



# VOLT

RESOURCES

## ASX ANNOUNCEMENT

By e-lodgement

10 February 2017

### KEY APPROVALS AND MINING LEASE APPLICATIONS PROGRESSED FOR NAMANGALE PROJECT DEVELOPMENT

#### HIGHLIGHTS

- **Successful stakeholder workshop completed**
- **Local communities and all levels of government supportive of the project**
- **Management confident special mining licence will be granted by Q3 2017**
- **Formal request for port access and land and facilities lease at Mtwara**
- **CEO site visit cements strong community relationships**
- **Investor and project finance meetings held by CEO in London and New York**

#### INTRODUCTION

Volt Resources Limited's (**ASX: VRC**), ("**Volt**" or, the "**Company**") CEO, Trevor Matthews, has been to visit the Namangale project in Tanzania and participate in successful stakeholder meetings that are essential to progressing the Environmental Social Impact Assessment (ESIA) process. Securing environmental approval is essential to the grant of the Namangale special mining licence (SML) and is also a pre-requisite for the commencement of site construction works. In addition, Mr Matthews has part-completed a global road show following visits to London and New York to meet with colleagues, key investment funds and, project finance specialists.

Following the completion of the Pre-Feasibility Study (which highlighted a pre-tax US\$1.3B NPV as announced on 15 December 2016), securing environmental approvals, the grant of the SML and progressing the Definitive Feasibility Study are now key focus areas. The process for securing the SML is progressing, with several government departments involved with the approval process. Volt's local team and experienced consultants have been working across the various elements with the Company planning for the grant of the SML by Q3 2017.

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## UPDATE ON ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT PROCESS

To recap, the ESIA process must be successfully completed before a SML is granted. As outlined in the 3 November 2016 ASX Announcement “Securing key stakeholder support for Namangale project development” the National Environmental Management Council (NEMC) has been advised of Volt’s plans. The NEMC has now reviewed the scoping report and agreed the Terms of Reference (ToR) for the Environmental Impact Assessment. The next steps are:

- The Company is now proceeding with the agreed scope under the ToR and will prepare an Environmental Impact Statement (EIS) for lodgement with the NEMC.
- The NEMC will seek comment from other government agencies.
- The NEMC will meet with the Company, the Company’s consultant and a Technical Advisory Committee to enable the preparation of a final draft EIS.
- The EIS is lodged with the Minister for Environment for approval.
- Once approved the Minister issues an environmental certificate.

### Stakeholder workshop

Volt’s local team, with the assistance of experienced Tanzanian consultant, Tansheq, have made considerable progress since commencing the ESIA process over eight months ago. It has now entered the formal engagement phase and an important stakeholder workshop was held on 26 January 2017 at Kagwa Hall, Lindi. In attendance were senior national and regional government officials, CEO Trevor Matthews and Volt Board member Matt Bull (see below).



Stakeholder workshop attendees at Kagwa Hall, Lindi – front row from left: Mr Matt Bull (Director, Volt); Mr Cecil D Mwambe (Member of Parliament of Tanzania for Ndanda – this is where the Namangale project is located); Honorable, Mzee Selemani Mzee (Masasi District Commissioner representing Mtwara Regional Commissioner); Mr Trevor Matthews (CEO, Volt); and Mr Godwin Nyelo (Volt, Manager Government and Public Relations)

## Follow up and next steps

Volt's resident team and consultant will be tasked with ensuring all necessary steps are undertaken to expedite the ESIA process, given its necessity to secure the environmental approvals and the SML. To date, they have done an excellent job building solid working relationships with village councils and engaging villagers in the process. Incrementally, the government at all levels has been very supportive in assisting Volt's team navigate through the approval and land access process. Moving forward, the team needs to ensure the following steps are undertaken in a timely manner:

- **Relocation Action Plan (RAP):** Complete the report and submit to the Chief Valuer for approval. The approved RAP is not part of the environmental approvals or SML grant process but is required for land based construction to commence. Further, prospective project finance groups will require this as a prerequisite to approving any funding application.
- **ESIA:** Complete the EIS, which factors in stakeholder engagement, and submit to the NEMC for approval.
- **Plans:** Other reports that are required as part of the SML grant process include a People Plan (covering employment and training) and Procurement Plan (for tendering and vender selection procedures).
- **Lodgement:** The Pre-Feasibility Study, People and Procurement Plans must all be lodged with the Department of Mines for review and approval.
- **Special mining licence:** Once the Minister for Environment has approved the EIS and issued an environmental certificate and the Department of Mines has signed off on the PFS, People and Procurement Plans then the SML is granted.

If everything proceeds on schedule, then Company expects the Department of Mines will grant Volt's SML by Q3 2017.

## INFRASTRUCTURE, LOGISTICS AND COMMUNITY ENGAGEMENT

As it was CEO Trevor Matthews first site visit, the Volt team organised a number of meetings with other important stakeholders, showed him the state of key infrastructure/logistics and conducted direct community engagement. This comprised:

- **Mtwara Port Authority (MPA) meeting:** This was a follow up meeting, with MPA management confirming there is adequate port capacity available for exports and land with covered facilities for Volt to lease on a long-term basis inside the port area for Namangale product container or bulk exports. Subsequently, Volt has submitted a formal letter to the Tanzanian Port Authority to progress port access and long term land lease agreements.
- **Logistics:** Met with an experienced logistics service provider for the transport of graphite concentrate product to port for storage prior to export. The senior management team travelled along the planned product transport route of approximately 130 kilometres from Mtwara to the mine site at Namangale.

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- **Site visit:** A visit to Namangale North and South confirmed the project area does not appear to be an environmentally sensitive area, as it has not been farmed for many years.
  - **Local village visits:** As part of its community outreach programme, Volt is funding the construction and repair of village offices and restored a school for primary school students. As the Project begins to ramp up, the opportunity for local people to secure employment during both the construction and operations phases will improve living standards for the local population.

**CEO Trevor Matthews commented:** “Being across the soft issues and meeting directly with key stakeholders is important at this stage of the Namangale project’s evolution. As such, it is pleasing to report that Volt’s team have done a great job managing the ESIA stakeholder engagement process and securing solid support for the project from all levels of government. The Company is reasonably confident that with the timely completion of all relevant reports and the approval of the EIS, the Tanzanian Department of Mines will grant Volt a special mining license by the September quarter 2017.

Following up the site visit in Tanzania with investment fund managers and project finance specialists in London and New York was highly fortuitous. All understand the substantial future upside for spherical and expandable graphite and the lead time to lock in off-take partners. They were pleased to hear the progress Volt is making evolving the supply chain and strong traction with prospective customers.”

## **CORPORATE UPDATE**

Based on current management forecasts, Volt has adequate funds on hand to meet its requirements for the foreseeable future with approximately \$3 million in cash. The cash position has been bolstered by approximately \$350,000 since the start of the year, with a \$230,000 research and development tax credit and \$125,000 from option conversion proceeds.

Post his site visit in Tanzania, CEO Trevor Matthews completed the first leg of his global road show as he met with fund managers and project finance specialists in London and New York.

On his return journey, Mr Matthews attended a mining conference in South Africa, where he met with several African-based financial institutions to commence discussions regarding development funding options to fast-track the Namangale project into production.

Advanced and positive discussions are continuing with end user groups in the US, Europe and China. The feedback from end user companies carrying out test work on Namangale concentrate graphite has been very positive. The board looks forward to updating the market further on these commercial discussions in the near future.

For and on behalf of Volt Resources Limited

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