



ASX ANNOUNCEMENT

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ZAVALIEVSKY GRAPHITE – OPERATIONS UPDATE

Highlights

- **Volt provides working capital to Zavalievsky Graphite mid-November to recommence operations following implementation of governance and other changes**
- **561 tonnes of graphite production from 11 days production in November. Daily average production of approximately 51 tonnes**
- **Ore mined totalled 37,389 tonnes at an average grade of 6.12% C**
- **Significant increase in European graphite prices as Zavalievsky Graphite renegotiates sales prices with customers**

Graphite producer and battery anode material developer **Volt Resources Limited (ASX: VRC)** ("**Volt**" or "**the Company**") is pleased to provide an update on the Zavalievsky Graphite ("**ZG**") operations for the month of November 2021. Following an advance of funds for working capital by Volt, graphite operations recommenced during November and operated for a continuous period of 11 days. ZG produced 561 tonnes of graphite product during this short period at an average of approximately 51 tonnes of product per day. European graphite sales have experienced price increases due to lower Chinese graphite production, global supply chain disruption and increased shipping costs. ZG has been renegotiating its sales prices with its European customers to reflect these higher prices.

As previously reported¹, Volt delayed the provision of working capital for the ZG business until it was satisfied that the group companies charters (constitutions) were appropriate for shareholder, board and executive management to operate and make decisions within an appropriate organisation structure with clear delegation of authorities, appropriate internal controls and transparent reporting. ZG's charters also prevented the appointment of a Volt selected CEO to manage the entire group business and also was restricting the ability to appoint a Volt selected CFO. Volt considered that

¹ Refer to ASX announcement dated 29 October 2021 titled "Quarterly Activities Report to 30 September 2021"

without these changes being implemented, it was not in the best interest of Volt shareholders to proceed with advancing funds to the ZG business.

The above changes were implemented early November and Volt advanced working capital funding to the ZG business mid-November 2021. This allowed the business to recommence operations and achieve the following mining and processing performance over an 11 day period.

Zavalievsky Graphite Operations

Mining	30 November 2021
Ore Mined (t)	37,389
Waste Mined (t)	40,794
Waste to Ore Ratio	1.09
Ore Grade Mined (C%)	6.12%

Ore mined for the period was above the rate required for nameplate ore production and was directed at providing sufficient ore stocks for processing following the recommencement of operations. Waste mined was below the level required for appropriate open pit mine development. ZG is evaluating the engagement of contract mining groups for waste removal due to the increased material movement required in the next 12 months. To date ZG has conducted mining operations on an owner operated basis requiring material investment in mining equipment and support facilities. Contract mining for ore production is also being evaluated.

ZG is commencing the process to convert its current resource information to meet the requirements of the JORC (2012) code. The provision of a robust and JORC-compliant mineral resource and ore reserve position, overlain by an optimised mine plan and schedule, is core to the sustainability of ZG and Volt's business.

Processing	30 November 2021
Ore Processed (t)	13,658
Throughput (tph)	52.5
Ore Grade Processed (C%)	5.5%
Graphite Recovery (%)	78.2%
Concentrate Grade (%)	92.2%
Concentrate Produced (t)	561.3

With the plant operating for 11 days, production performance was reasonable for the period averaging approximately 51 tonnes of concentrate production per day of operation. A focus on plant availability and graphite recovery can increase the tonnes of graphite concentrate produced in future periods.

Graphite Prices

Tightness in flake graphite supply has developed following power restrictions in the major Chinese graphite producing region of Heilongjiang and the coming winter operations halt in the region, as well as reduced imports from outside China due to the global shipment issue.

Recently fine flake prices surged by 16.67% in the space of one week, the largest increase within one week in 3 years, with sellers holding material and testing the market with high prices.

High shipping costs for graphite imports and supply chain restrictions are causing prices to increase

substantially in Europe. ZG has been renegotiating its product sales prices with customers to reflect the higher market prices.

-ENDS-

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About Volt Resources Limited

Volt Resources Limited (“Volt”) is a graphite producer/developer and gold exploration company listed on the Australian Stock Exchange under the ASX code VRC. Volt has a 70% controlling interest in the Zavalievsky Graphite business in Ukraine. Zavalievsky is in close proximity to key markets with significant developments in LIB facilities planned to service the European based car makers and renewable energy sector. ZG benefits from an existing customer base and graphite product supply chains based on excellent transport infrastructure covering road, rail, river and sea freight combined with reliable grid power, ample potable ground water supply and good communications. ZG has current plans to install a processing plant and equipment in order to commence production of spheronised purified graphite (SPG) for the European LIB market¹.

Volt acquired three licence applications that are considered to be prospective for lithium-borate mineralisation. The licence applications are in respect to a total area of 291km², located in Serbia and are west and south-west of the Serbian capital, Belgrade³.

Volt is progressing the development of its large wholly-owned Bunyu Graphite Project in Tanzania, as well as gold exploration in Guinea 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 products⁴. A key objective of the Stage 1 development is to establish infrastructure and market position in support of the development of the

² Refer to Volt’s ASX announcements titled “Volt to Acquire European Graphite Business following Completion of Due Diligence” dated 14 May 2021 and “Completion of the ZG Group Transaction Following Execution of New Convertible Securities Facility” dated 26 July 2021.

³ Refer to Volt’s ASX announcement titled “Strategic European Lithium Acquisition – Jadar North” dated 18 November 2021.

⁴ 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.

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 Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.