



ASX ANNOUNCEMENT

By e-lodgement

26 April 2023

Quarterly activities report to 31 March 2023

Highlights

ALL BUNYU STAGE 1 GRAPHITE PRODUCT SOLD

- Binding Offtake Agreement signed with listed battery anode material producer Graphex Group Limited subsidiary, Graphex Michigan 1 LLC, for the sale of 10,000 tonnes per annum of Bunyu Graphite “fine natural flake” product for an initial five-year term.
- Binding Offtake Agreement signed with Qingdao Baixing Graphite Co., Ltd., for the sale of 12,000 tonnes per annum increasing to 90,000 tonnes per annum of Bunyu Graphite “coarse natural flake” product for a five-year term.

PROGRESS ON BUNYU FINANCING

- With binding offtakes signed, we are advancing our discussions with non-bank financiers to fund Bunyu project. Our goal remains to secure Bunyu funding by the 3rd quarter 2023.

RAMPED UP DOWNSTREAM ACTIVITIES IN NATURAL GRAPHITE ANODE MATERIALS

- Initiated Feasibility Study for natural graphite anode material plant with Worley. This will support the capital cost estimate, operating cost summary, and financial model on Volt’s planned plant as a part of its downstream strategy. It is expected that the Feasibility Study will be delivered by September 2023 and Volt plans to use the Feasibility Study results in the funding proposals to US Government agencies and to advance European battery anode material production facilities development and funding discussions.
- Due to a strong market interest in local natural graphite anode, forecast supply deficit, and robust financial incentives from Governments, we expect the feasibility study to deliver highly favorable project economics.
- Accelerated customer sampling, product development, and external funding activities.

FISCAL DISCIPLINE IMPLEMENTED AND WORKING

- Cash on-hand \$5,353k on 31 March 2023 vs \$5,518k on 31 December 2022. Net cash used in operating activities in the current quarter was \$910k and net cash used in investing activities was \$276k. Corresponding numbers for previous quarter were \$1,346k and \$2,085k.

RESTRUCTURING UNDERWAY

- Eliminated positions and will add necessary resources as we undergo transformation into a vertically integrated natural graphite anode producer.

CAPITAL RAISING

- Volt directors invested in a previously approved share placement to raise \$1.08 million during the quarter.

Graphite producer and natural graphite anode developer Volt Resources Limited (**ASX:VRC**) ("**Volt**" or the "**Company**") is pleased to report on the Company's activities for the quarter ended 31 March 2023.

Management Commentary

Volt Chief Executive Officer, Prashant Chintawar, commented "I am pleased to inform shareholders that Your Company is delivering on the commitments made in early 2023. We now have a clear strategy focused on graphite and natural graphite anode (also known as Coated Spheronized Purified Graphite "CSPG") to serve rapidly growing North American and European battery / electric vehicle markets. Execution of this strategy, along with fiscal discipline, is yielding results. Your Company is on track to transform from a pre-revenue junior miner to a revenue generating integrated CSPG and graphite producer by 2025/2026. We want to be known as The Graphite Company".

Graphite Market

The world of graphite has changed dramatically. Per Benchmark Mineral Intelligence, flake graphite (-100 mesh and 94-95% C) prices rose 25% in 2022. For the 2022-2030 period, natural graphite anode demand growth is expected to be 415% while supply growth will be only 95% creating the need for an additional 97 graphite mines. These tailwinds are and will continue to help us execute our strategy.

Upstream - Bunyu Graphite Project

With a 461 million tonnes mineral resource estimate¹, Bunyu is one of the largest graphite deposits in the world, wholly owned by Volt, and the foundation of our vertically integrated CSPG strategy. During this quarter, we signed two binding offtake agreements - Graphex Group Limited subsidiary, Graphex Michigan 1 LLC, for fine graphite and Qingdao Baixing Graphite Co., Ltd for coarse graphite. With Stage 1 Bunyu graphite production sold, we turned the focus to securing financing for the project to start production in 2025. We are now in advanced discussions and will meet our goal to secure financing for Bunyu project.

Revised Bunyu Stage 1 Feasibility Study which started in 2022 and led by GR Engineering Services is also nearing completion and we plan to publish the results of the study in the near future. We expect project economics to remain strong although capital and operating cost may also rise.

¹ Refer to ASX announcement dated 16 December 2016 titled "Pre-Feasibility Study Completed". 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.

Upstream - Zavalievsky Graphite

The quarter focussed on devising a reliable, robust, and low-capital operational strategy for 2023. Positive discussions with the power supplier to the mine concluded that the required ZG operational load of up to 5 MWh could be supported, contingent upon energy infrastructure not being impacted by Russian missile and drone attacks. This was a significant milestone to commence planning for 2023 production, and the reduced risk of limited power availability was evidenced by uninterrupted power supply throughout the March 2023 quarter. An optimised campaign cycle of one month production every quarter is planned for the remainder of 2023, supported by revenues from graphite sales and minimal Volt funding. Further information in relation to the recommencement of ZG operations will be provided in the near future.

Downstream - Natural Graphite Anode

While mining and processing of raw materials is the foundation, Volt anticipates significantly greater future value creation will be derived from the manufacturing of natural graphite anode material for North America and European markets. Our first CSPG plant is planned for US.

During this quarter, we initiated the Feasibility Study for the plant and Worley Services Pty Ltd, a wholly owned subsidiary of ASX-listed Worley Ltd, has been engaged to assist Volt in preparing the study. Worley is a leading global provider of professional project and asset solutions in the energy, chemicals, and resources sectors. Worley serves the entire battery value chain including raw materials, battery materials, battery production, and recycling with significant experience and track record in CSPG facilities.

Furthermore, we have engaged a leading Government Relations firm in Washington, DC USA to assist with our funding proposal to the US Department of Energy (DOE) – the key US Government agency involved in the selection of battery grants and loans. The US DOE is expected to make Funding Opportunity Announcements in 2023 and 2024 which are likely to become a vehicle for Volt to secure funds for CSPG plant. The US Government is also providing the legislative framework to establish and strengthen their domestic battery supply chain. For example, per the Inflation Reduction Act, critical minerals (e.g., graphite) cannot be extracted, processed, or recycled in a Foreign Entity of Concern – China, Russia, North Korea, and Iran. The US Geological Survey reaffirmed graphite as a critical mineral in its 2021 Review and Revision of the US Critical Minerals List, ranking graphite higher than manganese, lithium, nickel, and copper in overall supply risk. In addition to the Inflation Reduction Act, recently the Environmental Protection Agency in US announced ambitious emissions reduction standards which could lead to over 60% of new vehicle sales to be electric from 2032.

Like the US, the European Union is also in the process of launching various financial incentive programs to attract and retain battery industry. We are in discussions with key European agencies to secure funding for our European activities.

Progress was also made on customer acquisition and further product development/evaluation. Latest CSPG sample was delivered to 24M, our Joint Development Agreement partner, in late March 2023 and feedback is anticipated by July 2023. A product sample was

also sent to a large Asian/US battery producer for evaluation and discussions initiated with leading US automotive OEMs. It is worth noting here that our natural graphite's unique property (impurities are on the surface) leads to high purity CSPG which means better cycle life performance of the battery. Detailed evaluation of Volt CSPG in real-life battery cells is underway to reinforce the preliminary data obtained in coin cells.

Other Activities

Exploration and Development Activities

The Company did not undertake any substantive mineral exploration, mine development or mining production activities during the quarter on the Bunyu Graphite Project in Tanzania or the gold projects in Guinea.

Board and Management Changes

On 1 January 2023, Prashant S. Chintawar, who has served as Senior Advisor, was promoted to the role of Chief Executive Officer. Prashant is an entrepreneurial global business leader with a track record of creation + scale-up of battery material business, growing existing chemical businesses (up to USD 1.1 billion product P&L), negotiating and structuring deals, and industrialization. Key strengths, honed at global organizations and top tier management consulting firm, include growth strategy development and tactical execution. He has unique combination of commercial & operational skills and deep insights into lithium-ion battery/EV industry.

On 7 February 2023, Roman Saramaga was appointed as Interim Chief Executive Officer of Volt's 70% owned subsidiary Zavalievsky Graphite LLC. Roman commenced with the Zavalievsky Group in December 2021 and has over 15 years' experience as a legal and project management professional with substantial experience with international companies including direct experience in Oil & Gas, Energy, Mining, Construction and Government Relations. Before joining the Zavalievsky Group, Roman served as Deputy Head of the Ukrainian Geological Survey (national agency responsible for geology and mineral resource development) where he was involved in mining licensing, geological exploration, and modernization of resource industry legislation. He also launched the Strategic Partnership between the European Union and Ukraine on critical raw materials and batteries.

Roman graduated from the Institute of International Relations of Taras Shevchenko National University of Kyiv with a Master's degree in International Law cum laude and has an MBA and Project Management degree.

As a part of restructuring, certain positions were also eliminated. Your Company will continue to evolve as we start construction of Bunyu project and ramp-up downstream activities in CSPG.

Corporate

Director Placement

On 2 March 2023, following shareholder approval, all Volt Directors invested in shares and options to the value of \$1.08 million, in accordance with the terms of the Placement announced to the market on 15 November 2022 (“**Director Placements**”). The issue price was \$0.018 per Director Placement Share, which represented a 50% premium to the last traded price on 2 March 2023. Volt’s Chairman, Asimwe Kabunga invested \$1.0 million, Executive Director, Trevor Matthews, invested \$50,000 and Non-Executive Director, Jack Fazio, invested \$30,000.

Cash Position and Summary of Expenditure Incurred on Exploration Activities

The Company ended the March 2023 quarter with \$5.353 million in cash. The management team of Volt continues to explore opportunities to generate cost savings within the group of companies where possible. Further details as to the use of funds during the quarter can be found within the Appendix 5B – Quarterly Cashflow Report.

The Company spent \$162k on exploration and evaluation activities during the quarter predominantly on tenement management costs in Tanzania and tenement management and environmental approvals in Guinea.

Related Party Payments

During the quarter, payments to related parties totalled \$188k comprising non-executive director fees and consulting charges.

Mineral Tenements

The schedule of the Company’s interest in mining tenements on 31 March 2023 follows.

All tenements within Tanzania are held by Volt Graphite Tanzania Plc, a wholly owned subsidiary of Volt Resources Ltd. Tenements in Guinea are held by two subsidiary companies, KB Gold SARLU and Novo Mines SARLU.

Project	Location	Tenement Number	Change in Holding Status During the Quarter	VRC Beneficial Interest
Zavalievsky Graphite	Ukraine - Zavallya	Special Permit No.430	None	70%
Volt Tanzania Graphite Plc - Bunyu Graphite Project	Tanzania – Lindi Rural District	ML 591/2018	None	100%
	Tanzania – Lindi Rural District	ML 592/2018	None	100%

	Tanzania - Nachingwea, Ruangwa & Masasi Districts	PL 10643/2015	None	100%
	Tanzania - Ruangwa & Masasi Districts	PL 10644/2015	None	100%
	Tanzania - Newala & Masasi Districts	PL 10667/2015	None	100%
	Tanzania - Newala, Ruangwa & Masasi Districts	PL 10668/2015	None	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10717/2015	None	100%
	Tanzania - Masasi District	PL 10788/2016	None	100%
	Tanzania – Masasi District	PL 13207/2018	None	100%
	Tanzania – Masasi District	PL 13208/2018	None	100%
KB Gold SARLU – Kourouss and Mandiana Projects	Guinea - Nzima	EP 22980	None	100%
	Guinea - Monebo	EP 23058	None	100%
	Guinea - Kouroussa	EP 22982	None	100%
	Guinea - Fadougou	EP 22981	None	100%
	Guinea - Kouroussa West	EP 23057	None	100%
Novo Mines SARLU - Konsolon Project	Guinea - Konsolon	EP 22800	None	100%

The Company is not a party to any farm-in or farm-out agreements.

-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 critical minerals and battery material company listed on the Australian Stock Exchange under the ASX code VRC. We are a graphite producer/developer and an emerging natural graphite anode (a key component of lithium-ion batteries) producer. Volt has a 70% controlling interest in the Zavalievsky Graphite (ZG) business in Ukraine. Zavalievsky mine has been in operation since 1934 and is in close proximity to key markets with significant developments in lithium-ion battery. 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^[1].

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, Belgrade^[2].

Volt is progressing the development of its large 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 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 products^[3]. 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.

^[1] 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.

^[2] Refer to Volt’s ASX announcement titled “Strategic European Lithium Acquisition – Jadar North” dated 18 November 2021.

^[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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VOLT RESOURCES LIMITED

ABN

28 106 353 253

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development ¹	(447)	(941)
	(c) production	-	-
	(d) staff costs	(15)	(45)
	(e) administration and corporate costs	(459)	(2,565)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	11
1.5	Interest and other costs of finance paid	-	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (details below)	-	-
	Acquisition legal fees and associated costs	-	-
1.9	Net cash from / (used in) operating activities	(910)	(3,544)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-

¹ The Company has reclassified downstream battery anode material business development expenditure for North America and Europe from section 1.2 (e) administration and corporate costs for both the March 2023 quarter and year to date.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(162)	(498)
	(e) investments	(114)	(2,281)
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(276)	(2,779)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,080	12,137
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(60)	(773)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(46)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,020	11,318

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,518	358
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(910)	(3,544)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
986	Net cash from / (used in) investing activities (item 2.6 above)	(276)	(2,779)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,020	11,318
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,353	5,353

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,353	5,353
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,353	5,353

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	188
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(910)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(162)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,072)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,353
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,353
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	5.00
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 April 2023

Authorised by: The Board of Volt Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.