



## ASX ANNOUNCEMENT

By e-lodgement

27 January 2023

# Zavaliievsky Graphite Update

Graphite producer and battery materials developer **Volt Resources Limited (ASX: VRC)** (“**Volt**” or “**the Company**”) provides the following update regarding the status of operations at the Zavaliievsky Graphite mine and processing plant (“**ZG**”).

As announced to the market<sup>1</sup>, ZG recommenced operations on 1 August 2022 following lengthy periods of significant disruption due to the Russian invasion of Ukraine in late February 2022. European suppliers required payment in advance of delivery of operating consumables and maintenance spares to the Zavallya operations which, combined with extended product payment terms from customers, created a large working capital deficiency.

Volt proceeded with the raising of capital to, amongst other uses, provide funds to ZG to address the working capital deficiency. In November 2022, energy supply disruptions commenced due to Russian missile attacks on power generation facilities affecting the entire Ukraine energy grid. Combined with the continuation of supply disruptions, this has resulted in ZG management being unable to recommence production prior to the Ukraine winter. ZG usually ceases operations during winter, as temperatures below freezing cause issues with pumping of process water supply and tailings material. Energy supply disruptions continue and with winter conditions lasting to approximately March 2023, ZG operations remain suspended at this time.

Graphite production of 846 tonnes during August was achieved from only 14 days of processing operations with an average of 60.5 tonnes of graphite product per day prior to the working capital and supply chain issues suspending production. This production has been sold, apart from approximately 30 tonnes retained for battery anode material testwork and other uses, with prices achieved during the December 2022 quarter ranging between €520 per tonne FCA for low grade fine material to €\$1,900 per tonne DAP for purified graphite grading 99.5%TGC.

Volt and ZG management continue to monitor the situation, address the issues, and define the best way forward. As new information becomes available, the Company will provide further updates to the market.

**-ENDS-**

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

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<sup>1</sup> Refer to ASX announcement dated 6 September 2022 titled “Zavaliievsky Graphite Production On Target Following Strong First Month” and the “Quarterly Activities Report to 30 September 2022” dated 31 October 2022.

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**About Volt Resources Limited**

Volt Resources Limited (“Volt”) is a graphite producer/developer and gold exploration company listed on the Australian Stock Exchange under the ASX code VRC. Volt has a 70% interest in the Zavalievsky Graphite business in Ukraine. Zavalievsky is in close proximity to key markets with significant developments in LIB facilities planned to service the European based car makers and renewable energy sector. ZG benefits from an existing customer base and graphite product supply chains based on excellent transport infrastructure covering road, rail, river, and sea freight combined with reliable grid power, ample potable ground water supply and good communications<sup>2</sup>.

Volt acquired three licence applications that are considered to be prospective for lithium-borate mineralisation. The licence applications are in respect to a total area of 291km<sup>2</sup>, located in Serbia and are west and south-west of the Serbian capital, Belgrade<sup>3</sup>.

Volt is progressing the development of its large wholly-owned Bunyu Graphite Project in Tanzania, as well as gold exploration in Guinea 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 products<sup>4</sup>. 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.

The Guinea Gold Projects comprise 6 permits in Guinea, West Africa having a total area of 348km. The Projects are located in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

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<sup>2</sup> Refer to Volt’s ASX announcements titled “Volt to Acquire European Graphite Business following Completion of Due Diligence” dated 14 May 2021 and “Completion of the ZG Group Transaction Following Execution of New Convertible Securities Facility” dated 26 July 2021.

<sup>3</sup> Refer to Volt’s ASX announcement titled “Strategic European Lithium Acquisition – Jadar North” dated 18 November 2021.

<sup>4</sup> 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.