

VOLTA MINING LIMITED

ABN 22 148 878 782

Financial Report
For the Half Year Ended
30 June 2016

CONTENTS

COMPANY DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	4
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	5
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS	7
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS	9
DIRECTORS' DECLARATION	18
INDEPENDENT REVIEW REPORT	19

DIRECTORS

Non-Executive Chairman

George Lazarou

Managing Director

David Sumich

Non-Executive Directors

Peter Smith

COMPANY SECRETARY

George Lazarou

REGISTERED OFFICE

45 Ventnor Avenue
WEST PERTH WA 6005
Telephone: (08) 9429 8875
Facsimile: (08) 9429 8888

AUDITORS

Moore Stephens
Level 15 Exchange Tower
2 The Esplanade
PERTH WA 6000

SHARE REGISTRAR

Security Transfer Registrars Pty Ltd
Level 1, 770 Canning Highway
APPLECROSS WA 6153

STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: VTM, VTMO

DIRECTORS' REPORT

Your Directors submit the financial report of Volta Mining Limited (the Company) and controlled entities (the consolidated entity) for the half-year ended 30 June 2016.

DIRECTORS

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

George Lazarou
David Sumich
Peter Smith

RESULTS

The net loss of the consolidated entity after tax and non-controlling interest for the half year ended 30 June 2016 is \$419,334 (2015: \$1,549,967).

REVIEW OF OPERATIONS

Hancock Ranges Iron Ore Project

The Company, through Commodite Resources Pty Ltd holds a 100% interest in a number of exploration licences in the Pilbara region including the highly prospective DSO Hancock Ranges Iron Ore Project, which comprises three leases (E47/2606, E47/2607 and E47/2608) targeting BID style iron mineralisation.

During the half year, there were no exploration activities on the Hancock Ranges Iron Ore Project. The Company intends to keep on-hold any exploration plans for the immediate future, given the current iron ore price.

Hamersley Ranges Iron Ore Project

The Company, through Pilbara Commodities Pty Ltd holds a 100% interest in the Hamersley Ranges Iron Ore Project (E47/2855), which is prospective for iron ore.

During the half year, there were no exploration activities on the Hancock Ranges Iron Ore Project. The Company intends to keep on-hold any exploration plans for the immediate future, given the current iron ore price.

Solomon Iron Ore Project

The Company was successful in the Warden Court ballot for tenement E47/3082, and has been recommended for grant. The tenement is located immediately south (~12km) of Fortescue Mining Limited's Solomon – Kings – Firetail operating mines and rail spur line.

eSports Mogul Pty Ltd Transaction

On 2 February 2016 the Company entered into a Binding Term Sheet (**BTS**) to acquire 100% of the issued capital of eSports Mogul Pty Ltd (**ESM**) and a subsequent Share Sale Agreement (**SSA**) on 21 April 2016 and Deed of Variation to the Share Sale Agreement (**Deed of Variation**) on 12 July 2016 that supersedes the BTS, subject to satisfaction of a number of conditions precedent.

ESM's key assets comprise:-

- 10 year exclusive license to operate the eSports online tournament platform of eSports Hero Inc. (**ESH**), a New York domiciled company, in 31 Asia Pacific countries (**Platform Licence Agreement**); and
- A 20% interest in the total issued capital of ESH.

The consideration under the SSA is the issue of the following securities:

- (a) 100,000,000 fully paid ordinary shares to the ESM shareholders in consideration for their ESM Shares (**Consideration Shares**);
- (b) 100,000,000 Class A Performance Shares to the ESM shareholders – conversion upon the Company (or any of its related bodies corporate) achieving any combination of 100,000 ESM

DIRECTORS' REPORT

Subscribers, ESM Customers and/or ESM Players (in aggregate) and 30% Active Users (defined below) within 24 months of the date of issue;

- (c) 100,000,000 Class B Performance Shares to the ESM shareholders – conversion upon ESM achieving annualised EBIT of not less than \$5 million per annum, calculated over 3 consecutive months, within 60 months from the date of issue; and
- (d) \$2 million in Volta Mining Ltd shares to the ESM convertible note holders (**ESM Convertible Note Shares**). The issue price will be at a 50% discount to the Volta Mining Ltd public offer price, which is yet to be determined.

Active User means an:

- a) ESM Subscriber that has been a paying subscriber for at least 3 months in any 6 month period within to the relevant Milestone period;
- b) ESM Customer that has paid for a downloaded game from the ESM Hub Online Store in any 6 month period within to the relevant Milestone period; or
- c) ESM Player who has played in at least five (5) Tournaments in any 6 month period within to the relevant Milestone period.

The Company is required to re-comply with the listing requirements set out in Chapters 1 and 2 of the ASX Listing Rules to complete the transaction.

Corporate

On 27 November 2015 the Company lodged a Prospectus with ASIC in relation to a fully underwritten three-for-four pro rata non-renounceable rights issue (being, three (3) Options for every four (4) Shares held) ("the Rights Issue") of 171,478,207 options for fully paid ordinary shares (Options) to raise \$514,435 before expenses. The price payable on application for each Option was \$0.003, with the Options having an exercise price of \$0.05 exercisable on or before 30 October 2019.

On 22 December 2015 the Company issued 76,660,456 Options with the shortfall of 94,817,751 Options being issued on 6 January 2016.

EVENTS SUBSEQUENT TO REPORTING DATE

On 12 July 2016 the Company entered into a Deed of Variation to the Share Sale Agreement with eSports Mogul Pty Ltd.

No other matters or circumstances 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.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors.



George Lazarou
Chairman

Dated this 5th day of August 2016

Level 15 Exchange Tower
2 The Esplanade,
Perth, WA 6000

PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181

www.moorestephenswa.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF VOLTA MINING LIMITED**

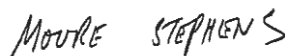
As lead auditor for the review of Volta Mining Limited for the half-year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Volta Mining Limited during the half year.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 5th day of August 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
Revenue from continuing operations	2	2,455	4,889
Gain on settlement of liability	13	-	340,074
Gain on de-recognition of liability	13	-	241,127
Administration expenses		(19,214)	(18,650)
Compliance & professional expenses		(166,095)	(82,743)
Depreciation expense		(1,531)	(1,815)
Employee benefits		(129,320)	(80,243)
Finance costs		(391)	(442)
Impairment of exploration & evaluation expenditure		(9,348)	(1,022,377)
Marketing & promotional		(37,973)	(7,957)
Occupancy		(8,071)	(12,259)
Travel expenses		-	(64,757)
Write off exploration and evaluation expenditure		(1,834)	(2,873)
Project generation		(48,012)	-
Loss before income tax expense		(419,334)	(708,026)
Income tax expense		-	-
Loss from continuing operations		(419,334)	(708,026)
Loss from sale of subsidiary	12	-	(841,941)
Loss from discontinued operations		-	(841,941)
Loss after tax		(419,334)	(1,549,967)
Other comprehensive income		-	-
Other comprehensive income		-	-
Income tax expense		-	-
Other comprehensive income after tax		-	-
Total comprehensive loss for the period		(419,334)	(1,549,967)
Basic & Diluted loss per share (cents per share)		(0.18)	(0.74)
Basic & Diluted loss per share (cents per share) – continuing operations		(0.18)	(0.34)
Basic & Diluted loss per share (cents per share) – discontinued operations		-	(0.40)

The accompanying condensed notes form part of this financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	30 June 2016 \$	31 December 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		192,532	405,074
Other receivables		11,468	3,965
Other assets		11,453	8,317
TOTAL CURRENT ASSETS		215,453	417,356
NON CURRENT ASSETS			
Plant and equipment		7,413	5,212
Exploration and evaluation expenditure	3	300,000	300,000
TOTAL NON CURRENT ASSETS		307,413	305,212
TOTAL ASSETS		522,866	722,568
CURRENT LIABILITIES			
Trade and other payables		20,425	51,085
Provisions		25,511	20,897
TOTAL CURRENT LIABILITIES		45,936	71,982
TOTAL LIABILITIES		45,936	71,982
NET ASSETS		476,930	650,586
EQUITY			
Issued capital	4	17,189,584	17,200,584
Option reserve		2,078,464	1,821,786
Share based payments reserve		388,571	388,571
Accumulated losses		(19,179,689)	(18,760,355)
TOTAL EQUITY		476,930	650,586

The accompanying condensed notes form part of this financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016**

	30 June 2016 \$	30 June 2015 \$
CASHFLOWS FROM OPERATING ACTIVITIES		
Interest received	2,455	4,889
Receipt of rent bond	900	3,547
Payment of rent bond	-	(900)
Payments to suppliers and employees	(413,913)	(229,786)
Net cash used in operating activities	(410,558)	(222,250)
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(12,096)	(6,256)
Payment for plant and equipment	(3,732)	(999)
Proceeds from sale of investment	-	1
Payment of option fee	(10,000)	-
Net cash used in investing activities	(25,828)	(7,254)
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of securities (net of costs)	223,844	-
Net cash provided by financing activities	223,844	-
Net decrease in cash and cash equivalents	(212,542)	(229,504)
Cash and cash equivalents at beginning of period	405,074	693,197
Cash and cash equivalents at end of period	192,532	463,693

The accompanying condensed notes form part of this financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2016**

	Issued Capital	Accumulated Losses	Option Reserve	Share Based Payments Reserve	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2016	17,200,584	(18,760,355)	1,821,786	388,571	-	650,586
Total comprehensive income for the period:						
Loss for the period	-	(419,334)	-	-	-	(419,334)
Other comprehensive income	-	-	-	-	-	-
	-	(419,334)	-	-	-	(419,334)
Transaction with owners in their capacity as owners:						
Option entitlement issue	-	-	284,453	-	-	284,453
Option entitlement issue costs	-	-	(27,775)	-	-	(27,775)
Capital raising costs – Investigating Accountants Report	(11,000)	-	-	-	-	(11,000)
	(11,000)	-	256,678	-	-	245,678
Balance at 30 June 2016	17,189,584	(19,179,689)	2,078,464	388,571	-	476,930
Balance at 1 January 2015	16,732,450	(16,836,729)	1,625,250	388,571	(831,920)	1,077,622
Total comprehensive income for the period:						
Loss for the period	-	(1,549,967)	-	-	-	(1,549,967)
Other comprehensive income	-	-	-	-	-	-
	-	(1,549,967)	-	-	-	(1,549,967)
Transaction with owners in their capacity as owners:						
Shares issued during the period	468,135	-	-	-	-	468,135
Non-controlling interests removed on disposal of a subsidiary	-	-	-	-	831,920	831,920
	468,135	-	-	-	831,920	1,300,055
Balance at 30 June 2015	17,200,585	(18,386,696)	1,625,250	388,571	-	827,710

The accompanying condensed notes form part of these financial statements.

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT

a) Reporting entity

Volta Mining Limited (the "Company") is a Company domiciled in Australia.

The address of the Company's registered office is 45 Ventnor Avenue, West Perth WA 6005. The half year consolidated financial statements of the Company as at and for the six months ended 30 June 2016 comprises the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group primarily is involved in exploration activities in iron ore in the Pilbara region of Western Australia.

b) Statement of compliance

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report, 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.

c) Basis of preparation

The half-year consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year consolidated financial statements are consistent with those adopted and disclosed in the Group's 2015 annual financial report for the financial year ended 31 December 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

d) Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss of \$419,334 for the period ended 30 June 2016 (2015: \$1,549,967).

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately completing the acquisition of eSports Mogul Pty Ltd as noted in the ASX release on 3 February 2016.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- the Directors have an appropriate plan to raise additional funds as and when it is required. In light of the Group's recent market announcement in regards to the acquisition of eSports Mogul Pty Ltd, the Directors believe that the additional capital required can be raised in the market; and
- the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable or the eSports Mogul Pty Ltd acquisition does not proceed.

The accounts have been prepared on the basis that the entity can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016**

e) Significant accounting judgements and key estimates

The preparation of the half year consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these half year consolidated financial statements, significant judgment made by management in applying the Company's accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2015.

f) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

g) Operating segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the consolidated entity's chief operating decision maker which, for the consolidated entity, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of profit and loss and other comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the half year consolidated financial report have been included where applicable.

	30 June 2016 \$	30 June 2015 \$
2. LOSS BEFORE INCOME TAX EXPENSE		
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	2,455	4,889

	30 June 2016 \$	31 December 2015 \$
3. EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases at cost	300,000	300,000
Balance at beginning of reporting period	300,000	1,422,377
Exploration expenditure capitalised during the period	9,348	15,245
Impairment of exploration and evaluation expenditure	(9,348)	(1,132,441)
Exploration written off	-	(5,181)
Balance at end of reporting period	300,000	300,000

The value of the exploration expenditures is dependent upon:

- The continuance of rights to tenure of the area of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest alternatively by their sale.

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016**

	30 June 2016 \$	31 December 2015 \$
--	--------------------	------------------------

4. ISSUED CAPITAL

228,637,609 (2015: 228,637,609) Fully paid ordinary shares	17,189,584	17,200,584
--	------------	------------

Movements in fully paid ordinary shares on issue

	Number of Shares	\$
At the beginning of the period	228,637,609	17,200,584
Capital raising costs – Independent Accounts Report	-	(11,000)
At the end of the period	228,637,609	17,189,584

5. SUBSEQUENT EVENTS

On 12 July 2016 the Company entered into a Deed of Variation to the Share Sale Agreement with eSports Mogul Pty Ltd.

No other matters or circumstances 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.

6. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

7. COMMITMENTS

	30 June 2016 \$	31 December 2015 \$
Operating lease expenditure commitments		
No later than 6 months	2,300	300
Between 6 and 12 months	-	-
Between 12 and 18 months	-	-
	2,300	300

The Company is currently leasing premises on a monthly basis.

	30 June 2016 \$	31 December 2015 \$
Exploration expenditure commitments		
No later than 6 months	30,000	30,000
Between 6 and 12 months	30,000	30,000
Between 12 and 18 months	30,000	30,000
	90,000	90,000

If the Group decides to relinquish certain tenements and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

8. SEGMENTAL REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its mineral exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

8. SEGMENTAL REPORTING (CONTINUED)

Types of reportable segments

(i) Mineral exploration

Segment assets, including acquisition cost of exploration licences and all expenses related to the tenement interests in Western Australia are reported on in this segment.

(ii) Unallocated

Corporate, including treasury, corporate and regularly expenses arising from operating an entity. Corporate assets, including cash and cash equivalents are reported in this segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated entity.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables.

The following represents revenue, profit information, for reportable segments for the period ended 30 June 2016.

30 June 2016	Mineral Exploration \$	Unallocated Items \$	Total \$
Revenue			
Interest Revenue	-	2,455	2,455
Net profit/(loss) before tax from continuing operations:	(11,182)	(408,152)	(419,334)
- Administration	-	(19,214)	(19,214)
- Compliance & professional	-	(166,095)	(166,095)
- Depreciation	-	(1,531)	(1,531)
- Employee benefits	-	(129,320)	(129,320)
- Finance	-	(391)	(391)
- Occupancy	-	(8,071)	(8,071)
- Marketing	-	(37,973)	(37,973)
- Impairment of tenements	(9,348)	-	(9,348)
- Write off tenement expenditure	(1,834)	-	(1,834)
- Project generation	-	(48,012)	(48,012)
Segment assets	300,000	222,866	522,866
Segment liabilities	777	45,159	45,936

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016**

8. SEGMENTAL REPORTING (CONTINUED)

30 June 2015	Mineral Exploration \$	Unallocated Items \$	Total \$
Revenue			
Interest Revenue	-	4,889	4,889
Gain on settlement of liability	-	340,074	340,074
Gain on de-recognition of liability	-	241,127	241,127
Net profit/(loss) before tax from continuing operations:	(1,025,250)	317,224	(708,026)
- Administration	-	(18,650)	(18,650)
- Compliance & professional	-	(82,743)	(82,743)
- Depreciation	-	(1,815)	(1,815)
- Employee benefits	-	(80,243)	(80,243)
- Finance	-	(442)	(442)
- Occupancy	-	(12,259)	(12,259)
- Marketing	-	(7,957)	(7,957)
- Travel & accommodation	-	(64,757)	(64,757)
- Impairment of tenements	(1,022,377)	-	(1,022,377)
- Write off tenement expenditure	(2,873)	-	(2,873)
Net loss before tax from discontinuing operations:	-	(841,941)	(841,941)
- Loss on sale of subsidiary	-	(841,941)	(841,941)
Segment assets	400,000	477,844	877,844
Segment liabilities	405	49,729	50,134

Revenue by geographical region

There is no revenue attributable to external customers for the period ended 30 June 2016 (2015: Nil).

Assets by geographical region

There were no reportable segment assets located outside of Australia as at 30 June 2015 (2015: Nil).

9. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid during the half year. No recommendation for payment of dividends has been made.

10. RELATED PARTIES

Arrangements with the related party continue to be in place. For details of these arrangements, please refer to the 31 December 2015 financial report.

11. SHARE BASED PAYMENTS

(a) Recognised employee share based payment expenses

The expense recognised for employee services received during the period are shown in the table below:

	June 2016 \$	December 2015 \$
Total expense arising from Employee and Director share based payment transactions	-	26,959

11. SHARE BASED PAYMENTS (CONTINUED)

Shares

Shares were issued to an employee pursuant to a shareholders meeting on 28 April 2014 as part of their remuneration package.

The terms of the shares issued were as follows:-

- (a) 1,000,000 Shares were granted and vested on 30 April 2014; and
- (b) 1,000,000 Shares will vest after one year of employment, on 30 April 2015.

Inputs for measurement of grant date fair value

Shares

The grant date fair value of the shares issued was measured based on the closing trading price on the day the shares were issued and allotted, being \$0.082. The fair value of the share based payment is being expensed over the vesting period of the shares. The expense for the half year amounted to \$Nil (2015: \$26,959).

12. DISCONTINUED OPERATIONS

(a) Sale of interest in Volta West Africa Limited

On 30 April 2015, the Company sold its 100% interest in the issued capital of Volta West Africa Limited for consideration of \$1. The loss from discontinued operations for the period was \$Nil (2015: \$4,182).

The results of Volta West Africa Limited to the date the Company sold its 100% interest in the issued capital have been recorded in these financial statements. Financial information in relation to Volta West Africa Limited is set out below.

(i) The financial performance and cash flow information

	2016	2015
	\$	\$
Loss for the period		
Revenue	-	-
Expenses	-	(4,182)
Loss before income tax	-	(4,182)
Income tax expense	-	-
Loss after income tax	-	(4,182)
Less: Non-controlling interest share of loss	-	836
Loss attributable to equity holders of Volta Mining Limited	-	(3,346)
Loss on Sale of Subsidiary (see iii) below	-	(838,595)
Loss attributable to Sale of Volta West Africa Limited	-	(841,941)

Cash flows of Volta West Africa Limited

Net cash outflow from operating activities	-	(1,771)
Net cash outflow from investing activities	-	-
Net cash inflow from financing activities	-	-
Net decrease in cash generated by Volta West Africa Limited	-	(1,771)

12. DISCONTINUED OPERATIONS (CONTINUED)

(ii) Carrying amount of assets and liabilities at date of sale

The carrying amount of the assets and liabilities of Volta West Africa Limited as at 30 April 2015 were as follows:-

	2016	2015
	\$	\$
Assets		
Cash and cash equivalents	-	2,842
Total assets	-	2,842
Net Assets	-	2,842

(iii) Details of the sale of interest held in Volta West Africa Limited

The sale of the Company's 100% interest in the issued capital of Volta West Africa Limited was completed on 30 April 2015 and cash consideration of \$1 was received.

	2016	2015
	\$	\$
Consideration received or receivable:		
Cash	-	1
Carrying amount of net assets sold	-	2,842
Less: Non-controlling interests recognised in equity	-	(841,438)
Loss on sale before income tax	-	(838,595)
Income tax expense	-	-
Loss on sale after income tax	-	(838,595)

13. FAIR VALUE MEASUREMENTS

The Group measures and recognises the obligation for contingent consideration arising from a business combination at fair value on a recurring basis after initial recognition. The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

13. FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation Techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:-

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; or
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset as its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Groups assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2016			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Liabilities</i>				
Contingent consideration arising from acquisition of Pilbara Commodities Pty Ltd	-	-	-	-
Total liabilities recognised at fair value	-	-	-	-

b) Valuation Techniques and Unobservable Inputs Used to Measure Level 3 Fair Values

Contingent consideration arising from acquisition of Pilbara Commodities Pty Ltd

On 5 February 2014, the Company acquired all the issued capital of Pilbara Commodities Pty Ltd. In acquiring Pilbara Commodities Pty Ltd, the Group incurred a contingent consideration liability consisting of an obligation to make an additional payment in fully paid ordinary shares provided various milestones are met.

The fair value of the contingent consideration \$Nil (2015: \$Nil) is measured using a discounted cash flow methodology and determined on the basis of the agreed consideration to be paid for achieving each of the milestones within the time period, weighted by the probability of meeting each milestone. The discount rate used is based on the Group's weighted average cost of capital.

The following table provides qualitative information regarding the key significant unobservable inputs, the ranges of those inputs and the relationships of unobservable inputs to the fair value measurement:

13. FAIR VALUE MEASUREMENTS (CONTINUED)

Significant Unobservable Inputs Used	Range of Unobservable Inputs Used	Estimated Sensitivity of Fair Value Measurements to Changes in Unobservable Inputs
Probability of achieving milestone – 0%	0%	If the probability rate is 5% higher/lower, the fair value would increase/decrease by \$31,124.
Discount Rate (risk adjusted) – 20%	15%-25%	If the discount rate is 1% higher/lower, the fair value would decrease/increase by \$Nil.

Valuation processes

Given the size of the organisation, the Board of Directors, amongst other things, manage the risk exposures of the Group. The Group's finance department calculates the fair value of the contingent liability on a six monthly basis in light of the exploration undertaken on the tenements and likelihood of meeting the milestones. The Company uses a discounted cash flow model that is prepared internally. Any significant movements in the contingent liability are reported to the Board on a six monthly basis.

There has been no change in the valuation technique used to measure the fair value of the contingent consideration liability since the parent entity acquired control of Pilbara Commodities Pty Ltd.

There were no significant interrelationships between the unobservable inputs that could materially affect the fair value of the contingent consideration.

Reconciliation of Recurring Fair Value Measurement Amounts

	30 June 2016	30 June 2015
	\$	\$
Movements in level 3 assets and liabilities during the current financial half-year are set out below:		
Opening Balance	-	1,022,377
Settlement made during the period	-	(441,176)
Gain on settlement of liability	-	(340,074)
Gain on de-recognition of liability	-	(241,127)
	-	-

On 3 June 2015, a contingent consideration liability was met and settled through the issue of fully paid ordinary shares.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

The financial statements and notes, as set out on pages 5 to 17:

1. (a) comply with the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
(b) give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial half-year ended on that date.
2. 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 made in accordance with a resolution of the Board of Directors.



George Lazarou
Chairman

PERTH
Dated this 5th day of August 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

VOLTA MINING LIMITED

Level 15 Exchange Tower
2 The Esplanade,
Perth, WA 6000
PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephenswa.com.au

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Volta Mining Limited and controlled entities (the consolidated entity) which comprises the condensed statement of financial position as at 30 June 2016, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 30 June 2016.

Director's Responsibility for the Half-Year Financial Report

The directors of Volta Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that 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 Standards 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 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 30 June 2016 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporation Regulations 2001. As the auditor of Volta Mining Limited and controlled entities, 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*.

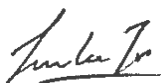
Conclusion

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 Volta Mining Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

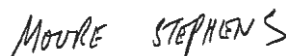
- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter – Material Uncertainty Regarding Going Concern

Without qualifying our audit conclusion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(d) Going Concern, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern. The financial report has been prepared on a going concern basis. At 30 June 2016, the consolidated entity had cash assets of \$192,532 and incurred a net loss after tax of \$419,334 and net operating cash outflow of \$410,558. The ability of the consolidated entity to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon achieving the outcomes described in Note 1(d). In the event that these outcomes cannot be realised, the consolidated entity may not be able to meet its liabilities as they fall due, and the consolidated entity may be unable to realise its assets in the normal course of business and at amounts stated in the financial report.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth, Western Australia this 5th day of August 2016.