



**ASX ANNOUNCEMENT**

By e-lodgement

29 October 2021

**Quarterly Activities Report to 30 September 2021**

**Highlights:**

**Graphite**

- Volt successfully completed the acquisition of a 70% controlling interest in the ZG Group to become a graphite producer in Europe
- New US\$4.0 million convertible security entered into with SBC Global Investment Fund and drawn down in full to fund ZG Group US\$3.8 million completion payment
- Agreement reached with ZG Group vendors to defer the final US\$3.8 million payment from 6 months to 12 months after completion
- The completion of the acquisition positions Volt significantly ahead of most of its peer graphite companies to become a graphite producer without the usual greenfield financing and development risk
- Key features of the Zavalievsky Graphite business include:
  - Production of graphite products to supply traditional European industrial markets including refractories, electrodes, lubricants, gaskets/seals, brake linings, etc.
  - Provides Volt with the opportunity to become a producer of spherical purified graphite for the Lithium-ion (LIB) battery anode market in Europe
  - Low labour costs, grid power, ample potable water and good communications
  - Experienced technical, operations and marketing personnel
- Zavalievsky Graphite ("ZG") foreign and historical graphite mineralisation estimate of 22.913Mt at a grade of 6.8% carbon<sup>1</sup> announced post quarter end

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<sup>1</sup> Refer to ASX announcement dated 18 October 2021 titled "Expansion Potential For Zavalievsky Graphite Supported By Graphite Mineralisation Estimate". Volt confirms that it is not aware of any new information or data that materially affects the information included in the announcement.

- Multi-decade mine life based on current production capacity of graphite mine and processing plant.
- The foreign and historical estimate is a subset of the overall ZG graphite deposit.
- Volt joined the European Raw Materials Alliance (ERMA)
- Tanzanian graphite project funding discussions with African development banks continued during the quarter
- Innovative inverted flowsheet used to produce coated spherical purified graphite (CSPG) for battery anode material (“BAM”) from Bunyu graphite
  - Test work program undertaken by U.S. company AETC as part of a technology integration program including long-term cycle testing of Bunyu graphite for lithium ion batteries (LIB)
  - Excellent results achieved from cycle testing to date

## **Gold**

- Volt completed its expanded Guinea gold projects’ auger drilling exploration campaign and post quarter end received all sample assay results
- The final auger campaign results extended the Kouroussa anomalies and identified new large geochemical gold anomalous areas in Konsolon and Nzima. The anomalies include<sup>2</sup>:
  - two major NW-SE trending anomalies of 1,400 metre and 1,050 metre in length in Konsolon which are open along strike
  - one large NW-SE trending anomalous area in Nzima with total strike length of 600 metres which is open at both ends along strike
  - Kouroussa anomalies extend for over 1,000 metres in total and remain open to the SE.

## **Corporate**

- Volt raised \$5.75 million via a placement to existing shareholders, new sophisticated investors, funds, institutions and Volt’s Chairman (subject to shareholder approval)
- Appointment of European Investor Relations Specialist and Corporate Advisor and commencement of trading on Tradegate exchange in Germany

Graphite producer and battery anode material developer Volt Resources Limited (**ASX: VRC**) (“**Volt**” or the “**Company**”) is pleased to report on the Company’s activities for the quarter ended 30 September 2021.

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<sup>2</sup> Refer to ASX announcement dated 6 October 2021 titled “Major Gold Anomalies Identified In Konsolon And Nzima Permits”. Volt confirms that it is not aware of any new information or data that materially affects the information included in the announcement.

## **Management Commentary**

**Volt Resources Managing Director, Trevor Matthews, stated:** *“The completion of the ZG acquisition during the quarter was very satisfying. Volt is now in a position to improve the ZG business not only operationally, but also implement improved ESG practices. From the short period we have been a shareholder in the business Volt sees enormous opportunities to improve its performance in a number of areas and leverage its large resource base to scale up its graphite production in Europe.*

*This will assist Volt to deliver on its strategy to become a key supplier of natural flake graphite products and battery anode material to the growing EV and other graphite markets based on an integrated mine-to-customer supply chain.”*

## **September 2021 Quarter Activities Overview**

The September 2021 quarter saw Volt progress to become a graphite producer based on the acquisition of a 70% controlling interest in the Zavalievsky Graphite (“**ZG**”) business in Ukraine, the completion of the auger drilling programme in Guinea in addition to the continuation of funding activities to advance to the development stage of its Bunyu Graphite Project in Tanzania.

The Company announced the completion of the ZG acquisition on 27 July 2021. The completion of the acquisition immediately transformed Volt into one of the few ASX-listed graphite producers. The Zavalievsky mine and processing facilities are located adjacent to the town of Zavally, approximately 280 kilometres south of the Ukraine capital of Kyiv and 230 kilometres north of the main port of Odessa.

During the quarter, the EU and Ukraine launched a strategic partnership on raw materials, with the aim of achieving a closer integration of raw materials and batteries value chains. In July 2021 EU Vice-President Maroš Šefčovič and Prime Minister of Ukraine Denys Shmyhal signed a Memorandum of Understanding underpinning the partnership.

Volt joined the European Raw Materials Alliance (“**ERMA**”) in August 2021. Launched by the European Union Commission in September 2020, the ERMA network brings together a number of organisations from the public and private sectors covering the entire raw materials value chain.

The alliance is initially focused on increasing EU resilience in the supply chains for batteries, fuel cells and rare earth magnets and motors.

The alliance is a unique network of organisations across the raw materials value chain consisting, to date, of 130+ companies, 50+ associations, 20+ universities and research organizations, and several financial institutions, national authorities, ministries and NGOs in Europe and beyond.

The strategic scope of the ERMA entails the identification of investment cases to build capacities across raw materials value chains, from mining to recovery and product design for a circular economy.

More information about the ERMA can be found at <https://www.erma.eu>

Volt looks forward to being an active member of the European Battery Alliance and the ERMA given the product, supply chain and investment support and facilitation that both alliances provide.

During the September 2021 quarter the exploration team completed the first phase of the auger drilling campaign, and post quarter end received all auger drilling assay results. The auger drilling campaign identified four drilling targets.

The Company remains focused on the two stage development of its wholly-owned Bunyu Graphite Project in Tanzania and continued with project development funding discussions during the quarter.

Volt successfully completed a share placement to sophisticated and professional investors during the quarter at \$0.025 per share raising \$5.05 million (before costs). In addition, Volt's Chairman, Asimwe Kabunga, subscribed for an additional \$700,000 on the same terms as the Placement for a total capital raising of \$5.75 million.

More detailed information on the Company's September 2021 quarter activities follows.

## **Graphite**

### **Zavalievsky Graphite - Ukraine**

#### ***Zavalievsky Graphite Business Acquisition***

On 27 July 2021 Volt advised that it had completed the acquisition of a controlling 70% interest in the Zavalievsky group of companies (the "**ZG Group**") following the payment of US\$3.8 million to the selling shareholders ("**ZG Vendors**"). The ZG Vendors agreed to an extension of the second payment from 6 months to 12 months after completion of the transaction. Accordingly, the second instalment of the purchase price will become payable in July 2022.

The completion of the acquisition immediately transformed Volt into one of the few ASX-listed graphite producers.

Following a lack of investment in the business by the previous owners, recent periods of graphite oversupply and reduced product sales in Europe in 2020 due to COVID restrictions, the ZG business is operating at well below nameplate capacity. Volt plans to improve the performance of the business with close attention to improved environmental management and sustainable operations including programs to minimise the operation's carbon footprint, development of stakeholder relationships and social investment combined with improved governance throughout ZG.

#### ***ZG Acquisition Financing***

The completion of the ZG Group acquisition was funded from proceeds received from a US\$4 million convertible securities agreement entered into with SBC Global Investment Fund, an investment fund associated with SBC Global Investors (**New Facility**). SBC Global Investors seeks to make non-control direct investments in growth companies following a detailed assessment of the company's assets, management quality, industry structure and operating trends. A summary of the key terms of the New Facility was set out in the ASX announcement titled "*Completion of the ZG Group Transaction*" released 27 July 2021.

Volt had previously intended to complete the ZG Group acquisition using funds that it sought to draw down under a US\$8.5 million loan facility entered into with European investment company JES Green Investments Ltd. JES Green Investments Ltd defaulted on the provision of funding under that loan agreement requiring Volt to source new funding in order to complete the ZG Group acquisition. Volt terminated the loan agreement and reserved its rights as a consequence of JES Green Investments Ltd not meeting its obligations under the loan agreement.

### ***Zavalievsky Graphite Business Description***

The graphite mine and processing facilities are located adjacent to the town of Zavallya, approximately 280 kilometres south of the Ukraine capital Kyiv and 230 kilometres north of the main port of Odessa.

Importantly, the Zavalievsky Graphite business has the following significant advantages for Volt:

- Located in Eastern Europe, the Zavalievsky Graphite business 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.
- Makes graphite products across the range and has the potential to significantly increase its large flake production.
- Multi-decade, producing mine that has further exploration upside.
- Existing customer base and graphite product supply chains which Volt expects to be able to leverage off in developing its existing Bunyu graphite project in Tanzania.
- Excellent transport infrastructure covering road, rail, river and sea freight combined with reliable grid power, ample potable ground water supply and good communications.
- An experienced workforce which can assist with training, commissioning and ramp-up for the Bunyu development.
- A 79% interest in 636 hectares of freehold land, with the mine, processing plant and other buildings and facilities located on that land.



**In pit graphite mining operations**



**Final stage flotation cells**

Further information regarding the ZG Group can be obtained from Volt's ASX announcement "*Proposed Acquisition of a 70% Shareholding in European Graphite Producer*" dated 5 February 2021 as well as the ZG Group's website <https://zvgraphit.com.ua/> A drone video of the mine and processing facilities and the local area and township of Zavallya can be viewed at <https://voltresources.com/zavalievsky-graphite-acquisition/>

### ***Post Acquisition Activities***

Since the acquisition settlement date on 27 July 2021, Volt has been progressing with changes in the governance and organisation structure within the ZG group. Volt has plans to provide working capital for the ZG business when it is satisfied that the group companies charters (constitutions) are appropriate for shareholder, board and executive management to operate and make decisions within an appropriate organisation structure with clear delegation of authorities, appropriate internal controls and transparent reporting. ZG's charters also prevented the appointment of a Volt selected CEO to manage the entire group business and also was restricting the ability to appoint a Volt selected CFO. Volt considered that without these changes being implemented, it was not in the best interest of Volt shareholders to proceed with advancing funds to the ZG business.

These changes and other significant decision making changes have recently been formalised following agreement with the 30% minority shareholder. Following the engagement of the new ZG CEO and CFO, Volt is now progressing with advancing funds to the ZG business to resolve working capital issues that have substantially impacted the September 2021 quarter production and sales and is looking forward to improved production and sales performance in future periods.

### ***Zavalievsky Operations***

The ZG business was acquired on 27 July 2021. The following production information is for the entire quarter. Due to a lack of investment by previous shareholders and low production and graphite prices in 2019 and 2020, the ZG operations have been severely restricted by a lack of working capital, and plant and mobile equipment maintenance, which affected operating availability. This has impacted on the mining and processing operating performance and the ability to source operating consumables and contractor services to continuously operate during the quarter.

For the quarter the plant was operating for approximately only 14 days out of a possible 92 days.

<b>Mining</b>	<b>30 Sept 2021 Quarter</b>	<b>Year to Date 30 Sept 2021</b>
Ore Mined (t)	25,964	25,964
Waste Mined (t)	94,971	94,971
Waste to Ore Ratio	3.66	3.66
Ore Grade Mined (C%)	5.0%	5.0%

The lack of waste removal in previous periods will temporarily increase the volume of waste to be mined and transported to the waste dump. Once a new mining schedule is developed, the Company will be able to provide guidance on future ore production and waste removal. During the quarter major maintenance was undertaken on a number of items of mobile equipment to improve their availability once working capital funding becomes available and mining operations can resume.

<b>Processing</b>	<b>30 Sept 2021 Quarter</b>	<b>Year to Date 30 Sept 2021</b>
Ore Processed (t)	28,283	28,283
Throughput (tph)	85	85
Ore Grade Processed (C%)	4.74%	4.74%
Graphite Recovery (%)	73.55%	73.55%
Concentrate Grade (%)	92.5%	92.5%
Concentrate Produced (t)	990	990

With the plant only operating for 14 days, production performance was reasonable for the period. At the throughput rate achieved while operating, production performance would be close to historical nameplate plant production levels. During the quarter major maintenance on the ROM feed conveyor, ball mills and other fixed plant has been undertaken to improve plant availability. A focus on plant availability and graphite recovery can increase the tonnes of graphite concentrate produced in future periods.

<b>Sales</b>	<b>30 Sept 2021 Quarter</b>	<b>Year to Date 30 Sept 2021</b>
Coarse/Medium (t)	500	500
Fine/Powders (t)	436	436
Purified Graphite (t)	31	31
Total Sales (t)	967	967

The graphite sales product size distribution was positive with coarse/medium products making up 53% of non-purified graphite sales. This has a positive impact on average sales prices. Opportunities to increase purified graphite production and sales will be progressed as this a high value product with an average grade between 99.5% and 99.6% C.

Sales revenue for the quarter was US\$0.78 million for an average selling price of US\$807 per tonne.

The ZG business also generated revenue of US\$0.39 million from the sale of quarry rock and other materials. Further information on these activities will be provided in future periods.

### **Unit Costs**

As the ZG plant was either shut down for maintenance, or not operating due to working capital shortfalls for most of the quarter, unit operating costs (USD/concentrate tonne) and unit cost of product sold are not reported. Once operations and sales are normalised in future periods, unit cost will be reported.

### ***ZG Foreign and Historical Graphite Mineralisation Estimate***

Post quarter end the Company announced the foreign and historical graphite mineralisation estimate for part of the Zavalievsky Graphite deposit. The foreign and historical estimate of tonnage of graphite mineralisation (above 2% carbon) at the Zavalievsky Graphite Project for the south-eastern area of the Zavalievsky site totals 22.913M tonnes at a grade of 6.8% carbon.

The information has been compiled, reviewed and reported by Wardell Armstrong International. The graphite mineralisation estimate supports Volt's plans to expand graphite production in Europe and develop downstream processing facilities for battery anode material ("BAM") and other high value graphite products.

The ZG business has significant graphite mineralisation estimates at good grades. With further resource definition and metallurgical work, based on the deposit size Volt believes the mineralised estimate can be significantly increased and will be reported in accordance with the JORC code.

### **Bunyu Graphite Project - Tanzania**

The Company remains focused on the two stage development of its wholly-owned Bunyu Graphite Project in Tanzania. The Bunyu Graphite Project is ideally located near to critical transport infrastructure with sealed roads running through the project area and ready access to the deep-water port of Mtwara 140km to the southeast.

Stage 1 has low development capital requirements and benefits from a low strip ratio, near surface, higher grade zone. A simple mining method will be used with an open pit of 40m depth, using a conventional drill and blast, load and haul mining method. Recent flotation test-work has demonstrated that high grade graphite products, at coarse flake sizes, can be produced using a relatively simple flotation process.

The strategy of staging the project development provides a low-cost, fast-track path to get the Bunyu Project into production and deliver consistent representative product to the customers. Stage 1 will facilitate product validation and assist in securing long-term offtake agreements to support development of the large-scale Stage 2 project. The Stage 1 development will have the added benefit of de-risking the full-scale Stage 2 project, improving the ability to finance the expansion, reducing the risks of commissioning and production ramp up delays, cost and schedule overruns.

### ***Development Funding***

The Company has continued with Bunyu Stage 1 funding discussions despite the disruption experienced with the COVID-19 pandemic, changes in work arrangements and international travel restrictions. Advanced discussions continue with leading African development banks on a debt funding proposal for the Bunyu Project during the quarter.

### ***Exploration and Development Activities***

The Company did not undertake any substantive mineral exploration, mine development or mining production activities during the quarter on the Bunyu Graphite Project in Tanzania.

### **Battery Anode Developments**

#### ***Innovative SPG Processing Flowsheet***

Combined with the LIB cycle test work undertaken by American Energy Technologies Co. (“AETC”) on Bunyu graphite, Volt has developed an innovative flowsheet utilised to produce coated spherical purified graphite (CSPG) from Bunyu natural flake graphite.

With the flowsheet developed by AETC to produce spherical purified graphite (SPG), purification is completed first with all of the subsequent sizing and shaping undertaken with purified material. The purification process was undertaken exclusively using high temperature furnaces. No acid leaching or caustic bakes were employed.

The main benefits Volt enjoys from this inverted flowsheet are:

- Reduced wear and tear on shaping mill parts (due to processing being accomplished with high purity graphite, which is a natural lubricant), and
- The ability to divert non-spherical portions of the purified graphite to higher-margin markets such as conductivity enhancement applications in LIB cathodes.

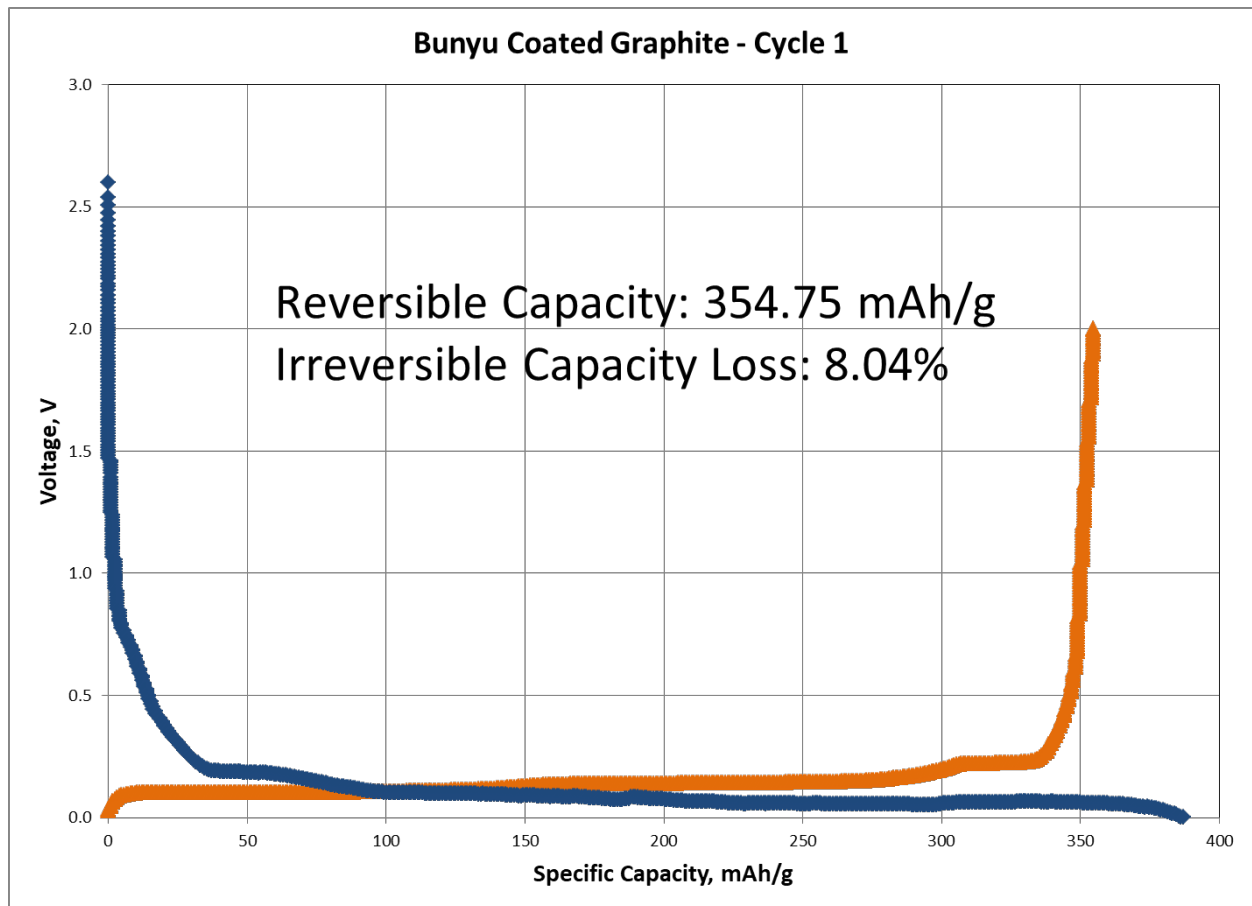
#### ***Battery Cell Cycling Test work – Bunyu Graphite***

The test work program is being undertaken by established commercial graphite producer and processor, AETC, which is headquartered in Illinois, USA.

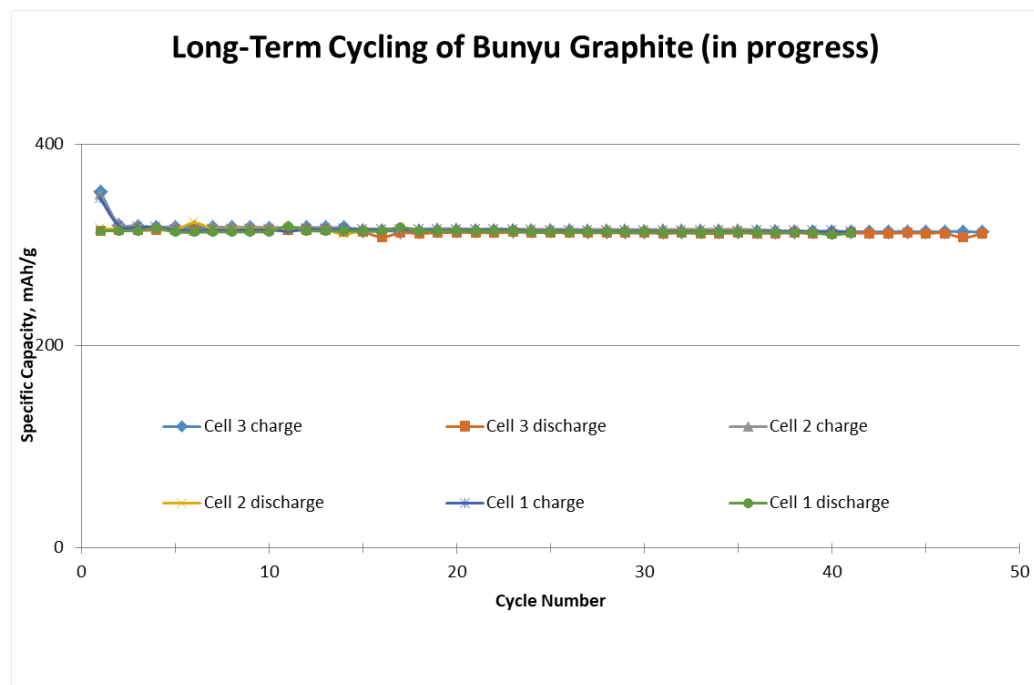
Initial electrochemical performance of Bunyu Graphite is presented in the chart below. This graph represents a galvanostatic charge-discharge curve commonly used in the industry to derive values of reversible and irreversible capacity, as well as irreversible capacity loss. It is evident that Bunyu graphite has a reversible capacity on the order of 355 mAh/g, with irreversible capacity loss amounting to less than ten percent (i.e. 8.04%).



## Initial cycle characteristics



The second chart below illustrates the initial 40+ cycles of long-term cycling. Three cells containing Bunyu CSPG are being used for the long term cycling test work. The results from the three cells cycling performance are shown below and are consistent with LIB battery-grade material's specifications. It is worth noting that cells designed for long term cycling are intentionally built for slightly lower capacity ratings, therefore the reversible capacity values for the three cells in the test series range between 315 and 320 mAh/g. These cells demonstrate highly consistent performance with virtually negligible degradation from cycle to cycle. **The flat curve signals that Bunyu graphite could compete not only with other natural graphite BAM, but also a great number of costlier synthetic graphite BAM offerings, in its long-term cycling performance.**



## **Gold Projects - Guinea**

The three Guinea gold projects, Kouroussa, Mandiana and Konsolon, comprised six permits (“Permits”) with a total area of 388km<sup>2</sup> in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

### ***Exploration activities***

During the September 2021 quarter the exploration team completed the first phase of the auger drilling campaign and post quarter end received all auger drilling assay results.

The auger drilling campaign identified four drilling targets as follows:

- extended the known gold anomalous areas in Kouroussa to over 1,000m in length;
- identified two major gold anomalies in the Konsolon permit for a combined strike length of over 2,450m and which remain open and a number of other gold anomalous areas; and
- a large open gold anomaly within the Nzima permit which is currently 600m in length and remains open.<sup>3</sup>

The anomalous areas are defined by a cut-off grade of greater than 0.05 g/t Au. Results exceeding 0.5 g/t Au represent good robust RC drill targets.

## **Mineral Tenements**

The schedule of the Company’s interest in mining tenements as at 30 September 2021 follows.

All tenements within Tanzania are held by Volt Graphite Tanzania Plc, a wholly owned subsidiary of Volt Resources Ltd. Tenements in Guinea are held by two subsidiary companies, KB Gold SARLU and Novo Mines SARLU.

<b>Project</b>	<b>Location</b>	<b>Tenement Number</b>	<b>Change in Holding Status During the Quarter</b>	<b>VRC Beneficial Interest</b>
Volt Tanzania Graphite Plc	Tanzania – Masasi District	ML 591/2018	None	100%
	Tanzania – Masasi District	ML 592/2018	None	100%
	Tanzania - Nachingwea, Ruangwa & Masasi Districts	PL 10643/2015	Renewal in progress	100%
	Tanzania - Ruangwa & Masasi Districts	PL 10644/2015	Renewal in progress	100%
	Tanzania - Newala & Masasi Districts	PL 10667/2015	Renewal in progress	100%
	Tanzania - Newala, Ruangwa & Masasi Districts	PL 10668/2015	Renewal in progress	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10717/2015	Renewal in progress	100%
	Tanzania - Masasi	PL 10788/2016	None	100%

<sup>3</sup> Refer to ASX announcement dated 6 October 2021 titled “Major Gold Anomalies Identified In Konsolon And Nzima Permits”

	District			
	Tanzania – Masasi District	PL 13207/2018	Application – no change#	100%
	Tanzania – Masasi District	PL 13208/2018	Application – no change#	100%

KB Gold SARLU	Guinea - Nzima	EP 22980	None	100%
	Guinea - Monebo	EP 23058	None	100%
	Guinea - Kouroussa	EP 22982	None	100%
	Guinea - Fadougou	EP 22981	None	100%
	Guinea - Kouroussa West	EP 23057	None	100%

Novo Mines SARLU	Guinea - Konsolon	EP 22800	None	100%
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# Prospecting Licence Applications PL 13207/2018 and PL 13208/2018 are for 100% of the remaining area covered by PL 10718/2015 which ceased on the granting of the two Mining Licenses over a portion of the previously held prospecting license tenement area.

The Company is not a party to any farm-in or farm-out agreements.

## **Corporate**

### ***Capital Raising***

The Company successfully completed a share placement to sophisticated and professional investors during the quarter at \$0.025 per share raising \$5.05 million (before costs) (“**Placement**”). In addition, Volt’s Chairman, Asimwe Kabunga, subscribed for an additional \$700,000 on the same terms as the Placement, subject to shareholder approval at the annual general meeting of shareholders scheduled for 30 November 2021, for a total capital raising of \$5.75 million.

Peak Asset Management acted as the Lead Manager to the Placement.

### ***European IR and Corporate Advisor***

Volt appointed Frankfurt based DGWA, the German Institute for Asset and Equity Allocation and Valuation (Deutsche Gesellschaft für Wertpapieranalyse GmbH) as its investor relations and corporate advisor in Europe. This appointment complements the Company’s pre-existing quotation on the Frankfurt Stock Exchange.

The Company shares commenced trading on Tradegate Exchange in Germany during the quarter. This exchange facilitates the retail online trading for German and French banks and its members include Deutsche Bank, Commerzbank, and BNP.

### ***Cash Position and Summary of Expenditure Incurred on Activities***

The Company finished the September 2021 quarter with \$3.06 million in cash. As mentioned above, a further \$0.7 million is expected to be received from a placement by Volt’s Chairman if approved by shareholders at the Company’s AGM on 30 November 2021.

During the quarter and post the ZG acquisition, finalisation of due diligence consultant payments, changes to the ZG corporate governance structure and a separate agreement with the remaining shareholder incurred further legal fees in Ukraine.

The Company has the Bunyu Graphite Project at development ready status and continues to be focussed on securing the funding for the Stage 1 development. Volt also completed its gold exploration auger campaign in Guinea as discussed above.

The Company spent \$133k on exploration and evaluation activities during the quarter predominantly on the Guinea gold projects activities described above. No expenditure was incurred on development or production activities during the quarter.

### ***Related Party Payments***

During the quarter \$234k was paid in respect of current and prior periods Non-Executive Director fees, consulting fees and Managing Director fees.

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

**-ENDS-**

**For further information please contact:**

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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 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 which 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>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.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VOLT RESOURCES LIMITED

ABN

28 106 353 253

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(15)	(15)
	(e) administration and corporate costs	(829)	(829)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	10	10
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (details below)	-	-
	Acquisition legal fees and associated costs	(671)	(671)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,505)</b>	<b>(1,505)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(6)	(6)
	(d) exploration & evaluation	(133)	(133)
	(e) investments	(5,208)	(5,208)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(5,347)</b>	<b>(5,347)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,717	4,717
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(393)	(393)
3.5	Proceeds from borrowings	5,704	5,704
3.6	Repayment of borrowings	(377)	(377)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>9,651</b>	<b>9,651</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	256	256
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,505)	(1,505)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,347)	(5,347)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,651	9,651

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,056</b>	<b>3,056</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,056	3,056
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,056</b>	<b>3,056</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	234
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end</b>	<b>Amount drawn at quarter end</b>
		<b>\$A'000</b>	<b>\$A'000</b>
7.1	Loan facilities	6,052	6,052
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	6,052	6,052
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,505)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(133)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,638)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,056
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,056
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.87</b>
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes. The Chairman has subscribed for shares in a recent placement to raise \$700,000 which was announced on 10 September 2021. Placement shares to be put to shareholders for approval at Annual General Meeting to be held on 30 November 2021. If approved, the estimated quarters of available funding would increase to 2.29.	



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. See response to 8.8.2.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..... 29 October 2021.....

Authorised by: The Board of Volt Resources  
Limited.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.