



**VOLT**  
RESOURCES

**ASX ANNOUNCEMENT**

By e-lodgement  
31 January 2020

**QUARTERLY ACTIVITIES REPORT TO DECEMBER 31 2019**

**Highlights:**

- **Stock Exchange of Mauritius approves Volt's Note Listing on the Development and Enterprise Market**
- **Successful Non-Renounceable Rights Issue raises A\$1.25 million**
- **Binding offtake agreement with Tianshengda extended by mutual agreement**

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 December 31, 2019.

**December Quarter Activities Overview**

**Bunyu Stage 1 Development Funding Update**

During the quarter, the Company and its advisors Alphier Capital ("Alphier" and formerly Exotix Capital) made significant progress with respect to the Stock Exchange of Mauritius ("SEM") Note Issue and listing, which is a key component of its funding strategy to raise US\$40 million for the Stage 1 development of Bunyu Graphite Project.

As previously advised, Volt's 100% owned Tanzanian subsidiary Volt Graphite Tanzania Plc ("VGT") is undertaking a private placement of Notes that will be listed on the Development and Enterprise Market ("DEM") of the SEM. The Note offer is seeking to raise US\$15,000,000 through the issue of Senior Notes – with a greenshoe option of up to US\$15,000,000 – to raise up to US\$30,000,000.

In December, VGT's application for the listing of Notes was approved by the Stock Exchange of Mauritius listing executive committee.

With the approval finalised, at quarter end the Company and its advisors commenced planning for VGT's Note Issue roadshow. Subsequent to the quarter end, the Note Offer opened on 27 January 2020 with Volt's CEO, Trevor Matthews, and Alphier Capital Managing Partner, Andrew Moorfield, commencing the Note Offer roadshow investor meetings.

The Mauritian Note offer is planned to close 20 February 2020. The first day of trading of the Notes on the Stock Exchange of Mauritius DEM is scheduled for Wednesday, 26 February 2020.

While the DEM Note Offer is currently the Stage 1 development funding priority, during the quarter the Company continued to progress discussions with government officials regarding VGT's proposed Tanzanian Note issue and listing on the Dar es Salaam Stock Exchange. Further, other development funding discussions and project due diligence processes continue with North America, Middle East and African based institutions via Alphier Capital.

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### **Non-Renounceable Rights Issue Raises A\$1.25m**

During the quarter, the Company undertook a 1 for 12.9 non-renounceable Rights Issue (Rights Issue) of ordinary shares, which closed in December, raising A\$1.251 million following the underwriting and placement of all shortfall shares (see ASX Announcement dated 17 December 2019).

Subsequent to the reporting date, (see ASX Announcement dated 7 January 2020), Volt received a further \$638,055 from the issue of 63,805,449 shares following the underwriting and placement of the shortfall shares.

Volt's Chairman, Asimwe Kabunga, strongly supported the capital raising, contributing in excess of \$0.5 million of the total amount raised.

Funds raised will be used to progress the DEM listed Note issue, discussions with other development funding sources and for general corporate and working capital.

### **Binding Offtake Agreement Extended**

The binding sales agreement ("Agreement") between VGT and Qingdao Tianshengda Graphite Co. Ltd. ("Tianshengda") for 9,000 tonnes per annum of Bunyu Graphite Product over five years was executed on 1 August 2018.

The Agreement is conditional upon VGT confirming that it has completed the construction and commissioning of the Stage 1 Project for mine development and upon completion of the processing plant for the treatment of sufficient ore from the Project within defined milestone dates. The milestone dates were due to expire in the coming quarter.

The Company and Tianshengda recently executed an amendment to the Agreement extending these milestone dates by a further 2 years. This is a strong show of support and confidence by our offtake partner, Tianshengda, and reflects not only the quality of Volt's graphite products but the expected strong increase in flake graphite demand in coming years from EV and grid energy storage, flame retardant building materials and other new industrial applications.

The Tianshengda Offtake Agreement is one of two binding offtake agreements entered into by VGT and there is a further offtake agreement in draft that is to be executed once development funding is obtained. The combined offtake quantities under the existing and planned offtake agreements has completed the sale of product forecast to be available from Stage 1 production.

Tianshengda is an integrated graphite processor and distributor across China and internationally. Based in Laiki City, Shangdong Province, Tianshengda has a substantial annual capacity to further process graphite by producing value added products including expandable graphite, flake graphite and powder, as well as supplying graphite to the lithium ion battery market.

### **Cash Position and Mid-Term Funding**

The Company finished the 31 December 2019 quarter with \$120k in cash and subsequent to the quarter end received a further \$638,055.

While the Company progresses its Mauritian Note Issue to raise funds for the Stage 1 development, the Company is reviewing proposals to raise a smaller amount of funds for corporate and working capital purposes following the completion of its Mauritian Note Issue and other development funding discussions.

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## **Management Commentary**

### **Volt Resources CEO Trevor Matthews said:**

“The overarching focus this quarter was advancing the Company’s development funding initiatives, and the approval from the Stock Exchange of Mauritius represents a significant step towards securing Stage 1 funding.

“With VGT’s application for the listing of Notes approved and the Note offer open, the Company and its advisors are now proceeding with VGT’s Note Issue roadshow.

“Furthermore, the \$1.25 million secured via the completed Rights Issue provides the Company with the funding required to progress the Companies development funding initiatives.

“The milestones achieved this quarter have heightened the Company’s confidence that this funding process is nearing a conclusion, and we look forward to providing further updates in due course.”

This announcement is authorised for release by Volt’s Chief Executive Officer, Trevor Matthews.

**-ENDS-**

*For and on behalf of Volt Resources Limited*

**Trevor Matthews**  
**Chief Executive Officer**

### **For further information please contact:**

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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 products<sup>1</sup>. 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.

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<sup>1</sup> 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.

## 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")**

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(80)	(189)
(b) development	-	-
(c) production	-	-
(d) staff costs	(291)	(604)
(e) administration and corporate costs	(399)	(701)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(770)</b>	<b>(1,495)</b>
<b>2. Cash flows from investing activities</b>		
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 (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	713	2,262
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	(35)	(167)
3.5	Proceeds from borrowings	110	110
3.6	Repayment of borrowings	-	(1,523)
3.7	Transaction costs related to loans and borrowings	(13)	(238)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>775</b>	<b>444</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	115	1,171
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(770)	(1,495)
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)	775	444

## Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>120</b>	<b>120</b>

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	120	115
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash held in trust)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>120</b>	<b>115</b>

**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. \$21,900 accrued during the December quarter.

**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. <b>Financing facilities available</b> <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	-	-
- 18 months US\$700,000 loan	1,169	1,006
- Director and CEO loans	50	50
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.		

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. A total loan amount of \$100,000 were provided by the Chairman and CEO to the company on arms-length commercial terms during the quarter and \$50,000 of these loans were repaid during the quarter.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation*	235
9.2 Development	-
9.3 Production	-
9.4 Staff costs*	74
9.5 Administration and corporate costs	374
9.6 Other *(interest on loan facility).	106
<b>9.7 Total estimated cash outflows</b>	<b>789</b>

The Company received an additional \$638k from the placement of shortfall and underwritten shares in January 2019.

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	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

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**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 January 2020

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.