



ASX ANNOUNCEMENT

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Termination of Zambia Project Acquisition and Guinea Gold Projects Update

African focussed gold and graphite explorer and developer **Volt Resources Limited (ASX: VRC)** ("**Volt**" or "**the Company**") advises that it will not be proceeding with the proposed acquisition of an 85% interest in the Luiri Hill Gold Project. The Company will continue to advance the exploration of its gold projects in Guinea and funding for the development of the Stage 1 Bunyu Graphite Project in Tanzania.

Termination of the acquisition of an interest in the Luiri Hills Gold Project

As announced to ASX on 21 May 2020, Volt entered into a binding term sheet regarding the conditional acquisition of an 85% interest in the Luiri Hills Gold Project in Zambia. The proposed acquisition was subject to (amongst other things) satisfactory completion of Volt's due diligence enquiries as well as the execution of a share sale agreement in a form acceptable to Volt.

Despite prolonged discussions with the Luiri Hills Gold Project vendors in regards to the proposed acquisition, Volt has not been satisfied with the results of its due diligence enquiries (including corporate issues associated with the project holding structure, issues associated with the project licences and community related issues). Further, and subsequent to the execution of the binding term sheet, the Luiri Hills Gold Project vendors requested Volt to commit to acquiring an additional 2.5% interest in the Luiri Hills Gold Project for significant additional consideration as a pre-condition to the proposed transaction (the subject of the binding term sheet) proceeding, which was not acceptable to Volt and not considered to be in the best interests of Volt's shareholders.

Accordingly, Volt will not proceed with the proposed acquisition of an interest in the Luiri Hills Gold Project and has terminated discussions with the project's vendors.

Guinea Gold Projects

Exploration Permits

The Company has previously advised of the conversion of two of its reconnaissance permits, Kouroussa and Nzima, to exploration permits. The conversion of these two permits increased the number of granted exploration permits to three (Konsolon, Kouroussa and Nzima), with two reconnaissance permits (Kouroussa West and Monebo) remaining and one permit which is the process to be converted into exploration permit.

In Guinea, reconnaissance permits are granted for up to 6 months to conduct reconnaissance style exploration activities such as geochemical sampling and geological mapping.

An exploration permit is longer-term with a three-year initial term and two 2-year renewals permitted for up to 7 years in total. Advanced exploration activities including auger, RC and diamond drilling are permitted on exploration permits.

The granting of exploration permits is a significant step forward as it allows the Company to undertake drilling programs on those permits following the completion of drill targeting activities such as desktop geological and data reviews, soil sampling and analysis.

Auger drilling programs

The Company is jointly funding the construction of two auger drill rigs with another Guinea focussed exploration company. A third party will operate and maintain the auger rigs which will be utilised for auger drilling programs being undertaken by both companies. It is expected this arrangement will significantly lower the costs for the auger drilling programs to be undertaken in Q4 2020 and into 2021.

Auger drilling programs have been planned for three exploration permits - Nzima, Kouroussa and Konsolon. The programs will involve a total of 11,385 metres of drilling. The programs will be executed in two phases.

Phase 1 at Nzima and Kouroussa will have a grid of 200m line spacing by 100m drill hole spacing and phase 2 will be infill drilling at a line spacing of 100m by 50m drill hole spacing. At Konsolon, phase 1 auger drilling will be undertaken at a grid of 400m line spacing by 100m drill hole spacing followed by phase 2 with infill drilling at 200m line spacing with drill hole spacing of 100m.

The auger programs have been planned to test the mineralization identified during the reconnaissance grab sampling program undertaken earlier this year on the Nzima and Kouroussa permits and test the historical soil sampling results over Konsolon¹.

The results at Kouroussa included assay results of 1.02 g/t Au, 0.77 g/t Au, 0.46 g/t Au from grab samples. Nzima assay results included 14.5 g/t Au, 2.93 g/t Au, 1.54 g/t Au and 0.86 g/t Au from grab samples.

Historical results at Konsolon identified several soil anomaly areas which included high grade results of 20.25g/t Au, 12.87g/t Au, 5.12g/t Au, 4.97g/t Au and 3.21g/t Au.

The table below is a summary of the total holes and total metres planned for each permit.

Permit	Number of holes	Planned metres
Konsolon	465	6,975
Kouroussa	88	1,320
Nzima	206	3,090

Guinea Gold Projects Summary

Volt has six permits covering an area of 348.7 square kilometres in Guinea's highly prospective Siguiri Basin and has grouped them into three projects – the Kouroussa Project, Mandiana Project and Konsolon Project. See Figure 1 below for the project and permit locations.

The **Kouroussa Project** comprises three permits, the *Kouroussa*, *Kouroussa West* and *Fadougou* permits. The Kouroussa and Kouroussa West permits border the PDI permit which was the subject of a recently announced discovery of high-grade gold mineralization. To the NE, the Kouroussa Permit borders the Kouroussa mine and the Fadougou permit is located 13km NE of the same mine.

The **Konsolon Project** constitutes one prospective permit. The permit consists of several geochemical gold in soil anomalies identified by previous explorers.

The **Mandiana Project** comprises the highly prospective *Nzima* permit and *Monebo* permit. The Nzima permit borders the Nzima artisanal mine and is 15km SW of the 1.1Moz Tri-K Deposit owned by Managem.

¹ Refer to ASX announcement dated 23 July 2020 titled "Guinea Gold Projects Exploration Update". The Company confirms that it is not aware of any new information or data that materially affects the information included in this document.



Figure 1. The Permits located in the Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

Bunyu Graphite Project Update

The Company remains focused on 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.

The Bunyu project has the largest JORC Graphite Resource in Tanzania and one of the largest in the world. It also has the largest JORC Reserve in East Africa. This has been achieved with exploration conducted over only 6% of the total tenement area. It is the project size and the expected significant increase in global demand for flake graphite that support the strategy to develop the Bunyu Project into one of the largest graphite mines in the world.

As a strategy for de-risking the development of a full-scale Stage 2 project, Volt developed a two-stage approach to project development starting with a smaller scale Stage 1 start-up project. As well as establishing local relationships, project development and logistics paths, this will provide commercial quantities for product marketing, developing downstream processing options and will assist the negotiation of offtake contracts for the main Stage 2 development.

The Company has continued with Stage 1 funding discussions despite the disruption experienced with the COVID-19 pandemic, changes in work arrangements and international travel restrictions.

The Company's 100% owned subsidiary Volt Graphite Tanzania ("VGT") continues to maintain good relationships with the local communities even though project development activities are deferred while development funding is being progressed. VGT maintained strong communication through update reports, Resettlement Working Group meetings and meetings with the district government, ward and village leaders.

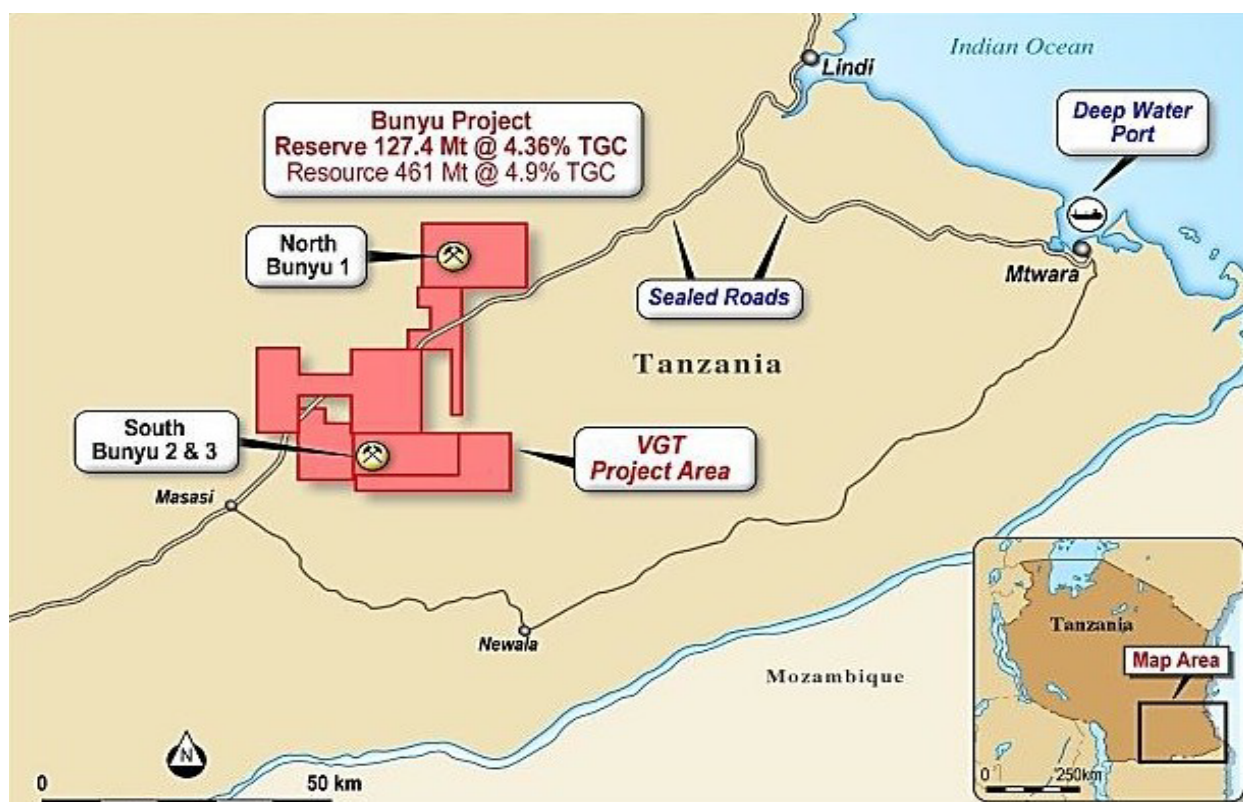


Figure 2. Bunyu Graphite Project location.

-ENDS-

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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 348km². The project is located in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

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.