



VOLT

RESOURCES

ASX ANNOUNCEMENT

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SECURING KEY STAKEHOLDER SUPPORT FOR NAMANGALE PROJECT DEVELOPMENT

HIGHLIGHTS

- **Key stakeholder meetings across three important areas undertaken**
- **Solid support for the Namangale Project from national and regional Governments**
- **Infrastructure requirements assessed and action plan on upgrades underway**
- **Considerable progress made with Environmental Social Impact Assessment**
- **Community engagement undertaken and residents looking forward to positive economic multiplier effects from the Namangale Project**
- **Management well apprised on community expectation and requirements**
- **On track to submit mining licence application by 1Q 2017**
- **PFS scheduled to be completed this quarter**

INTRODUCTION

Volt Resources Limited's (**ASX: VRC**) ("**Volt**" or the "**Company**") team in Tanzania are continuing to steadily progress de-risking the Namangale Project on a number of fronts ahead of the release of the Pre-Feasibility Study ("**PFS**") this quarter. Another important milestone, which links in with the PFS and Bankable Feasibility Study ("**BFS**"), is working towards submitting an application for a mining license which the Board is targeting to submit during 1Q 2017.

The planning process commenced in June 2016 and comprises three broad areas to review:

- Engagement and discussions with authorities;
- Infrastructure requirements; and
- Social environment impact assessment.

The Board is acutely cognisant that fully complying with local regulations, being proactive with community engagement and managing cultural issues are critical to meeting the Namangale Project production timelines. These soft issues must be progressed while simultaneously ensuring the Project's access to critical infrastructure (power, roads, deep water port) is not compromised.

To provide shareholders with perspective on progress on these fronts, drilled down updates and high-level summaries of stakeholder meetings that have been held in recent weeks follow:

ENGAGEMENT AND DISCUSSIONS WITH AUTHORITIES

Arranging meetings with senior administrators within the regions and districts that mining operations will impact is important to gauge sentiment and ascertain what mitigating measures, if any, need to be undertaken. As the key regions the Namangale Project impacts are Lindi and Mtwara, Volt's representatives recently met with high level stakeholders.

Key takeaways from the meetings are summarised below:

Mtwara - Regional Commissioner

- Delighted a sizeable graphite mining project of this nature is being proposed in the region
- Advised about infrastructure and logistical requirements for the Project plus necessary upgrades for power, transport and capacity at Mtwara Port.
- Stated he was fully supportive of ensuring that all gaps in current infrastructure would be developed ahead of mining commencing, provided regulatory approvals are secured.

Lindi - Regional Administrative Secretary

- Fully supports the development of the proposed Namangale Project as it will generate much needed employment opportunities for local residents.
- The Secretary recommended thorough engagement with local communities to ensure their full support.
- Adhere strictly to Corporate Social Responsibility doctrine and environmental protocols.

Lindi - District Commissioner

- Encouraged thorough engagement with all stakeholders and surrounding communities
- Strongly advocated undertaking an afforestation programme from the commencement of mining operations.

Lindi - Rural District Executive Director

- Advised contributing resources towards upgrading social services within the vicinity of the Namangale Project.
- Conduct frequent consultative meetings with the local Government authority to ensure ongoing harmony among all stakeholders.

INFRASTRUCTURE REQUIREMENTS

One of the comparative advantages of the Namangale Project is its relative close proximity to critical infrastructure. Notably, sealed roads run through the tenements, mains power is close by and Mtwara Port is 140km away. Part of the existing infrastructure will need to be upgraded before mining operations commence. Volt's team is across the issues that need to be addressed and has already progressed preliminary engagement with national Government departments, detailed below:

National Government

- Letter sent to Tanzania's Prime Minister in May 2016 that introduced Namangale Project.
- Subsequent meetings with Deputy Permanent Secretary Ministry of Energy and Minerals and Commissioner for Minerals on infrastructure requirements to facilitate the Namangale Project's development.

- Upon completion of the PFS, further stakeholder meetings are set to take place with Ministry of Works, TANESCO (the power utility), TANROADS (the roads agency) and the Tanzania Port Authority.

At an operational level, to gain direct insight on what infrastructure upgrading needs to be done, input was received from the Mtwara Port Master (Figure 1) and the Lindi TANROADS Manager:

Mtwara Port Master

- Advised Volt representatives about the current availability of storage space and handling capacity at the port.
- He outlined different development phases to increase the port's handling capacity because of growing activities.
- Main recommendation: once production capacity is established for the Namangale Project, Volt should seek to connect with Tanzania Port Authority head office to secure space allocation at Mtwara Port.



Figure 1: Volt's representatives meeting with Mtwara Port Master and reviewing facilities

Lindi - TANROADS Manager

- TANROADS Manager highlighted the importance of forward planning. Noting that many new mining projects in the planning stages, most have not yet contacted TANSROADS to outline their expected road usage.
- TANROADS are now planning for major road upgrades in the regions but they need significantly more information on what upcoming mines intend to roll out.
- A number of district and village roads need major upgrades to handle the expected higher load once future proposed graphite mines start to come on line.

ENVIRONMENTAL SOCIAL IMPACT ASSESSMENT ("ESIA")

An integral part of the mining license application is the environmental and social aspects of the Namangale Project. Volt is leveraging the expertise of its experienced Tanzanian consultant, Tansheq, which is making solid progress navigating through the ESIA process.

The process initially requires registering the Namangale Project with the National Environmental Management Council ("**NEMC**"). It culminates in a detailed report being submitted to NEMC comprising:

- A description of the proposed Namangale Project;
- Potential environmental impact and social issues arising from the Project;
- Review of issues from stakeholder engagement meetings;

- Potential alternatives; and
- Thorough plan of study for the impact assessment phase.

Volt's team is part way through this process, but a summary of key stakeholder meetings provides some key insights that management is factoring in as it progresses the ESIA agenda:

Regional Environmental Management Officer

- Pointed out that his office will provide further input during the ESIA process to best ensure the Project is able to secure a social licence.
- This is required to ensure development and mining operations run smoothly with local communities.

Resident Mines Officer

- Confirmed support for the Project.
- Facilitate ensuring alignment and collaboration with Volt representatives in educating the community on the processes involved during the Project's development.
- Advised informing residents of the benefits the Project would yield i.e. employment opportunities.

Residents of nearby Namangale town and Utimbula villages

- Solid turn out by residents, including leaders, to the meeting with Volt's representatives (Figure 2) in late September 2016.



Figure 2: Meeting with residents of nearby Namangale town and Utimbula villages

- During the meeting, many residents expressed their views, and asked numerous questions about the Namangale Project.
- Generally, residents indicated their support for the Project and hoped it enhances economic development through boosting direct and indirect employment.
- Further, they hoped positive economic multiplier effects would encourage new businesses to open and improvements in infrastructure such as water supply, roads and schools.
- Finally, they expect complete respect for their cultural heritage and the Namangale Project not to encroach on places of worship and burial sites.

Executive Chairman, Stephen Hunt commented: "These stakeholder meetings are a critical part of the due process necessary to ensure Volt's pathway to production is not delayed. Having support from all levels of Government for the Project, but particularly the acknowledgement and need to upgrade infrastructure, is a huge asset. More importantly, however, is ensuring strict compliance with Tanzania's environmental laws, understanding the local culture as well as establishing harmonious and mutually respectful working relationships with local communities. The Board is highly encouraged with the progress being made in Tanzania and is optimistic the mining application for the Namangale Project can be submitted during 1Q 2017."

Conclusion

The Board of Volt Resources is delighted with the support it is receiving for the development of the Namangale Project at both community and Government levels in Tanzania. This support is highly valued by management as the company works towards finalising the Pre-Feasibility Study which is on track for completion this quarter.

For and on behalf of Volt Resources Limited



Stephen Hunt
Volt Resources Limited