



# VOLT

RESOURCES

## ASX ANNOUNCEMENT

By e-lodgement

9 January 2017

## Volt's Graphite Products Validated By Western And Chinese End User Groups

### HIGHLIGHTS

- Trevor Matthews commenced as new CEO – key initial focus on scoping of the DFS
- Excellent feedback received from Chinese end-user groups on jumbo and super jumbo samples
- Initial feedback from a leading U.S. private battery manufacturer highlights promising Namangale product performance with additional evaluation ongoing
- Test work also continuing with various end user groups in US, Europe and China
- Global corporate roadshow planned along with further meetings with key end user groups

### INTRODUCTION

Volt Resources Limited (**ASX: VRC**), ("**Volt**" or, the "**Company**") is pleased to confirm positive feedback has been achieved on test work carried out in the United States and China on samples provided to end user groups. Positive commercial discussions are continuing and additional test work is underway.

Considerable progress was made in 2016 across many aspects of the business, in particular global product marketing, the appointment of key personnel and advisors, advancing the development of the Namangale project in Tanzania with a significant increase in the Mineral Resource Estimate and a large maiden Ore Reserve culminating in the completion of the Pre-Feasibility Study (PFS) in mid-December 2016. The board has endorsed management to finalise the scope and budget for the Definitive Feasibility Study (DFS) with the aim to fast track DFS delivery during 2017.

Moving forward, the emphasis is to now finalise sales agreements, coupled with the completion of the DFS including additional exploration and metallurgical test work, project approvals, construction and project agreements and development funding. Volt has an active agenda for new CEO Trevor Matthews to focus on and deliver over the course of 2017.

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## MARKETING UPDATE

### North Asia

The Board has been acutely aware of the need to establish strong working relationships and partnerships with end-user groups in China (not intermediaries), given China accounts for circa 60-70% of the global graphite market. Moreover, dealing direct with end-user groups will provide management with greater clarity on underlying global demand, given more than half of China's value add graphite products are exported to western countries.

Currently, Volt has non-binding MOUs with three China-based groups for 100,000 tpa of graphite products, which represents circa 60% of planned annual production of 170,000t, including:

- **Optimum Nano (60,000 tpa):** China's second largest integrated lithium-ion battery producer
- **Huzhou Chuangya (20,000 tpa):** Large scale anode and electrolyte manufacturer
- **Shenzhen Sinuo (20,000 tpa):** Specialised anode and spherical graphite producer

These groups were sent super jumbo and jumbo flake graphite product samples from the Namangale deposit in September 2016 for independent testing and evaluation. The Board is pleased to report that initial testing by all three groups has been extremely successful and all of these groups will be undertaking additional test work on Namangale concentrate product at 99.95% TGC.

This is a very positive development in the process towards securing a binding off-take agreement from these groups during 2017. Non-Executive Chairman Stephen Hunt, will be visiting China, South Korea and Japan more frequently to work closely with Volt's MOU partners and connect with other prospective groups keen to establish a supply chain with Volt.

### United States and Europe

Discussions have been held with more than 20 groups engaged in various aspects of the Electric Vehicle supply chain including renowned automakers. Samples of super jumbo and jumbo flake graphite product from the Namangale deposit have been sent or are in the process of being sent to the various groups in the U.S. and Europe.

Feedback from a high profile, leading U.S. private battery company highlights conductivity was an order of magnitude higher than the baseline material it was assessed against. As a result of these initial positive tests, prospective customers will now take the sample testing to the next stage with commercial discussions continuing.

## CORPORATE

With the PFS officially released and the team in Tanzania and Australia now commencing activities in relation to the DFS, CEO Trevor Matthews intends to visit investors and end user companies in Australia and internationally broadening Volt's exposure to financial and industry markets.

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In addition, Volt's website has been refreshed and now contains updated information that will be useful for all stakeholders. This can be viewed at [www.voltresources.com](http://www.voltresources.com)

**Chief Executive Officer, Trevor Matthews commented:** "The management team has done an exceptional job to now position Volt as a potential future market leader in the graphite industry. The decision to work with both Western and Chinese end-user groups is strategically prudent, providing Volt with a de-risked position. Testwork with our three MOU partners is gaining traction, which should bear more tangible results in the future. In addition, the feedback out of the US about the conductivity of Volt's superior flake product is extremely encouraging and a strong endorsement of management's strategy to have a dedicated marketing professional based in New York.

With the PFS now complete and the team commencing work on DFS activities, Volt is now better positioned to be on fund managers' radars. Consequently, I will be visiting institutions in Australia, Hong Kong, Singapore, London and New York during the quarter to update them on Volt's prospects and progressing commercial discussions with numerous end user companies."

For and on behalf of Volt Resources Limited

**Trevor Matthews**  
**Chief Executive Officer**

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