VOLT RESOURCES

ABN: 28 106 353 253

And Controlled Entities

CONSOLIDATED HALF YEAR REPORT

For the Half Year Ended
31 December 2016

CONTENTS

DIRECTORS

Stephen Hunt	Non-Executive Chairman
Alwyn Vorster	Non-Executive Director
Matthew Bull	Non-Executive Director

CHIEF EXECUTIVE OFFICER
Trevor Matthews

SECRETARY
Stephen Brockhurst

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AUDITORS
HLB Mann Judd
Level 4
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Perth WA 6000

Your Directors submit the financial report of Volt Resources Limited (the Company) and its Controlled Entities (Consolidated Entity) for the half year ended 31 December 2016.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Stephen Hunt	Non-Executive Chairman
Alwyn Vorster	Non-Executive Director
Matthew Bull	Non-Executive Director

Trevor Matthews is the Chief Executive Officer (appointed 1 January 2017).

RESULTS

The loss after tax for the half year ended 31 December 2016 was $1,599,931 (2015: $2,081,172).

REVIEW OF OPERATIONS

Overview

Key operational highlights during the reporting period included:

- Namangale Project Pre-Feasibility Study (PFS) was completed with an IRR of 87% and after tax NPV_{10} of US$890 million.
- Relatively low capital development cost of US$173m and operating cost of US$536 per product tonne.
- Maiden JORC Ore Reserve of 127.4Mt @4.4% Total Graphic Carbon (TGC) for 5.6Mt of contained graphite. This is the largest graphite Ore Reserve when compared with Volt's peers.
- Mineral Resource Estimate increased to 461Mt at 4.9% TGC which is the largest graphite Mineral Resource in Tanzania compared with Volt's peers.
- Metallurgical testwork confirms the ability to upgrade Namangale concentrate to meet battery anode feedstock requirements and suitability for expandable graphite market applications.

Namangale Project, Southern Tanzania

A number of activities were progressed in relation to the Namangale Project including exploration and resource definition drilling, metallurgical testwork programs to facilitate processing plant flow sheet design and product marketing, meetings to advance environmental approvals and community enagagement and the preliminary engineering combined with operational planning required for the completion of the Pre-Feasibility Study. The drilling program undertaken in 2016 comprised 7,791 metres of RC and Diamond drilling which resulted in the material upgrades in the Mineral Resource Estimate and a maiden Ore Reserve during the half year. The high percentage of large to super jumbo graphite flake in the Namangale South deposits was highlighted during the period.

The Project's close proximity to road and port infrastructure is a material benefit and has a positive impact on the capital development costs and logistics costs during the construction and operations phases. There is sufficient capacity at the Mtwara Port available to support the Project's export requirements.

The stakeholder engagement program advanced during the half year with a number of government and community meetings undertaken to understand stakeholder expectations, receive any issues and communicate the Company's development plans. This will be an ongoing process and requires an appreciation of the local culture, laws and regulations governing the Project.

Independent metallurgical testwork and customer analysis continues to consistently support the positive properties of the Namangale graphite. Ease of graphite concentrate upgrading, excellent conductivity, low deleterious impurities and very good expansion properties provide opportuntities in the entire graphite market for Namangale graphite. Technical marketing discussions continued with key potential customers during the period.

Pre-Feasibility Study

During December 2016, the Namangale Project PFS was completed. It confirmed the technical and financial viability of the Namangale project and a recommendation to proceed with the Definitive Feasibility Study (DFS), which the Board accepted.

Key salient points from the PFS include:

Attractive project: The base case price and production assumptions resulted in an 87% IRR and pre-tax NPV of US$1.31B (based on ore material from Measured, Indicated and Inferred Mineral Resource categories) that are presented in Table 1 below.

Table 1: Key project financial results

Key Financial Meassure	Units	Result
IRR - before tax	(%, real)	86.9%
IRR - after tax	(%, real)	66.5%
NPV @ 10.0% - before tax	(US$ M, real)	1,310
NPV @ 10.0% - after tax	(US$ M, real)	890
Payback Period from 1st ore to process plant	(years)	1.4

Key Metrics: The project's key metrics comprise a 22-year mine life, annual throughput of 3.8Mt @ 4.7% TGC resulting in annualised production of 170kt/y of graphite concentrate (Table 2).

Table 2: Nominal key project parameters

Parameter	Units	Design
Mine Life	Y	22
Nominal ore feed tonnes	Mt	83.4
Average grade TGC	%	4.7
Oxide ore	%	40
Fresh and transition ore	%	60
Nominal strip ratio	Waste : Ore	1.4
Process throughput	Mt/y	3.8
Recovery	%	93
Concentrate grade TGC (average)	%	95
Average graphite production	kt/y	170

Large Mineral Resource: The JORC Compliant Mineral Resource Estimate of 461Mt @ 4.9% TGC (Table 3) updates the 446Mt @ 5.01% TGC announced on 12 October 2016. Management believes this is the largest Mineral Resource in Tanzania compared with its peers.

Table 3: JORC Mineral Resource Estimate for Namangale project[1]

Namangale Project	Mt	TGC (%)
Inferred		
North	264	5.0
South	23	3.6
Total Inferred	**286**	**4.9**
Indicated		
North	122	5.2
South	33	4.3
Total Indicated	**155**	**5.0**
Measured		
North	**20**	**5.3**
Total Resource	**461**	**4.9**
Note: Namangale North previously Nam 1; and Namangale South previously Nam 2 & 3. The Mineral Resource is inclusive of the Ore Reserve.		

Significant Ore Reserve: The Ore Reserve consists of 127.4Mt @ 4.4% TGC which translates into 5.6Mt of contained graphite.

Table 4: Namangale Project Ore Reserve Statement as at December 2016[1]

Ore Reserve Classification	Ore (Mt)	TGC (%)	Contained Graphite (Mt)
Proved			
Namangale 1 (North)	19.3	4.32	0.8
Namangale 2 (South)	-	-	-
Namangale 3 (South)	-	-	-
Subtotal – Proved	**19.3**	**4.32**	**0.8**
Probable			
Namangale 1 (North)	95.8	4.40	4.2
Namangale 2 (South)	6.4	5.11	0.3
Namangale 3 (South)	5.8	3.05	0.2
Subtotal - Probable	**108.1**	**4.37**	**4.7**
Total Ore Reserve	**127.4**	**4.36**	**5.6**

Note: Namangale North previously Nam 1; and Namangale South previously Nam 2 & 3.

1. Refer to ASX announcement dated 15 December 2016 for information in relation to the Mineral Resource Estimate and Ore Reserve Statement. 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.

Competant Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results is based on information compiled by Mr Matt Bull, a Competent Person who is a member of Australian Institute of Geoscientists. Mr Bull is a Director of Volt Resources. Mr Bull has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Matt Bull consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mark Biggs, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mark Biggs is a Director of ROM Resources Pty Ltd. Mark Biggs has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mark Biggs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Andrew Law, a Competent Person who is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy. Mr Law is a Director of Optiro. Mr Law has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr Law consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE

Mr Trevor Matthews was appointed Chief Executive Officer effective 1 January 2017 and a number of other senior appointments were made during the half year to strengthen the Company's marketing, project development and Tanzanian external relations and operations capabilities.

Mr Stephen Brockhurst was appointed Company Secretary effective 15 August 2016.

The AGM was held on 29 November 2016 and all resolutions passed on a show of hands.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial periods other than the following:

Issue of 6,343,915 fully paid ordinary shares at a price of $0.02 each upon conversion of options on 31 January 2017;
Issue of 500,000 fully paid ordinary shares at a price of $0.02 each upon conversion of options on 20 February 2017; and
Binding off-take agreement was secured with Nano Graphene Inc on 3 March 2017 for a minimum of 5,000 tonnes of flake graphite concentrate over 5 years.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half year ended 31 December 2016 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.

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Stephen Hunt
Non-Executive Chairman
16 March 2017

HLB Mann Judd
Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Volt Resources Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
16 March 2017

L Di Giallonardo
Partner

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Consolidated 31 December 2016 $	Consolidated 31 December 2015 $
Revenue	**42,530**	4,992
Corporate compliance fees	**(194,382)**	(186,234)
Corporate management costs	**(547,340)**	(205,039)
Foreign exchange (gain)/loss	**15,482**	(32,818)
Marketing and investor relations costs	**(133,458)**	(94,207)
Occupancy expenses	**(33,718)**	(25,863)
Share based payments	**(834,000)**	(1,008,500)
Other expenses	**(67,897)**	(47,467)
Loss before income tax benefit	**(1,752,783)**	(1,595,348)
Income tax benefit	**152,852**	-
Net loss for the period from continuing operations	**(1,599,931)**	(1,595,348)
Discontinued operations		
Loss after tax from discontinued operations	**-**	(485,824)
Net loss for the period	**(1,599,931)**	(2,081,172)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(11,174)**	2,576
Total comprehensive loss for the period	**(1,611,105)**	(2,078,596)
Loss attributable to:		
Owners of the parent	**(1,599,931)**	(2,081,172)
Non-controlling interests	**-**	-
	(1,599,931)	(2,081,172)

	Consolidated 31 December 2016 $	Consolidated 31 December 2015 $
Total comprehensive loss attributable to:		
Owners of the parent	**(1,608,901)**	(2,078,596)
Non-controlling interests	**(2,204)**	-
	(1,611,105)	(2,078,596)
Basic and diluted loss per share (cents)	**(0.17)**	(0.45)
Basic and diluted loss per share from discontinued operations(cents)	**-**	(0.11)

The accompanying notes form part of these financial statements.

	Note	Consolidated 31 December 2016 $	Consolidated 30 June 2016 $
ASSETS			
Current Assets			
Cash and cash equivalents		**3,086,550**	7,617,762
Trade and other receivables		**362,673**	104,120
Prepayments		**75,230**	103,973
Total Current Assets		**3,524,453**	7,825,855
Non-Current Assets			
Other financial assets		**80,135**	22,400
Plant and equipment		**13,629**	-
Deferred exploration expenditure	2	**14,868,366**	10,750,378
Total Non-Current Assets		**14,962,130**	10,772,778
Total Assets		**18,486,583**	18,968,633
LIABILITIES			
Current Liabilities			
Trade and other payables		**379,643**	1,108,067
Total Current Liabilities		**379,643**	1,108,067
Total Liabilities		**379,643**	1,108,067
Net Assets		**18,106,940**	17,490,566
EQUITY			
Issued capital	3	**53,206,005**	51,722,526
Reserves		**4,565,546**	3,830,516
Accumulated losses		**(39,446,302)**	(37,846,371)
Parent entity interest		**18,325,249**	17,706,671
Non-controlling interests		**(218,309)**	(216,105)
Total Equity		**18,106,940**	17,490,566

The accompanying notes form part of these financial statements.

Consolidated Entity	Issued Capital	Reserves	Accumulated Losses	Parent Entity Interest	Non-Controlling Interest	Total
	$	$	$	$	$	$
Balance at 1 July 2016	**51,722,526**	**3,830,516**	**(37,846,371)**	**17,706,671**	**(216,105)**	**17,490,566**
Loss for the period	-	-	(1,599,931)	(1,599,931)	-	(1,599,931)
Other comprehensive income	-	(8,970)	-	(8,970)	(2,204)	(11,174)
Total comprehensive income for the period	-	(8,970)	(1,599,931)	(1,608,901)	(2,204)	(1,611,105)
Shares issued during the period	1,500,828	-	-	1,500,828	-	1,500,828
Security issue expenses	(17,349)	-	-	(17,349)	-	(17,349)
Share based payments	-	744,000	-	744,000	-	744,000
Balance at 31 December 2016	**53,206,005**	**4,565,546**	**(39,446,302)**	**18,325,249**	**(218,309)**	**18,106,940**
Balance at 1 July 2015	**32,466,385**	**2,903,738**	**(34,034,086)**	**1,336,037**	**(221,835)**	**1,114,202**
Loss for the period	-	-	(2,081,172)	(2,081,172)	-	(2,081,172)
Other comprehensive income	-	2,576	-	2,576	-	2,576
Total comprehensive income for the period	-	2,576	(2,081,172)	(2,078,596)	-	(2,078,596)
Shares issued during the period	5,638,629	-	-	5,638,629	-	5,638,629
Security issue expenses	(262,614)	-	-	(262,614)	-	(262,614)
Share based payments	-	617,500	-	617,500	-	617,500
Balance at 31 December 2015	**37,842,400**	**3,523,814**	**(36,115,258)**	**5,250,956**	**(221,835)**	**5,029,121**

The accompanying notes form part of these financial statements.

	Consolidated 31 December 2016 $ Inflows/ (Outflows)	Consolidated 31 December 2015 $ Inflows/ (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees	**(966,938)**	(543,115)
Interest received	**42,717**	4,988
Net cash used in operating activities	**(924,221)**	(543,115)
Cash flows from investing activities		
Payments for term deposits	**(57,735)**	(20,000)
Payments for plant and equipment	**(14,596)**	-
Payment for exploration and evaluation expenditure	**(4,283,102)**	(1,160,752)
Payments for acquisition of Nachi Resources Limited	**-**	(342,002)
Net cash from / (used in) investing activities	**(4,355,433)**	(1,967,766)
Cash flows from financing activities		
Proceeds from issue of shares	**1,038,457**	3,300,128
Payment of share issue costs	**(283,349)**	(234,295)
Net cash provided by financing activities	**755,608**	3,065,833
Net increase/(decrease) in cash held	**(4,524,046)**	554,952
Cash and cash equivalents at beginning of the financial period	**7,617,762**	554,125
Effects of exchange rates on cash and cash equivalents	**(7,166)**	(20,598)
Cash and cash equivalents at period end	**3,086,550**	1,088,479

The accompanying notes form part of these financial statements.

1. *Basis of Preparation of Half Year Financial Report*

a) Reporting entity

Volt Resources Limited (the "Company") is a Company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the half year ended 31 December 2016 comprise the Company and its controlled entities (together referred to as the "Consolidated Entity").

b) Statement of compliance

These consolidated interim financial statements constitute a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB134 ensures compliance with IAS134: Interim Financial Reports. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Consolidated Entity as at and for the year ended 30 June 2016.

These consolidated interim financial statements were approved by the Board of Directors on 16 March 2017.

The interim financial statements have been prepared in accordance with the accounting policies and methods of computation adopted in the Consolidated Entity's last annual financial statements for the year ended 30 June 2016 and the corresponding half year. The accounting policies have been applied consistently throughout the Consolidated Entity for the purposes of preparation of these interim financial statements.

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

<u>Adoption of new and revised standards:</u>

Standards and Interpretations applicable to 31 December 2016

In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the half-year reporting periods beginning on or after 1 July 2016. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity's accounting policies.

Standards and Interpretations in issue not yet adopted applicable to 31 December 2016

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Consolidated Entity and effective for the half-year reporting periods beginning on or after 1 January 2017. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity's accounting policies.

1. *Basis of Preparation of Half Year Financial Report (Continued)*

Significant accounting judgments and key estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Except as described below, in preparing this half-year financial report, the significant judgments made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016.

c) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

d) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Consolidated Entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

	Consolidated Half Year Ended 31 December 2016 $	Consolidated Year Ended 30 June 2016 $
2. *Deferred exploration expenditure*		
Balance at beginning of period/year	**10,750,378**	478,703
Expenditure during the period/year	**4,106,649**	7,637,536
Acquisition of Tanzanian graphite project	**11,339**	3,114,119
Impairment	**-**	(479,980)
Balance at end of period/year	**14,868,366**	10,750,378

Capitalised exploration and evaluation expenditure represents the accumulated cost of acquisition and subsequent cost of exploration and evaluation of the properties. Ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale, of the respective areas of interest.

	Consolidated Half Year Ended 31 December 2016 $	Consolidated Year Ended 30 June 2016 $
3. *Issued capital*		
Issued and paid up capital:		
Ordinary shares fully paid of no par value	**53,206,005**	51,722,526
	53,206,005	51,722,526

	Consolidated Half Year Ended 31 December 2016		Consolidated Year Ended 30 June 2016	
	Number	$	Number	$
Movement in ordinary shares on issue:				
Balance at beginning of period/year	906,180,471	51,722,526	308,645,421	32,466,385
Entitlements issue	-	-	127,661,569	1,531,843
Subsidiary acquisitions	-	-	176,000,000	6,928,500
In lieu of consultancy and corporate advisory fees	-	-	37,104,529	698,500
Options exercised at $0.02 per share	-	-	21,703,802	434,001
Placement at $0.035 per share	-	-	50,000,000	1,750,000
Performance rights converted at $Nil per right	-	-	9,000,000	-
Placement at $0.033 per share	-	-	138,065,150	4,556,150
Placement at $0.01 per share	-	-	40,000,000	4,000,000
Options exercised (not yet issued)	-	-	-	69,615
In lieu of services	**5,250,000**	**488,750**	-	-
Performance rights converted at $Nil per right	**4,500,000**	-	-	-
Options exercised at $0.02 per share	**54,009,751**	**1,012,078**	-	-
Security issue expenses	-	**(17,349)**	-	(712,468)
Balance at end of period/year	**969,940,222**	**53,206,005**	**906,180,471**	**51,722,526**

3. *Issued capital (continued)*

Share options:

Grant Date	Details	Expiry Date	Exercise Price	Balance at 30-Jun-16	Granted During Period	Exercised During Period	Expired During Period	Balance at 31-Dec-16
26-Nov-12	Unlisted options	30-Nov-16	$0.25	2,200,000	-	-	(2,200,000)	-
02-Aug-12	Unlisted options	02-Aug-16	$0.25	475,000	-	-	(475,000)	-
[1]	Listed options	31-Dec-17	$0.02	289,668,649		(46,509,751)	-	243,158,898
01-Apr-16	Unlisted options	31-Dec-17	$0.02	12,000,000	-	(7,500,000)	-	4,500,000
25-May-16	Unlisted options	30-Apr-19	$0.06	4,200,000	-	-	-	4,200,000
25-May-16	Unlisted options	30-Apr-19	$0.08	4,200,000	-	-	-	4,200,000
25-May-16	Unlisted options	30-Apr-19	$0.10	4,200,000	-	-	-	4,200,000
25-May-16	Unlisted options	30-Apr-19	$0.12	4,200,000	-	-	-	4,200,000
13-Sep-16	Unlisted options	12-Aug-17	$0.12	-	7,500,000	-	-	7,500,000
13-Sep-16	Unlisted options	12-Aug-18	$0.14	-	7,500,000	-	-	7,500,000
13-Sep-16	Unlisted options	12-Aug-19	$0.16	-	7,500,000	-	-	7,500,000
				321,143,649	22,500,000	(54,009,751)	(2,675,000)	286,958,898

[1]Varying grant dates: 27-May-14, 20-Feb-15, 26-Feb-15, 19-Mar-15, 21-Apr-15, 15-May-15, 07-Aug-15, 10-Aug-15, 18-Aug-15, 22-Oct-16, 04-Nov-15, 11-Nov-15.

The options granted during the period were granted to a corporate advisor for services relating to ongoing capital market strategy requirements, and the resulting value of $525,000 has been expensed in the current period. In addition, a further expense of $90,000 relating to options issued in the previous period but relating to services rendered in the current period, has been recorded. The options granted during the period have been valued using the Black and Scholes option pricing method with the following inputs:

Exercise Price	Expiry Date	Share Price	Volatility	Interest Rate
$0.12	12-Aug-17	$0.07	100%	1.5%
$0.14	12-Aug-18	$0.07	100%	1.5%
$0.16	12-Aug-19	$0.07	100%	1.5%

Performance rights:

Issue Date	Details	Balance at 30-Jun-16	Granted During Period	Expired During Period	Converted During Period	Balance at 31-Dec-16
Various	Unlisted performance rights	10,000,000	8,000,000	-	(4,500,000)	13,500,000
		10,000,000	8,000,000	-	(4,500,000)	13,500,000

3. *Issued capital (continued)*

The unlisted performance rights granted during the period to a Non-Executive Director each convert into one fully paid ordinary share upon satisfaction of certain milestones achieved by the Company. The unlisted performance rights will rank equally with the existing fully paid ordinary shares on issue. The performance rights granted during the period were valued at $536,000 in total. The value attributed to the performance rights whose vesting conditions were satisfied during the period, together with the value attributed to the performance rights granted in previous periods whose vesting conditions were satisfied during the period, amounted to $219,000. This amount has been expensed in the current period.

4. *Commitments and contingencies*

In order to maintain and preserve the rights of tenure to granted exploration tenements, the Consolidated Entity is required to meet certain minimum levels of exploration expenditure. As at the reporting date, these future minimum exploration expenditure commitments as as follows:

	Consolidated Half Year Ended 31 December 2016 $	Consolidated Year Ended 30 June 2016 $
Within one year	**207,290**	279,418
One to five years	**1,036,450**	838,256
	1,243,740	1,117,674

There are no contingent liabilities as at the date of this report.

5. *Financial reporting by segments*

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The function of the chief operating decision maker is performed by the Board collectively. Information reported to the Board for the purposes of resource allocation and assessment of performance is focused broadly on the Group's diversified activities across different sectors.

The Group's reportable segments under AASB 8 are therefore as follows:

- Mineral Exploration – Tanzania
- Mineral Exploration – Australia

Information regarding the activities of these segments during the current and prior financial period is set out in the following tables.

	Australian Exploration $	Tanzanian Exploration $	Total $
31 December 2016			
Segment revenue	-	-	**-**
Segment results	-	(35,286)	**(35,286)**
Interest revenue			**42,530**
Central administration costs and Directors' remuneration			**(1,760,027)**
Loss before income tax			**(1,752,783)**
Segment assets	-	14,868,366	**14,868,366**
Unallocated assets			**3,618,217**
Total assets			**18,486,583**
Segment liabilities	-	80,869	**80,869**
Unallocated liabilities			**298,774**
Total liabilities			**379,643**

5. *Financial reporting by segments (continued)*

	Australian Exploration $	Tanzanian Exploration $	Total $
31 December 2015			
Segment revenue	-	-	**-**
Segment results	(485,824)	-	**(485,824)**
Interest revenue			**4,992**
Central administration costs and Directors' remuneration			**(1,600,340)**
Loss before income tax			**(2,081,172)**

	Australian Exploration $	Tanzanian Exploration $	Total $
30 June 2016			
Segment assets	-	10,750,378	**10,750,378**
Unallocated assets			**7,848,255**
Total assets			**18,598,633**
Segment liabilities	-	184,647	**184,647**
Unallocated liabilities			**923,420**
Total liabilities			**1,108,067**

6. *Events subsequent to period end*

There are no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

Issue of 6,343,915 fully paid ordinary shares at a price of $0.02 each upon conversion of options on 31 January 2017;
Issue of 500,000 fully paid ordinary shares at a price of $0.02 each upon conversion of options on 20 February 2017; and
Binding off-take agreement was secured with Nano Graphene Inc on 3 March 2017 for a minimum of 5,000 tonnes of flake graphite concentrate over 5 years.

7. *Financial instruments*

The Directors consider that the carrying values of the financial assets and financial liabilities recognised in the condensed consolidated statement of financial position approximate their fair values.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 8 to 20 are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

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Stephen Hunt
Non-Executive Chairman

16 March 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Volt Resources Limited

Report on the Consolidated Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Volt Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Volt Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
16 March 2017