



VOLT
RESOURCES

ASX ANNOUNCEMENT

By e-lodgement

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VOLT TO ACQUIRE EUROPEAN GRAPHITE BUSINESS FOLLOWING COMPLETION OF DUE DILIGENCE

Highlights

- **Acquisition of 70% of ZG Group proceeding to completion**
- **Due diligence by Volt appointed international and locally recognised consultants completed with Financial and Tax due diligence report by Deloitte Ukraine, the Legal and Commercial due diligence report by AVELLUM and the combined Technical due diligence report by Bilfinger Tebodin Ukraine (processing, engineering, capital projects, organisation) and Wardell Armstrong International (geology, mining, environment) received and accepted by the Volt board and management**
- **Volt to formally notify the Vendors that the transaction is now unconditional**
- **10 business days from formal notification to settle the transaction and acquire the 70% interest in the ZG group**
- **ZG Group acquisition to transform Volt into one of the few ASX listed graphite producers**
- **The completion of the acquisition will position Volt significantly ahead of most of its peer graphite companies to become a graphite producer without the usual time and risk related to complete greenfield project financing, construction, commissioning and ramp up**
- **ZG Group planning to produce LIB anode material (SPG) to create the only European integrated mine and SPG producer**
- **ZG group graphite business produces a high value “green” purified 99.5% TGC product**

Graphite and gold explorer and developer **Volt Resources Limited (ASX: VRC)** (“**Volt**” or “**the Company**”) is pleased to advise the completion of due diligence for the acquisition of a 70% interest in the Zavalievsky group of companies (“**ZG Group**”)¹ and following formal notification to the existing shareholders (“**Vendors**”) later today, the transaction will become unconditional. The graphite mine and processing facilities are located adjacent to the town of Zavallya, approximately 280 kilometres south of the Ukraine capital Kyiv and 230 kilometres north of the main port of Odessa.

Transaction Completion

Volt appointed four international and locally recognised consultants to undertake the acquisition due diligence in accordance with agreed scopes of work to review and report on the following areas of the Zavalievsky business:

- Financial and Tax – Deloitte Ukraine
- Legal and Commercial – AVELLUM
- Technical (processing, engineering, capital projects, organisation) – Bilfinger Tebodin Ukraine
- Technical (geology, mining, environment) - Wardell Armstrong International

The due diligence reports by each of the consultants have been reviewed and accepted by Volt board and management. Volt will now formally advise the Vendors that the due diligence enquiries have been satisfactorily completed.

The above means the transaction is now unconditional and will proceed to completion within ten business days. Completion occurs with the payment of the first instalment of US\$3.8 million by Volt to the Vendors and the transfer by the Vendors of 70% of the issued share capital in each of the ZG Group companies to Volt.

Advantages of the transaction for Volt

The acquisition of a controlling 70% interest in the ZG Group will immediately transform Volt into one of the few ASX-listed graphite producers.

Importantly, the Zavalievsky Graphite business has the following significant advantages for Volt:

- Located in Eastern Europe, the Zavalievsky Graphite business is in close proximity to key markets with significant developments in Lithium-ion Battery (“LIB”) facilities planned to service the European based car makers and renewable energy sector.
- Plans to produce battery anode material using existing graphite production to become a fully integrated supplier to LIB cell makers based in Europe.
- Makes graphite products across the range and has the potential to significantly increase its high value large flake production.
- Produces a high value “green” purified 99.5% TGC product.
- Long life multi-decade producing mine that has further exploration upside.
- Existing customer base and graphite product supply chains which Volt expects to be able to leverage off in developing its existing Bunyu graphite project in Tanzania.
- Excellent transport infrastructure covering road, rail, river and sea freight combined with reliable grid power, ample potable ground water supply and good communications.

¹ Refer to ASX announcement “Proposed Acquisition of European Graphite Producer” dated 5 February 2021.

- An experienced workforce which can assist with training, commissioning and ramp-up for the Bunyu development. This is a key risk for financiers and could materially assist the ability to finance the Company's Bunyu graphite project development.
- Potential to generate material cashflow which could make Volt internally funded for corporate costs and working capital into the future.
- Co-products of quarry stone for the domestic market and garnet for the European market that could generate material cash flow for relatively low capital and operating cost leveraging the synergies from the graphite business infrastructure and experienced mining and processing staff.
- A 79% interest in 636 hectares of freehold land, with the mine, processing plant and other buildings and facilities located on that land.

Battery Anode Materials

The ZG Group has current plans to install a processing plant and equipment in order to commence production of spheronised purified graphite ("SPG") for the European LIB anode market within the next 12 months. The Zavalievsky mine's strategic location for the future supply of SPG to the European markets has already attracted interest from LIB cell manufacturers and major car makers.

Further information regarding the ZG Group can be obtained from Volt's ASX announcement "*Proposed Acquisition of a 70% Shareholding in European Graphite Producer*" dated 5 February 2021 as well as the ZG Group's website <https://zvgraphit.com.ua/> A drone video of the mine and processing facilities and the local area and township of Zavallya can be viewed at <https://voltresources.com/zavalievsky-graphite-acquisition/>

Acquisition of ZG Group

Volt has signed binding Share Purchase Agreements ("SPAs") with existing shareholders of the ZG Group to acquire a 70% interest in each of the companies comprising the ZG Group², namely:

- Zavalievsky Graphite LLC - processing plant buildings, processing plant, mining equipment, power sub-station and distribution
- Stone Found LLC – crushed granite operations and plant
- Graphite Invest LLC – holds a 70% interest in PJC Zavalievsky Graphite Kombinat – mine, land, main administration office building. It is this entity that holds a 79% interest in the 636 hectares of freehold land on which the Zavalievsky mine, processing plant and other related buildings and facilities are located.

Under the SPAs, the existing shareholders have agreed to sell to Volt 70% of the total issued equity in each ZG Group company for an aggregate purchase price of US\$7.6 million payable in two instalments of US\$3.8 million. The first instalment is due on completion of the transaction, with the second instalment due 6 months thereafter.

Volt is reviewing a number of debt proposals to fund the first instalment of US\$3.8 million of the US\$7.6 million purchase price for the acquisition of the 70% interest in the ZG Group.

The Company considers this transaction as a logical and value accretive step as it transitions from a graphite explorer and developer into a graphite producer.

Volt will continue to keep shareholders informed of all material developments in relation to this transaction.

² Refer to ASX announcement "Binding Share Purchase Agreements Signed to Acquire 70% Shareholding in European Graphite Producer" dated 27 April 2021.

-ENDS-

This announcement was authorised for release by the Board of Volt Resources Ltd.

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About Volt Resources Limited

Volt Resources Limited (“Volt”) is a graphite and gold 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, as well as the creation of a new gold exploration and development business through leveraging the Company’s existing extensive networks in Africa.

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 from the Project. In 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 products³. 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.

The Guinea Gold Projects comprise 6 permits in Guinea, West Africa having a total area of 348km. The Projects are located in the prolific Siguiiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

³ 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.