VOLT RESOURCES

ABN: 28 106 353 253

And Controlled Entities

CONSOLIDATED HALF YEAR REPORT

For the Half Year Ended
31 December 2019

CONTENTS

DIRECTORS

Asimwe Kabunga	Non-Executive Chairman
Stephen Hunt	Non-Executive Director
Giacomo Fazio	Non-Executive Director

CHIEF EXECUTIVE OFFICER
Trevor Matthews

SECRETARY
Susan Hunter

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AUDITORS
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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 2019.

DIRECTORS

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

Asimwe Kabunga	Non-Executive Chairman
Stephen Hunt	Non-Executive Director
Alwyn Vorster	Non-Executive Director (resigned 1 July 2019)
Giacomo Fazio	Non-Executive Director (appointed 1 July 2019)

RESULTS

The loss after tax for the half year ended 31 December 2019 was $1,844,875 (2018: $1,369,201).

REVIEW OF OPERATIONS

The Company 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 to the south east.

Key Operational Activities for the Half-Year Period

During the half-year the Company has focussed on progressing the Stage 1 development funding for the Bunyu Graphite Project in southern Tanzania.

Note Issue Developments

During the half year period, 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 the Company's funding strategy to raise US$40,000,000 for the Stage 1 development of the Bunyu Graphite Project.

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 half-year end the Company and its advisors commenced planning for VGT's Note Issue roadshow.

While the DEM Note Offer is currently the Stage 1 development funding priority, during the half year 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. This process is currently suspended while the DEM Note issue and other funding alternatives are progressed.

The other development funding discussions and project due diligence processes were undertaken with North American, Middle East and African based institutions via Alphier Capital.

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 March 2020 quarter.

In December 2019 the Company and Tianshengda 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 Volt's 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 Electric Vehicle 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.

Community Relations Overview

The Company's 100% owned subsidiary VGT continued to strengthen relationships with local communities even though project development activities are deferred while development funding is being progressed. VGT maintained strong communication through update reports, Resettlement Working Group meetings and meetings with the district government, ward and village leaders.

Furthermore, VGT continued to make local financial contributions as part of its social investment program which includes the continued payment of a monthly allowance to Nursery School teachers at Utimbula village and financial contributions for a new ward office and school classroom facilities.

CORPORATE

Capital Raisings

In July, the maturity date for the loan note facility with RiverFort Global Capital and Yorkville Advisors was extended by two months, from 14 July 2019 to 14 September 2019.

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

In addition, a further $250,000 was raised via a top-up placement of new shares to sophisticated and professional investors at the same issue price as the SPP and $100,000 requiring shareholder approval at the 2019 AGM, taking the total amount raised to $1,649,000.

Funds raised under the SPP and Placement were used to repay the outstanding loan notes due to Riverfort Global Capital and Yorkville Advisors, which was due on 14 September 2019, and for general working capital and corporate purposes.

In the December quarter, the Company undertook a 1 for 12.9 non-renounceable Rights Issue ("Rights Issue") of ordinary shares, which closed in December, raising $1,251,000 on following the underwriting and placement of all shortfall shares.

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

AGM

The AGM was held on 20 November 2019 and all resolutions were passed.

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 shares

On 8 January, the Company announced that it received $638,055 from the issue of 63,805,449 shares following the underwriting and placement of the shortfall shares from the recently closed Rights Issue. Funds raised will be used to progress the recently approved Stock Exchange of Mauritius (SEM) listed Note issue, continuation of the process to obtain approvals for the Dar es Salaam Stock Exchange (DSE) Note Issue and for general corporate and working capital.

Mauritian Note Issue Developments Subsequent to Reporting Date

The Mauritian funding process commenced with the Company's Note Offer officially opening Monday 27 January 2020.

VGT is progressing with the raising of 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 by way of private placing on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM).

The Mauritian Note offer is planned to close 24 April 2020. The first day of trading of the Notes on the Stock Exchange of Mauritius' DEM is scheduled for Wednesday, 30 April 2020.
The Company and its advisor, Alphier Capital along with local brokers, commenced investor meetings from 27 January 2020 as part of a roadshow to market the Notes to sophisticated investors.

The purpose of issuing the Notes and listing on the DEM is to provide funds to enable the Company to:

(a) commence the development of the Stage 1 Bunyu Graphite Project in Southern Tanzania including the construction of a 400,000 tpa concentration plant and associated infrastructure; and

(b) fund the resettlement costs of people currently farming and/or living within the project development area.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half year ended 31 December 2019 has been received and is included on the following page.

Signed in accordance with a resolution of directors.

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Asimwe Kabunga
Non-Executive Chairman
13 March 2020

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 2019, 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	**B G McVeigh**
13 March 2020	**Partner**

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Revenue	7	**324**	4,021
Corporate compliance fees		**(371,886)**	(223,805)
Corporate management costs		**(829,447)**	(958,413)
Foreign exchange gain / (loss)		**(47,856)**	70,590
Marketing and investor relations costs		**(128,754)**	(98,823)
Occupancy expenses		**(23,022)**	(73,057)
Share based payments	6	**(69,220)**	(343,904)
Interest expenses		**(278,048)**	(13,951)
Other expenses		**(96,966)**	(373,032)
Loss before income tax benefit		**(1,844,875)**	(2,010,374)
Income tax benefit		**-**	641,173
Net loss for the period		**(1,844,875)**	(1,369,201)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(245)**	(59,025)
Total comprehensive loss for the period		**(1,845,120)**	(1,428,226)
Loss attributable to:			
Owners of the parent		**(1,844,927)**	(1,379,450)
Non-controlling interests		**52**	10,249
		(1,844,875)	(1,369,201)
Total comprehensive loss attributable to:			
Owners of the parent		**(1,845,172)**	(1,438,475)
Non-controlling interests		**52**	10,249
		(1,845,120)	(1,428,226)
Basic and diluted loss per share (cents)		**(0.12)**	(0.09)

The accompanying notes form part of these financial statements.

	Note	Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	2	**120,538**	1,171,421
Trade and other receivables	3	**78,073**	41,748
Prepayments		**14,608**	40,413
Total Current Assets		**213,219**	1,253,582
Non-Current Assets			
Trade and other receivables	3	**3,900**	3,900
Other financial assets		**30,265**	30,000
Plant and equipment		**23,206**	45,676
Deferred exploration and evaluation expenditure	4	**22,576,886**	22,394,753
Total Non-Current Assets		**22,634,257**	22,474,329
Total Assets		**22,847,476**	23,727,911
LIABILITIES			
Current Liabilities			
Trade and other payables		**369,458**	347,354
Provisions		**34,917**	62,260
Borrowings	5	**1,332,093**	1,523,709
Total Current Liabilities		**1,736,468**	1,933,323
Non-Current Liabilities			
Borrowings	5	**-**	1,004,648
Total Non-Current Liabilities		**-**	1,004,648
Total Liabilities		**1,736,468**	2,937,971
Net Assets		**21,111,008**	20,789,940
EQUITY			
Issued capital	6	**66,512,402**	64,415,434
Reserves		**89,077**	20,102
Accumulated losses		**(45,280,065)**	(43,435,138)
Parent entity interest		**21,321,414**	21,000,398
Non-controlling interests		**(210,406)**	(210,458)
Total Equity		**21,111,008**	20,789,940

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 2019	**64,415,434**	**20,102**	**(43,435,138)**	**21,000,398**	**(210,458)**	**20,789,940**
Profit /(loss) for the period	-	-	(1,844,927)	(1,844,927)	52	(1,844,875)
Other comprehensive Profit /(loss)	-	(245)	-	(245)	-	(245)
Total comprehensive loss for the period	-	(245)	(1,844,927)	(1,845,172)	52	(1,845,120)
Transactions with owners in their capacity as owners:						
Shares issued during the period	2,261,908	-	-	2,261,908	-	2,261,908
Security issue (expenses) credits	(164,940)	-	-	(164,940)	-	(164,940)
Share based payments	-	69,220	-	69,220	-	69,220
Balance at 31 December 2019	**66,512,402**	**89,077**	**(45,280,065)**	**21,321,414**	**(210,406)**	**21,111,008**
Balance at 1 July 2018	**63,973,234**	**163,204**	**(40,614,874)**	**23,521,564**	**(221,056)**	**23,300,508**
Profit / (loss) for the period	-	-	(1,379,450)	(1,379,450)	10,249	(1,369,201)
Other comprehensive loss	-	(59,025)	-	(59,025)	-	(59,025)
Total comprehensive loss for the period	-	(59,025)	(1,379,450)	(1,438,475)	10,249	(1,428,226)
Transactions with owners in their capacity as owners:						
Shares issued during the period	4,923	-	-	4,923	-	4,923
Security issue credits	39,812	-	-	39,812	-	39,812
Equity exercised/expired	-	(290,000)	290,000	-	-	-
Share based payments	-	343,904	-	343,904	-	343,904
Balance at 31 December 2018	**64,017,969**	**158,083**	**(41,704,324)**	**22,471,728**	**(210,807)**	**22,260,921**

The accompanying notes form part of these financial statements.

	Consolidated 31 December 2019 $ Inflows/ (Outflows)	Consolidated 31 December 2018 $ Inflows/ (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees	**(1,145,407)**	(1,521,166)
Research and development tax credit received	**-**	641,173
Payments for exploration and evaluation expenditure	**(188,919)**	(839,514)
Interest paid	**(1,076)**	(18,873)
Interest received	**324**	4,021
Net cash used in operating activities	**(1,335,078)**	(1,734,359)
Cash flows from investing activities		
Payments for plant and equipment	**-**	-
Net cash used in investing activities	**-**	-
Cash flows from financing activities		
Proceeds from issue of shares	**2,111,065**	-
(Payment)/refund of share issue costs	**(205,423)**	39,812
Proceeds from borrowings	**110,000**	512,000
Repayment of borrowings	**(1,522,760)**	(902,000)
Costs of loan financing	**(208,687)**	-
Net cash provided by/(used in) financing activities	**284,195**	(350,188)
Net decrease in cash held	**(1,050,883)**	(2,084,547)
Cash and cash equivalents at beginning of the financial period	**1,171,421**	2,192,277
Effects of exchange rates on cash and cash equivalents	**-**	-
Cash and cash equivalents at period end	**120,538**	107,730

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 2019 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, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting. 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 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These consolidated interim financial statements were approved by the Board of Directors on 13 March 2020.

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 2019 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.

For the purpose of preparing the interim financial statements, the half year has been treated as a discrete reporting period.

<u>Adoption of new and revised standards:</u>
The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2019.

In the half year ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore , no change is necessary to Company accounting policies.

1. Basis of Preparation of Half Year Financial Report (continued)

The Directors have also reviewed all new Standards and Interpretations that have been issue but are not yet effective for the half-year ended 31 December 2019. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is considered necessary to the Company's accounting policies.

Significant accounting judgments and key estimates

The preparation of the 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. 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 2019.

c) Going Concern

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

At 31 December 2019, the Consolidated Entity had cash of $120,538 and net assets of $21,111,008, primarily represented by deferred exploration expenditure of $22,576,886 on its Graphite prospecting tenements in Tanzania. During the period, net cash outflows from operating activities totaled $1,335,078 primarily in relation to corporate compliance, management, marketing and investor relations costs of the listed parent entity.

The Directors are of the opinion that the Consolidated Entity is a going concern due to the following factors:

(i) On 28 January 2020 the Company announced its Mauritian Note Offer to raise US$15,000,000 through the issue of Senior Notes at US$1.00 per Note – with a greenshoe option of up to US$15,000,000 – to raise up to US$30,000,000 by way of private placing on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM). Assuming a successful Note issue, all expenditures relating to the Bunyu Graphite project and Tanzanian activities will be met out of these funds in Tanzania. The remaining corporate costs to be incurred in Australia are expected to approximate A$2,500,000 per annum;

(ii) The Company has the ability to raise additional working capital in the shorter term from:
- a capital raising;
- On 8 January, the Company announced that it received $638,055 from the issue of 63,805,449 shares following the underwriting and placement of the shortfall shares from the recently closed Rights Issue.
- issue of convertible loan notes; and

1. Basis of Preparation of Half Year Financial Report (continued)

(iii) The Company has the ability to sell assets, or an interest in assets.

Whilst the Directors are confident that the above initiatives will generate sufficient funds to enable the Consolidated Entity to continue as a going concern for at least the period of 12 months from the date of signing this financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Consolidated Entity to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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 31 December 2019 $	Consolidated 30 June 2019 $
2. Cash and cash equivalents		
Cash in Bank	**120,538**	1,171,421
	120,538	1,171,421
3. Trade & Other Receivables		
Current:		
GST receivable net	**52,036**	15,562
Sundry receivables	**26,037**	26,186
	78,073	41,748
Non-Current:		
Rental bond	**3,900**	3,900
	3,900	3,900
4. Deferred exploration expenditure		
Balance at beginning of period/year	**22,394,753**	21,786,559
Expenditure during the period/year	**178,083**	602,879
Foreign currency translation	**4,050**	5,315
Balance at end of period/year	**22,576,886**	22,394,753

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.

5. *Borrowings*

Current		
Directors' loans (a)	**50,603**	100,948
Short-term loan (b)	**-**	1,422,761
Short-term loan (c)	**10,000**	-
18-month US$ loan (d)	**1,271,490**	-
	1,332,093	1,523,709
Non-current		
18-month US$ loan (d)	**-**	1,004,648
Total Borrowings	**1,332,093**	2,528,357
Movement in borrowings:		
Balance at beginning of year	**2,528,357**	399,844
Repayment of convertible loans	**-**	(390,000)
Interest paid that was previously accrued	**-**	(9,844)
Proceeds of R&D loans	**-**	512,000
Repayment of R&D loans	**-**	(512,000)
Proceeds of directors' loans	**100,000**	100,000
Repayment of directors' loans	**(100,000)**	-
Non cash repayment of director's loan	**(50,329)**	-
Interest accrued on directors' loans	**(17)**	948
Proceeds of short-term loan	**10,000**	1,339,286
Face value premium on short term loan	**-**	160,714
Repayments of short-term loan	**(1,422,760)**	(102,110)
Foreign exchange revaluation of short term loan	**-**	24,871
Proceeds from 18-month US$ loan	**-**	1,006,130
Establishment fee payable at maturity	**-**	503,065
Deferred establishment fee	**164,174**	(497,623)
Accrued interest on 18-month US$ loan	**99,579**	3,274
Foreign exchange revaluation of 18-month US$ loan	**3,089**	(10,198)
Balance at end of period/year	**1,332,093**	2,528,357

(a) On 27 May 2019, the Volt Directors' Mr Hunt and Mr Kabunga provided unsecured loans of $50,000 each on commercial terms or better at 10.0% per annum repayable by 15 July 2019 or earlier at the Company's election. These were repaid in full on 1 July 2019. In November 2019, the Volt Directors' Mr Matthews and Mr Kabunga provided unsecured loans of $50,000 each on commercial terms or better at 10.0% per annum. Mr Kabunga's loan was repaid in full on 11 December 2019.

5. Borrowings (continued)

(b) The Company entered into a secured funding agreement on 14 January 2019 to provide a short-term loan for six months with a face value equivalent to A$1.5 million (US$1.0 million) and principal repayments totalling approximately A$0.1 million during the April to June 2019 quarter, the loan was denominated in US$ and the proceeds totalled the equivalent of A$1,339,286. During the period, the loan maturity was extended from 14 July 2019 to 14 September 2019. The loan was repaid in full on 3 September 2019.

(c) On 19 December 2019, the Company received $10,000 in advance of a share issue on 8 January 2020 which is disclosed further in Note 10 of the financial statements.

(d) On 24 June 2019, as part of US$1,000,000 in funding from a European based high net worth investor, Volt received US$700,000 in unsecured loan funds with the full amount due at maturity in 18 months from the drawdown date. The total amount payable at maturity includes a deferred establishment fee of US$350,000 and interest payable at 20.0% per annum semi-annually.

	Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
6. Issued capital		
Issued and paid up capital:		
Ordinary shares fully paid of no par value	**66,512,402**	64,415,434
	66,512,402	64,415,434

	Consolidated 31 December 2019 Number	Consolidated 31 December 2019 $	Consolidated 30 June 2019 Number	Consolidated 30 June 2019 $
Movement in ordinary shares on issue:				
Balance at beginning of period/year	**1,476,323,875**	**64,415,434**	1,455,379,711	63,973,234
Share placements	**198,707,473**	**2,261,908**	20,845,714	429,824
Shares issued in lieu of interest	**-**	**-**	98,450	4,923
Security issue expenses		**(164,940)**	-	7,453
Balance at end of period/year	**1,675,031,348**	**66,512,402**	**1,476,323,875**	**64,415,434**

6. Issued capital (continued)

Share options:

Grant Date	Details	Expiry Date	Exercise Price	Balance at 30-Jun-19	Granted During the Year	Exercised During the Year	Expired During the Year	Cancelled During the Year	Balance at 31-Dec-19
25-June-19	Unlisted options	23-Dec-20	$0.04	25,536,000	-	-	-	-	25,536,000
				25,536,000	**-**	**-**	**-**	**-**	**25,536,000**

Performance rights:

Issue Date	Details	Balance at 30-Jun-19	Granted During the Year	Expired during the Year	Converted During the Year	Balance at 31-Dec-19
Various	Unlisted performance rights	20,000,000	-	-	-	20,000,000
		20,000,000	-	-	-	20,000,000

The vesting condition milestones, fair value and share based payments expense for the 20 million performance rights are detailed in the table below:

Tranche	Milestone	Expiry Date	Number of Options	Fair Value (per right)	Total Fair Value	Estimated % to vest	Share based payment expense
B	Receipt of the first sales revenue from product produced from the Bunyu Stage 1 project	30 June 2020	10,000,000	$0.021	$210,000	100%	$62,516
C	Achieving a VRC 20-day VWAP of 15 cents per share	Within 3 years of grant	10,000,000	$0.004	$40,000	100%	$6,704
	Total		20,000,000				$69,220

Tranche B performance rights do not contain market based vesting conditions and have been valued using a Black Scholes option pricing model as the appropriate valuation model. Tranche C rights do contain market based vesting conditions and have been valued using an up and in single barrier share option pricing model with a Parisian barrier adjustment. The model takes into consideration that the Tranche C Rights will vest at any time during the performance period, given that the VWAP exceeds the determined barrier over the specified number of days. The model incorporates a trinomial option pricing model.

	Consolidated Half-year ended 31 December 2019 $	Consolidated Half-year ended 31 December 2018 $
7. Revenue		
Interest	**324**	4,021
	324	4,021

8. Contingencies

There has been no change in contingent assets or liabilities since the last annual reporting date (30 June 2019 : $nil).

9. 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 predominantly within the one geographical and industry segment being Mineral Exploration – Tanzania.

10. 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 shares

On 8 January, the Company announced that it received $638,055 from the issue of 63,805,449 shares following the underwriting and placement of the shortfall shares from the recently closed Rights Issue. Funds raised will be used to progress the recently approved Stock Exchange of Mauritius (SEM) listed Note issue, continuation of the process to obtain approvals for the Dar es Salaam Stock Exchange (DSE) Note Issue and for general corporate and working capital.

Events subsequent to period end (continued)

Mauritian Note Issue Developments Subsequent to Reporting Date

The Mauritian funding process commenced with the Company's Note Offer officially opening Monday 27 January 2020.

VGT is progressing with the raising of 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 by way of private placing on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM).

The Mauritian Note offer is planned to close 24 April 2020. The first day of trading of the Notes on the Stock Exchange of Mauritius' DEM is scheduled for Wednesday, 30 April 2020.
The Company and its advisor, Alphier Capital along with local brokers, commenced investor meetings from 27 January 2020 as part of a roadshow to market the Notes to sophisticated investors.

The purpose of issuing the Notes and listing on the DEM is to provide funds to enable the Company to:

(a) commence the development of the Stage 1 Bunyu Graphite Project in Southern Tanzania including the construction of a 400,000tpa concentration plant and associated infrastructure; and
(b) fund the resettlement costs of people currently farming and/or living within the project development area.

11. *Financial instruments*

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

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 7 to 18 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 2019 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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Asimwe Kabunga
Non-Executive Chairman

13 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Volt Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

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 2019, 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 consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 consolidated entity's financial position as at 31 December 2019 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*.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 1(c) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with

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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*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 March 2020

B G McVeigh
Partner