



VOLT
RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

29 July 2019

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2019

Highlights:

- **Development funding options including the Tanzanian Note Issue approval advancing to secure US\$40 million for the Stage 1 development of the Bunyu Graphite Project**
- **US\$1 million in funding secured from a European based high net worth investor**
- **Riverfort/Yorkville debt facility restructured with maturity date extended to 14 September 2019**
- **Mr Giacomo (Jack) Fazio appointed Non-Executive Director**

Tanzanian-focused flake graphite development company Volt Resources Limited (**ASX: VRC**) ("**Volt**" or, the "**Company**") is pleased to report on the Company's activities for the quarter ended 30 June 2019.

June Quarter Activities Overview

US\$40 million Tanzanian Note Issue Update

The Company and its advisor, Exotix Capital, continued to progress the planned Tanzanian Note Issue and listing of the Notes on the Dar es Salaam Stock Exchange (DSE). Volt advanced a number of development funding strategies in parallel which include providing Volt with the options of a Bond Issue and listing on the Stock Exchange of Mauritius ("**SEM**") and private bond investment.

During and post quarter end, ongoing in-country discussions and meetings between Volt's management team and the Tanzanian Government continued to take place, and the Company is confident that the approval process for the Note Issue is nearing the final stages.

Positive progress was also made in respect to the Company's proposed Bond Issue and listing on the SEM, with a draft prospectus in the final stages of preparation and post quarter end an additional experts report being prepared to meet the information and disclosure requirements of the SEM. Further, discussions and project due diligence processes continue with North America, African and Asia-based institutions via Exotix Capital.

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Project Engineering and Construction

Contract negotiations with a recognised engineering services firm for the role of Project Management Contractor (PMC) continued with the development of final contract terms and conditions. The contract is planned to be executed by the parties in the near future to coincide with development funding nearing completion.

Tanzanian Mining Exhibition

The CEO and Volt Graphite Tanzania management attended a mining exhibition in the parliament grounds in Tanzania's capital, Dodoma, over a two day period on May 26 and 27. The exhibition coincided with the Ministry for Minerals annual budget speech to the National Assembly. It provided an opportunity for the Company to present the Company's Bunyu project and explain graphite mining and processing, product markets and project development activities to the Speaker of the House and members of parliament.



CEO Trevor Matthews welcoming the Speaker of the Tanzanian National Assembly Hon. Job Ndugai to the Volt booth during the Mining Exhibition at the Parliament grounds in Dodoma



(L to R) Volt CEO Trevor Matthews, Community Relations Manager Peter Dodi, Corporate Affairs Manager Godwin Nyelo and guest.

US\$1 Million Corporate Funding Secured

In June, the Company secured US\$1 million in working capital funding from Mr Lars Bader via the placement of 20,845,714 shares at 2.1c per share raising US\$300,000, an 18-month loan facility for US\$700,000 and 25,536,000 options with an exercise price of \$0.04 per share with an 18-month maturity.

The funding provides flexibility to finalise the Tanzanian Note Offer approval as part of the Bunyu Stage 1 development funding process and assists with the corporate debt restructuring. The support from Mr Bader demonstrates the long-term underlying value in Volt's Bunyu Project.

The Company also announced during the quarter financial support from two directors, with Mr Kabunga and Mr Hunt advancing \$100,000 in short term working capital funding on an unsecured, arm's length commercial term basis repayable on or before 15 July 2019.

Debt Facility Restructure

Subsequent to the reporting date, the Company advised the maturity date for the loan facility with RiverFort Global Capital and Yorkville Advisors (see ASX announcements dated 22 January and 23 January 2019) had been extended by two months, from 14 July 2019 to 14 September 2019.

The terms of the extension require an amount payable at execution of US\$375,000, comprising a loan repayment amount of US\$335,106 which reduces the total amount payable at maturity to US\$664,894 from US\$1 million and an extension fee of US\$39,894.

Board Changes

Post-quarter end, the Company appointed Mr Giacomo (Jack) Fazio as Non-Executive Director, following the resignation of Mr Alwyn Vorster.

Mr Fazio is a highly experienced project, construction and contract/commercial management professional having held senior project management roles with Primero Group Limited, Laing O'Rourke and Forge Group Ltd. His experience ranges from feasibility studies through to engineering, procurement, construction, and commissioning of diverse mining, infrastructure, oil & gas and energy projects.

Change of Registered Office

The Company changed its registered office and principal place of business to Level 25, Suite 10 108 St Georges Terrace Perth WA 6000.

Volt's postal address has also changed to the above address. The Company's telephone number remains unchanged as +61 (0)8 9486 7788.

Management Commentary

Volt Resources CEO Trevor Matthews said:

"We continue to drive the opportunity to progress bond issues in both Tanzania and Mauritius, which will provide Volt with important funding optionality and access to a larger pool of investors to raise the US\$40 million needed to complete the Stage 1 development program at Bunyu.

"While we acknowledge that the process has taken longer than originally forecast, it should be noted that Volt is the first mining company to pursue a DSE and Mauritian debt issue and listing and we are now nearing the final stages of the approval processes in both jurisdictions which is very encouraging.

"With recent progress on corporate funding and the development funding process nearing a conclusion, Volt is very excited to be turning its focus towards the development of this world-class project."

-ENDS-

For and on behalf of Volt Resources Limited

Trevor Matthews
Chief Executive Officer

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About Volt Resources Limited

Volt Resources Limited (“Volt”) is a graphite exploration and development company listed on the Australian Stock Exchange under the ASX code VRC. Volt is currently focused on the exploration and development of its wholly-owned Bunyu Graphite Project in Tanzania. The Bunyu Graphite 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.

In July 2018, Volt reported the completion of the Feasibility Study (“FS”) into the Stage 1 development of the Bunyu Graphite Project. The Stage 1 development is based on a mining and processing plant annual throughput rate of 400,000 tonnes of ore to produce on average 23,700tpa of graphite products¹. A key objective of the Stage 1 development is to establish infrastructure and market position in support of the development of the significantly larger Stage 2 expansion project at Bunyu.

¹ Refer to Volt’s ASX announcement titled “Positive Stage 1 Feasibility Study Bunyu Graphite Project” dated 31 July 2018. 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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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Volt Resources Limited

ABN

28 106 353 253

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(96)	(986)
(b) development	-	-
(c) production	-	-
(d) staff costs	(256)	(1,441)
(e) administration and corporate costs	(138)	(1,424)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	-	(20)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	641
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(489)	(3,223)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	1	1
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	59	59
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	60	60
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	430	430
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	40
3.5	Proceeds from borrowings	1,106	2,957
3.6	Repayment of borrowings	(102)	(1,004)
3.7	Transaction costs related to loans and borrowings	-	(291)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,434	2,132
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	156	2,192
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(489)	(3,223)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	60	60
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,434	2,132

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,161	1,161

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,161	156
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash held in trust)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,161	156

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
Nil
-

Directors' salaries, fees and superannuation. \$97,000 accrued during this June quarter and the previous March quarter yet to be paid.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities – Short term loan	1,400	1,400
- 18 months US\$700,000 loan	1,006	1,006
- Director's loans	100	100
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Short-term loan per ASX announcements of 22 and 23 January 2019 which was due to mature on 14 July 2019 was extended post quarter end to 14 September 2019. During the quarter repayments of \$102,000 were made.

An 18-month loan of US\$700,000 was received per the ASX announcement of 24 June 2019, with a repayment of US\$1,050,000 due on maturity.

\$100,000 in loans from two directors were received in May 2019, repayable on or before 15 July 2019.

A fully underwritten Share Purchase Plan (SPP) to raise \$1.1 million was announced to the ASX on 22 July 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation*	40
9.2 Development	-
9.3 Production	-
9.4 Staff costs*	288
9.5 Administration and corporate costs	361
9.6 Other *Tanzanian costs are stated net of development funding.	-
9.7 Total estimated cash outflows	689

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 29 July 2019

Company Secretary

Print name: Susan Hunter**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.