VOLT RESOURCES

ABN: 28 106 353 253

And Controlled Entities

CONSOLIDATED HALF YEAR REPORT

For the Half Year Ended
31 December 2020

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DIRECTORS

Asimwe Kabunga	Non-Executive Chairman
Trevor Matthews	Managing Director
Giacomo Fazio	Non-Executive Director

SECRETARY
Susan Hunter

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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 2020.

DIRECTORS

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

Asimwe Kabunga	Non-Executive Chairman
Trevor Matthews	Managing Director
Giacomo Fazio	Non-Executive Director

RESULTS

The loss after tax for the half year ended 31 December 2020 was $977,011 (2019: $1,844,875).

REVIEW OF OPERATIONS

Overview

The half year ending 31 December 2020 saw activity in relation to Volt's gold exploration programme whilst continuing funding activities to advance to the development stage of its Bunyu Graphite Project in Tanzania.

Key operational highlights included:

Gold

The creation of a new gold business provides Volt shareholders with the opportunity to participate in the potential value accretion from gold exploration and development activities at a time when gold prices remain close to historical record levels.

On 28 July 2020 the Company announced it had completed the acquisition of all of the issued capital of Gold Republic Pty Ltd. Gold Republic is the legal and beneficial holder of all of the issued share capital in each of Norsk Gold Pte. Ltd, (a registered Singaporean entity which in turn is the legal and beneficial holder of all of the issued share capital in Novo Mines Sarlu) and KB Gold Sarlu. Novo Mines and KB Gold hold 100% of the legal and beneficial interests in the Permits.

Guinea Projects and Permits

Volt has six permits in Guinea and has formed them into three projects – the Kouroussa Project, Mandiana Project and Konsolon Project. See Figure 1 below for the project and permit locations.

The **Kouroussa Project** is formed by three permits, the *Kouroussa*, *Kouroussa West* and *Fadougou* permits. The Kouroussa and Kouroussa West permits border Predictive Discovery's Kaninko Project which was the subject of a recently announced discovery of high-grade gold mineralization.

The **Konsolon Project** constitutes one large permit named *Konsolon*. The permit has a NW-SE trending soil geochemical anomaly identified by previous explorers.

The **Mandiana Project** is formed by the *Nzima* and *Monebo* permits. The Nzima permit area surrounds the Nzima gold deposit which is operated by small scale miners.

Figure 1. The Permits located in the Suguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

Exploration activities

The manufacture of two jointly funded power auger rigs was completed with the auger rigs in transit to Guinea by the half year end. A Guinea based third party company will operate and maintain the auger rigs which will be utilised for auger drilling programmes being undertaken by Volt and the other joint funding company. It is expected this arrangement will significantly lower the costs for the auger drilling programmes across the Company's three gold projects.

Auger rigs being loaded for shipping to Guinea

The power auger drilling programmes is based on shallow drilling to test the gold mineralization identified during the reconnaissance grab sampling programme undertaken earlier this half year on the Nzima and Kouroussa permits and test the historical soil sampling results over Konsolon. The results from the auger drilling programmes will be used to plan the hole locations for the AC/RC drilling programme to follow.

During the half year the Company converted three permits (Kouroussa, Nzima and Fadougou) from reconnaissance permits to exploration permits. The conversion of the permits increased the number of granted exploration permits to four (Fadougou, Konsolon, Kouroussa and Nzima) and leaves only two permits (Kouroussa West and Monebo) to be converted. Conversion of the remaining reconnaissance permits is in progress.

In Guinea, reconnaissance permits are granted for up to 6 months to conduct reconnaissance style exploration activities such as geochemical sampling and geological mapping.

An exploration permit is longer-term with a three-year initial term and two 2-year renewals permitted for up to 7 years in total. Advanced exploration activities including auger, RC and diamond drilling are permitted on exploration permits.

The granting of exploration permits is a significant step forward as it allows the Company to undertake drilling programmes on those permits following the completion of drill targeting activities such as desktop geological and data reviews, soil sampling and analysis.

The table below lists the Guinea Gold Projects and permits, their type and current status.

Project	Permit	Reconnaissance Permit Number	Exploration Permit Number	Type	Status
Mandiana	Nzima	22872	22980	**Exploration Permit**	**Granted**
	Monebo	22874		Reconnaissance Permit	To be converted to exploration permit
Kouroussa	Kouroussa	22871	22982	**Exploration Permit**	**Granted**
	Fadougou	22870	22981	**Exploration Permit**	**Granted**
	Kouroussa West	22873		Reconnaissance Permit	To be converted to exploration permit
Konsolon	Konsolon	N/A (i)	22800	**Exploration Permit**	**Granted**

(i) Exploration permit at the date of acquisition.

Graphite

The Company remains focused on 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.

Bunyu Stage 1 Development Funding

The Company has continued with Bunyu Stage 1 funding discussions despite the disruption experienced with the COVID-19 pandemic, changes in work arrangements and international travel restrictions. Advanced discussions continue with a leading African development bank on a debt funding proposal with two more African development banks commencing due diligence and discussions regarding funding for the Bunyu Project during the December 2020 quarter.

The Company's Mauritian Note Offer was extended at the start of the December 2020 quarter with an offer closing date of 24 December 2020. The Company was unable to raise funds from the Note Offer and elected not to prepare a new application and prospectus to extend the Note offer.

The purpose of progressing with the sourcing of development funding is 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.

Community Relations Overview

The Company's 100% owned subsidiary Volt Graphite Tanzania Plc (**"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 project update communications and meetings with the district government, ward and village leaders.

Furthermore, VGT continued to make financial contributions as part of its local social investment program which includes the payment of a monthly allowance to Nursery School teachers at Utimbula village.

CORPORATE

On 20 July 2020 all resolutions presented to shareholders at a general meeting were passed by a poll.

On 28 July 2020 Volt advised that it had completed the acquisition of all of the issued shares in Gold Republic Pty Ltd ("**Gold Republic**"). 121,718,576 fully paid ordinary shares were issued on completion of the acquisition of Gold Republic Pty Ltd to a company controlled by Volt Chairman Asimwe Kabunga as approved by shareholders at the general meeting held on 20 July 2020. Based on the closing share price of Volt shares of $0.019 per share on the date of shareholder approval, the fair value of the acquisition was $2.31 million.

On 21 August 2020, 10 million Performance Rights were issued to Mr Hashimu Millanga, a senior geologist of the Company pursuant to the terms and conditions approved by shareholders at a general meeting on 20 July 2020. Vesting is conditional upon the non–market condition of continued employment at specified dates in the future.

On 23 October 2020, the Company successfully raised $1,565,000 (before costs) to assist with funding the next phase of the exploration programmes on the Guinea gold projects and to provide working capital for Volt's Tanzanian graphite project and to meet ongoing corporate costs.

The capital raising was completed through the placement of 142,272,728 new fully paid ordinary shares at A$0.011 per share (**Placement**) together with 71,136,364 unlisted free attaching options with an exercise price of $0.022 and a maturity date of 23 October 2023 (with each investor receiving one option for every two shares subscribed for under the Placement).

Volt's Chairman, Asimwe Kabunga, subscribed for $500,000 of the placement shares through his private company, Kabunga Holdings Pty Ltd. This comprised of 45,454,546 fully paid ordinary shares issued at $0.011 each and 22,727,273 unlisted free attaching options with an exercise price of $0.022 and an expiry date of 23 October 2023. Shareholder approval for the issue of shares and options to Mr Kabunga's private company was received at the Company's Annual General Meeting on November 30, 2020 and these were issued on 8 December 2020.

On 22 October 2020 the Company announced the appointment of Mr David Sumich to the dual role of Chief Operating Officer and Chief Financial Officer. Mr Sumich brings to the Company over 25 years' experience in the mining industry, having held senior leadership and executive positions with ASX listed entities, and additionally, he has held numerous financial consulting and advisory roles covering corporate finance, capital raising and accounting.

On 30 November 2020 the Annual General Meeting was held and all resolutions were passed by a poll.

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:

Proposed Acquisition of European Graphite Producer

On February 5 2021, Volt announced that it has entered into term sheets regarding the proposed acquisition of a 70% interest in the Zavalievsky Graphite business located in the Ukraine. Zavalievsky is a long life graphite operation that has been in operation for 87 years.

Key features of the Zavalievsky Graphite business include:

- Ongoing graphite product sales to existing customer base in Europe
- Existing production of graphite products to supply traditional industrial markets including refractories, electrodes, lubricants, gaskets/seals, brake linings, etc.
- Potential to become a producer of spherical graphite for Li-ion battery anode market in the near term
- Other existing and potential positive cash flow generating mineral products from the graphite mine, including production of crushed granite for use in road construction and concrete as well as industrial grade garnet
- Excellent transport infrastructure with direct access to road and rail, nearby river transport and ocean freight through the main Ukraine port of Odessa
- Low labour costs, grid power, ample potable water and good communications
- Experienced technical, operations and marketing personnel.

The Zavalievsky Graphite business also has a 79% interest in 636 hectares of land upon which the mine, processing plant, other buildings and facilities are located.

The proposed total purchase price is US$7.5 million, payable in equal instalments in two stages. Exclusivity has been granted to the Company to 23 April 2021, or such other date as mutually agreed, to enable Volt to complete due diligence and finalise the binding transaction documentation.

Completes Successful Capital Raising

On 19 February 2021, Volt advised the successful completion of a share placement to sophisticated and professional investors at $0.015 per share, raising $3.0 million (before costs) ("Placement"). In addition, all Volt directors subscribed for an additional $650,000 on the same terms as the Placement, subject to shareholder approval, for a total commitment of $3.65 million. Demand for the Placement shares was excellent with offers significantly exceeding the target capital raising amount of $3.0 million (excluding the director commitments). 180 Markets acted as the Lead Manager to the Placement.

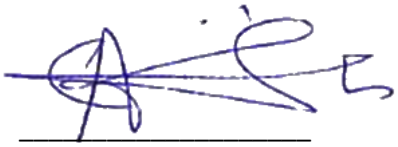
Discharge of Lars Bader Debt Facility

On 25 February 2021, Volt remitted funds of US$1,261,676 to satisfy full repayment and discharge of the Lars Bader Debt Facility.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half year ended 31 December 2020 has been received and is included on the following page.

Signed in accordance with a resolution of directors.



Asimwe Kabunga
Non-Executive Chairman
16 March 2021

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2020, 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
16 March 2021

B G McVeigh
Partner

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated Half year ended 31 December 2020 $	Consolidated Half year ended 31 December 2019 $
Revenue	7	**25,258**	324
Corporate compliance fees		**(234,505)**	(371,886)
Corporate management costs		**(250,570)**	(829,447)
Foreign exchange gain / (loss)		**174,795**	(47,856)
Marketing and investor relations costs		**(76,583)**	(128,754)
Occupancy expenses		**(5,982)**	(23,022)
Share based payments	6	**(65,384)**	(69,220)
Interest expenses		**(305,597)**	(278,048)
Other expenses		**(238,443)**	(96,966)
Loss before income tax benefit		**(977,011)**	(1,844,875)
Income tax benefit		**-**	-
Net loss for the period		**(977,011)**	(1,844,875)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(1,812,696)**	(245)
Total comprehensive loss for the period		**(2,789,707)**	(1,845,120)

	Consolidated Half year ended 31 December 2020 $	Consolidated Half year ended 31 December 2019 $
Loss attributable to:		
Owners of the parent	**(977,011)**	(1,844,927)
Non-controlling interests	**-**	52
	(977,011)	(1,844,875)
Total comprehensive loss attributable to:		
Owners of the parent	**(2,789,707)**	(1,845,172)
Non-controlling interests	**-**	52
	(2,789,707)	(1,845,120)
Basic and diluted loss per share (cents)	**(0.05)**	(0.12)

The accompanying notes form part of these financial statements.

	Note	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	2	**317,919**	264,449
Trade and other receivables	3	**80,452**	129,281
Prepayments		**22,726**	39,465
Total Current Assets		**421,097**	433,195
Non-Current Assets			
Plant and equipment		**121,358**	40,846
Deferred exploration and evaluation expenditure	4	**25,009,538**	23,959,210
Total Non-Current Assets		**25,130,896**	24,000,056
Total Assets		**25,551,993**	24,433,251
LIABILITIES			
Current Liabilities			
Trade and other payables		**683,513**	679,635
Borrowings	5	**1,602,851**	1,543,299
Total Current Liabilities		**2,286,364**	2,222,934
Total Liabilities		**2,286,364**	2,222,934
Net Assets		**23,265,629**	22,210,317
EQUITY			
Issued capital	6	**71,660,487**	67,880,852
Reserves		**(633,876)**	1,113,436
Accumulated losses		**(47,551,322)**	(46,574,311)

	Note	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $
Parent entity interest		**23,475,289**	22,419,977
Non-controlling interests		**(209,660)**	(209,660)
Total Equity		**23,265,629**	22,210,317

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 2020	**67,880,852**	**1,113,436**	**(46,574,311)**	**22,419,977**	**(209,660)**	**22,210,317**
Profit /(loss) for the period	-	-	(977,011)	(977,011)	-	(977,011)
Other comprehensive Profit /(loss)	-	(1,812,696)	-	(1,812,696)	-	(1,812,696)
Total comprehensive loss for the period	-	(1,812,696)	(977,011)	(2,789,707)	-	(2,789,707)
Transactions with owners in their capacity as owners:						
Shares issued for acquisition of Gold Republic Pty Ltd	2,312,653	-	-	2,312,653	-	2,312,653
Placement shares issued 23 Oct 2020	1,565,000			1,565,000		1,565,000
Share issue costs	(98,018)	-	-	(98,018)	-	(98,018)
Share based payments	-	65,384	-	65,384	-	65,384
Balance at 31 December 2020	**71,660,487**	**(633,876)**	**(47,551,322)**	**23,475,289**	**(209,660)**	**23,265,629**

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 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 credits	(164,940)	-	-	(164,940)	-	(164,940)
Equity exercised/expired	-	-	-	-	-	-
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**

The accompanying notes form part of these financial statements.

	Consolidated 31 December 2020 $ Inflows/ (Outflows)	Consolidated 31 December 2019 $ Inflows/ (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees	**(793,078)**	(1,145,407)
Cashflow Boost received	**8,337**	-
Interest paid	**(2,589)**	(1,076)
Interest received	**(11,499)**	324
Net cash used in operating activities	**(798,829)**	(1,146,159)
Cash flows from investing activities		
Payments for plant and equipment	**(44,414)**	-
Payments for exploration and evaluation expenditure	**(489,345)**	(188,919)
Net cash used in investing activities	**(533,759)**	(188,919)
Cash flows from financing activities		
Proceeds from issue of shares	**1,565,000**	2,111,065
(Payment)/refund of share issue costs	**(98,018)**	(205,423)
Proceeds from borrowings	**-**	110,000
Repayment of borrowings	**(80,924)**	(1,522,760)
Costs of loan financing	**-**	(208,687)
Net cash provided by/(used in) financing activities	**1,386,058**	284,195
Net decrease in cash held	**53,470**	(1,050,883)

	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $
Cash and cash equivalents at beginning of the financial period	**264,449**	1,171,421
Effects of exchange rates on cash and cash equivalents	**-**	-
Cash and cash equivalents at period end	**317,919**	120,538

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 2020 comprise the Company and its controlled entities (together referred to as the "Consolidated Entity"). The consolidated entity is a for – profit entity for financial reporting purposes under Australian Accounting Standards.

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*. 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 for the year ended 30 June 2020 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 for issue by the Board of Directors on 16 March 2021.

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 2020 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 2020.

In the half year ended 31 December 2020, 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 2020.

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 issued but are not yet effective for the half-year ended 31 December 2020. 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 2020.

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 2020, the Consolidated Entity had cash of $317,919 and net assets of $23,265,629, represented by deferred exploration expenditure of $25,009,538 on its Graphite prospecting tenements in Tanzania, and Gold exploration permits in Guinea.

The Directors acknowledge that stakeholders may be concerned about the ability of the Consolidated Entity to continue as a going concern due to the net loss of $977,011 for the half year as well as total operating and investment cash outflows of $1,332,588, and the ongoing funds required to develop and explore its areas of interest over the next 12 months. The Directors are of the opinion that the Consolidated Entity is a going concern due to the following factors:

(i) *Successful Capital Raising completed*

On 19 February 2021, Volt advised the successful completion of a share placement to sophisticated and professional investors at $0.015 per share, raising $3.0 million (before costs) ("Placement"). In addition, all Volt directors subscribed for an additional $650,000 on the same terms as the Placement, subject to shareholder approval, for a total commitment of $3.65 million. Demand for the Placement shares was excellent with offers significantly exceeding the target capital raising amount of $3.0 million (excluding the director commitments). The success of this raising also provides support for the Company's ability to raise additional capital in the short term to supplement working capital requirements.

(ii) *Discharge of Lars Bader Debt Facility*

On February 25 2021, Volt remitted funds of US$1,261,676 to satisfy full repayment and discharge of the Lars Bader Debt Facility. The consolidated entity is now free from all material debt financing commitments.

(iii) *Possible future equity raisings to fund continuing exploration programs*

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

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. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary should it not continue as a going concern.

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 2020 $	**Consolidated 30 June 2020 $**
2. Cash and cash equivalents		
Cash in Bank	**317,919**	264,449
	317,919	264,449
3. Trade & Other Receivables		
Current:		
GST receivable net	**38,223**	23,426
Cashflow boost receivable	**-**	16,674
Rental bond	**24,414**	-
Sundry receivables	**17,815**	89,181
	80,452	129,281

	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $

4. Deferred exploration expenditure

Balance at beginning of period/year	**23,959,210**	22,394,753
Expenditure during the period/year	**547,964**	355,195
Shares issued for the acquisition of Gold Republic Pty Ltd (see note 6)	**2,312,653**	-
Foreign currency translation	**(1,810,289)**	1,209,262
Balance at end of period/year	**25,009,538**	23,959,210

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)	**-**	73,595
Short-term loan (b)	**-**	1,461,159
Insurance premium funding	**1,221**	8,545
18-month US$ loan (c)	**1,601,630**	-
Total Borrowings	**1,602,851**	1,543,299

5. Borrowings (continued)	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $
Movement in borrowings:		
Balance at beginning of year	**1,543,299**	2,528,357
Proceeds from borrowings	**-**	132,208
Repayment of borrowings	**(80,920)**	(1,526,424)
Non-cash repayments	**-**	(50,329)
Interest paid	**(2,590)**	(116,571)
Interest and borrowing costs expensed	**2,590**	558,263
Interest and borrowing costs capitalised	**319,165**	-
Foreign exchange movement on US$ loan	**(178,693)**	17,795
Balance at end of period/year	**1,602,851**	1,543,299

(a) In November 2019 and April 2020, the Volt Director Mr Matthews provided total unsecured loans of $70,000 on commercial terms or better at 10.0% per annum. Mr Matthews' loan was repaid in full on 22 October 2020.

(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 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. On 24 December 2020, the Loan repayment date of 26 December 2020 was extended to 26 February 2021. Interest is to accrue on amounts outstanding under the Loan Agreement as at 26 December 2020 at the penalty interest rate of 30% per annum. The loan was fully repaid on 25 February 2021. Refer to Note 11 for further details.

	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $
6. Issued capital		
Issued and paid up capital:		
Fully paid ordinary shares	**71,660,487**	67,880,852
	71,660,487	67,880,852

	Consolidated Half year ended 31 December 2020		Consolidated Year ended 30 June 2020	
	Number	**$**	**Number**	**$**
Movement in ordinary shares on issue:				
Balance at beginning of period/year	**1,898,836,797**	**67,880,852**	1,476,323,875	64,415,434
Share placements	**142,272,728**	**1,565,000**	168,333,334	900,000
Shares issued for the acquisition of Gold Republic Pty Ltd	**121,718,576**	**2,312,653**	-	-
Share purchase plan	-	-	129,083,416	1,549,000
Rights issue	-	-	125,096,172	1,250,963
Security issue expenses	**-**	**(98,018)**	-	(234,545)
Balance at end of period/year	**2,162,828,101**	**71,660,486**	**1,898,836,797**	**67,880,852**

6. Issued capital (continued)

Share options:

Grant Date	Details	Expiry Date	Exercise Price	Balance at 30-Jun-20	Granted During the Period	Expired During the Period	Cancelled During the Period	Balance at 31-Dec-20
25-June-19	Unlisted options	23-Dec-20	$0.04	25,536,000	-	25,536,000	-	-
15-May-20	Unlisted options	15-May-22	$0.01	80,000,000	-	-	-	80,000,000
23-October-20	Unlisted options (i)	23-Oct-22	$0.022	-	48,409,092	-	-	48,409,092
8-December-20	Unlisted options (i)	23-Oct-22	$0.022	-	22,727,273	-	-	22,727,273
				105,536,000	**71,136,365**	**25,536,000**	**-**	**151,136,365**

(i) Unlisted free attaching options forming part of the capital raise announced on 23 October 2020.

Performance rights:

Issue Date	Details	Balance at 30-Jun-20	Granted During the Period	Expired during the Period	Converted During the Period	Balance at 31-Dec-20
22-October-18	Unlisted performance rights – Tranche C	10,000,000	-	-	-	10,000,000
21-August-20	Unlisted performance rights - Tranche B	-	10,000,000	-	-	10,000,000
		10,000,000	10,000,000	-	-	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:

6. Issued capital (continued)

Tranche	Milestone	Expiry Date	Number of Performance Rights	Fair Value (per right)	Total Fair Value	Estimated % to vest	Share based payment expense
B	Achieving continuous employment for 6 months from date of issue	21-Feb-21	5,000,000	$0.01	$50,000	100%	$37,962
B	Achieving continuous employment for 12 months from date of issue	21-Aug-21	5,000,000	$0.01	$50,000	100%	$20,654
C	Achieving a VRC 20-day VWAP of 15 cents per share	22-Oct-21	10,000,000	$0.004	$40,000	100%	$6,768
	Total		20,000,000				$65,384

Tranche B rights do contain non market based vesting conditions and have been valued using the closing share price of $0.01 on the date of shareholder approval at the General Meeting, being 20 July 2020.

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.

7. Revenue

	Consolidated Half year ended 31 December 2020 $	Consolidated Half year ended 31 December 2019 $
Interest	**7**	324
Other income	**25,251**	-
	25,258	324

8. Contingencies

Since the last reporting date, a contingent liability exists comprising part consideration for the Guinea gold acquisition announced by the Company on 14 May 2020, whereby a 2% Net Smelter Royalty is payable covering the Permit areas acquired as well as a 10km radius from the permit boundaries.

There has been no other changes in contingent assets or liabilities since the last annual reporting date (30 June 2020 : $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 two geographical and industry segments being Gold Mineral Exploration in Guinea and Graphite Mineral Exploration in Tanzania.

	Tanzania $	Guinea $	Unallocated $	Consolidated $
31 December 2020				
Segment Revenue	-	-	25,258	25,258
Segment loss before income tax	(55,149)	-	(921,862)	(977,011)
31 December 2019				
Segment Revenue	-	-	324	324
Segment loss before income tax	(209,624)	-	(1,635,251)	(1,844,875)
31 December 2020				
Segment assets	22,307,217	2,856,502	388,274	25,551,993
Segment liabilities	-	114,761	2,171,603	2,286,364
30 June 2020				
Segment assets	24,032,869	-	400,382	24,433,251
Segment liabilities	-	-	2,222,934	2,222,934

10. Events subsequent to period end

Proposed Acquisition of European Graphite Producer
On February 5 2021, Volt announced that it has entered into term sheets regarding the proposed acquisition of a 70% interest in the Zavalievsky Graphite business located in the Ukraine. Zavalievsky is a long life graphite operation that has been in operation for 87 years.

Key features of the Zavalievsky Graphite business include:

- Ongoing graphite product sales to existing customer base in Europe
- Existing production of graphite products to supply traditional industrial markets including refractories, electrodes, lubricants, gaskets/seals, brake linings, etc.
- Potential to become a producer of spherical graphite for Li-ion battery anode market in the near term
- Other existing and potential positive cash flow generating mineral products from the graphite mine, including production of crushed granite for use in road construction and concrete as well as industrial grade garnet
- Excellent transport infrastructure with direct access to road and rail, nearby river transport and ocean freight through the main Ukraine port of Odessa
- Low labour costs, grid power, ample potable water and good communications
- Experienced technical, operations and marketing personnel.

The Zavalievsky Graphite business also has a 79% interest in 636 hectares of land upon which the mine, processing plant, other buildings and facilities are located.

The proposed total purchase price is US$7.5 million, payable in equal instalments in two stages. Exclusivity has been granted to the Company to 23 April 2021, or such other date as mutually agreed, to enable Volt to complete due diligence and finalise the binding transaction documentation.

Completes Successful Capital Raising
On 19 February 2021, Volt advised the successful completion of a share placement to sophisticated and professional investors at $0.015 per share, raising $3.0 million (before costs) ("Placement"). In addition, all Volt directors subscribed for an additional $650,000 on the same terms as the Placement, subject to shareholder approval, for a total commitment of $3.65 million. Demand for the Placement shares was excellent with offers significantly exceeding the target capital raising amount of $3.0 million (excluding the director commitments). 180 Markets acted as the Lead Manager to the Placement.

Discharge of Lars Bader Debt Facility
(a) On 25 February 2021, Volt remitted funds of US$1,261,676 to satisfy full repayment and discharge of the Lars Bader Debt Facility.

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 10 to 27 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 2020 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.

Asimwe Kabunga
Non-Executive Chairman

16 March 2021

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2020, 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 information, and the directors' declaration, for the Group 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 does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2020 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*.

Basis for conclusion

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

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

Responsibility of the directors for the 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

B M'Veigh

B G McVeigh
Partner

Perth, Western Australia
16 March 2021

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