



ASX ANNOUNCEMENT

By e-lodgement

4 June 2021

US\$4.0 Million Drawn Following Execution of Loan Facility Agreement

Highlights

- US\$4.0 million in funds drawn following execution of US\$8.5 million loan agreement with European investment company JES Green Investments Ltd
- Funds to be used for the initial payment of US\$3.8 million to acquire a 70% controlling interest in the ZG Group. Completion of the acquisition expected the week commencing 7 June 2021
- Further funding from a second tranche of US\$4.0 million available 10 June 2021 to meet transaction costs and provide working capital
- ZG Group acquisition transforms Volt into one of the few ASX listed graphite producers without the usual time and risk related to complete greenfield project financing, construction, commissioning and ramp up
- ZG Group planning to produce LIB anode material (SPG) to create the only European integrated mine and SPG producer
- ZG group graphite business produces a high value “green” purified 99.5% TGC product

Graphite and gold explorer and developer **Volt Resources Limited (ASX: VRC)** (“**Volt**” or “**the Company**”) is pleased to advise it has executed the full form loan agreement and associated security documents with European investment company, JES Green Investments Limited (“**JES**”), for the provision of a US\$8.5 million loan facility to assist with the funding of Volt’s acquisition of a 70% interest in the Zavalievsky group of companies (“**ZG Group**”)¹ and related expenses as well as to provide working capital.

¹ Refer to ASX announcement “Proposed Acquisition of European Graphite Producer” dated 5 February 2021.

The first tranche of US\$4.0 million has been drawn providing the funds for Volt to proceed to completion of the acquisition.

Volt and the ZG Group vendors are working to complete the acquisition in the week commencing 7 June 2021. Volt Managing Director, Trevor Matthews, is travelling to Ukraine to attend the ZG Group acquisition completion meeting.

Key terms of the loan facility were included in the ASX announcement dated 27 May 2021 and titled “US\$8.5 Million Debt Facility Term Sheet Facility”. There is one change to the previously announced terms with the exercise price for the second tranche of 25 million options now agreed at \$0.06 per Volt share. Both tranches of 25 million options now have an exercise price of \$0.06 per Volt share. All other terms remain as previously announced.

London based investment bank, Alphier Capital, advised Volt on the acquisition loan.

Acquisition of the ZG Group

Completion of Volt’s acquisition of a controlling 70% interest in the issued share capital of the ZG Group is scheduled to occur in the week commencing 7 June 2021. Volt is required to pay the first instalment of US\$3.8 million to the ZG Group vendors on completion of the acquisition. The ZG Group vendors will provide signed share transfers whereby Volt will acquire the 70% interest and control of the Zavalievsky group of companies. The final instalment of US\$3.8 million is payable 6 months after completion of the transaction.

The acquisition of a controlling 70% interest in the ZG Group will immediately transform Volt into one of the few ASX-listed graphite producers.

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 Lithium-ion Battery (“LIB”) facilities planned to service the European based car makers and renewable energy sector.
- Plans to produce battery anode material using existing graphite production to become a fully integrated supplier to LIB cell makers based in Europe.
- Makes graphite products across the range and has the potential to significantly increase its high value large flake production.
- Produces a high value “green” purified 99.5% TGC product.
- 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.

The ZG Group has current plans to install a processing plant and equipment in order to commence production of spheronised purified graphite (“SPG”) for the European LIB anode market within the next 12 months. The Zavalievsky mine’s strategic location for the future supply of SPG to the European markets has already attracted interest from LIB cell manufacturers and major car makers.

Further information regarding the ZG Group can be obtained from Volt’s ASX announcement *“Proposed Acquisition of a 70% Shareholding in European Graphite Producer”* dated 5 February 2021 as well as the ZG Group’s website <https://zvgraphit.com.ua/> A drone video of the mine and processing facilities and the local area and township of Zavallya can be viewed at <https://voltresources.com/zavalievsky-graphite-acquisition/>

The Company considers this transaction as a logical and value accretive step as it transitions from a graphite explorer and developer into a graphite producer.

Volt will continue to keep shareholders informed of all material developments in relation to this transaction.

-ENDS-

This announcement was authorised for release by the Board of Volt Resources Ltd.

For further information please contact:

Trevor Matthews Managing Director Tel: +61 8 9486 7788

Follow us on Twitter [@ASXVolt](https://twitter.com/ASXVolt)



About Volt Resources Limited

Volt Resources Limited (“Volt”) is a graphite and gold exploration and development company listed on the Australian Stock Exchange under the ASX code VRC. Volt is currently focused on the exploration and development of its wholly-owned Bunyu Graphite Project in Tanzania, as well as the creation of a new gold exploration and development business through leveraging the Company’s existing extensive networks in Africa.

The Bunyu Graphite Project is ideally located near to critical infrastructure with sealed roads running through the project area and ready access to the deep-water port of Mtwara 140km from the Project. In 2018, Volt reported the completion of the Feasibility Study (“FS”) into the Stage 1 development of the Bunyu Graphite Project. The Stage 1 development is based on a mining and processing plant annual throughput rate of 400,000 tonnes of ore to produce on average 23,700tpa of graphite products². A key objective of the Stage 1 development is to establish infrastructure and market position in support of the development of the significantly larger Stage 2 expansion project at Bunyu.

The Guinea Gold Projects comprise 6 permits in Guinea, West Africa having a total area of 348km. The Projects are located in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

² 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.