



VOLT
RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

31 October 2019

QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2019

Highlights:

- **Mauritian Note Issue Prospectus lodged for approval**
- **Volt raises \$1.65 million via Share Purchase Plan and top up placement**
- **Riverfort / Yorkville debt facility restructured and repaid in full**
- **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 September 2019.

September Quarter Activities Overview

Bunyu Stage 1 Development Funding Update

The Company and its advisors Exotix Capital ("Exotix") continued to pursue the Stock Exchange of Mauritius ("SEM") Note Issue and listing during the quarter as part of its funding strategy to raise US\$40 million for the Stage 1 development of Bunyu Graphite Project.

In September, the draft prospectus for the Company's 100% owned subsidiary, Volt Graphite Tanzania Plc's (VGT) proposed note issue and listing was lodged for approval.

The SEM Note Issue and listing does not require Tanzanian Government approval, allowing VGT to issue the SEM prospectus and commence the fund-raising process immediately following receipt of approval. Further details of the Note Issue terms and conditions will be provided once SEM approval is received. Volt expects the prospectus to be approved by the SEM (which is the sole regulator) in Q4 2019.

Furthermore, discussions to progress the planned Tanzanian Note offer and listing of the Notes on the Dar es Salaam Stock Exchange (DSE) remain ongoing and the Company is confident that the approval process for the Note Issue is nearing the final stages.

\$1.65 Million raised via SPP and Top Up Placement

Volt launched a Share Purchase Plan (SPP) in July, which closed oversubscribed to raise a total of \$1,299,000.

In addition, a further \$350,000 was raised via a top-up placement of new shares to sophisticated and professional investors at the same issue price as the SPP including \$100,000 from the Chairman, Asimwe Kabunga, which requires shareholder approval at the upcoming AGM, taking the total amount raised to \$1,649,000.

Funds raised under the SPP and Placement have been used to repay the outstanding loan notes due to Riverfort Global Capital and Yorkville Advisors, which was due on 14 September 2019 (see below - refer ASX announcement Monday 15 July 2019) and for general working capital and corporate purposes.

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Debt Facility Restructure

In July, 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) was extended by two months, from 14 July 2019 to 14 September 2019.

As advised, the outstanding loan notes due to Riverfort and Yorkville were fully repaid following the receipt of funds from the aforementioned Share Purchase Plan and Top-up Placement.

Project Engineering and Construction

Contract negotiations continued with the recognised engineering services firm for the role of Project Management Contractor (PMC) and finalisation of the contract terms and conditions is near. The contract is planned to be finalised to coincide with the completion of development funding.

Board Changes

On 1 July 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 resources, infrastructure, oil & gas and energy projects.

Cash Position and Mid-Term Funding

The Company finished the 30 September 2019 quarter with \$115k in cash. Expenditure during the September quarter included the repayment of the Riverfort / Yorkville debt facility mentioned previously, travel and advisor costs for the Stage 1 development funding Note issue approvals, capital raising fees and general working capital.

The Company is currently reviewing proposals to raise equity funds while it completes its Note Issue and listing approvals in Mauritius and Tanzania.

The Company is reviewing its structure and expenditure commitments while it progresses its Stage 1 development funding pathway.

Management Commentary

Volt Resources CEO Trevor Matthews said:

"We made decisive steps towards finalising funding for Bunyu's Stage 1 development this quarter, culminating with the lodgement of VGT's proposed SEM Note Issue and listing for approval.

"With the SEM Note Issue prospectus expected to be approved in Q4, it is a significant advancement towards securing the funding and in parallel we have continued positive discussions with the Tanzanian government.

"While we acknowledge this process has taken longer than we had hoped, the Company is confident that with the funding process nearing a conclusion, Volt will soon be zeroing 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 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(109)	(109)
(b) development	-	-
(c) production	-	-
(d) staff costs	(312)	(312)
(e) administration and corporate costs	(304)	(304)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(726)	(726)

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 (3 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
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	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,549	1,549
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	(134)	(134)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,523)	(1,523)
3.7	Transaction costs related to loans and borrowings	(222)	(222)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(330)	(330)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,171	1,171
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(726)	(726)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(330)	(330)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	115	115

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	115	1,171
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)	115	1,171

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 of \$77,000 accrued during this September quarter and the previous June quarter are 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

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 loans	-	-
- 18 months US\$700,000 loan	1,037	1,037
- Director's loans	-	-
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 18-month loan of US\$700,000 is summarised in the ASX announcement of 24 June 2019, with a repayment of US\$1,050,000 due on maturity and interest paid half yearly. Directors loans totalling A\$100,000 were repaid at the start of the quarter. The US\$1,000,000 in short term loans from Riverfort Global and Yorkville Advisors were extended from July 2019 to September 2019 and fully repaid during the quarter.

9. Estimated cash outflows for next quarter (Q2)	\$A'000
9.1 Exploration and evaluation*	198
9.2 Development	-
9.3 Production	-
9.4 Staff costs#	460
9.5 Administration and corporate costs#	356
9.6 Other - interest	103
<i>*Tanzanian tenement costs are forecast for Q3 FY2020.</i>	
<i># Includes payments deferred from the previous quarter.</i>	
9.7 Total estimated cash outflows	1,117

Mining exploration entity and oil and gas exploration entity quarterly report

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	PL10643/2015*	Tanzania Graphite prospecting *Renewal for 74.4 km ² rather than the previous 154.53 km ²	52%	-%
		PL10668/2015*	Tanzania Graphite prospecting *Renewal for 53.0 km ² rather than the previous 107.98 km ²	51%	-%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	PL10643/2015*	<u>Renewals</u> Tanzania Graphite prospecting	48%	100%
		PL10644/2015	Tanzania Graphite prospecting	100%	100%
		PL10667/2015	Tanzania Graphite prospecting	100%	100%
		PL10668/2015*	Tanzania Graphite prospecting	49%	100%
		PL10717/2015	Tanzania Graphite prospecting	100%	100%
		PL13207/2018	<u>Applications</u> Tanzania Graphite prospecting	100%	100%
		PL13208/2018	Tanzania Graphite prospecting *Following partial relinquishment of PL10643 and PL10668 the interest is 100% of the remaining tenement area.	100%	100%

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: 31 October 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.

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