973,234**

6. *Issued capital (continued)*

Share options:

Grant Date	Details	Expiry Date	Exercise Price	Balance at 30-Jun-18	Granted During Period	Exercised During Period	Expired During Period	Balance at 31-Dec-18
25-May-16	Unlisted options	30-Apr-19	$0.06	4,200,000	-	-	-	4,200,000
25-May-16	Unlisted options	30-Apr-19	$0.08	4,200,000	-	-	-	4,200,000
25-May-16	Unlisted options	30-Apr-19	$0.10	4,200,000	-	-	-	4,200,000
25-May-16	Unlisted options	30-Apr-19	$0.12	4,200,000	-	-	-	4,200,000
21-June-18	Unlisted options	30-Apr-19	$0.06	8,000,000	-	-	-	8,000,000
				24,800,000	-	-	-	24,800,000

Performance rights:

Issue Date	Details	Balance at 30-Jun-18	Granted During Period	Cancelled During Period	Converted During Period	Balance at 31-Dec
Various	Unlisted performance rights	19,500,000	35,000,000	(15,000,000)	-	39,500,000
		19,500,000	**35,000,000**	**(15,000,000)**	**-**	**39,500,000**

The Company announced on 22 October 2018 the granting of 35,000,000 performance rights to the CEO, under the Performance Rights Plan approved by shareholders at the 2015 AGM. These performance rights are subject to the achievement of certain milestones. A total of 15,000,000 performance rights previously held by the CEO, were cancelled by mutual agreement for nil consideration during September 2018. This cancellation has been accounted for by the acceleration of vesting and the remaining vesting expense relating to these cancelled performance rights of $181,739 has been included in the share based payments expense in the current period.

The remaining 4,500,000 performance rights carried forward are held by two non-executive directors. These rights were granted in the FY2017 year and require commencement of mining, and processing of first ore recovered from the Bunyu Graphite project by 31 March 2019 to vest. This vesting hurdle is unlikely to be achieved in the timeframe and therefore these rights are expected to lapse.
The vesting condition milestones, fair value and share based payments expense for the 35 million performance rights granted during the period are detailed in the table below:

6. *Issued capital (continued)*

Milestone	Expiry Date	Number of Performance Rights	Tranche	Fair Value (per right)	Total Fair Value	Estimated % to vest	Share based payment expense
Raise US$30m for the development of the Bunyu Stage 1 project	31 March 2019	15,000,000	A	$0.021	$315,000	100%	$136,023
Receipt of the first sales revenue from product produced from the Bunyu Stage 1 project	30 June 2020	10,000,000	B	$0.021	$210,000	100%	$23,609
Achieving a VRC 20-day VWAP of 15 cents per share	22 October 2021	10,000,000	C	$0.004	$40,000	100%	$2,533
Total		35,000,000					$162,165

Tranche A and Tranche B performance rights do not contain market based vesting conditions and have been valued using a Black Scholes option pricing model as the appropriate valuation model. Tranche C rights do contain market based vesting conditions and have been valued using an up and in single barrier share option pricing model with a Parisian barrier adjustment. The model takes into consideration that the Tranche C Rights will vest at any time during the performance period, given that the VWAP exceeds the determined barrier over the specified number of days. The model incorporates a trinomial option pricing model.

	Consolidated Half-year ended 31 December 2018 $	Consolidated Half-year ended 31 December 2017 $
7. Revenue		
Interest	**4,021**	5,451
	4,021	5,451

	Consolidated Half Year Ended 31 December 2018 $	Consolidated Year Ended 30 June 2018 $

8. *Commitments and contingencies*

Exploration expenditure commitments
In order to maintain and preserve the rights of tenure to granted exploration tenements, the Consolidated Entity is required to meet certain minimum levels of exploration expenditure. As at the reporting date, these future minimum exploration expenditure commitments are as follows:

Within one year	**120,196**	182,653
One to five years	**243,764**	362,136
	363,960	544,789

There are no contingent liabilities as at the date of this report.

9. *Financial reporting by segments*

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The function of the chief operating decision maker is performed by the Board collectively. Information reported to the Board for the purposes of resource allocation and assessment of performance is focused broadly on the Group's diversified activities across different sectors.

The Group's reportable segments under AASB 8 are predominantly within the one geographical and industry segment being Mineral Exploration – Tanzania.

10. *Events subsequent to period end*

There are no matters or circumstances that have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

- **Tanzanian Note Issue Developments Subsequent to Reporting Date**

The Company continues to progress the planned US$30-US$40 million Tanzanian Note issue raising on the Dar es Salaam Stock Exchange with advisors Exotix Capital. On 25 January, VGT received correspondence from the CMSA, which included an unrealistic commercial condition for the Note Issue to proceed. Discussions with CMSA remain ongoing in the short term, to ensure an appropriate commercial balance is reached.

In parallel, Volt is continuing to advance alternative funding options including, but not limited to a Note Issue and Listing on the Stock Exchange of Mauritius ("SEM") using principally the same Tanzanian Note Prospectus, and involving US-based institutional funds for participation in the Stage 1 development funding.

- **$1.3 Million (AUD) Funding Facility Secured**

On January 15, the Company secured a short-term (six-month) funding facility of A$1.3 million, providing added funding flexibility over the coming months while the Company completes its development funding activities. The funding facility will not be dilutionary to existing shareholders as no equity will be issued during the six-month loan period.

11. *Financial instruments*

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Directors consider that the carrying values of the financial assets and financial liabilities recognised in the condensed consolidated statement of financial position approximate their fair values.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 to 22 are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

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Asimwe Kabunga
Non-Executive Chairman
12 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Volt Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Volt Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Volt Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 1(d) in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with

Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2019

B G McVeigh
Partner