



ASX ANNOUNCEMENT

By e-lodgement

17 March 2022

UKRAINE GRAPHITE BUSINESS AND HALF YEAR REPORT

Graphite producer and battery anode material developer **Volt Resources Limited (ASX: VRC)** ("**Volt**" or "**the Company**") provides the following update in relation to the Zavalievsky Graphite ("**ZG**") business and its operations in western Ukraine and the status of the completion of the Half Year report.

The invasion of Ukraine by the Russian military is now entering its fourth week.

Since the commencement of the invasion on 24 February 2022, Volt continues to be in regular contact with ZG management to understand the situation as it affects the ZG team and the graphite business. The Company can advise that at this stage ZG management, accounting and marketing staff and their families are in relatively safe locations, having relocated from Kyiv to Lviv and the surrounding areas near the Polish border in western Ukraine.

Graphite mining and processing operations at Zavallya remain suspended and all staff remain at home following the commencement of the invasion. The town of Zavallya is located in a rural area with no military or major infrastructure targets in the region. There has been no military action near Zavallya, and at this stage, ZG management see minimal risk to ZG staff, their families and the business assets from the conflict.

Volt has approved the payment of ZG staff salaries to ensure staff are able to continue to meet their living expenses during the period of operations suspension. Volt continues to monitor the conflict in Ukraine closely and assess and discuss the situation with our local executive management team to understand what further support Volt can provide for ZG staff and their families.

Volt will continue to provide updates on the Company's Ukraine staff and/or its business.

Half Year Report

Volt has prepared its consolidated financial statements for the half year ended 31 December 2021 and progressed the review of the financial statements by our auditors HLB Mann Judd. The acquisition of Zavalievsky Graphite on 27 July 2021 requires the inclusion of their audited financial results for the half year period. In preparation for this the following activities were progressed in Ukraine:

- Appointment of company auditors for the three Ukraine companies for the first time.
- Preparation of financial reports in accordance with the International Financial Reporting

Standards (IFRS) for the first time. Previous financial reports were prepared based on Ukraine financial reporting standards. External accounting and finance consultants were engaged to assist with this process as the internal accounting staff had no experience in preparing financial statements to meet these standards.

- Independent valuation of the Ukraine assets at the acquisition date.

The finalisation of the financial statements in accordance with IFRS and the audit of the financial statements were well advanced at the time the invasion of Ukraine commenced. The accounting consultants and auditors dispersed their senior female staff out of Ukraine and into various European offices. This significantly disrupted the accounting and auditing process resulting in the delay of the completion of the audited financial statements which is only nearing completion now.

The consequence of the above issues in Ukraine, is that the Company has been unable to include the audited financial information for the ZG group of companies into the Volt consolidated financial statements and complete the review of the half year results by the Company auditors in time to lodge these financial statements with ASIC and ASX by the reporting deadline of 16 March 2022.

The inability to meet the deadline has resulted in ASX suspending trading in the Company shares until the half year report is lodged with ASIC and ASX.

The Company expects to receive the ZG audited financial statements imminently which will allow the incorporation of the financial information in Volt's half year financial statements, the completion of the auditor review process and subsequent lodgement of the half year report with ASIC and ASX.



A map of Ukraine showing the location of the Zavalievsky graphite mine and processing facility near the town of Zavallya.

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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 communications¹.

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, Belgrade².

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

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.