



VOLT
RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

14 December 2017

Volt to proceed with US\$40 million Tanzanian Bond issue to fund Stage 1 development of Bunyu Graphite Project

- **Volt to proceed with Bond Issue following successful roadshows completed in Tanzania, Uganda and Kenya**
- **Proposed funding to complete Stage 1 development of Bunyu Graphite Project targeting production of 20,000tpa of graphite products commencing late 2018/early 2019**
- **Debt transaction sized at US\$40 million to cover Stage 1 development at the Bunyu Project and ancillary costs**
- **Volt's Bunyu Project is the largest JORC Mineral Resource deposit in Tanzania with 461Mt @ 4.9% TGC, with 22.6Mt of contained graphite¹**

Tanzanian-focused flake graphite development company **Volt Resources Limited (ASX: VRC)** ("**Volt**" or "**the Company**") is pleased to advise that it will proceed with the issue of US\$40 million in structured debt funding.

As previously advised (see ASX Announcement dated 25 October 2017), Volt has engaged Exotix Capital to undertake a Tanzanian Bond issue to raise the required funding for the development of Stage 1 of the Bunyu project.

Following recent meetings with targeted investment groups in Tanzania, Uganda and Kenya, Exotix has recommended Volt proceed with a formal bond prospectus process and listing of the bonds on the Dar es Salaam Stock Exchange ("DSE") in Tanzania. Volt and Exotix have sized the debt transaction at US\$40 million on the key terms set out below which will allow net project development and working capital funding of ~US\$31 million after taking into account a Debt Service Reserve Account (DSRA) and costs of the issue. The facility interest and bond maturity payments can be serviced by projected project cashflows.

Importantly, the US\$40m debt sizing allows meaningful participation from Tanzanian and Ugandan Pension Funds combined with other investment groups seeking fixed income investments.

¹ Refer to Volt's ASX announcement titled "Pre-feasibility Study Completed" dated 15 December 2016. 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.

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Key Bond Terms

Issuer	Volt Graphite Tanzania PLC (“Volt” or the “Issuer”)
Issuing Venue	Dar es Salaam Stock Exchange EGM
Amount	US\$40,000,000 USD-linked Tanzanian Shilling Denominated
Greenshoe Rights	Yes
Maturity	7 years, (2025)
Coupon	Mid teens
Coupon Frequency	Semi-Annual
Structure	Coupon will be payable in cash A Debt Service Reserve Account (“DSRA”) is to be withheld by the Issuer to service payments on the Notes for a period of twelve months
Payment Format	US Dollar Linked: Coupon payments to investors will be paid at the market exchange rate on the day of coupon payment
Governing Law	Tanzanian
Issuance Date	February 2018

Following the preparation and issue of a prospectus by Volt’s Tanzanian subsidiary, Volt Graphite Tanzania Ltd, to accept investment subscriptions, the bonds be will listed on the Dar es Salaam Stock Exchange (“DSE”) in Tanzania. The estimated timeframe to complete the bond prospectus and DSE listing is 8-12 weeks.

This funding pathway provides for local investment in the largest graphite project in Tanzania and one of the largest in the world. With local job creation and skills acquisition, local business opportunities and significant export revenue for Tanzania, the Bunyu Graphite Project provides Tanzania with the opportunity to become a significant part of the global new energy sector.

Volt’s Bunyu Graphite Project can produce graphite suitable for battery anode production, flame retardant building material uses, the developing graphene industry and traditional markets including refractories.

Volt’s CEO, Trevor Matthews, commented:

“We are buoyed by the level of support received from the Exotix bond roadshow.

“The appetite for investing in local resource projects in this market is evident by the positive response received to date and the increased sizing of the bond issue provides us with added financial flexibility as we target the successful Stage 1 development of our Bunyu Graphite Project over the next 12 months.

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“We look forward to scaling up our development activities at Bunyu into the new year, and we will provide shareholders with further funding and operational updates in due course.”

For and on behalf of Volt Resources Limited

Trevor Matthews
Chief Executive Officer

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About Volt Resources Limited

Volt Resources Limited is a graphite exploration company listed on the Australian Stock Exchange under the ASX code: VRC. Volt Resources is focused on the exploration and development of its existing wholly-owned Bunyu Graphite Project in Tanzania. As of December 2016, the Bunyu Project is the largest JORC Mineral Resource deposit in Tanzania with 461Mt @ 4.9% TGC (comprising 20Mt Measured Mineral Resources @ 5.3% TGC, 155Mt Indicated Mineral Resources @ 5% TGC and 286Mt Inferred Mineral Resources @ 4.9% TGC), with 22.6Mt of contained graphite. The Bunyu 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 away.

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