

## ANNUAL REPORT

For the year ended 30 June 2021

ACN: 106 353 253



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## Corporate Directory

### Directors

Mr. Asimwe Kabunga (Non-Executive Chairman)  
Mr. Trevor Matthews (Managing Director)  
Mr. Giacomo (Jack) Fazio (Non-Executive Director)

### Company Secretary

Ms Susan Park

### Registered Office

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108 St Georges Terrace  
Perth WA 6000

Telephone: +61 8 9486 7788

### Business Offices

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### Website and Email

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### Share Registry

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Sydney NSW 2000

Telephone: +61 2 8280 7001

### Auditors

HLB Mann Judd (WA Partnership)  
Level 4  
130 Stirling Street  
Perth WA 6000

### Securities Exchange

ASX:VRC



Your Directors submit the financial report of Volt Resources Limited (“the Company” or “Volt”) and its Controlled Entities (Consolidated Entity) for the year ended 30 June 2021.

## DIRECTORS

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

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

## PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year included progressing the acquisition of a 70% interest in the Zavalievsky Graphite companies (“Zavalievsky Graphite Business” or “Zavalievsky”) in Ukraine, continuing funding activities to advance to the development stage of its Bunyu Graphite Project in Tanzania and the Guinea gold projects acquisition and exploration programme.

## RESULTS

The loss after tax for the year ended 30 June 2021 was \$2,564,475 (2020: \$3,143,096).

## REVIEW OF OPERATIONS

### Overview

Key operational highlights during the 2021 financial year included:

### Graphite

#### *Zavalievsky Graphite*

On 5 February 2021, Volt announced that it 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 business that has been in operation for 87 years.

The graphite mine and processing facilities are located adjacent to the town of Zavallya, approximately 280 kilometres south of the Ukrainian capital Kyiv and 230 kilometres north of the main port of Odessa.

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 LIB facilities planned to service the European based car makers and renewable energy sector.
- Makes graphite products across the range and has the potential to significantly increase its large flake production.
- 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 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.
- 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.

On 27 April 2021 the Company announced it had signed binding Share Purchase Agreements (“SPA’s”). Under the SPAs, the existing shareholders (“Vendors”) 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.

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 ZG business:

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

The due diligence reports by each of the consultants were reviewed and accepted by the Volt Board and management. On 14 May 2021 Volt advised the Vendors that the due diligence enquiries had been satisfactorily completed.

On 27 July 2021 Volt completed the acquisition of a 70% controlling interest in the Zavalievsky Graphite business to become a graphite producer. The initial payment was funded via a US\$4.0 million convertible security. The remaining US\$3.8 million is payable 12 months after the completion of the transaction. Accordingly, the second instalment of the purchase price will become payable in July 2022. More details regarding the Zavalievsky acquisition are disclosed under the “Subsequent events” note.

#### *European Battery Alliance*

During the June quarter 2021, the Company joined the European Battery Alliance (“EBA”). Launched in October 2017, the EBA is a platform for key stakeholders throughout the entire European battery value chain.

The EBA250 network includes the European Commission, EU member states, the European Investment Bank and more than 600 industrial, innovation and academia stakeholders. The EBA objective is to build a strong pan-European battery industry that is able to help Europe capture a growing market expected to be worth 250B€/year from 2025. Industry participants across the battery value chain include Volkswagen, Tesla, Volvo, LG Chem, CATL and Albemarle.

Formal actions being facilitated by the EBA and relevant to Volt’s business and plans include:

- Create and sustain a cross-value chain ecosystem for batteries. This includes mining, processing, materials design, second life, and recycling within the EU, encouraging cross-sectoral initiatives between academia, research, industry, policy, and the financial community.
- Facilitate the expansion/creation of European sources of raw materials.

The EBA250 includes a Business Investment Platform (BIP) together with financial institutions – public and private – and several core industrial partners. The objective of the BIP is to:

- Shorten the time to investment
- Reduce business risk for the investee
- Reduce investment risk for the investor



### *Bunyu Graphite Tanzania*

The Company remains focused on the two stage development of its wholly-owned Bunyu Graphite Project in Tanzania and continued with project development funding discussions during the year.

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.

Volt completed the Stage 1 Feasibility Study (FS) based on a mine and processing facility producing on average 23.7ktpa of graphite products. The Stage 1 FS showed attractive project economics with a capital development cost of US\$31.8m<sup>1</sup>.

Stage 1 has low development capital requirements and benefits from a low strip ratio, near surface, higher grade zone. A simple mining method will be used with an open pit of 40m depth, using a conventional drill and blast, load and haul mining method. Recent flotation test-work has demonstrated that high grade graphite products, at coarse flake sizes, can be produced using a relatively simple flotation process.

The strategy of staging the project development provides a low-cost, fast-track path to get the Bunyu Project into production and deliver consistent representative product to the market place. Stage 1 will facilitate product validation and assist in securing long-term offtake agreements to support development of the large-scale Stage 2 project. The Stage 1 development will have the added benefit of de-risking the full-scale project, improving the ability to finance the expansion, reducing the risks of commissioning and production ramp up delays, cost and schedule overruns.

### *Bunyu Stage 1 Development Funding*

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.

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.

## Gold

### *Gold Projects Guinea*

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 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.

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<sup>1</sup> 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.



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

*Exploration activities*

The Company commenced the Guinea gold projects auger drilling campaign during the March 2021 quarter. The campaign includes the three gold project areas (Kouroussa, Mandiana and Konsolon) with drilling on four exploration permits later extended to five exploration permits. The programmes are designed to generate initial Reverse Circulation and Diamond Drilling targets with drilling planned to be undertaken later this year.

The results from its initial power auger drilling programme for the Kouroussa permit were released late in the March 2021 quarter providing a very positive start to the auger drilling programme with the first exploration permit tested reporting a number of anomalous gold results. The auger programme identified anomalous gold spread over an area of approximately 1,200 metres by 900 metres with no testing of the mineralization to depth. The mineralization over this broad area may relate to a single system, and this is to be confirmed by future deep drill programmes.



During the June 2021 quarter the exploration team completed the auger drilling component of the exploration campaign incorporating the Kouroussa (including in-fill drilling), Kouroussa South, Fadougou, Nzima, Monebo and Konsolon permits. Sample assay results are either being evaluated or waiting to be received from the laboratory. There is significant delay in receipt of sample assay results due to the level of exploration activity in the region serviced by the laboratory.

## Corporate Overview

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, 10,000,000 performance rights were issued to Mr H Millunga, a senior geologist of the Company pursuant to the terms and conditions approved by shareholders at a general meeting on 20 July 2020. During February 2021, 5,000,000 performance rights were converted to 5,000,000 fully paid ordinary shares and issued to Mr H Millunga in accordance with him achieving the initial vesting condition attached to the performance rights. On 10 September 2021 the remaining 5,000,000 performance rights were converted to fully paid ordinary shares following the achievement of the remaining vesting condition.

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.

On 19 February 2021, the Company announced it had successfully raised A\$3.65 million (before costs) through the placement of 243,333,333 new fully paid ordinary shares. Volt's Chairman, Asimwe Kabunga, subscribed for \$600,000 of the Placement shares through his private company, Kabunga Holdings Pty Ltd. Managing Director Trevor Matthews subscribed for \$30,000 of Placement shares and Non-Executive Director Jack Fazio subscribed for \$20,000 of Placement shares. At a general meeting held on 17 May 2021, shareholders approved the issue of placement shares to the Volt directors.

### *General Meetings*

On 20 July 2020 all resolutions presented to shareholders at a general meeting were passed by a poll. The AGM was held on 30 November 2020 and all resolutions were passed by a poll.

At a general meeting held on 17 May 2021, all resolutions presented to shareholders were passed by a poll.

## Board and Management Changes

On 30 June 2021, the COO/CFO Mr David Sumich resigned from the Company in order to pursue other opportunities. The COO duties will be undertaken by the Managing Director with support from the other Board members. The CFO duties will be shared between the Managing Director and a newly appointed Financial Controller.

No changes occurred at a Board level during the financial year ending 30 June 2021.





## DIRECTOR AND COMPANY SECRETARY INFORMATION

**Mr Asimwe Kabunga** | Non-Executive Chairman  
From 4 August 2017, appointed 5 April 2017

**Qualifications:** Bachelor of Science, Mathematics and Physics.

**Other current directorships of Listed Public Companies:** Lindian Resources Limited (Chairman).

**Former directorships of Listed Public Companies in last three years:** Strandline Resources Limited.

**Interests in Shares and Options over Shares in the Company:** 427,805,420 fully paid ordinary shares and 22,727,273 options.

Asimwe Kabunga is a Tanzanian born Australian entrepreneur with multiple interests in mining and IT businesses around the world. Mr. Kabunga has extensive technical and commercial experience in Tanzania, Australia, United Kingdom and the United States.

Mr. Kabunga has been instrumental in establishing the Tanzania Community of Western Australia Inc. and served as its first President. Mr. Kabunga was also a founding member of Rafiki Surgical Missions and Safina Foundation, both NGOs dedicated to helping children in Tanzania.

**Mr Trevor Matthews** | Managing Director

Appointed 1 May 2020

**Qualifications:** Bachelor of Commerce, Post Graduate Diploma in Applied Finance and Investment.

**Other current directorships of Listed Public Companies:** Victory Goldfields Limited.

**Former directorships of Listed Public Companies in last three years:** nil.

**Interests in Shares and Options over Shares in the Company:** 3,580,043 fully paid ordinary shares.

Mr Matthews has an accounting and finance background with 35 years experience in the resources industry including roles with North and WMC Resources in executive-level positions. More recently, his last two roles were as Managing Director for ASX listed companies MZI Resources (2012-16) and Murchison Metals (2005-11). During his career Mr Matthews has gained considerable experience managing a number of nascent resource projects through to production.

Consequently, he has extensive executive management experience of feasibility studies, project planning/development, coordination and leveraging capital markets effectively to secure the appropriate mix of debt/equity funding, to successfully complete a mining project.

**Mr Giacomo (Jack) Fazio** | Non-Executive Director

Appointed 1 July 2019

**Qualifications:** Diploma in Geometry, Associate Diploma in Civil Engineering, Graduate Certificate in Project Management.

**Other current directorships of Listed Public Companies:** Lindian Resources Limited (Non-Executive Director).

**Former directorships of Listed Public Companies in last three years:** nil.

**Interests in Shares and Options over Shares in the Company:** 2,249,225 fully paid ordinary shares.

Mr Fazio is a highly experienced project, construction and contract/commercial management professional having held senior project management roles with Primero Group Limited, Laing O'Rourke and Forge Group Ltd. His experience ranges from feasibility studies through to engineering, procurement, construction, and commissioning of diverse mining resources, infrastructure, oil & gas and energy projects.



Ms Susan Park | Company Secretary

Appointed 1 August 2017

Ms Park has over 25 years' experience in the corporate finance industry and has extensive experience in Company Secretarial and Non-Executive Director roles on ASX, AIM and TSX listed companies. She is founder and Managing Director of consulting firm Park Advisory Pty Ltd, which specialises in the provision of corporate governance and company secretarial advice to ASX, AIM and TSX listed companies. She has previously held senior management roles at Ernst & Young, PricewaterhouseCoopers and Bankwest, both in Perth and Sydney. Ms Park holds a Bachelor of Commerce degree majoring in accounting and finance, is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia, a Fellow of the Institute of Chartered Secretaries and Administrators and a Graduate Member of the Australian Institute of Company Directors.

## MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors (and committees of Directors) held during the year ended 30 June 2021, and the number of meetings attended by each Director.

Directors	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Asimwe Kabunga	8	8
Mr. Trevor Matthews	8	8
Mr. Giacomo Fazio	8	8

## SHARE OPTIONS

At the date of this report the following options have been granted over unissued capital.

Grant Date	Details	Expiry Date	Exercise Price	Number of Options
15 May 2020	Unlisted options	15 May 2022	\$0.01	55,000,000
23 October 2020	Unlisted options	23 October 2023	\$0.022	69,450,002
26 July 2021	Unlisted Options	26 July 2024	\$0.05	30,000,000
9 September 2021	Unlisted Options	9 September 2024	\$0.0385	4,259,740
9 September 2021	Unlisted Options	9 September 2024	\$0.05	5,000,000
				163,709,742

## PERFORMANCE RIGHTS

On 21 August 2020, 10,000,000 performance rights were issued to a Senior Geologist of the Company with 5,000,000 vesting based on a condition of 6 months continuous service from the date of issue, with the remaining 5,000,000 vesting on continued service 12 months from the date of issue. As at the date of this report, the 10,000,000 rights have vested and converted to 10,000,000 fully paid ordinary shares.

## REMUNERATION REPORT

The "Remuneration Report" which forms part of the Director's Report, outlines the remuneration arrangements in place for the Key Management Personnel of Volt Resources Limited for the year ended 30 June 2021 and is included from page 12.

## EVENTS SUBSEQUENT TO REPORTING DATE

On 27 July 2021 Volt Resources Ltd completed the acquisition of a 70% controlling interest in the Zavalievsky Graphite business. The cost of the acquisition was US\$7.6 million, with US\$3.8 million being paid on 27 July 2021 and the remaining US\$3.8 million being due for payment on 27 July 2022.

The Zavalievsky purchase was funded from proceeds received from a US\$4 million convertible securities agreement entered into with SBC Global Investment Fund. A total of 4,400,000 Convertible



Notes, with each convertible note having a face value of US\$1.00, were issued by Volt Resources Ltd to SBC Global Investment Fund. In addition, SBC Global Investment Fund was issued 30,000,000 unquoted options with each option being exercisable at \$0.05 per share and having an expiry date of 26 July 2024.

On 1 September 2021 Volt Resources Ltd, raised \$5.75 million via a placement of 230,000,000 shares at \$0.025 per share (“**Placement**”) to existing shareholders, sophisticated investors, funds and institutions. Volt’s Chairman, Asimwe Kabunga, has committed to subscribe for \$700,000 of the Placement shares through his private company, Kabunga Holdings Pty Ltd.

Shareholder approval will be required for the issue of shares to Kabunga Holdings Pty Ltd which will be sought at a general meeting of the Company’s shareholders at a date and venue to be advised. The Placement shares, apart from the Placement shares subject to shareholder approval, were issued on 9 September 2021.

Peak Asset Management acted as the Lead Manager to the Placement. In addition to the capital raising fees, Peak Asset Management will receive 5,000,000 options with an exercise price of \$0.05 (5 cents) with a maturity date of 9 September 2024. The options will be issued under Volt Resources remaining capacity under Listing Rule 7.1.

## LIKELY DEVELOPMENTS

The Consolidated Entity is waiting upon the drilling sample results from the Guinea Gold projects auger program that was carried out during the year. Once these results are available the Board will decide the next steps to be taken with the Guinea tenements.

The Consolidated Entity will continue advance discussions with a leading African development bank on a debt funding proposal for the Bunyu Project. Subsequent to development funding being approved and resulting positive final investment decision for Stage 1, the Company would then be in a position to commence resettlement of affected landowners, upgrade of access roads and water supply, preparation of the plant site and commencement of construction works.

## ENVIRONMENTAL REGULATION

The Consolidated Entity has a policy of exceeding or at least complying with its environmental obligations. During the financial year, the Consolidated Entity did not materially breach any particular or significant regulation in respect to environmental management in any of the jurisdictions in which it operates.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the group to the date of this report, other than those disclosed in the subsequent events note.

## DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2021 (2020: nil).

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the Directors and Officers of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors or Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.



## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceeding to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

## CORPORATE GOVERNANCE

A copy of Volt's 2021 Corporate Governance Statement, which provides detailed information about governance, and a copy of Volt's Appendix 4G which sets out the Company's compliance with the recommendations in the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at [www.voltresources.com](http://www.voltresources.com)

## NON-AUDIT SERVICES

No fees for non-audit services were paid or payable to the external auditor of the Parent Entity during the year ended 30 June 2021 (2020: nil).

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2021, which forms a part of the Directors' Report has been received and is included within this annual report at page 17.

## REMUNERATION REPORT (Audited)

This remuneration report outlines the key management personnel remuneration arrangements of the Consolidated Entity in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and includes the specified executives. For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives and secretaries of the Parent and the Consolidated Entity.

### Remuneration Committee

The Company is not of a sufficient size to justify the establishment of a remuneration committee and so the Board of Directors of the Company fulfils this obligation and is responsible for determining and reviewing remuneration arrangements for the directors and executives. The Board of Directors assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing Director and executive team.

### Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. To this end, the charter adopted by the remuneration committee aims to align rewards with achievement of strategic objectives. The remuneration framework applied provides for a mixture of fixed and variable pay and a blend of short and long term incentives as appropriate.

### Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and executive remuneration is separate and distinct.

### Non-Executive Directors

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at General Meeting and was capped at \$360,000 in November 2018. The Company's policy is to remunerate Non-Executive Directors at market rates (for comparable



companies) for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company, and subject to approval by shareholders, are permitted to participate in the Employee Share Option Plan.

#### *Retirement Benefits and Allowances*

No retirement benefits or allowances are paid or payable to directors of the Company (other than statutory or mandatory superannuation contributions, where applicable).

#### *Performance on shareholder wealth*

In considering the Group's performance and benefits for shareholder wealth, the Board have regarded the following indices in respect of the current and previous four financial years:

	2021	2020	2019	2018	2017
EPS loss (cents)	(0.12)	(0.19)	(0.24)	(0.27)	(0.32)
Net profit / loss (\$'000)	(2,564)	(3,134)	(3,483)	(3,079)	(3,102)
Exploration and Evaluation expenditure (\$'000)	1,450	355	603	4,863	6,167
Share price (\$)	0.035	0.024	0.020	0.021	0.029

### **Executives**

#### *Base Pay*

Executives are offered a competitive level of base pay, which is comprised of a fixed (unrisky) component of their pay and rewards. Base pay for senior executives is reviewed annually to ensure market competitiveness. There are no guaranteed base pay increases included in any senior executives' contracts.

As Managing Director, Mr Matthews will receive a monthly retainer of \$3,000 with additional hours charged at a consulting rate of \$200 per hour. Mr Matthews has a one-month notice period by either party without cause and immediate termination by the company with cause. Performance rights are to be agreed by the Volt Board and approved by shareholders.

#### *Short Term Incentives*

Payment of short-term incentives is dependent on the achievement of key performance milestones as determined by the Board of Directors. No bonuses have been paid or are payable in respect of the year to 30 June 2021. There have been no forfeitures of bonuses by key management personnel during the current or prior periods and no cash bonuses remained unvested at year-end.

#### *Long Term Incentives - Share-Based Compensation*

Both performance rights and share options have been issued to Directors and executives as part of their remuneration. Share-based compensation instruments are not issued based on performance criteria, however, they are issued with vesting conditions and exercise prices set specifically to increase goal congruence between Directors, executives and shareholders. Performance rights and options granted carry no dividend or voting rights. The Company currently has no policy in place to limit an individual's risk exposure in relation to the issue of company securities as remuneration.

### **Use of Remuneration Consultants**

No remuneration consultants were utilised during the 2021 financial year.


**Remuneration of Directors and Key Management Personnel**

2021	Short term			Performance rights	Post employment	Total	Performance related %
	Base salary & annual leave	Director fees	Consulting fees	Share based payments	Superannuation		
	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>							
Asimwe Kabunga	-	36,000	204,000	-	-	240,000	-
Giacomo Fazio	-	24,000	-	-	-	24,000	-
Trevor Matthews	-	36,000	298,704	-	-	334,704	-
	-	<b>96,000</b>	<b>502,704</b>	-	-	<b>598,704</b>	-
<b>KMP</b>							
	-	-	-	-	-	-	-
	-	<b>96,000</b>	<b>502,704</b>	-	-	<b>598,704</b>	-

2020	Short term			Performance rights	Post employment	Total	Performance related %
	Base salary & annual leave	Director fees	Consulting fees	Share based payments	Superannuation		
	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>							
Asimwe Kabunga	-	123,559	28,000	-	-	151,559	-
Giacomo Fazio <sup>1</sup>	-	47,800	-	-	-	47,800	-
Trevor Matthews <sup>3</sup>	-	6,000	62,000	-	-	68,000	-
Stephen Hunt <sup>2</sup>	-	43,800	-	-	-	43,800	-
	-	<b>221,159</b>	<b>90,000</b>	-	-	<b>311,159</b>	-
<b>KMP</b>							
Trevor Matthews <sup>3</sup>	321,655	-	-	(72,449)	25,000	274,206	(26.4)
Mark Hoffmann <sup>4</sup>	148,485	-	-	-	11,749	160,234	
	<b>470,140</b>	-	-	<b>(72,449)</b>	<b>36,749</b>	<b>434,440</b>	<b>(16.7)</b>
	<b>470,140</b>	<b>221,159</b>	<b>90,000</b>	<b>(72,449)</b>	<b>36,749</b>	<b>745,599</b>	<b>(9.7)</b>

1. Giacomo Fazio was appointed 1 July 2019.
2. Stephen Hunt resigned 1 May 2020.
3. Trevor Matthews resigned as Chief Executive Officer and was appointed Managing Director 1 May 2020.
4. Mark Hoffmann was made redundant 5 February 2020.

**Share Based Compensation**
*Options*

There were no options granted, exercised or lapsed during the financial year, in relation to key management personnel's remuneration.

*Performance Rights*

There were no Performance Rights granted, exercised or lapsed during the financial year, in relation to key management personnel's remuneration.

Mr Trevor Matthews has a remaining Tranche C - 10,000,000 Performance Rights. These rights will vest on the achieving a 20 business day VWAP equal to or exceeding 15 cents per share for the Company by October 2021. The fair value of the remaining performance rights granted is estimated as at the date of grant using trinomial option model (Tranche C) taking into account the following inputs:



Trinomial Option Model	
Details	Tranche C3 Performance Rights expiring 22-Oct-2021
Share price barrier	\$0.15
Expected volatility	70%
Risk free interest rate	2.09%
Expected life	3 years
Exercise price	nil
Grant date share price	\$0.021
Fair value per right	\$0.004

#### Shares

Key Management Personnel	Balance at Beginning of Year	Issued as Remuneration	Purchase of Shares	Net Other Change	Balance at End of Year
<b>2021</b>					
Asimwe Kabunga	220,632,298	-	207,173,122	207,173,122	427,805,420
Giacomo Fazio	915,892	-	1,333,333	1,333,333	2,249,225
Trevor Matthews	1,580,043	-	2,000,000	2,000,000	3,580,043
<b>Total</b>	<b>223,128,233</b>	<b>-</b>	<b>210,506,455</b>	<b>210,506,455</b>	<b>433,634,688</b>
<b>2020</b>					
Asimwe Kabunga	160,142,017	-	-	60,490,281	220,632,298
Stephen Hunt	12,687,026	-	-	(12,687,026)	-
Giacomo Fazio	-	-	-	915,892	915,892
Trevor Matthews	125,935	-	-	1,454,108	1,580,043
Mark Hoffmann	300,000	-	-	(300,000)	-
<b>Total</b>	<b>173,254,285</b>	<b>-</b>	<b>-</b>	<b>49,873,255</b>	<b>223,128,233</b>

1. Alwyn Vorster resigned 30 June 2019.
2. Stephen Hunt resigned 1 May 2020.
3. Mark Hoffmann was made redundant 5 February 2020.

#### Performance rights

Key Management Personnel	Balance at Beginning of Year	Granted as Remuneration	Vested and converted into ordinary shares	Lapsed as hurdle not achieved / cancelled	Balance at End of Year
<b>2021</b>					
Asimwe Kabunga	-	-	-	-	-
Giacomo Fazio	-	-	-	-	-
Trevor Matthews	10,000,000	-	-	-	10,000,000
<b>Total</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>
<b>2020</b>					
Asimwe Kabunga	-	-	-	-	-
Stephen Hunt <sup>1</sup>	-	-	-	-	-
Matthew Bull	-	-	-	-	-
Trevor Matthews	20,000,000	-	-	(10,000,000)	10,000,000
Mark Hoffmann <sup>2</sup>	-	-	-	-	-
<b>Total</b>	<b>20,000,000</b>	<b>-</b>	<b>-</b>	<b>(10,000,000)</b>	<b>10,000,000</b>

1. Stephen Hunt resigned 1 May 2020.
2. Mark Hoffmann was made redundant 5 February 2020.

No employee share options were granted as remuneration during the 2021 and 2020 financial years. Performance rights have been the preferred method of remuneration in recent years.



### Other Transactions with Key Management Personnel of the Consolidated Entity

During the 2021 financial year, there were no other transactions with Key Management Personnel.

*End of Remuneration Report*

Signed in accordance with a resolution of directors.

A handwritten signature in blue ink, appearing to read 'Asimwe Kabunga'.

Asimwe Kabunga  
Non-Executive Chairman  
29 September 2021



**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Volt Resources Limited for the year ended 30 June 2021, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

**Perth, Western Australia**  
**29 September 2021**



**B G McVeigh**  
**Partner**

**hlb.com.au**

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

		2021	2020
		\$	\$
<b>Revenue</b>			
Interest income	2	25,258	580
Other income		-	41,685
<b>Expenses</b>			
Corporate compliance fees		(645,827)	(401,755)
Corporate management costs		(833,504)	(1,524,291)
Foreign exchange gain (loss)		(113,817)	290
Marketing and investor relations costs		(174,401)	(205,945)
Occupancy expenses		(20,756)	(46,364)
Share based payments	2	(161,157)	72,449
Interest expenses		(335,523)	(765,662)
Other expenses	2	(304,748)	(350,582)
Loss before income tax		(2,564,475)	(3,179,595)
Income tax (expense)/benefit	3	-	45,499
Loss after income tax		(2,564,475)	(3,134,096)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,148,592)	1,161,504
Other comprehensive loss for the year, net of income tax		(1,148,592)	1,161,504
Total comprehensive loss for the year		(3,713,067)	(1,972,592)
Loss attributable to:			
Owners of Volt Resources Limited		(2,547,897)	(3,139,173)
Non-controlling interests		(16,578)	5,077
		(2,564,475)	(3,134,096)
Total comprehensive loss attributable to:			
Owners of Volt Resources Limited		(3,713,067)	(1,973,390)
Non-controlling interests		-	798
		(3,713,067)	(1,972,592)
Loss per share attributable to owners of Volt Resources Limited			
Basic and diluted loss per share (cents per share)	4	(0.12)	(0.19)

The accompanying notes form part of these financial statements.



## Consolidated Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	254,521	264,449
Trade and other receivables	6	82,854	129,281
Prepayments		130,190	39,465
<b>Total current assets</b>		<b>467,565</b>	<b>433,195</b>
<b>Non-current Assets</b>			
Property, plant and equipment	7	38,487	40,846
Deferred exploration and evaluation expenditure	8	26,245,694	23,959,210
<b>Total non-current assets</b>		<b>26,284,181</b>	<b>24,000,056</b>
<b>Total assets</b>		<b>26,751,746</b>	<b>24,433,251</b>
<b>Current Liabilities</b>			
Trade and other payables	9	573,446	679,635
Borrowings	10	-	1,543,299
<b>Total current liabilities</b>		<b>573,446</b>	<b>2,222,934</b>
<b>Non-current Liabilities</b>			
<b>Total liabilities</b>		<b>573,446</b>	<b>2,222,934</b>
<b>Net assets</b>		<b>26,178,300</b>	<b>22,210,317</b>
<b>Equity</b>			
Share capital	11	75,505,006	67,880,852
Reserves	12	5,162	1,113,436
Accumulated losses		(49,122,208)	(46,574,311)
Parent entity interest		26,387,960	22,419,977
Non-controlling interests		(209,660)	(209,660)
<b>Total equity</b>		<b>26,178,300</b>	<b>22,210,317</b>

The accompanying notes form part of these financial statements.



## Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Share capital \$	Reserves \$	Accumulated losses \$	Parent entity interest \$	Non- controlling interests \$	Total equity \$
At 1 July 2019	64,415,434	20,102	(43,435,138)	21,000,398	(210,458)	20,789,940
Loss for the year	-	-	(3,139,173)	(3,139,173)	5077	(3,134,096)
Other comprehensive loss	-	1,165,783	-	1,165,783	(4,279)	1,161,504
<b>Total comprehensive loss</b>	<b>-</b>	<b>1,165,783</b>	<b>(3,139,173)</b>	<b>(1,973,390)</b>	<b>798</b>	<b>(1,972,592)</b>
<i>Transactions with owners in their capacity as owners</i>						
Shares issued	3,699,963	-	-	3,699,063	-	3,699,963
Cost of share issue	(234,545)	-	-	(234,545)	-	(234,545)
Share based payments	-	(72,449)	-	(72,449)	-	(72,449)
<b>At 30 June 2020</b>	<b>67,880,852</b>	<b>1,113,436</b>	<b>(46,574,311)</b>	<b>22,419,977</b>	<b>(209,660)</b>	<b>22,210,317</b>
At 1 July 2020	67,880,852	1,113,436	(46,574,311)	22,419,977	(209,660)	22,210,317
Loss for the year	-	-	(2,547,897)	(2,547,897)	(16,578)	(2,564,475)
Other comprehensive loss	-	(1,165,169)	-	(1,165,169)	16,578	(1,148,592)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(1,165,169)</b>	<b>(2,547,897)</b>	<b>(3,713,066)</b>	<b>(209,660)</b>	<b>(3,713,066)</b>
<i>Transactions with owners in their capacity as owners</i>						
Shares issued	7,807,053	-	-	7,807,053	-	7,807,053
Cost of share issue	(287,159)	-	-	(287,159)	-	(287,159)
Share based payments	104,260	56,896	-	161,157	-	161,157
<b>At 30 June 2021</b>	<b>75,505,006</b>	<b>5,162</b>	<b>(49,122,208)</b>	<b>26,387,962</b>	<b>(209,660)</b>	<b>26,178,300</b>

The accompanying notes form part of these financial statements.



## Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	2021	2020
	\$	\$
<b>Cashflows from Operating Activities</b>		
Government incentive received	7,924	33,348
Payments to suppliers and employees	(1,865,786)	(2,252,585)
Interest received	(11,355)	580
Finance costs	(351,486)	(120,514)
Net cash used in operating activities	5 (2,220,703)	(2,339,171)
<b>Cashflows from Investing Activities</b>		
Payments for exploration expenditure	(1,450,056)	(355,195)
Proceeds from disposal of plant and equipment	(3,111)	-
Net cash used in investing activities	(1,453,167)	(355,195)
<b>Cashflows from Financing Activities</b>		
Proceeds from issue of shares	5,598,661	3,380,155
Proceeds from borrowings	-	132,208
Repayment of borrowings	(1,543,299)	(1,526,424)
Payments of share issue costs	(391,420)	(198,545)
Costs of loan financing	-	-
Net cash from financing activities	3,663,942	1,787,394
Net decrease in cash held	(9,928)	(906,972)
Cash and cash equivalents at beginning of period	264,449	1,171,421
Cash and cash equivalents as at year end	5 254,521	264,449

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

### 1. Statement of significant accounting policies

#### (a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law. The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Consolidated Entity consisting of Volt Resources Limited and its subsidiaries.

The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. The Company is a for-profit listed public company, incorporated in Australia.

The principal activities of the Consolidated Entity during the financial year included progressing the acquisition of a 70% interest in the Zavalievsky Graphite Ltd (“Zavalievsky Graphite Business” or “Zavalievsky”) in Ukraine, continuing funding activities to advance to the development stage of its Bunyu Graphite Project in Tanzania and the Guinea gold projects acquisition and exploration programme.

#### (b) 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 30 June 2021 the Consolidated Entity had cash of \$254,521 and net assets of \$26,178,300 primarily represented by deferred exploration expenditure of \$26,245,694 on its Graphite prospecting tenements in Tanzania and Guinea gold exploration. During the year, net cash outflows from operating activities totalled \$2,220,703 primarily in relation to corporate compliance, management, marketing and investor relations costs of the listed parent entity.

The Directors are of the opinion that the Consolidated Entity is a going concern due to the following factors:

- (i) The Company has the ability to raise additional working capital in the shorter term from:
  - a. a capital raising;
  - b. issue of convertible securities; and
- (ii) The Company has the ability to sell assets, or an interest in assets.

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.

#### (c) Adoption of new and revised standards

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the current annual reporting periods beginning on or after 1 July 2020. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity’s accounting policies.



#### (d) Standards and Interpretations issued but not yet adopted

The Directors have also reviewed all Standards and Interpretations issued and not yet adopted for the year ended 30 June 2021. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue but not yet adopted and therefore no material change is necessary to the Group's accounting policies.

#### (e) Statement of compliance

The financial report was authorised for issue on 29 September 2021. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

#### (f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability within its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Consolidated Entity's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

#### (g) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Share-based payment transactions:*

The Consolidated Entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using either the Black and Scholes or Trinomial Options formula taking into account the terms and conditions upon which the instruments were granted.

##### *Exploration and evaluation expenditure:*

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.



The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure.

The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

## 2. Revenue and expenses

	2021	2020
	\$	\$
<i>Other income</i>		
Cashflow boost	25,258	41,685
	25,258	41,685
<i>Expenses include:</i>		
Share based payments - Performance rights	161,157	(72,449)
<i>Other expenses</i>		
Corporate advisors and brokers, including business development	-	1,667
Depreciation	1,419	9,029
Travel and accommodation	59,506	29,785
Other	243,824	310,101
Total other expenses	304,748	350,582

### ***Accounting policy: revenue recognition***

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

### *Interest income*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.





### 3. Income tax

	2021	2020
	\$	\$
<i>A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable tax rate is as follows:</i>		
Accounting loss before tax	(2,564,475)	(3,179,595)
Total loss before income tax expense	(2,564,475)	(3,179,595)
Tax at the group rate of 30%	(769,343)	953,879
Share based payments	48,347	21,735
Non-deductible expenses	447,826	(635,584)
Non-assessable income	(17,939)	12,506
Capital raising costs deductible	(13,627)	29,196
Income tax losses and movement in deferred tax not brought to account	304,735	(381,732)
Profit and loss proportion of research and development tax credit	-	45,499
Income tax benefit	-	45,499

The tax rates used in the above reconciliation are the corporate tax rates of Australia 30% and Tanzania 30% (2021: Australia 30%, Tanzania 30%). The 27.5% tax rate on taxable profits for small businesses does not apply to Australian corporate entities under Australian tax law if greater than 80% passive income is expected. The Consolidated Entity has tax losses arising in Australia of \$20,574,154 (2019: \$20,339,592) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. The availability of these losses is subject to the satisfaction of either the same business or continuity of ownership tests. Tax losses arising in Tanzania to 30 June 2020 totalled A\$5,749,249. The Tanzania tax losses for the year ended 30 June 2021 total A\$5,769,249. Deferred tax assets have not been recognised in respect of these items because it is not sufficiently probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits thereof.

#### **Accounting policy: income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

#### *Tax consolidation legislation*

Volt Resources Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own. Volt Resources Limited recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Consolidated Entity. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

#### ***Accounting policy: other taxes***

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.



#### 4. Loss per share

	2021 \$	2020 \$
Loss attributable to owners of Volt Resources Limited used in calculating basic and dilutive EPS	(2,547,897)	(3,139,173)

  

	2021 Number	2020 number
Weighted average number of ordinary shares used in calculating basic and diluted earnings / (loss) per share (*):	2,184,764,518	1,677,153,454
	Cents per share	Cents per share
Basic / diluted loss per share	(0.12)	(0.19)

\*As the Consolidated Entity is loss making in both 2021 and 2020, no potential ordinary shares are considered to be dilutive as they would act to decrease the loss per share. The options on issue (Note 13) represent potential ordinary shares but are not dilutive and accordingly have been excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted loss per share.

**Accounting policy: earnings/loss per share**

Basic earnings/loss per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.



## 5. Cash and cash equivalents

	2021	2020
	\$	\$
<i>Reconciliation of operating loss after tax to the net cash flows from operations:</i>		
Loss after tax	(2,564,475)	(3,134,096)
<i>Non-cash items</i>		
Depreciation and impairment charges	1,419	9,029
Unrealised Foreign currency (gain)/loss	331,684	(3,910)
Share based payments	161,157	(72,449)
Capitalised interest	-	454,926
Debt establishment fees	-	189,994
<i>Change in assets and liabilities</i>		
Trade and other receivables	46,426	(53,633)
Prepayments	(90,725)	948
Trade and other payables	(106,189)	332,280
Provisions	-	(62,260)
<b>Net cash outflow from operating activities</b>	<b>(2,220,703)</b>	<b>(2,339,171)</b>
<i>Reconciliation of cash:</i>		
Cash at bank and on hand	254,521	264,449
	254,521	264,449

### **Accounting policy: cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash at bank earns interest at floating rates based on daily bank deposit rates.



## 6. Trade and other receivables

	2021	2020
	\$	\$
Current		
GST receivable	40,303	23,426
Cashflow boost receivable	-	16,674
Other receivable	42,551	89,181
	<b>82,854</b>	<b>129,281</b>
Non-current		
Rental bond	-	-
	<b>-</b>	<b>-</b>

### **Accounting policy: trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## 7. Plant and equipment

	2021	2020
	\$	\$
Plant and equipment - at cost	149,370	158,378
Accumulated depreciation	(110,884)	(117,532)
Net book amount	<b>38,487</b>	<b>40,846</b>
Balance at the beginning of the year	40,846	45,670
Acquisitions	2,494	-
Depreciation expense	(1,419)	(9,029)
Disposal	-	-
Foreign currency translation	(3,435)	4,199
Balance at the end of the year	<b>38,487</b>	<b>40,846</b>

### **Accounting policy: property, plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment - over 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

### **Impairment**

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair



value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in profit or loss for the year as a separate line item.

*Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

## 8. Deferred exploration and evaluation expenditure

	2021	2020
	\$	\$
Exploration and evaluation phase – at cost		
At beginning of the year	23,959,210	22,394,753
Exploration expenditure during the year	1,450,056	355,195
Non-cash Acquisition	2,312,653	-
Foreign currency translation	(1,476,225)	1,209,262
<b>Total exploration and evaluation</b>	<b>26,245,694</b>	<b>23,959,210</b>

***Accounting policy: exploration and evaluation***

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- a) the rights to tenure of the area of interest are current; and
- b) at least one of the following conditions is also met:
  - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - (ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).



Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

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.

***Accounting policy: impairment of assets***

The Consolidated Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**9. Trade and other payables**

	2021	2020
	\$	\$
Trade payables and accruals	573,446	679,635
	573,446	679,635

***Accounting policy: trade and other payables***

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months. Trade payables are non-interest bearing and are normally settled on 30-day terms.



## 10. Borrowings

	2021	2020
	\$	\$
Current		
Directors' loans <sup>a)</sup>	-	73,595
Short-term loan <sup>b)</sup>	-	1,461,159
Insurance premium funding	-	8,545
<b>Total current borrowings</b>	<b>-</b>	<b>1,543,299</b>

### Movement in borrowings:

	Other loans \$ a)	Lars Bader loan \$ b)	Working capital \$ c)	Insurance premium funding \$	Total \$
<b>2021</b>					
Opening balance	-	1,461,159	73,595	8,545	1,543,299
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	-	(1,582,003)	(75,781)	(9,015)	(1,666,799)
Non-cash repayments	-	-	-	-	-
Interest paid	-	348,830	2,186	470	351,486
Interest and borrowing costs expensed	-	-	-	-	-
Forex movement on USD loans	-	(227,986)	-	-	(227,986)
	-	-	-	-	-
<b>2020</b>					
Opening balance	1,422,761	1,004,648	100,948	-	2,528,357
Proceeds from borrowings	-	-	120,000	12,208	132,208
Repayment of borrowings	(1,422,761)	-	(100,000)	(3,663)	(1,526,424)
Non-cash repayments	-	-	(50,329)	-	(50,329)
Interest paid	(13,236)	(102,186)	(948)	(201)	(116,571)
Interest and borrowing costs expensed	13,236	540,902	3,924	201	558,263
Forex movement on USD loans	-	17,795	-	-	17,795
	-	1,461,159	73,595	8,545	1,543,299

- a) 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 is denominated in US\$ and the proceeds totalled the equivalent of A\$1,339,286.
- b) On the 24 June 2019 as part of US\$1.0 million 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. The total amount payable at maturity includes a deferred establishment fee of US\$350,000. On 26 June 2020, interest payable of US\$70,000 was capitalised to the loan balance bringing to total loan to US\$770,000. The interest rate applicable for the remainder of the loan term increased to 30% per annum. Lars Bader loan was paid in full during the year.
- c) On 14 November 2019 Mr Asimwe Kabunga and Mr Trevor Matthews provided both provided unsecured short-term loans of \$50,000 each. The loans have a 10% interest rate per annum payable at maturity and a maturity date of 30 September 2020 or earlier at the Company's discretion. The loan from Mr Kabunga was repaid on 9 January 2020 by issue of shares at





\$0.01. On 8 April 2020, a further \$20,000 was lent by Mr Trevor Matthews, the balance of \$73,595 including capitalised interest remains unpaid at 30 June 2020.

- d) During February 2021 the Company successfully raised capital of \$3,650,000 (before costs) to assist with funding. Part of proceeds of the funding was used to clear the outstanding debt facilities at the time.
- e) In Relation to “Repayments of borrowings” totalling \$1,666,799, the net total of this amount appears in the following areas within the Statement of Cash Flows; Finance costs \$351,486, Forex movement on USD loans \$(227,987) is sitting within “Payments to Suppliers and Employees”, repayment of borrowings \$(1,543,299) .

## 11. Issued capital

### a) Share capital

	2021	2020
	\$	\$
Ordinary shares fully paid	75,505,006	67,880,852
	<b>75,505,006</b>	<b>67,880,852</b>

### b) Movement in shares on issue

	2021	2021	2020	2020
	number	\$	number	\$
Balance at the beginning of the year	1,898,836,797	67,880,852	1,476,323,875	64,415,434
Share placements	387,809,849	5,269,261	168,333,334	900,000
Shares for Guinea Acquisition	121,718,576	2,312,653	-	-
Options exercised	26,336,363	279,400	129,083,416	1,549,000
Vested Performance Rights	5,000,000	50,000	125,096,172	1,250,963
Share issue costs	-	(287,159)	-	(234,545)
Balance at the end of the year	<b>2,439,701,585</b>	<b>75,505,006</b>	<b>1,898,836,797</b>	<b>67,880,852</b>

### c) Share options

Grant Date	Details	Expiry Date	Exercise Price	Balance 30 June 2020	Movement during the year	Balance 30 June 2020
15 May 2020	Unlisted options	15 May 2022	\$0.01	80,000,000	(25,000,000)	55,000,000
23 October 2020	Unlisted options	23 May 2023	\$0.22	71,136,365	(1,336,363)	69,800,002
				<b>176,672,365</b>	<b>26,336,363</b>	<b>124,800,002</b>

The options granted during the 2021 financial year were free attaching to the October 2020 placement. The options granted during the 2020 financial year were free attaching to the May 2020 placement.



#### d) Performance rights

Milestone	Expiry Date	Tranche	Balance 30 June 2020	Granted during the year	Vested during the year	Expired during the year	Balance 30 June 2021
Mr H. Millanga Continued Employment six months from Grant	21 February 2021	B	-	5,000,000	(5,000,000)	-	-
Mr H. Millanga Continued Employment twelve months from Grant	21 August 2021	B	-	5,000,000	-	-	5,000,000
Achieving a VRC 20-day VWAP of 15 cents per share	22 October 2021	C	-	10,000,000	-	-	10,000,000
			-	20,000,000	(5,000,000)	-	15,000,000

Tranche C rights 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.

Mr Millanga's rights contain only non-market vesting conditions and were valued using the company's share price at the date of grant.

#### **Accounting policy: issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 12. Reserves

	2021	2020
	\$	\$
Share based payments reserve	79,289	22,393
Foreign currency translation reserve	(74,128)	1,091,043
	5,161	1,113,436

#### Movement in Reserves;

	2021	2020
	\$	\$
Share based payments reserve		
Balance at the beginning of the year	22,393	94,842
Share based payment	161,157	(72,449)
Options Exercised	(104,261)	-
Transfer to accumulated losses on expiry of options and lapse of performance rights	-	-
Balance at the end of the year	79,289	22,393
Foreign currency translation reserve		
Balance at the beginning of the year	1,091,042	(74,740)
Currency translation differences	(1,165,169)	1,165,782
Balance at the end of the year	(74,127)	1,091,042
Total reserves	5,162	1,113,436



***Accounting policy: foreign currency translation***

Both the functional and presentation currency of Volt Resources Limited and its Australian subsidiaries is Australian dollars. Each entity in the Consolidated Entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All exchange differences in the consolidated financial report are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The functional currency of foreign operations through Dugal Resources Lda and Xiluva Mozambi Lda, is Mozambique New Metical (MZN) The functional currency of foreign operations through Volt Graphite Tanzania Limited is Tanzanian Shillings (TZS) and US Dollars (USD).

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Volt Resources Limited at the rate of exchange ruling at the reporting date and their statements of comprehensive income are translated at the weighted average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

### 13. Share based payments

Three share base payments were made during the financial year ending 2021. Performance rights were granted to Mr H. Millanga with 5,000,000 shares vesting, at a cost to the company of \$50,000. Mr M.Lew, a long term consultant providing services to the company in relation to business strategy was issued 1,000,000 shares. A corresponding share-based payment expense of \$35,000 was recognised, valued using the grant date share price of \$0.035. Spark Plus Pte Ltd is engaged to provide investor relations services and was issued 1,203,788 shares in lieu of consulting fees. A corresponding share-based payment expense of \$19,260 was recognised, valued using the grant date share price of \$0.016.

Currently two tranches of performance rights remain valid. The first, relates to Mr H. Millanga for an additional 5,000,000 performance rights which will vest on 21 August 2021 given continuous employment. 10,000,000 performance rights were granted to Mr H. Millanga which vest at specified future dates based on the non-market performance condition of continued employment to those dates. The rights were valued at \$0.01 per right (being the grant date share price on 20 July 2020), therefore \$100,000 in total. The rights were issued 21 August 2020. 5,000,000 rights vested 6 months after issue, being 21 February 2021, with the remaining 5,000,000 to vest 12 months from issue being 21 August 2021.



The second relates to Mr Trevor Matthews Tranche C Performance Rights. The fair value of Mr Trevor Matthews performance rights granted is estimated as at the date of grant using the Trinomial Option model (Tranche C Performance Rights) taking into account the terms and conditions upon which the rights were granted:

Details	Performance Rights
Tranche	C
Expiry	22 Oct 2021
20 day share price barrier (VWAP)	\$0.15
Expected volatility	70%
Risk free interest rate	2.09%
Expected life	3 years
Exercise price	nil
Grant date share price	\$0.021
Fair value per right/option	\$0.004

**Accounting policy: share-based payment transactions**

*Equity settled transactions:*

The Consolidated Entity provides benefits to employees (including senior executives) of the Consolidated Entity in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Volt Resources Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects

- a) the extent to which the vesting period has expired; and
- b) the Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The consolidated statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/loss per share (see Note 4)



## 14. Financial instruments

### a) Capital risk management

The Consolidated Entity manages its capital to ensure that entities in the Consolidated Entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Consolidated Entity's overall strategy remains unchanged from 2020. The capital structure of the Consolidated Entity consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the entities are subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	254,521	264,449
Trade and other receivables	82,854	129,281
Other financial assets	-	-
	<b>337,375</b>	<b>393,730</b>
Financial liabilities		
Trade and other payables	573,446	679,635
Borrowings	-	1,543,299
	<b>573,446</b>	<b>2,222,934</b>

### b) Financial risk management objectives

The Consolidated Entity is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Consolidated Entity seeks to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures where appropriate. The use of financial derivatives is governed by the Consolidated Entity's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### c) Market risk

The Consolidated Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates. There has been no change to the Consolidated Entity's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

### d) Foreign currency risk management

The Consolidated Entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. No forward contracts or other hedging instruments have been used during the current or prior year as the Consolidated Entity's foreign exchange exposure is not considered to be sufficiently material to justify such activities. The carrying amounts of the Consolidated Entity's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:



	Assets		Liabilities	
	2021	2020	2021	2020
US dollars	17,458	7,574	2,761,446	1,461,159
Tanzanian shillings	491,973	1,024	-	-

*Foreign currency sensitivity analysis*

The Consolidated Entity is exposed to US Dollar (USD) and Tanzanian shillings (TZS) currency fluctuations. The following table details the Consolidated Entity's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates a weakening against the respective currency. For a strengthening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the result and other equity and the balances below would be negative.

	2021	2020
	\$	\$
USD impact		
Result for the year	(272,827)	(145,359)
TZS impact		
Result for the year	49,197	102

**e) Interest rate risk**

As at and during the year ended on reporting date the Consolidated Entity had no significant interest-bearing assets or liabilities, other than liquid funds on deposit and various loans. As such, the Consolidated Entity's income and operating cash flows (other than interest income from funds on deposit and interest expense on the loans) are substantially independent of changes in market interest rates.

The Consolidated Entity's exposure to interest rate risk for each class of financial assets and liabilities is set out below:

		Weighted Rate %	2021 \$	Weighted Rate %	2020 \$
Financial assets					
Cash and cash equivalents	Floating	0.09%	254,521	0.40%	264,449
Financial liabilities					
Borrowings	Fixed		-	30%	1,543,299

*Consolidated Entity and Parent Company sensitivity*

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance date and the stipulated change taking place at the beginning of the financial year and held constant through the reporting period. At balance date, if interest rates had been 80 basis points higher or lower and all other variables were held constant, the Consolidated Entity's net result would increase or decrease by \$2,036 (2020: \$2,116). This is mainly attributable to the Consolidated Entity's exposure to interest rates on its variable rate cash holdings.



#### f) Credit risk

The Consolidated Entity seeks to trade only with recognised, trustworthy third parties and it is the Group's policy to perform credit verification procedures in relation to any customers wishing to trade on credit terms with the Consolidated Entity. The Consolidated Entity has no significant concentrations of credit risk.

#### g) Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash, marketable securities, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Consolidated Entity is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Consolidated Entity has sufficient working capital and preserving the 15% share issue limit available to the Company under the ASX Listing Rules.

#### h) Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value at 30 June 2021.

#### ***Accounting policy: investments and other financial assets***

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.



Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

## 15. Commitments and contingencies

	2021	2020
	\$	\$
Within one year - exploration	49,888	49,888
Within one year - office lease	-	-
One to five years - exploration	-	-
	49,888	49,888

There are no contingent liabilities as at the date of this report, other than for the Resettlement Action Plan totalling US\$3.5 million where commencement of resettlements and any commitments are contingent on the consolidated entity making a Final Investment Decision (FID) to develop the Bunyu Graphite project which is contingent on an appropriate level of development funding being sourced.

On production and sale of graphite products from the Bunyu Graphite project, the previous owners are entitled to a 3% net smelter royalty on the sale of dried concentrate. At the Company's election, at any stage in the future the Company may pay US\$2.0 million to reduce the royalty rate to 1.5%.

On production and sale of gold products from the Guinea project, Kabunga Holdings are entitled to a 2% net smelter royalty on the sale of the end gold product.

Changes to the legal framework governing the natural resources sector in Tanzania were passed by the Tanzanian Parliament in early July 2017 and the Company advised the ASX of the impact of the new legislation on 7 July 2017. One impact was the Tanzanian Government would have a 16% non-dilutable free carried interest in Volt's Tanzanian subsidiary which increases from a current interest of nil.

The 16% interest is to apply to mining operations under a mining licence or a special mining licence. The Company is not aware of any further guidance or application of this change to date. The Consolidated entity currently retains a 100% interest in Volt's Tanzanian subsidiary which holds the Bunyu Graphite Project.





## 16. 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 Corporate, Gold and Graphite.

	Corporate \$	Graphite \$	Gold \$	Total \$
2021				
Revenue	25,251	-	-	25,251
Interest received	7	-	-	7
<b>Total segment revenue</b>	<b>25,258</b>	<b>-</b>	<b>-</b>	<b>25,258</b>
<b>Expenditure</b>				
Corporate compliance fees	(629,575)	(16,252)		(645,827)
Corporate management costs	(677,927)	(155,577)		(833,504)
Foreign exchange gain (loss)	134,975	(248,792)		(116,697)
Marketing and investor relation costs	(174,401)	-		(174,401)
Occupancy expenses	(19,935)	(821)		(20,756)
Share based payments	(161,157)	-		(161,157)
Finance costs	(335,523)	-		(335,523)
Other expenses	(299,741)	(5,007)		(301,868)
<b>Total segment expenditure</b>	<b>(2,163,284)</b>	<b>(426,449)</b>		<b>(2,589,733)</b>
<b>Loss before income tax</b>	<b>(2,138,026)</b>	<b>(426,449)</b>		<b>(2,564,475)</b>
<b>SEGMENT ASSETS</b>				
Segment operating assets	421,185	22,650,973	3,679,588	26,751,746
<b>Total segment assets</b>	<b>421,185</b>	<b>22,650,973</b>	<b>3,679,588</b>	<b>26,751,746</b>
<b>SEGMENT LIABILITIES</b>				
Segment operating liabilities	583,850	(10,404)		573,446
<b>Total segment liabilities</b>	<b>583,850</b>	<b>(10,404)</b>		<b>573,446</b>



	Corporate \$	Graphite \$	Total \$
2020			
Revenue	41,685	-	41,685
Interest received	580	-	580
<b>Total segment revenue</b>	<b>42,265</b>	<b>-</b>	<b>42,265</b>
Expenditure			
Corporate compliance fees	(321,000)	(80,755)	(401,755)
Corporate management costs	(1,186,612)	(337,679)	(1,524,291)
Foreign exchange gain (loss)	(40,721)	41,011	290
Marketing and investor relations costs	(204,818)	(1,127)	(205,945)
Occupancy expenses	(45,362)	(1,002)	(46,364)
Share based payments	72,449	-	72,449
Finance costs	(756,899)	(8,773)	(765,662)
Other expenses	(327,046)	(23,536)	(350,582)
<b>Total segment expenditure</b>	<b>(2,809,999)</b>	<b>(411,861)</b>	<b>(3,221,860)</b>
<b>Loss before income tax</b>	<b>(2,767,734)</b>	<b>(411,861)</b>	<b>(3,179,595)</b>
SEGMENT ASSETS			
Segment operating assets	400,382	24,032,869	24,433,251
<b>Total segment assets</b>	<b>400,382</b>	<b>24,032,869</b>	<b>24,433,251</b>
SEGMENT LIABILITIES			
Segment operating liabilities	2,222,934	-	2,222,934
<b>Total segment liabilities</b>	<b>2,222,934</b>	<b>-</b>	<b>2,222,934</b>

***Accounting policy: segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Volt Resources Limited.



## 17. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

	Country of Incorporation	2021 %	2020 %
Volt Graphite Tanzania Plc	Tanzania	100	100
Gold Republic Pty Ltd	Australia	100	-
Norsk Gold Pte Ltd	Singapore	100	-
Novo Mines Sarlu	Guinea	100	-
KB Gold Sarlu	Guinea	100	-
Mozambi Graphite Pty Ltd	Australia	100	100
Mozambi Resource Investments Pty Ltd	Australia	100	100
Dugal Pty Ltd	Australia	100	100
Dugal Resources Lda (1)	Mozambique	70	70
Mozambi Ventures Lda(1)	Mozambique	80	80
Xiluva Mozambi Lda(1)	Mozambique	80	80

(1) Subsidiaries with non-controlling interests are not material to the consolidated Entity, therefore summarised financial information for these subsidiaries have not been provided in this financial report.

## 18. Auditors' remuneration

	2021 \$	2020 \$
<i>Amounts received or due and receivable by the auditor for:</i>		
Amounts received or due and receivable by HLB Mann Judd for an audit or review of the financial report	48,000	33,900
<i>Amounts received or due and receivable by other auditors:</i>		
Amounts received or due and receivable by Innovex in Tanzania for the audit of Volt Graphite Tanzania Ltd	9,470	11,950
	57,470	45,850

## 19. Key management personnel remuneration

	2021 \$	2020 \$
Short term employee benefits	598,704	781,299
Share based payments	-	(72,449)
Post-employment benefits (superannuation)	-	36,749
Total remuneration	598,704	745,599



## 20. Parent entity information

The following details information related to the parent entity, Volt Resources Limited, as at 30 June 2020. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2021	2020
	\$	\$
Current assets	418,682	398,954
Non-current assets	27,621,486	23,659,953
Total assets	28,040,168	24,058,907
Current liabilities	583,849	2,228,505
Non-current liabilities		-
Total liabilities	583,849	2,227,505
Net assets/(liabilities)	27,456,319	21,830,402
Issued capital	75,505,006	67,880,852
Reserves	78,927	22,033
Accumulated losses	(48,127,614)	(46,072,483)
Total equity	27,456,319	21,830,402
Loss for the year	(2,055,132)	(2,743,631)
Other comprehensive income for the year		-
Total comprehensive loss for the year	(2,055,132)	(2,743,631)
	2021	2020
	\$	\$
Commitments		
Within one year	-	-
One to five years	-	-
	-	-

### **Accounting policy: parent entity financial information**

The financial information for the parent entity, Volt Resources Limited, disclosed in this note has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### *Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Volt Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

#### *Share-based payments*

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.



## 21. Events subsequent to year end

On 27 July 2021 Volt Resources Ltd completed the acquisition of a 70% controlling interest in the Zavalievsky group of companies (the ZG Group). The cost of the acquisition was US\$7.6 million, with US\$3.8 million being paid on 27 July 2021 and the remaining US\$3.8 million being due for payment on 27 July 2022. Completion of the ZG Group acquisition was funded from proceeds received from a US\$4 million convertible securities agreement entered into with SBC Global Investment Fund.

4,400,000 Convertible Notes, with each convertible note having a face value of US\$1.00, were issued by Volt Resources Ltd to SBC Global Investment Fund along with 30,000,000 unquoted options with each option being exercisable at \$0.05 per share and having an expiry date which is 3 years after the date of issue.

### *Significant accounting policy disclosures*

#### *Business combinations*

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any noncontrolling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

At the date of Board approval to issue this financial report, the initial accounting for the business combination was incomplete. The acquisition accounting associated with the purchase of the 70% controlling interest in the Zavalievsky Group has not yet finalised the fair values of the assets and liabilities associated with the purchase. This information will be addressed in the 31 December financial report and falls under the guidance of *AASB 3 Business Combinations, provisional accounting*.

#### *Other Subsequent Events*

On 1 September 2021 Volt Resources Ltd, raised \$5.75 million via a placement of 230,000,000 shares at \$0.025 per share ("**Placement**") to existing shareholders, sophisticated investors, funds and institutions. Volt's Chairman, Asimwe Kabunga, has committed to subscribe for \$700,000 of the Placement shares through his private company, Kabunga Holdings Pty Ltd.

Shareholder approval will be required for the issue of shares to Kabunga Holdings Pty Ltd which will be sought at a general meeting of the Company's shareholders at a date and venue to be advised. The Placement shares, apart from the Placement shares subject to shareholder approval, were issued on 9 September 2021.

Peak Asset Management acted as the Lead Manager to the Placement. In addition to the capital raising fees, Peak Asset Management will receive 5,000,000 options with an exercise price of \$0.05 (5 cents) with a maturity date of 3 years from the issue date. The options will be issued under Volt's remaining capacity under Listing Rule 7.1.



## 22. Acquisition of Gold Republic Pty Ltd

On 7 July 2020, the Company acquired Gold Republic Pty Ltd (“Gold Republic”) for consideration of 121,718,576 ordinary fully paid shares in the Company as well as a 2% net smelter return on gold recovered from the project and sold by the Company or any of its subsidiaries. Gold Republic holds 100% of the issued capital of KB Gold Sarlu and Norsk Gold Pte Ltd, which holds 100% of the issued capital of Novo Mines Sarlu.

KB Gold Sarlu and Novo Mines Sarlu hold the tenement licences which comprise the Guinea gold project.

### *Accounting standard applied*

The acquisition of Gold Republic has been accounted for as an asset acquisition. The acquisition does not meet the definition of a business combination in accordance with AASB 3 Business Combinations (as Gold Republic is not considered to be a business for accounting purposes). The acquisition has therefore been accounted for as a share-based payment transaction using the principles of AASB 3 Business Combinations and AASB 2 Share-based Payment.

The fair value of the consideration paid and allocation to net identifiable assets is as follows:

	\$
<i>Fair value of consideration paid:</i>	
Fully paid ordinary shares	2,312,653
2% net smelter royalty	-
	2,312,653
 <i>Fair value of net identifiable assets acquired:</i>	
Cash and cash equivalents	6,476
Debtor and other assets	101,394
Trade creditors	(106,757)
Exploration and evaluation expenditure	2,311,540
	2,312,653

<sup>(i)</sup> No cost has been attributed to the net smelter royalty due to exploration activities of the Company not yet being at a stage to determine if the royalty will be paid.



- 1) In the opinion of the directors of Volt Resources Limited (the 'Company'):
  - a. the accompanying financial statements and notes and the additional disclosures are in accordance with the Corporations Act 2001 including:
    - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the year then ended; and
    - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations regulations 2001; and
  - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
- 3) This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'Asimwe Kabunga'.

Asimwe Kabunga  
Non-Executive Chairman  
29 September 2021

## INDEPENDENT AUDITOR'S REPORT

To the members of Volt Resources Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Volt Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *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 opinion is not modified in respect of this matter.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
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**Exploration and evaluation asset**

Refer to note 8

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.

Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation assets may exceed their recoverable amounts.

Our procedures included but were not limited to the following:

- We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest;
- We considered management's assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We examined the exploration budget for the year ending 30 June 2022 and discussed with management the nature of planned activities;
- We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and
- We examined the disclosures made in the financial report.

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**Accounting for the acquisition of Gold Republic Pty Ltd**

Refer to note 22

During the year the Company acquired 100% of the share capital of Gold Republic Pty Ltd and its wholly owned subsidiaries. The accounting treatment applied by the Company, and the fair value assigned to the consideration paid, resulted in material acquisition costs being capitalised to the balance sheet.

Such acquisitions require careful consideration as to whether they should be treated as a business combination under AASB 3 *Business Combinations*, or outside the scope of this standard as an asset acquisition. The assessment of the appropriate treatment is complex and requires significant judgement by the Company.

Our procedures included but were not limited to the following:

- We performed our own assessment by applying the provisions of the AASB 3 *Business Combinations* standard to determine whether the acquisition was within the scope of that standard.
- Assessed the fair value assigned to the equity consideration and the timing of recognition to ensure compliance with AASB 2 *Share-Based Payments*.
- Assessed whether there were any deferred tax impacts of the acquisition.
- We assessed the adequacy of the Group's disclosure in respect of the acquisition.

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*Information other than the financial report and auditor's report thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. █

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Volt Resources Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
**29 September 2021**



**B G McVeigh**  
Partner



Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 20 September 2021.

## Number of Shareholders and Unquoted Security Holders

### Shares

As at 20 September 2021, there were 4,890 shareholders holding a total of 2,647,777,155 fully paid ordinary shares.

### Unquoted Securities

The number of unquoted securities on issue as at 20 September 2021 is as follows:

Unquoted Security	Number on Issue
Options exercisable at \$0.01 on or before 15 May 2022	55,000,000
Options exercisable at \$0.022 on or before 23 October 2023	69,450,002
Options exercisable at \$0.05 on or before 26 Jul 2024	30,000,000
Options exercisable at \$0.0385 on or before 9 September 2024	4,259,740
Options exercisable at \$0.05 on or before 9 September 2024	5,000,000
Performance Rights	10,000,000
Convertible Note	4,400,000

## Distribution schedule and number of holders of equity securities as at 20 September 2021

	1 - 1,000	1,001 - 5,000	5,001 - 10,000	10,001 - 100,000	100,001 - and over	Total
Fully Paid Ordinary Shares	279	186	141	2,250	2,034	4,890
Options exercisable at \$0.01 on or before 15 May 2022	-	-	-	-	5	5
Options exercisable at \$0.022 on or before 23 October 2023	-	-	-	-	11	11
Options exercisable at \$0.05 on or before 26 Jul 2024	-	-	-	-	1	1
Options exercisable at \$0.0385 on or before 9 September 2024	-	-	-	-	4	4
Options exercisable at \$0.05 on or before 9 September 2024	-	-	-	-	2	2
Performance Rights	-	-	-	-	1	1
Convertible Note	-	-	-	-	1	1

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 20 September 2021 was 813 holding 4,475,084 shares.



## Top Twenty Shareholders

	Shareholder name	Number of ordinary shares held	%
1	Kabunga Holdings Pty Ltd <Kabunga Family A/C>	427,805,420	16.16
2	Mr Peter Raymond Notman + Mr Elaine Notman	121,365,374	4.58
3	Ven Capital Pty Ltd	83,507,428	3.15
4	Bosswat Pty Ltd <D Virgara Family A/C>	75,000,000	2.83
5	Citicorp Nominees Pty Limited	46,856,174	1.77
6	Chata Holdings Pty Ltd <Chata Super Fund A/C>	32,464,286	1.23
7	Ropa Investments (Gibraltar) Limited	32,227,272	1.22
8	Mr Dominic Vigara	28,000,000	1.06
9	Mr Rohan Patnaik	26,977,272	1.02
10	Littlejohn Embrey Engineering Pty Ltd	25,745,288	0.97
11	Mr Scott Williams	22,575,421	0.85
12	Mr Kevin Brady	21,000,000	0.79
13	BNP Paribas Nominees Pty Ltd ACF Clearstream	19,562,446	0.74
14	Mr Leslie Thomas King + Mrs Heather King	17,075,369	0.64
15	Mr Richard Him Sim Vom	16,659,172	0.63
16	Eleanor Cole	16,365,800	0.62
17	Jacaranda Finance Corporation Pty Ltd	13,500,000	0.51
18	Ropa Investments (Gibraltar) Limited	12,500,000	0.47
19	Square Bay Pty Ltd	11,812,016	0.45
20	HSBC Custody Nominees (Australia) Limited	11,604,256	0.44
		1,062,602,994	40.13

## Holder Details of Unquoted Securities

Unquoted security holders that hold more than 20% of a given class of unquoted securities as at 20 September 2021 other than the performance rights which were issued under an employee incentive scheme are as follows:

Security	Name	Number of Securities
Options exercisable at \$0.01 on or before 15 May 2022	Ven Capital Pty Ltd	37,500,000
Options exercisable at \$0.01 on or before 15 May 2022	Rohan Patnaik	12,500,000
Options exercisable at \$0.022 on or before 23 October 2023	Kabunga Holdings Pty Ltd <Kabunga Family A/C>	22,727,273
Options exercisable at \$0.05 on or before 26 Jul 2024	SBC Global Investment Fund	30,000,000
Options exercisable at \$0.05 on or before 9 September 2024	10 Bolivianos Pty Ltd	2,500,000
Options exercisable at \$0.05 on or before 9 September 2024	Mr Conor Daley	2,500,000
Options exercisable at \$0.0385 on or before 9 September 2024	Mr Edward Sugar	2,683,636
Convertible Notes	SBC Global Investment Fund	4,400,000



## Restricted Securities as at 20 September 2021

The Company had no restricted securities as at 20 September 2021.

## Substantial Shareholders

Substantial shareholders in Volt Resources Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

	Shareholder name	Ordinary shares held	% Ordinary shares held	Date of Notice
1	Kabungga Holdings Pty Ltd <Kabunga Family A/C>	342,350,874	16.94%	28 July 2020

## Voting Rights

All ordinary shares carry one vote per share without restriction.

Unquoted options, performance rights and convertible notes have no voting rights.

## Corporate Governance

The Board of Volt Resources Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at <http://voltresources.com/corporate-governance/>.



## Tenement Listing

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	Status	VRC Beneficial Interest
Volt Graphite Tanzania Plc	Tanzania - Masasi District	ML 591/2018	None	100%
	Tanzania - Masasi District	ML 592/2018	None	100%
	Tanzania - Nachingwea, Ruangwa & Masasi Districts	PL 10643/2015	Renewal in progress	100%
	Tanzania - Ruangwa & Masasi Districts	PL 10644/2015	Renewal in progress	100%
	Tanzania - Newala & Masasi Districts	PL 10667/2015	Renewal in progress	100%
	Tanzania - Newala, Ruangwa & Masasi Districts	PL 10668/2015	Renewal in progress	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10717/2015	Renewal in progress	100%
	Tanzania - Masasi District	PL 10788/2016	None	100%
	Tanzania - Masasi District	PL 13207/2018	Application#	100%
	Tanzania - Masasi District	PL 13208/2018	Application#	100%
	KB Gold SARLU	Guinea - Nzima	EP 22980	None
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	Guinea - Konsolon	EP 22800	None	100%

\* Prospecting Licence Applications PL 13207/2018 and PL 13208/2018 are for 100% of the remaining area covered by PL 10718/2015 which ceased on the granting of the two Mining Licenses over a portion of the previously held prospecting license tenement area.

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

## Summary of results of the entity's annual review of its Mineral Resources and Ore Reserves.

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the ASX Listing Rules.

As at 30 June 2021, the Company reviewed the Mineral Resource and Ore Reserve inventories and found:

- All Mineral Resource and Ore Reserve statements follow JORC 2012 guidelines.
- Opportunities for the Company to convert lower classified Mineral Resources into higher classification, and
- Opportunities to convert appropriate Mineral Resources into Ore Reserves,



with follow up exploratory work including but not limited to infill drilling and further metallurgical test work.

The Company is not aware of any new information or data that materially affects the information included in the Annual Statement about Mineral Resources or Ore Reserves and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed as of 30 June 2020.

### Mineral Resource and Ore Reserve Statements

All Mineral Resources and Ore Reserves announced by Volt Resources Ltd are within the Republic of Tanzania.

Volt Resources the consolidated entity, is targeting Graphite mineralisation within the Republic of Tanzania.

As of the 30 June 2021, the Graphite Mineral Resources for Volt Resources were:

Bunyu Project	Mt	TGC (%)
<b>Measured</b>		
Namangale North (now Bunyu 1)	20	5.3
Total Measured	20	5.3
<b>Indicated</b>		
Namangale North (now Bunyu 1)	122	5.2
Namangale South (now Bunyu 2 & 3)	33	4.3
Total Indicated	155	5.0
<b>Inferred</b>		
Namangale North (now Bunyu 1)	264	5.0
Namangale South (now Bunyu 2 & 3)	23	3.6
Total Inferred	286	4.9
<b>Total Resource</b>	<b>461</b>	<b>4.9</b>

Note:

The Mineral Resource is inclusive of the Ore Reserves.

Inconsistencies in totals are due to rounding.

Refer to announcement "Pre-Feasibility Study Completed" dated 15 December 2016.

This Mineral Resource statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code - 2012 Edition).

Mineral Resources were based on cut-off grades of 2.5% TGC for Namangale North and 4% TGC for Namangale South.

As per clause 49 of the JORC 2012 Code, to detail the specifications of the minerals reported above:

Size		Namangale 1 (now Bunyu 1)	Namangale 2 (now Bunyu 2)	Namangale 3 (now Bunyu 3)
µm	Label	%	%	%
500	Super Jumbo	1	9	5
300	Jumbo	13	29	26
180	Large	29	29	30
150	Medium	12	8	10
75	Small	27	16	19
-75	Fine	18	9	11

Note:

Inconsistencies in totals are due to rounding.

Refer to announcement "Pre-Feasibility Study Completed" dated 15 December 2016.





As of the 30 June 2021, the Graphite Ore Reserves for Volt Resources were:

Ore Reserve Classification	Ore (Mt)	TGC (%)	Contained Graphite (Mt)
<b>Proved</b>			
Namangale 1 North (now Bunyu 1)	19.3	4.32	0.8
Namangale 2 South (now Bunyu 2)	-	-	-
Namangale 3 South (now Bunyu 3)	-	-	-
<b>Subtotal - Proved</b>	<b>19.3</b>	<b>4.32</b>	<b>0.8</b>
<b>Probable</b>			
Namangale 1 North (now Bunyu 1)	95.8	4.4	4.2
Namangale 2 South (now Bunyu 2)	6.4	5.11	0.3
Namangale 3 South (now Bunyu 3)	5.8	3.05	0.2
<b>Subtotal - Probable</b>	<b>108.1</b>	<b>4.37</b>	<b>4.7</b>
<b>Total Ore Reserve</b>	<b>127.4</b>	<b>4.36</b>	<b>5.6</b>

Note:

Inconsistencies in totals are due to rounding.

Refer to announcement "Pre-Feasibility Study Completed" dated 15 December 2016.

This Ore Reserve statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition).

Ore Reserves are based on the following processing cut-off that varied between deposits: 1.29% TGC for Namangale 1, 1.52% for Namangale 2, and 1.76% for Namangale 3.

### **Material changes in Mineral Resources and Ore Reserve Holdings from the previous financial year**

There were no material changes to Mineral Resources or Ore Reserves during the year ended 30 June 2021. An updated subset of the Mineral Resources and Ore Reserves relating to the Stage 1 higher grade portion of the Bunyu 1 deposit was announced on 31 July 2018 and is further detailed below.

### **Governance Arrangements and Internal Controls with respect to Mineral Resource and Ore Reserve Estimates**

The Company ensures that all Mineral Resource and Ore Reserve calculations are subject to appropriate levels of governance and internal controls.

Exploration Results are collected and managed by competent qualified geologists and metallurgists. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource and Ore Reserve estimates are prepared by qualified independent Competent Persons. If there is a material change in the estimate of a Mineral Resource, the modifying factors for the preparation of Ore Reserves, or reporting an inaugural Mineral Resource or Ore Reserve, the estimate and supporting documentation in question are reviewed by a suitably qualified independent Competent Person.

The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the JORC Code 2012 Edition.

The Ore Reserves and Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by competent and qualified independent external professionals.

The Mineral Resources Statement has been approved by a Competent Person, Mr Mark Biggs of ROM Resources Ltd, a member of the Australasian Institute.



The Ore Reserves Statement has been approved by Mr Andrew Law of Optiro Pty Ltd, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law, Mr Biggs and Mr Bull have consented to the inclusion of the Statement in the form and context in which it appears in this Annual Statement or Report.

### **Competent Person's Statements**

The information above is extracted from the announcement dated 15 December 2016. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

On 31 July 2018, the Company announced an updated subset of the Mineral Resources and Ore Reserves relating to the Stage 1 higher grade portion of the Bunyu 1 deposit. The subset is further detailed in a separate section with separate competent person statements below.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. Nevertheless, for ease of access, please see the relevant Competent Person's statements below:

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Matthew Bull, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bull is a previous director of Volt Resources Ltd and held securities in the Company. Mr Bull has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bull consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Mark Biggs, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Biggs is a Director of ROM Resources Pty Ltd. Mr Biggs has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Biggs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled Mr Andrew Law, a Competent Person who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Law was previously a Director of Optiro. Mr Law has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Law consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**In accord with the Stage 1 Feasibility Study for the Bunyu Graphite Project Tanzania dated 30 July 2018 – The Bunyu 1 (Stage 1): Mineral Resources & Ore Reserves tables below, relate to the Stage 1 higher grade portion of the Bunyu 1 deposit, not the entire Bunyu 1 deposit as detailed above.**



The July 2018 resource model was developed for investigation of the Stage 1 pit designs. The global Mineral Resource for Bunyu 1 reported with the 2016 Pre-feasibility Study results, on 15 December 2016 has not been re-estimated. The July 2018 model is restricted to above 240 mRL and includes only the top two layers of mineralisation within the southern area and the top four layers of mineralisation within the northern area. Geological interpretation has identified additional mineralised layers that are not included in the July 2018 resource model: seven within the northern area, eight within the south area and two within the eastern area.

The Mineral Resources have been reported for the July 2018 model at a 2.93% TGC cut-off grade and are included in the Table below. This cut-off grade was determined from technical and economic assessment of the mineralisation within the Stage 1 Feasibility Study (FS) pits by Orelogy. This resource tabulation is not a resource statement for the entire Bunyu 1 project and is presented for validation of the July 2018 resource model which has been used as the basis of the July 2018 Stage 1 FS pit designs.

**Bunyu 1 (Stage 1): Mineral Resources** (restricted above the base of model surface and above 240 mRL) reported above a cut-off grade of 2.93% TGC

Classification	Mt	TGC (%)
Measured	8.0	5.8
Indicated	31.9	5.6
Inferred	36.9	5.1
<b>Total</b>	<b>76.8</b>	<b>5.4</b>

Note: this update does not cover the global Mineral Resources at Bunyu 1

The July 2018 mineral resource model was used to determine the Bunyu 1 Stage 1 FS Ore Reserve and associated mine production schedule. The selected mining scenario, based on the outcomes of an open pit optimisation, was for three pits to be developed over 7 years with a total of 2.8Mt of mill feed being mined.

The scope of the Stage 1 FS was to develop a project plan for a relatively small component of the Bunyu 1 deposit. The Bunyu Stage 1 FS Ore Reserve is considered a subset of the 2016 Namangale 1 Ore Reserve released by Volt Resources 15 December 2016 as part of the 2016 Namangale Pre-Feasibility Study. It therefore does not replace or update this reserve and is for the purposes of underpinning the Stage 1 FS. The overall Ore Reserve for Bunyu (previously Namangale) will be updated as part of the Bunyu Stage 2 DFS which will be based on the whole of the Bunyu 1 deposit.

The specifications of the minerals reported above:

Size		Bunyu 1 (Stage 1)
µm	Label	%
500	Super Jumbo	1
300	Jumbo	11
180	Large	27
150	Medium	15
-150	Small to Fine	46

Note:

Inconsistencies in totals are due to rounding.

Refer to ASX announcement "Positive Stage 1 Feasibility Study Bunyu Graphite Project, Tanzania" dated 30 July 2018.



**The Bunyu 1 (Stage 1): Ore Reserves** (not the entire Bunyu 1 deposit)

Material		Ore		Waste	Total	Strip Ratio
Location	Classification	kt	TGC %	kt	kt	
North	Proved	833	6.1%	109	1,001	0.12
	Probable	60	5.1%			
	<b>Subtotal</b>	<b>892</b>	<b>6.0%</b>			
Central	Proved	472	6.2%	593	1,408	0.73
	Probable	343	5.6%			
	<b>Subtotal</b>	<b>815</b>	<b>5.9%</b>			
South Starter	Proved		0.0%	916	1,315	2.30
	Probable	399	6.8%			
	<b>Subtotal</b>	<b>399</b>	<b>6.8%</b>			
South Main	Proved		0.0%	649	1,358	0.91
	Probable	709	6.6%			
	<b>Subtotal</b>	<b>709</b>	<b>6.6%</b>			
TOTAL	Proved	1,305	6.1%	2,267	5,082	0.81
	Probable	1,511	6.4%			
	<b>Total</b>	<b>2,815</b>	<b>6.3%</b>			

The Bunyu Stage 1 FS Ore Reserve comprises 46% Proved and 54% Probable Ore Reserves. Both the Stage 1 Ore Reserve and Mineral Resource underpinning it have been prepared by competent persons in accordance with JORC requirements.

The Bunyu Stage 1 FS mining schedule was designed to generate a minimum 400,000tpa of plant feed annually, for seven years, resulting in an average feed grade of 6.26% TGC.

**Competent Person's Statements**

The information in the Stage 1 Feasibility Study for the Bunyu Graphite Project Tanzania dated 30 July 2018 that relates to Mineral Resources is based upon information compiled by Mrs Christine Standing who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mrs Standing is an employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mrs Standing consents to the inclusion in this annual statement of a summary based upon her information in the form and context in which it appears.

The information in the Stage 1 Feasibility Study for the Bunyu Graphite Project Tanzania dated 30 July 2018 that relates to Ore Reserves was compiled by Mr Ross Cheyne who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Cheyne is a Director of Orelogy Consulting Pty Ltd and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cheyne consents to the inclusion in this annual statement of a summary based upon his information in the form and context in which it appears.