



ASX ANNOUNCEMENT

By e-lodgement

31 July 2020

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2020

Highlights:

- **Binding Term Sheet executed to acquire an 85% interest in the Luiri Hill Gold Project in Zambia**
 - **Luiri Hill Gold Project JORC 2012 Mineral Resource Estimate of 10.2Mt at 2.6g/t gold for 851,000 ounces gold**
 - **Luiri Hill licences formally confirmed in good standing by the Zambian Government**
 - **Advancing to project acquisition completion this quarter**
- **Grassroots exploration projects acquired in Guinea with initial exploration programs undertaken during the quarter**
 - **Guinea projects acquisition completed in late July**
- **\$800k capital raising completed**
- **Board changes and expenditure reduction program implemented**
- **Mauritian Note Offer extended to 30 September 2020**

Gold and flake graphite development company Volt Resources Limited (**ASX: VRC**) ("**Volt**" or, the "**Company**") is pleased to report on the Company's activities for the quarter ended 30 June 2020.

June Quarter Activities Overview

The quarter saw activity in relation to Volt's progression in establishing a new gold business whilst continuing with the development of its Bunyu Graphite Project in Tanzania.

Together the proposed acquisition of the Guinea gold projects announced on 14 May 2020 (the "Guinea Gold Projects") and the acquisition of the Luiri Hill Gold Project announced on 21 May 2020, will provide Volt with a combination of highly prospective grass roots exploration projects in Guinea together with an 85% interest in an advanced gold project in Zambia that has near term development potential.

The creation of a new gold business provides Volt shareholders with the opportunity to participate in the potential value accretion from gold exploration and development activities at a time when gold prices are

at historical record levels, particularly through leveraging the Company's existing extensive networks in Africa.

Luiri Hills Gold Project - Zambia

On 21 May 2020, the Company announced it had entered into a binding Term Sheet ("Term Sheet") to conditionally acquire an 85% interest in the Luiri Hill Gold Project ("Luiri Project") located in south-central Zambia, 120km west-northwest of the Zambian capital of Lusaka.

The Luiri Project is an advanced gold project with considerable drilling and studies already undertaken. The Matala and Dunrobin deposits, which collectively form the Luiri Project, have the potential to be developed into a medium scale gold mine in the short term.

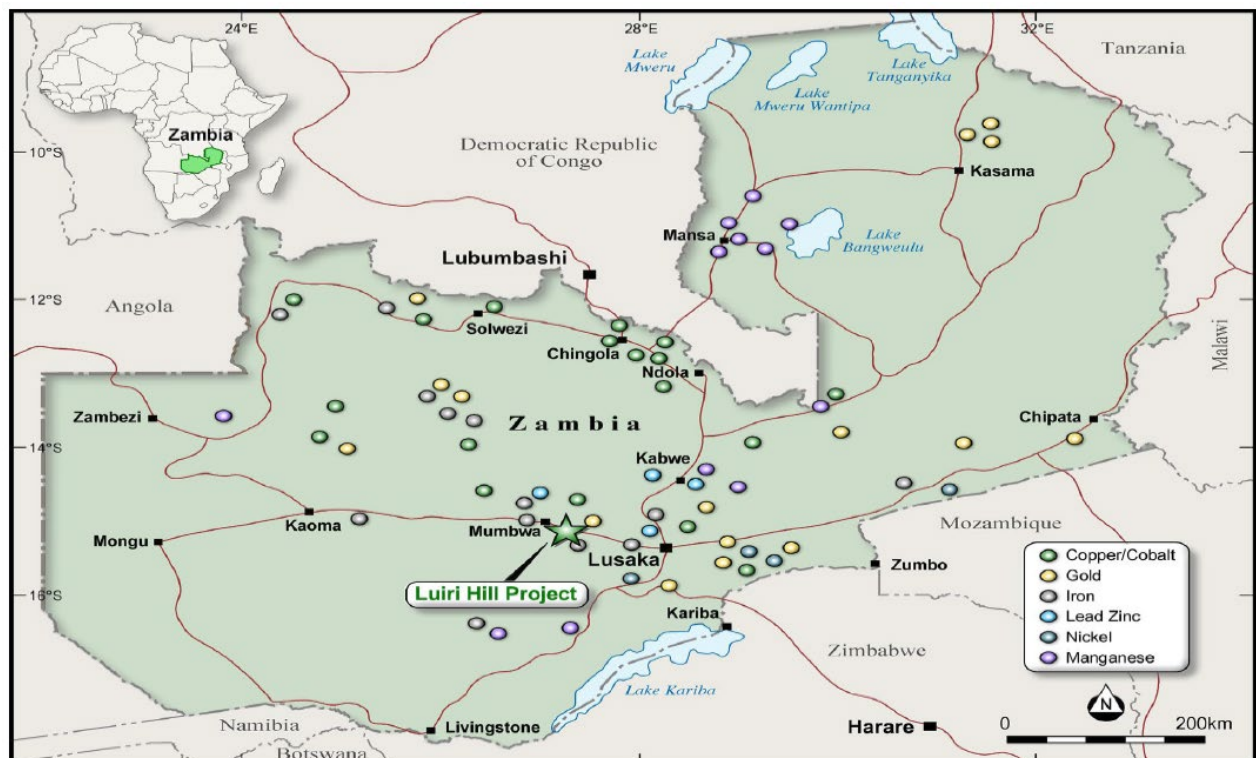


Figure 1: Luiri Hill Gold Project location

Updated Mineral Resource Estimate

During the quarter, Optiro Pty Ltd (Optiro) provided assistance to Volt with an updated Mineral Resource estimate for the Matala and Dunrobin deposits¹.

The open pit Mineral Resources at Dunrobin and Matala are reported above a 0.5 g/t gold lower cut-off grade and within preliminary pit shells based on a gold price of US\$1,800/oz and the potential underground resources, that are external to the pit shells, are reported above a 1.0 g/t gold lower cut-off (Table 1). These cut-off grades were selected by Volt and are commensurate with cut-off grades applied for the reporting of gold Mineral Resources elsewhere in Africa. The Mineral Resources include Measured Mineral Resources of 1.0 Mt at 2.7 g/t gold (86 koz gold), Indicated Mineral Resources of 4.3 Mt at 2.8 g/t gold (381 koz gold)

¹ Refer ASX announcement dated 25 June 2020 and titled "Luiri Hill Gold Project Mineral Resource Estimate 851,000 ounces at 2.6 g/t gold". 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.

and Inferred Mineral Resources of 4.9 Mt at 2.4 g/t gold (385 koz gold). The total Mineral Resource is 10.2 Mt at 2.6 g/t gold for 851 koz gold.

Table 1 Dunrobin and Matala Mineral Resources as at June 2020

Deposit	Cut-off grade (gold g/t)	Resource category	Million tonnes	Gold g/t	Gold koz
Dunrobin	0.5 Open pit	Measured	0.8	2.9	69
		Indicated	0.2	2.3	18
		Inferred	0.01	1.5	1
		Sub-total	1.0	2.7	87
	1.0 Underground	Measured	0.3	2.0	17
		Indicated	0.5	2.5	39
		Inferred	0.4	2.4	34
		Sub-total	1.2	2.4	90
Total		2.2	2.5	177	
Matala	0.5 Open pit	Indicated	2.3	2.8	210
		Sub-total	2.3	2.8	210
	1.0 Underground	Indicated	1.3	2.8	114
		Inferred	4.5	2.4	350
		Sub-total	5.7	2.5	464
	Total		10.2	2.6	851

Notes:

- Reported above a gold cut-off grade of 0.5 g/t for open pit potential (within a preliminary pit shell) or 1.0 g/t or underground potential (external to the pit shell).
- Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate.

Leach Pads Mineral Resource

The Company has advised of the presence of large leach pads at Lui Hill containing gold bearing ore. Initially the Company is arranging for a representative sample to be analysed and is planning a drilling, survey and density measurement programme utilising the services of Optiro and Zambian based GeoQuest to enable the preparation of a JORC Mineral Resource estimate for the Leach Pads.

Acquisition

The Company has entered into a binding term sheet to acquire an 85% interest in the Project.

Following shareholder approval for the issue of shares to the project vendors on 20 July 2020, Volt has substantially completed its due diligence enquiries on the Lui Hill Gold Project and is progressing to completion.

Gold Projects Guinea

During the quarter, Volt entered into an agreement, to acquire three highly prospective gold projects located in Guinea, Africa. The projects comprise six permits ("Permits") with a total area of 388km² in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

Guinea Projects and Permits

Volt has six permits and has formed them into three projects – the Kouroussa Project, Mandiana Project and Konsolon Project. See Figure 2 below for the project and permit locations.

The **Kouroussa Project** is formed by three permits, the *Kouroussa*, *Kouroussa West* and *Fadougou* permits. The Kouroussa and Kouroussa West permits border PDI's Kaninko Project which was the subject of a recently announced discovery of high-grade gold mineralization.

The **Konsolon Project** constitutes one large permit named *Konsolon*. The permit has a NW-SE trending soil geochemical anomaly identified by previous explorers.

The **Mandiana Project** is formed by the *Nzima* and *Monebo* permits. The Nzima permit area surrounds the Nzima gold deposit which is operated by small scale miners.



Figure 2. The Permits located in the Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

Exploration activities

During the quarter, the Company announced that exploration activities had commenced at its Guinea Gold Projects located in the Siguiri Basin. The exploration programs are being undertaken by Volt's newly formed Guinea team comprising three geologists led by one expatriate senior geologist and mineral exploration consultancy and drilling company, Sahara Natural Resources.

Volt and the Sahara geology teams have completed the desktop study phase for new Guinea Gold Projects and commenced initial field exploration works.

Konsolon Project

Historical data compilation of the Konsolon Permit has identified multiple "gold in soil" anomalies between 1 to 2.5km in length. This project is located ~20km west from Nordgold's Lefa Gold Mine which has Mineral Resources and Ore Reserves of over 6 million ounces of gold.

The Company has undertaken additional review of the Konsolon legacy soil geochemistry. Multiple gold in soil anomalies were identified of between 1.0km and 2.5km in length across this permit.

Review of soil samples in this dataset has identified high grade gold including 20.25g/t, 12.87g/t, 5.12g/t, 4.97g/t and 3.21g/t.

Volt will collect grab samples across prospective zones prior to undertaking an auger geochemistry program to refine drill targets.

Kouroussa Project

The desktop studies and initial site visits have identified the presence of Birimian greenstone sequences in all Kouroussa Project permits. The geology is similar to Predictive Discovery's (PDI:ASX) permits and the nearby Kouroussa and Kiniero Gold Projects currently in development.

In the Kouroussa area significant artisanal workings have been mapped along a northeast interpreted structural trend through the Kouroussa and Fadougou permits. Gold panning of material from one of the artisanal pits produced visible gold. This structural trend hosts the nearby Predictive Discovery and Cassidy Gold Projects.

Volt has extended its Kouroussa West permit area to the south, doubling its size. Active small scale gold mining has been identified 1.5km south of the permit area.

Mandiana Project

Volt's in-country geology team has commenced field activities in its Monebo and Nzima permits. The Nzima permit is in close proximity to the Nzima large artisanal mining operation. Work completed includes:

- Geological mapping of artisanal workings and collection of grab samples.
- Numerous active artisanal workings have been mapped across both permits.
- A total of 90 grab samples have been collected in Monebo (11 grab samples) and Nzima (79 grab samples) permits. The samples have been despatched to SGS Mali for analysis.

Transaction details

The Company entered into a Share Sale Deed to acquire all of the issued shares in Gold Republic Pty Ltd (Gold Republic), an Australian proprietary company controlled by Volt Chairman, Mr Asimwe Kabunga.

Gold Republic is the legal and beneficial holder of all of the issued share capital in each of Norsk Gold Pte. Ltd, (a registered Singapore entity which in turn is the legal and beneficial holder of all of the issued share capital in Novo Mines Sarlu) and KB Gold Sarlu. Novo Mines and KB Gold hold 100% of the legal and beneficial interests in the Permits.

Completion of the acquisition occurred subsequent to the period end.

Capital Raising

During the quarter, the Company successfully raised A\$800,000 (before costs) to assist with funding the initial exploration programs on the Guinea gold project and to provide working capital for Volt's Tanzanian graphite project and meet corporate costs.

The capital raising was completed through the placement of 160,000,000 new fully paid ordinary shares at A\$0.005 per share (Placement) plus 80,000,000 unlisted options with an exercise price of A\$0.01 and a maturity date 24 months from the date of issue (with each investor to receive one option for every two shares subscribed for under the Placement).

The Placement securities were issued pursuant to Volt's 15% capacity under ASX Listing Rule 7.1.

Mauritian Note Offer

The Note Offer opened on January 27 and is now planned to close by 30 September 2020. The first day of trading of the Notes on the Stock Exchange of Mauritius DEM is expected to be 6 October 2020.

As previously advised (see ASX release dated 28 January 2020), Volt's wholly owned subsidiary Volt Graphite Tanzania Plc ("VGT"), is aiming to raise US\$15,000,000 through the issue of Senior Notes – with a greenshoe option of up to US\$15,000,000 – to raise a total of US\$30,000,000 by way of private placing on the Development and Enterprise Market ("DEM") of the Stock Exchange of Mauritius ("SEM").

Due to the widespread and continuing impact of the COVID-19 pandemic on financial markets where the Senior Notes are being marketed combined with the associated delays as institutions and investment groups change their work arrangements leading to the deferral of investment decisions and travel restrictions significantly impacting the Company's ability to market the Senior Notes, the Company is providing additional time for investors to complete their internal due diligence and investment approval process and allow the Company the opportunity to appropriately market the Senior Notes.

Board and Management Changes and Expenditure Reduction

The Board of Volt Resources was restructured with the resignation of Non-executive Director Stephen Hunt and the Chief Executive Officer, Trevor Matthews, was appointed as Managing Director commencing 1 May 2020.

Combined with the board changes, director fees were reduced effective 1 May 2020 with the Chairman fee reduced to \$3,000 per month and the Non-executive Director fee reduced to \$2,000 per month. The Managing Director will be engaged under a consultancy agreement and will be paid a fixed monthly fee of \$3,000 per month with incremental services charged at an hourly rate of \$200 per hour.

During the period the lease for the serviced office expired and Volt transitioned to a Virtual Office arrangement at quarter end. This change utilises remote working capabilities including the use of video conferencing, further reducing administration overheads.

Cash Position and Mid-Term Funding

The Company finished the 30 June 2020 quarter with \$265k in cash.

With the Company having completed all of the activities to move the Bunyu Graphite Project to its development ready status, Volt is focussed on securing the funding for the Stage 1 development. With the addition of multiple gold projects in two countries, Volt will be preparing plans and budgets to progress the gold assets through a targeted exploration phase in Guinea and expanding the already significant resource base at Luiri Hills along with considering early gold production options based on the significant gold mineralisation within the leach pads at the project site.

To fund these activities Volt will be considering its funding options including equity or quasi-equity issuances in the course of the current quarter.

Related Party Payments

During the quarter \$nil was paid in respect of Non-Executive Directors fees.

Management Commentary

Volt Resources Managing Director Trevor Matthews said: “This has been a quarter of significant change for Volt. The creation of a gold business incorporating our highly prospective grass roots exploration projects in Guinea and a near development ready project in Zambia will provide Volt shareholders with exposure to gold at a time of record prices.

Volt has also made some major board, corporate and operational changes to reduce costs during the course of this year and we continue to work on obtaining the finance to develop Stage 1 Bunyu Graphite Project in Tanzania.”

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

-ENDS-

For further information please contact:

Trevor Matthews Managing Director Tel: +61 8 9486 7788



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About Volt Resources Limited

Volt Resources Limited (“Volt”) is a graphite and gold 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, as well as the creation of a new gold exploration and development business through leveraging the Company’s existing extensive networks in Africa.

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 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 products². 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.

In July 2020, Volt completed the acquisition of the Guinea Gold Projects which comprise 6 permits in Guinea, West Africa having a total area of 388km². The project is located in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt. Volt has also entered into a binding term sheet to conditionally acquire an 85% interest in the Luiri Hill Gold Project located in Zambia. The Luiri Hill Project is an advanced gold project with considerable drilling and studies already undertaken, and has the potential to be developed into a medium scale gold mine in the short term.

² 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.

Competent Person Statement

Information in this release that relates to Exploration Results at the Guinea Gold Projects is based on, and fairly reflects, information and supporting documentation prepared by Mr Beau Nicholls. Mr Nicholls is a Member of the Australian Institute of Geoscientists and a fulltime employee of Sahara Natural Resources. Mr Nicholls has sufficient experience, which is relevant to the nature of work and style of mineralisation under consideration, to qualify as Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nicholls consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the estimation of Mineral Resources is based on information compiled by Mrs Christine Standing, who is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM). Mrs Standing is a full-time employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Standing consents to the inclusion in this announcement of the matters based on her information in the form and context in which it appears.

Appendix 5B

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

Name of entity

VOLT RESOURCES LIMITED

ABN

28 106 353 253

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(26)	(664)
	(e) administration and corporate costs	(139)	(863)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	(105)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	33	33
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(131)	(1,598)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(411)	(948)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	(411)	(948)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	800	3,488
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	(48)	(215)
3.5	Proceeds from borrowings	32	142
3.6	Repayment of borrowings	(4)	(1,537)
3.7	Transaction costs related to loans and borrowings	-	(238)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	780	1,640

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	27	1,171
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(131)	(1,598)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(411)	(948)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	780	1,640

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	265	265

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	265	27
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)	265	27

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
-
-

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,210	1,210
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,210	1,210
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.		
7.1 An 18mth loan of US\$700,000 (AUD\$1,140,000) was received per the ASX announcement of 24 June 2019 with a repayment due at maturity of US\$1,050,000.		
Total loans of \$70,000 has been provided by the Managing Director of the company on arms-length commercial terms basis.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(131)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(411)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(542)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	265
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	265
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.49
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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: The Company has recently completed the acquisition of gold projects in Guinea and is in the process of completing the acquisition of an advanced gold project in Zambia. Plans and budgets are being developed but until they are completed and approved by the board, it is difficult to estimate forward expenditures. It is likely they will exceed current quarterly net operating cashflows.	
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: The Company is reviewing its capital raising options including an equity raising to fund its future activities. It has a history of raising capital and the board is confident it will be able to successfully complete a capital raising.	

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 recent material increase in the Company's share price will facilitate a capital raising to advance the gold business and assist the continuation of work to fund the development ready Bunyu graphite project.

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 July 2020

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 – eg 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.