



VOLT RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

24 January 2017

Volt Producing Graphite Concentrate Samples in Africa to Fast Track End User Testwork – Amended Announcement

HIGHLIGHTS

- Increasing requests for second-round sample testing propelled management to source a Southern African-based service provider to produce high-quality graphite concentrate samples
- Key benefits comprise timely response to client requests and demonstrable proof Volt can deliver the required product
- Various potential customers in US, Europe and China have requested second round of test work from Volt's Namangale project
- A Chinese end-user has requested one tonne of Namangale graphite concentrate to conduct fully integrated testing for lithium-ion battery applications

INTRODUCTION

Volt Resources Limited (**ASX: VRC**), ("**Volt**" or, the "**Company**") has placed considerable emphasis on establishing its global marketing team and progressing with its Chinese MOU¹ partners and prospective customers in Europe and the USA. This strategy has started to yield results with several potential customers deciding to take Namangale sample testing to the next stage.

To meet the demand for graphite concentrate samples from clients, Volt has entered in to an agreement with a Southern African-based mining services company, to expedite the production of graphite samples from the Namangale deposit under strict commercial conditions. This is a relatively cost effective process to source high quality samples on the African continent from a well established group and provide typical Namangale concentrate products to MOU partners and prospective customers for evaluation.

¹ MOU partners are as per ASX Announcement of 16 June 2016, are Optimum Nano, Huzhou Changya and Shenzhen Sinuo.

INCREASED ABILITY TO MEET CLIENT DEMANDS FOR SAMPLES

With a number of technical and commercial steps in the marketing cycle from (i) initial contact; (ii) to securing an MOU; (iii) binding off-take agreement, management has taken the decision to produce graphite concentrate samples in Southern Africa. The key rationale behind this strategy is to ensure that when a prospective customer requests a sample the turnaround time is fast. Processing samples in Southern Africa, obviates the need to send large quantities of ore to Australia or other destinations for processing in to graphite concentrate samples. Moreover, it demonstrates to the prospective customer Volt has the ability to produce high quality graphite concentrate samples relatively cheaply in Southern Africa using a simple crushing and floatation process.

The service provider Volt has engaged has been undertaking testwork, metallurgical and mineral processing services for several decades for numerous blue-chip multinational clients. Critically, the service provider understands the necessity to ensure samples are prepared under strict commercial conditions and then dispatched to clients as quickly as possible for in-house testing and evaluation.

Second round sample testing

Volt remains committed to product and client diversity, which management believes is a key strategic differentiating feature. This is reflected to a degree in second round sampling requests from prospective clients:

- **United States:** Companies in the lithium ion battery market have now requested samples for second level testing.
- **China:** Volt's MOU end-user partners and others, have all moved to second round test work with requests from each company to supply more product. For example, one company has requested one tonne of graphite concentrate for delivery as soon as practical for fully integrated testwork and evaluation.

Namangale graphite sample preparation for prospective customers produced in Africa

Figures 1-4 show an ore sample for a prospective customer from the Namangale North deposit being processed through a simple non-toxic crushing and flotation process by a Southern African based service provider.



Figure 1: Feedstock ore from Namangale North prior to processing



Figure 2: Ore going through the separation process



Figure 3 shows graphite from Namanagle that has gone through the crushing and flotation process and the final step to prepare it in a concentrate form.



Figure 4: Final steps in the process to produce graphite concentrate samples for prospective customers

Conclusion

The Board is pleased to see growing traction with prospective clients, particularly as it supports the strategy progressed over the past twelve months. Further, receiving positive client responses through expanded sample testing programmes clearly demonstrates that Volt is capable of producing high quality graphite concentrate for varying downstream applications. Producing graphite concentrate in Sub-Saharan Africa is highly beneficial in meeting end user requests.

For and on behalf of Volt Resources Limited

Trevor Matthews
Chief Executive Officer

Phone: +61 (8) 9486 7788