



VOLT
RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

7 June 2022

**BUNYU GRAPHITE OFFTAKE LOI SIGNED
WITH GLOBAL BATTERY ANODE MATERIAL PRODUCER**

Highlights

- **Letter of Intent (LOI) signed with listed battery anode material producer Graphex Group Limited subsidiary, Graphex Technologies LLC, for the sale of 5,000 tonnes per annum of Bunyu Graphite fine natural flake product for a 10-year term**
- **Graphex Technologies is a volume producer of spherical graphite for Li-Ion Battery anodes and has recently filed for a proposed listing on the NYSE, America**
- **By mutual agreement the offtake volume can be increased to 10,000 tonnes of Bunyu product for any 12-month period**
- **LOI is non-binding but contemplates that within sixty (60) days the parties will enter into a definitive offtake agreement on the same terms**
- **Negotiations are continuing with other parties for additional offtakes for the Stage 1 Bunyu Project**

Graphite producer and battery materials developer **Volt Resources Limited (ASX: VRC)** (“**Volt**” or “**the Company**”) is pleased to announce the execution of a Letter of Intent for the sale of 5,000 tonnes of fine flake graphite product annually for a term of 10 years from the Bunyu Graphite Project. The LOI is non-binding and includes a provision for the parties to enter into a definitive offtake agreement within 60 days. The LOI was signed by 100% Volt subsidiary, Volt Graphite Tanzania Ltd, with Graphex Technologies LLC (“**Graphex**”).

Graphex Group President, John DeMaio, said “The opportunity to align with Volt Resources fits perfectly into Graphex’s goal to augment and diversify the upstream supply of high-quality natural graphite to meet the growing demands of EV production in the US and worldwide.”

“We look forward to exploring the possibility of expanding the relationship with Volt in the future to include higher volumes from Bunyu and potentially additional Volt assets.”

Volt Managing Director, Trevor Matthews commented: “We are very pleased to secure this Letter of Intent for our Bunyu Product, and Volt is delighted to be partnering with such a highly-respected company such as Graphex.

“The Company looks forward to completing the definitive offtake agreement with Graphex for the Bunyu graphite product. With strong demand in the graphite market, we are continuing to progress discussions with additional parties in respect to further offtake opportunities.

“Looking ahead, Volt remains firmly focused on obtaining the development funding for the Bunyu Project and moving towards construction and first production. We look forward to providing shareholders with further updates on progress in the near-term.”

Further information regarding the LOI terms is included in the table below.

About Graphex Group

Graphex Group Limited is listed on the Hong Kong Stock Exchange (stock code 6128) and its ADRs are currently traded on the US OTCQX (code GRFX). It has its principal and administrative offices in Hong Kong and subsidiary office in Royal Oak, Michigan USA. Graphex is focused on the development of technologies and products for the enhancement of renewable energy, particularly the enrichment of spherical graphite and graphene, key components for EV batteries and lithium-ion batteries for other use cases. With a manufacturing facility in Heilongjiang Province, Graphex is strategically located near one of the world’s largest high-quality sources of natural flake graphite raw material. Graphex Group is currently among the top suppliers of specialized spherical graphite to the EV and renewable energy industries and holds 23 patents in areas including products, production methods, machinery design and environmental protection.

For more information regarding Graphex Group visit <https://graphexgroup.com/>

Material Terms of the LOI

Term	Ten (10) years from the commencement of operations and production of the first output of Product from the Mine (“Commencement”), and subject to mutual agreement between the Parties, the Term may be extended for up to two (2) mutually exclusive five (5)-year periods,
Purchase/Sale (Annual Volume)	During each 12-month period following Commencement of the Mine, Graphex shall purchase and Volt shall sell, a minimum of 5,000 tons of Product per annum, and subject to mutual agreement up to a maximum of 10,000 tons of Product.
Delivery	FOB Dar es Salaam port
Pricing	Market price for each delivery
Conditions	Non-binding LOI. Parties’ obligations under the Offtake Agreement will be subject to such conditions as may be mutually agreed between the parties, including without limitation force majeure and Graphex’s completion and commencement of production of its graphite processing facility to be established in North America, currently contemplated within the Detroit, Michigan, USA metropolitan area.
Specifications	Natural flake graphite with grade between 94% and 96% fixed carbon or greater with particle size of +325# to -100#. Further specifications for ash, volatiles and moisture.

Definitive Offtake Agreement	Commencing promptly following full execution hereof, the parties shall negotiate in good faith the specific economic and legal terms of the Offtake Agreement. Such agreement will contain customary representations, warranties, covenants, indemnifications and conditions, both as described in the LOI as well as such other terms as the parties may agree upon.
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This announcement was authorised for release by the Board of Volt Resources Ltd.

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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% controlling 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 communications¹.

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 291km², located in Serbia and are west and south-west of the Serbian capital, Belgrade².

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 products³. 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.

¹ 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.

² Refer to Volt’s ASX announcement titled “Strategic European Lithium Acquisition – Jadar North” dated 18 November 2021.

³ 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.