Volt Resources Limited

(formerly Mozambi Resources Limited)

a n d c o n t r o l l e d e n t i t i e s

ABN 28 106 353 253

Financial Report for the year ended
30 June 2016

Volt Resources Limited ABN 28 106 353 253
Corporate Directory

Directors

Mr Stephen Hunt – Executive Chairman

Mr Alwyn Vorster – Non-Executive Director

Mr Matthew Bull – Non-Executive Director

Company Secretary

Mr Stephen Brockhurst

Registered and Principal Administration Office

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216 St Georges Terrace

PERTH WA 6000

Tel: +(618) 9481 0389

Auditors

HLB Mann Judd

Level 4, 130 Stirling Street

PERTH WA 6000

Share Registry

Advanced Share Registry Services

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Postal Address

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Securities Exchange Listing

Australian Securities Exchange

Home Exchange: Perth, Western Australia

Codes: VRC, VRCO

Website and Email

www.voltresources.com

info@voltresources.com

Your Directors present their report on the consolidated entity consisting of Volt Resources Limited (formerly Mozambi Resources Limited) ("the Company" or "VRC") and the entities it controlled during the financial year ended 30 June 2016 ("Consolidated Entity" or "Group").

Directors

The names of the Directors of Volt Resources Limited in office during the financial year and until the date of this report are:

Mr Stephen Hunt – Executive Chairman (appointed 15 December 2015)

Mr Matthew Bull – Non Executive Director

Mr Alwyn Vorster – Non Executive Director (appointed 1 April 2016)

Mr Adrien Wing – Non Executive Chairman (resigned 15 December 2015)

Mr Alan Armstrong – Non Executive Director (resigned 22 August 2016)

Company Secretary

Mr Stephen Brockhurst

Principal activities

The principal activities of the Group during the financial year were graphite exploration in Tanzania.

Annual activities report

During the reporting period, substantial progress has been achieved advancing the Board's strategic objectives. In particular, the rapid projected evolution of the electric vehicle and power utility storage sectors globally are propelling growing demand for lithium-ion batteries and in turn, presenting unparalleled new opportunities for high quality natural graphite suppliers.

With highly targeted marketing, Volt Resources now has several current and prospective customers in China, Europe and the USA testing samples of its super jumbo and jumbo flake graphite. Concurrently, the team in Perth is advancing the Prefeasibility Study and activities on the ground in Tanzania are ramping-up to ensure that future clients' natural graphite requirements will be met.

Holistically, there was considerable activity on multiple fronts across Volt Resources, with key developments highlighted below.

NEW CORPORATE NAME
In April 2016, following shareholder approval, the Company formally changed its name to Volt Resources Limited (ASX: VRC), from Mozambi Resources Limited (ASX: MOZ) to better reflect the new business dynamics.

NAMANGALE PROJECT IN SOUTHERN TANZANIA
During the first half of the fiscal year, Volt Resources finalised the acquisition of a 1,955 square kilometre tenement package in southern Tanzania (Figure 1: Volt Resources Project Area). Shortly after finalising this acquisition, inaugural drilling commenced at Namangale North (previously Namangale 1) and Namangale South (previously Namangale 2 and 3).

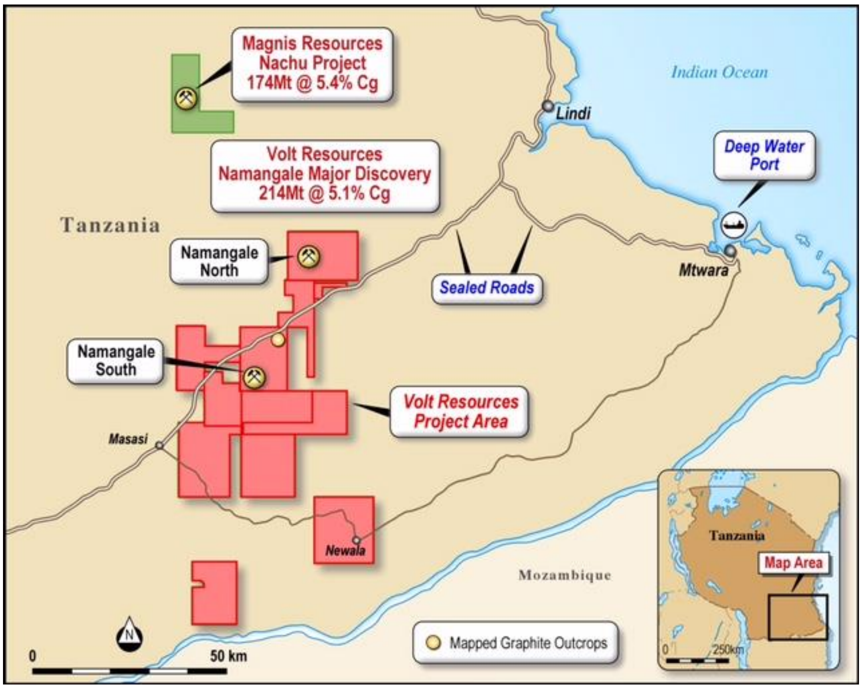

Figure 1: Volt Resource's project area

At the conclusion of the 2015 drilling campaign, the following results were achieved:

- 82 reverse circulation holes and 4,472m drilled; and,
- 10 diamond holes and 535m drilled.

Subsequent resource modelling determined a substantial maiden JORC compliant graphite resource (Table 1: JORC compliant resource post 2015 drilling campaign).

Deposit	Tonnes (Mt)	Grade (% TGC)
INDICATED		
Namangale North	62.6	5.1
INFERRED		
Namangale North	133.4	5.1
Namangale South	18.4	5.4
Total	**214.4**	**5.1**

Table 1: JORC compliant resource post 2015 drilling campaign

The 2016 drilling results showed the mineralisation intersected was consistent with the work undertaken in 2015 and moreover, indicated material areas of extension within each deposit. Resource modelling on the 2016 drilling campaign results is now underway.

Deposit	Reverse circulation		Diamond drill		Total	
Namangale North	15	1,776m	15	1,385m	30	3,161m
Namangale South	43	4,183m	7	447m	50	4,630m
Total	58	5,959m	22	1,832m	80	7,791m

Table 2: Drilling completed at each deposit in 2016

PREFEASIBILITY STUDY

Completing the Prefeasibility Study (PFS) by the end of 2016 is a critical milestone the Board aims to achieve as part of its strategy to continue de-risking the Namangale project. Post the close of the reporting period, the Board appointed a dedicated project manager, Mr Mark Hoffman, to work closely with consultants BatteryLimits Pty Ltd to facilitate this outcome.

Project engineers from BatteryLimits have been to the mine site in Tanzania and produced detailed plans on where to locate key infrastructure such as the central processing facility, tailings dam, waste dumps and access roads.

The Namangale project is located only 10km away from sealed roads, then 130km direct to the deep-water port of Mtwara. Currently, the port has an export capacity of 400,000 tonnes per annum and its prevailing utilisation is around 35%. However, should it be needed, capacity could be increased to 750,000 tonnes per annum across the same number of berths if incremental equipment is installed to handle containerised traffic. The Environmental and Social Impact Survey (ESIS) is progressing as planned for both deposits. This is important as the ESIS is a material component of the mining license application process in Tanzania.

NAMANGALE METALLURGICAL RESULTS

Establishing a global supply chain hinges on being able to demonstrate the ability to deliver a consistent high quality product that meets customers' requirements.

During the course of 2016, Volt Resources has been able to demonstrate improving purity and flake distribution from optimised metallurgical test-work conducted across the Namangale North and South deposits. Key salient highlights during 2016 include:

- Production of graphite flake concentrate from a simple crush and flotation process, without using toxic industrial chemicals.
- Across the Namangale North and South deposits, multiple results showing total graphitic carbon (TGC) exceeding 99%.
- Ability to produce super jumbo and jumbo flake concentrate samples for clients up to 99.6% TGC.
- Graphite flake distribution with up to 81.3% in the super jumbo, jumbo and large flake categories (Figure 2: Flake distribution achieved from Test 49 at Namangale South during Jan – Aug 2016).

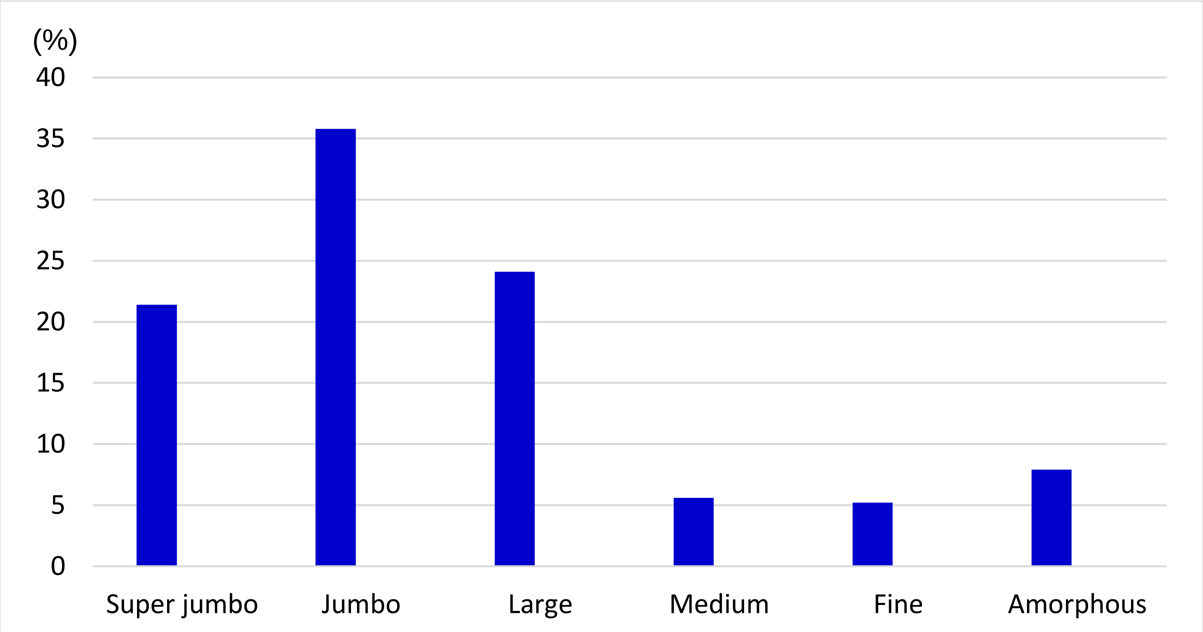

Figure 2: Flake distribution achieved from Test 49 at Namangale South during Jan – Aug 2016

Reflecting on these excellent metallurgical results, the Board believes the test-work results clearly demonstrate to prospective customers the Namangale deposit is world-class. Further, the Board believes the product from Namangale will meet the commercial application requirements of most customer groups, but particularly the lithium-ion battery sector which is currently the major demand driver for natural graphite.

NAMANGALE SOUTH

Size (µm)	Test 49 Nam S Oxide		Test 48 Nam S Oxide		Test 53 Nam S Oxide	
	Weight (%)	TGC (%)	Weight (%)	TGC (%)	Weight (%)	TGC (%)
500	21.4	96.5	18.2	98.6	5.5	97.4
300	35.8	97.8	36.8	98.4	26.7	99.6
180	24.1	97.6	25.7	97.9	29.0	99.5
150	5.6	96.9	6.0	97.0	9.0	99.6
106	5.2	96.3	5.7	96.2	9.2	99.4
75	2.9	94.4	3.2	94.9	7.2	99.1
25	2.8	87.2	2.8	88.7	8.7	98.5
-25	2.1	81.7	1.6	81.5	4.7	94.1
Size (µm)	**Test 34 Nam S Oxide**		**Test 30 Nam S Oxide**		**Test 28 Nam S Oxide**	
	Weight (%)	**TGC (%)**	**Weight (%)**	**TGC (%)**	**Weight (%)**	**TGC (%)**
500	10.3	99.1	5.9	99.3	10.2	98.6
300	29.7	98.8	28.1	98.8	30.5	98.0
180	27.1	98.1	30.3	97.8	27.0	96.6
150	8.0	97.5	8.4	97.3	8.1	95.6
106	8.8	97.3	10.1	96.9	10.0	95.0
75	6.6	96.9	7.6	96.7	5.9	94.4
25	6.6	95.9	7.3	95.7	6.2	92.7
-25	2.9	92.4	2.2	91.6	2.2	87.5

Table 3: Results from metallurgical test-work conducted on Namangale South test pit during January - August 2016

NAMANGALE NORTH – RESULT SUMMARY

Size (µm)	Test 50 Nam N Oxide		Test 47 Nam N Oxide		Test 52 Nam N Oxide	
	Weight (%)	TGC %	Weight (%)	TGC %	Weight (%)	TGC %
500	1.8	98.3	3.6	96.8	0.3	97.9
300	14.7	97.3	16.7	94.6	7.3	99.2
180	26.9	95.8	26.4	92.6	22.3	98.8
150	11.5	94.8	10.8	92.0	12.0	98.4
106	15.2	94.7	14.4	91.8	17.3	98.2
75	12.8	94.2	11.3	91.3	15.1	98.0
25	12.1	91.4	11.5	86.2	18.1	96.9
-25	5.0	79.4	5.2	69.7	7.7	91.2

Table 4: Results from metallurgical test-work conducted on Namangale North test pit during January - August 2016

GLOBAL MARKETING FOCUS
Establishing a rapport with prospect global clients early on in Volt Resources' evolution has been a critical Board objective. With each graphite project unique and the market generally opaque, it is important to gather first hand intelligence on what prospective clients require and tailor the product offering accordingly. More importantly, it is critical to maintain regular dialogue with prospective customers to understand any nuanced changes in their requirements so this can be factored into the mix. The Board remains vigilant that continually differentiating the product offering is strategically important to ensure the success of the project.

During the reporting period, the Company successfully signed Memoranda of Understandings (MOU) with three large groups in China for 100,000 tonnes per annum (Table 5: China-based MOU partners). This was a significant vote of confidence in Volt Resources' business model considering metallurgical test-work remains ongoing for further optimisation. Of particular significance was signing up Optimum Nano which is one of China's largest integrated lithium-ion battery producer.

Customer	**Business description**	**Annual graphite required (Tonnes)**
Optimum Nano	Large scale integrated lithium-ion battery producer	60,000
Huzhou Chuangya	Large scale anode & electrolyte manufacturer	20,000
Shenzhen Sinuo	Specialised anode & spherical graphite producer	20,000

Table 5: China-based MOU partners

In August 2016, in order to expand and focus on securing more traditional western off-take MOUs, the Board appointed Mr Michael Lew as VP Business Development for North America and Europe. Based in New York, Mr Lew is currently Director, Emerging Opportunities for the National Alliance for Advanced Transportation Batteries International. Having heavily interacted with battery manufacturers, particularly those aligned with transport and energy storage, Mr Lew is highly suited to leverage his extensive North American and European network to promote Volt Resources' natural graphite products.

In September 2016, the three China-based partners were sent graphite concentrate samples from the Namangale South deposit with up to 99.6% TGC. They will be conducting independent testing on the samples to ensure it meets with their specifications for downstream applications. The Board is optimistic that there will be further samples required and these groups will sign binding off-take agreements at the conclusion of their respective testing programmes.

Incrementally, graphite concentrate samples from the Namangale South deposit were also sent to prospective customers in Europe and the USA. The Board is highly encouraged by this development and expects further samples to be dispatched to prospective customers in the USA and Europe in coming months as Mr Lew settles into his new role. To date, the spread of customer activities that samples were sent to comprises an integrated lithium-ion battery and electric vehicle manufacturer, graphite anode producer, graphite trading house and graphene product specialist.

CAPITAL RAISING & EAS ADVISORS
Over the course of the reporting period, Volt Resources has raised $12m from shareholders via a rights issue, share placements and options exercised. Proceeds have been used for general working capital and primarily to fund the PFS. At 30 June 2016, Volt Resources had $7.6m cash on hand which the Board believes is more than adequate to fund working capital requirements and the PFS.

In May 2016, EAS Advisors LLC ("EAS") was appointed as Volt Resources' corporate advisor to the North American investment community. Since its inception in 2008, EAS has achieved a solid legacy assisting select ASX companies to secure funding to deliver growth. Notably, it has participated in over $3.5bn worth of transactions.

The Board is now working closely with EAS on executing Volt Resources' business plan. For instance, EAS organised the recent investor roadshow in New York and has made introductions to prospective customers.

GRAPHITE INDUSTRY OUTLOOK

The Board remains up to date on developments within the graphite industry that directly impact Volt Resources' prospects. In particular, the Board is encouraged by developments in China and the pursuit of "green solutions" to the pollution problems.

Combined with events in developed nations, many industry commentators now expect a near eight-fold increase in electric vehicle demand to circa 6 million by 2020 (from 800k in 2015) and rapid evolution of the utility power storage market.

Indeed, Volt Resources has primary evidence about the positive knock-on effect this rapid growth is having on the lithium-ion battery sector. All three MOU partners confirmed to a Board member, on a recent visit to China, that their capacity will expand between 200-300% over the next 2-3 years to meet future demand.

This scenario augurs favourably for Volt Resources with its high quality natural graphite. Longer-term, industry expert, UK-based Benchmark Minerals Intelligence expects more than US$20bn to be outlayed on building lithium-ion battery mega-and-giga factories over the next 3-5 years. Excluding Tesla's facility in Nevada, there are seven facilities currently under construction in China.

Placing this in context, BMI conservatively forecasts that demand for spherical graphite, derived from natural sourced concentrate, from the lithium-ion battery sector alone could underpin a 200% increase in demand to circa 160,000 tonnes per annum by 2020 (Figure 3: BMI forecast for spherical graphite derived from natural feedstock).

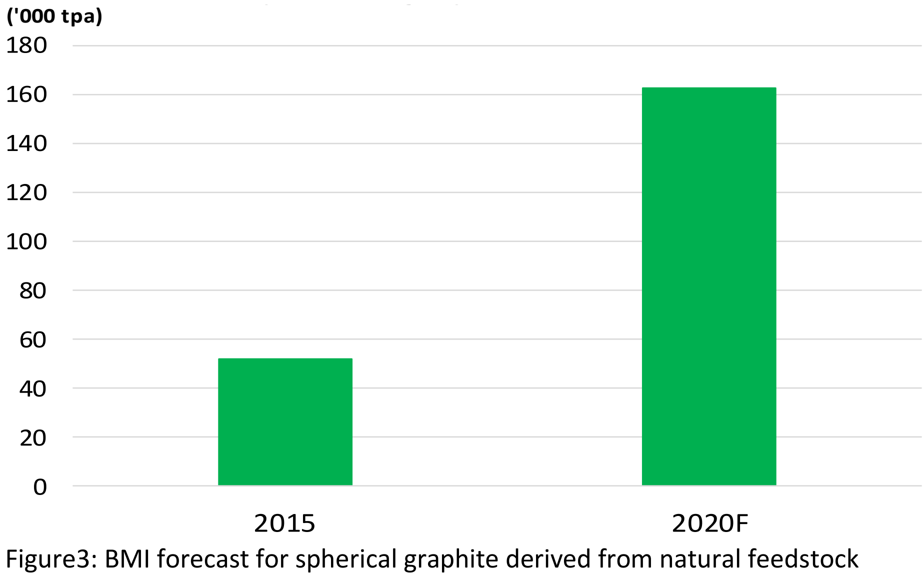

Figure3: BMI forecast for spherical graphite derived from natural feedstock

Assuming a yield of 50% to derive spherical graphite, this implies a minimum of 320,000 tonnes of naturally sourced graphite concentrate will be needed by 2020 (2015: circa 107,000 tonnes) to meet just the lithium-ion battery sector's requirements. However, this figure may prove to be overly conservative if the disruptive impact of electric vehicles and power storage utilities has been underestimated.

Based on current market forecast, the Board believes its strategy to strengthen Volt Resources' marketing focus and traction with prospective clients to secure off-take MOUs that convert into binding agreements, is critical. Moreover, the Board is acutely cognisant that it must continue to demonstrate to prospective clients the ability to deliver high quality graphite concentrate products. In parallel, the Board is rapidly executing the business plan to ensure all key studies and regulatory requirements are progressed with urgency to ensure the Namangale project is continually de-risked and succeeds in getting into production as quickly as possible.

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Matthew Bull, a Competent Person who is a member of Australian Institute of Geoscientists. Mr Bull is a Director of Volt Resources. 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.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the year other than as noted above or elsewhere in this report.

Information on Directors

Current Directors

Mr Stephen Hunt – Executive Chairman

Qualifications – Bachelor of Business (Maj. Marketing), AICD member

Special responsibilities – Chairman

Other current directorship of Listed Public Companies – Nil

Former Directorship (of Listed Public Companies) in last three years – Magnis Resources

Interests in Shares and Options over Shares in the Company –
5,088,454 ordinary shares;
2,000,000 listed options (VRCO); 10,000,000 performance rights

Mr. Hunt has more than 25 years of experience in the marketing of steel and mineral products worldwide. His career includes 15 years at BHP Billiton Ltd. where he spent 5 years in the London office marketing minerals to European and Middle Eastern customers. Stephen has built on his extensive network and developed his own minerals trading company, which has a strong Chinese focus. He brings along with him 15 years of cumulative board experience with ASX limited companies and most recently was a founding director of Magnis Resources Limited.

Mr Alwyn Vorster – Non-Executive Director

Qualifications – BSc Geology; MBA, MSc Mineral Economics

Special responsibilities – Nil

Other current directorship of Listed Public Companies – Managing Director of BC Iron Ltd

Former Directorship (of Listed Public Companies) in last three years – Managing Director of Iron Ore Holdings Ltd (2010-2014)

Interests in Shares and Options over Shares in the Company:
2,000,000 listed options (VRCO); 8,000,000 performance rights (subject to shareholder approval)

Mr Vorster is a mining professional with more than 25 years of experience working with numerous large and smaller mining companies in technical and commercial roles covering the total supply chain from geology, mining, rail and port, shipping, marketing and sales. He has held various CEO roles during his career, including with BC Iron Ltd, API Management and with Iron Ore Holdings Ltd. Mr Vorster is an executive committee member of the Australia China Business Council, a member of the Australian Institute of Company Directors, and a board member of the RSPCA WA. He brings significant project development, transactional and company risk management experience to the Board.

Mr Matthew Bull – Non-Executive Director

Qualifications – Bsc geology (hons)

Special responsibilities - Nil

Other current directorship of Listed Public Companies – Nil

Former directorships (of Listed Public Companies) in last three years - Nil

Interests in Shares and Options over Shares in the Company:

3,838,885 fully paid ordinary shares
3,000,000 unlisted options

Matthew has over 10 years' experience in the mining and exploration industry. He has worked in a wide range of commodities including graphite, gold and iron ore. He has considerable experience on the operation greenfield and resource development drilling exploration programs. His previous positions include consultant geologist working on Discovery Africa's Tanzanian Graphite Project and CEO/Chief Geologist at Baru Resources.

Company Secretary

Mr Stephen Brockhurst

Qualifications – B.Com

Special responsibilities – Company Secretary

Stephen is a Director of Mining Corporate and has many years of experience in delivering company secretarial services to predominantly mining and exploration companies.

Former Directors

Mr Alan Armstrong – former Non-Executive Director

Qualifications – B.Bus (Accounting/Finance), CA

Alan was previously employed as a senior accountant with Shakespeare Partners in Perth. Having 8 years' experience in taxation and business services, he joined Shakespeare Partners in 2012. Prior to this he was employed by Christies Accountants and Advisors in regional NSW. Operating in the mid-tier sector, he has gained experience in various client facing roles over his career to date. He is a member of Chartered Accountants Australia and New Zealand.

Mr Adrien Wing – former Non-Executive Chairman and Company Secretary

Qualifications – B.Bus (Accounting), CPA

Adrien practised in the audit and corporate divisions of a medium sized chartered accounting firm before focusing on providing company secretarial and corporate accounting services to a number of publicly listed companies on the Australian Securities Exchange. His experience extends to all corporate and secretarial matters relating to ASX listed entities, including liaising with shareholders and stakeholders such as ASIC and ASX, managing statutory and reporting obligations, corporate governance and all other board processes. He is experienced with public companies' investment banking and capital raising processes through IPO's, Reverse Take-Overs (RTO's), Private Placements and Rights Issues as well as M&A initiatives and applicable due diligence.

Meetings of Directors

The following table sets out the number of meeting of the Company's directors held during the year ended 30 June 2016, and the number of meetings attended by each director.

Directors' Meetings

	Eligible to attend	Attended
Mr Stephen Hunt	9	9
Mr Alan Armstrong	17	17
Mr Matthew Bull	17	16
Mr Alwyn Vorster	5	5
Mr Adrien Wing	8	8

Share options

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

Number	Exercise Price	Expiry Date	
2,200,000	25c	30/11/2016	Unlisted
4,200,000	12c	30/04/2019	Unlisted
4,200,000	10c	30/04/2019	Unlisted
4,200,000	8c	30/04/2019	Unlisted
4,200,000	6c	30/04/2019	Unlisted
10,500,000	2c	31/12/2017	Unlisted
248,693,926	2c	31/12/2017	Listed - VRCO
7,500,000	12c	12/08/2017	Unlisted
7,500,000	14c	12/08/2018	Unlisted
7,500,000	16c	12/08/2019	Unlisted
300,693,926			

Performance rights

19,000,000 performance rights have been issued during the 2016 financial year. A balance of 10,000,000 remain outstanding and 9,000,000 performance rights have been converted into shares during the financial year.

Subsequent events

On 15 August 2016, Mr Adrien Wing resigned as Company Secretary and was replaced by Mr Stephen Brockhurst.

On 22 August 2016, Mr Alan Armstrong resigned as a director of the Company.

Since balance date the following equity issues have occurred:
- 46,474,723 shares issued upon the exercise of options
- 1,250,000 shares issued for marketing and consulting services in lieu of cash consideration
- 7,500,000 options for corporate advisory services exercisable at $0.12 on or before 12 August 2017
- 7,500,000 options for corporate advisory services exercisable at $0.14 on or before 12 August 2018
- 7,500,000 options for corporate advisory services exercisable at $0.16 on or before 12 August 2019

Likely Developments

The Group intends to continue its exploration activities on its existing tenements, assess the viability of existing tenements and to acquire further suitable tenements for exploration and/or development as opportunities arise.

Environmental regulation

The Group has a policy of exceeding or at least complying with its environmental performance obligations.

During the financial year, the Group did not materially breach any particular or significant Commonwealth, State, Territory or other regulation in respect to environmental management.

Dividends

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2016 (2015: None).

Indemnification and insurance of Officers and Auditors

Since the end of the year, the Group has paid a premium in respect of a contract insuring the directors and secretaries of the Group (as named above), against liabilities incurred as such a director, secretary or executive officer to the extent permitted by the *Corporation Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceeding to which the Group is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Consolidated Entity support, and adhere to, good corporate governance practices. Refer to the Company's Corporate Governance Statement at 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 2016 (2015: nil).

Auditor's Independence Declaration

The Auditor's independence declaration is included on page 21 of the financial report and forms part of this directors' report.

Remuneration Report – Audited

This remuneration report outlines the key management personnel remuneration arrangements of the Group 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 Company and the Group, 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 Group.

Details of key management personnel

(i) Directors

Current:	
Stephen Hunt	Executive Chairman (appointed 15 December 2015)
Matthew Bull	Non-Executive Director
Alwyn Vorster	Non-Executive Director (appointed 1 April 2016)
Former:	
Adrien Wing	Non-Executive Chairman (resigned 15 December 2015)
Alan Armstrong	Non-Executive Director (former Managing Director) (resigned 22 August 2016)

(ii) Company Secretary

Stephen Brockhurst (appointed 15 August 2016)

Adrien Wing (resigned 15 August 2016)

Remuneration committee

The remuneration committee of the board of directors of the Company is responsible for determining and reviewing remuneration arrangements for the directors and executives. The remuneration committee 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. 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.

Remuneration Report (Cont.)

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).

Executives

Base pay
Executives are offered a competitive level of base pay which comprises the fixed (unrisked) 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.

Short term incentives
Payment of short term incentives is dependent on the achievement of key performance milestones as determined by the remuneration committee. For the periods ended 30 June 2015 and 2016, these milestones required performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods.

No bonuses have been paid or are payable in respect of the year to 30 June 2016. 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 under the Plan 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.

Service agreements
On 30 September 2015, the Company entered into a consultancy agreement with Mr Alan Armstrong, in his capacity as Managing Director. The agreement is with Loup Soltaire Pty Ltd, an associated company of Mr Armstrong.

Material terms of the contract are as follows:

- Role – to provide managerial consultancy advice, particularly in regards to development and production programs;
- Term of agreement – 3 years
- Consultancy fee of $8,334 per month, increased to $12,500 per month from March 2016 (including Director Fees)
- Termination of the agreement by the Company can occur upon giving 6 months notice, or payment in lieu thereof, of 6 months consulting fees.

Mr Armstrong resigned on 22 August 2016.

Remuneration Report (Cont.)

Service agreements (Cont.)

These conditions were achieved during the financial year and 9,000,000 shares issued for nil consideration to satisfy the terms of the Performance Rights.

On 11 December 2015, the Company entered into a consultancy agreement with Mr Stephen Hunt, in his capacity as Chairman. Under an established Performance Rights Plan, following shareholder approval, Mr Hunt was also issued 10,000,000 Performance Rights in the following tranches and subject to vesting conditions:

- Tranche 1 – 2,500,000 Performance Rights vest on completion of the Prefeasibility Study (as defined by the JORC Code) on the Namangale Project to be achieved by 31 March 2017.
- Tranche 2 – 2,500,000 Performance Rights vest on the execution of an Off-Take Agreement in respect of the Namangale Project for a minimum of 50% of the minimum production contemplated in the Pre-Feasibility Study to be achieved by 30 June 2017.
- Tranche 3 – 2,500,000 Performance Rights vest on the execution of contracts for finance sufficient to fund the commissioning of mining operations at Namangale Project to be achieved by 30 September 2017.
- Tranche 4 – 2,500,000 Performance Rights vest on the commencement of mining, and processing of first ore recovered from the Namangale Project to be achieved by 31 March 2019.

On 21 March 2016, the Company entered into an agreement with Mr Alwyn Vorster, in his capacity as Non-Executive Director to commence from 1 April 2016 at $48,000 per annum, excluding any additional consulting services.

Under an established Performance Rights Plan, subject to shareholder approval, Mr Vorster will be issued 8,000,000 Performance Rights in the following tranches subject to vesting conditions:

- Tranche 1 – 2,000,000 Performance Rights vest on completion of the Pre-Feasibility Study (as defined by the JORC Code) on the Namangale Project to be achieved by 31 March 2017.
- Tranche 2 – 2,000,000 Performance Rights vest on the execution of an Off-Take Agreement in respect of the Namangale Project for a minimum of 50% of the minimum production contemplated in the Pre-Feasibility Study to be achieved by 30 June 2017.
- Tranche 3 – 2,000,000 Performance Rights vest on the execution of contracts for finance sufficient to fund the commissioning of mining operations at Namangale Project to be achieved by 30 September 2017.
- Tranche 4 – 2,000,000 Performance Rights vest on the commencement of mining, and processing of first ore recovered from the Namangale Project to be achieved by 31 March 2019.

These Performance Rights remain subject to shareholder approval however if this is not obtained, a cash payment of the same value will be made on the vesting of each tranche.

Remuneration Report (Cont.)

Remuneration of key management personnel

2016	Short term benefits			Post-employment benefits		Share based payments		
	Cash salary and fees $	Consult-ing $	Non-monetary benefits $	Super-annuation $	Retirement Benefits $	Performance rights/ options $	Total $	Performance related %
Non-executive Directors								
Matthew Bull	36,530	179,500	-	3,470	-	114,500	334,000	34.3
Adrien Wing*	92,500	54,500	-	-	-	98,000	245,000	40.0
Alwyn Vorster**	12,000	4,400	-	-	-	40,000	56,400	70.9
Sub-total non-executive directors	**141,030**	**238,400**	**-**	**3,470**	**-**	**252,500**	**635,400**	
Executive Directors								
Alan Armstrong	106,670	8,000	-	-	-	98,000	212,670	46.1
Stephen Hunt	131,236	12,000	-	12,373	-	40,000	195,609	20.4
Sub-total executive directors	**237,906**	**20,000**	**-**	**12,373**	**-**	**138,000**	**408,279**	
Total Key Management Personnel	**378,936**	**258,400**	**-**	**15,843**	**-**	**390,500**	**1,043,679**	

* Amounts shown as remuneration for Mr Wing are fees paid to Northern Star Nominees Pty Ltd ("Northern Star"), a Company controlled by Mr Wing, which provides company secretarial, accounting, financial and general management services as well as administrative support to the Company. The amounts include payments for services provided by Mr Wing.
** The options issued to Mr Vorster were issued while he was a consultant, before his appointment as a Director.

2015	Short term benefits			Post-employment benefits		Share based payments		
	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement Benefits $	Performance rights/ options $	Total $	Performance related %
Non-executive Directors								
Matthew Bull	3,044	-	-	289	-	-	3,333	-
Adrien Wing*	38,600	-	-	-	-	20,100	58,700	34.2
Robert Hemphill	33,733	-	-	-	-	-	33,733	-
Julian Jarman	33,611	-	-	3,193	-	-	36,804	-
Sub-total non-executive directors	**108,988**	**-**	**-**	**3,482**	**-**	**20,100**	**132,570**	**-**
Executive Directors								
Alan Armstrong	35,000	-	-	-	-	20,100	55,100	36.5
Alex Neuling**	42,326	-	-	-	-	-	42,326	-
Sub-total executive directors	**77,326**	**-**	**-**	**-**	**-**	**20,100**	**97,426**	
Total Key Management Personnel	**186,314**	**-**	**-**	**3,482**	**-**	**40,200**	**229,996**	

* Amounts shown as remuneration for Mr Wing are fees paid to Northern Star Nominees Pty Ltd ("Northern Star"), a Company controlled by Mr Wing, which provides company secretarial as well as administrative support to the Company. The amounts include payments for services provided by Mr Wing.
** Amounts shown as remuneration for Mr Neuling are fees paid to Erasmus Consulting Pty Ltd ("Erasmus"), a Company controlled by Mr Neuling, which provides company secretarial, accounting, financial and general management services as well as administrative support to the Company. The amounts include payments for services provided by Mr Neuling, Mrs Natalie Madden and by other members of staff employed or retained by Erasmus.

Remuneration Report (Cont.)

Share Based Compensation

Options

Details of options over ordinary shares provided as remuneration to each Director of Volt Resources Limited and each of the key management personnel of the parent entity and Group are set out below. When exercised, each option is convertible into one ordinary share of Volt Resources Limited.

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

Grant date	Number	Vesting date	Expiry date	Exercise price	Grant date fair value	% vested
26/11/2012	2,200,000	26/11/2012	30/11/2016	$0.25	$0.006	100
27/05/2014	9,000,000	27/05/2014	31/12/2017	$0.02	$0.0048	100
25/02/2015	6,000,000	25/02/2015	31/12/2017	$0.02	$0.0067	100
07/08/2015	3,000,000	07/08/2015	31/12/2017	$0.02	$0.0055 (M Bull)	100
01/04/2016	2,000,000	01/04/2016	31/12/2017	$0.02	$0.02 (A Vorster)	100
07/04/2016	2,000,000	07/04/2016	31/12/2017	$0.02	$0.02 (S Hunt)	100

Details of options granted as compensation to key management personnel during the current financial year:

	During the financial year				% of compensation for the year consisting of options
Name	**No. granted**	**No. vested**	**% of grant vested**	**% of grant forfeited**	
Matthew Bull	3,000,000	3,000,000	100%	n/a	4.9%
Alwyn Vorster *	2,000,000	2,000,000	100%	n/a	70.9%
Stephen Hunt	2,000,000	2,000,000	100%	n/a	20.4%

* The options issued to Mr Vorster were issued while he was a consultant, before his appointment as a Director. During the year, there were no options exercised that were granted to key management personnel as part of their compensation.

The following table summarises the value of options granted, exercised or lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration:

	Value of options granted at the grant date (i) $	Value of options exercised at the exercise date $	Value of options lapsed at the date of lapse $
Matthew Bull (i)	16,500	-	-
Alwyn Vorster (ii)	40,000	-	-
Stephen Hunt (ii)	40,000	-	-

(i) The value of options granted during the financial year is calculated as at the grant date using the Black-Scholes model.
(ii) The value of listed options granted during the financial year is based on the ASX market price at the time of grant.

Performance Rights

3,000,000 performance rights each have been issued to Mr Alan Armstrong, Matthew Bull and Adrien Wing during the 2016 financial year. Based upon a valuation of the performance rights at the grant date an amount of $98,000 has been included in remuneration for each of the recipients. These performance rights targets were met and have been converted into shares during the financial year. 10,000,000 performance rights were issued to Mr Stephen Hunt for nil value due to non-market performance conditions and these remain outstanding at the date of this report.

Remuneration Report (Cont.)

Key management personnel equity holdings

Fully paid ordinary shares of Volt Resources Limited

30 June 2016	Balance at beginning of period * Ord	Issued as remuneration Ord	On Exercise of Options/Perf Rights Ord	Net Other Change Ord	Balance at end of period* Ord
Directors					
Alan Armstrong	500,000	-	3,000,000	500,000	4,000,000
Matthew Bull	-	-	3,000,000	838,885	3,838,885
Adrien Wing	3,000,000	-	1,000,000	1,700,056	5,700,056
Stephen Hunt	-	-	-	4,173,454	4,173,454
Alwyn Vorster	378,788	-	-	1,136,363	1,515,151
	3,878,788	-	7,000,000	8,348,758	19,227,546

30 June 2015	Balance at beginning of period * Ord	Issued as remuneration Ord	On Exercise of Options/Perf Rights Ord	Net Other Change Ord	Balance at end of period* Ord
Directors					
Alan Armstrong	-	-	-	500,000	500,000
Matthew Bull	-	-	-	-	-
Adrien Wing	3,000,000	-	-	-	3,000,000
Alex Neuling	682,000	-	-	-	682,000
Robert Hemphill	174,250	-	-	-	174,250
Julian Jarman	3,250,001	-	-	-	3,250,001
	7,106,251	-	-	500,000	7,606,251

* or when appointed/resigned

Share options of Volt Resources Limited

						Vested as at end of period		
30 June 2016	Balance at beginning of period *	Granted as remune-ration	Exercised	Net change Other	Balance at end of period *	Exercisable	Not Exercisable	Options vested during the year
Directors								
Alan Armstrong	3,000,000	-	-	-	3,000,000	3,000,000	-	-
Matthew Bull	-	3,000,000	-	-	3,000,000	3,000,000	-	3,000,000
Adrien Wing	9,000,000	-	-	850,028	9,850,028	9,850,028	-	-
Stephen Hunt	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
Alwyn Vorster	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
	12,000,000	7,000,000	-	850,028	19,850,028	19,850,028	-	7,000,000

* or when appointed/resigned

Remuneration Report (Cont.)

Share options of Volt Resources Limited (Cont.)

30 June 2015	Balance at beginning of period *	Granted as remune-ration	Exercised	Net change Other	Balance at end of period *	Vested as at end of period: Exercisable	Vested as at end of period: Not Exercisable	Vested as at end of period: Options vested during the year
Directors								
Alan Armstrong	-	3,000,000	-	-	3,000,000	3,000,000	-	3,000,000
Matthew Bull	-	-	-	-	-	-	-	-
Adrien Wing	6,000,000	3,000,000	-	-	9,000,000	9,000,000	-	3,000,000
Alex Neuling	3,350,000	-	-	-	3,350,000	3,350,000	-	-
Robert Hemphill	3,350,000	-	-	-	3,350,000	3,350,000	-	-
Julian Jarman	3,000,000	-	-	-	3,000,000	3,000,000	-	-
	15,700,000	6,000,000	-	-	21,700,000	21,700,000	-	6,000,000

* or when appointed/resigned

All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan. During the financial year, no options were exercised by key management personnel (2015: nil).

For details of the employee share option plan and of share options granted during the 2016 and 2015 financial years, please refer to Note 13.

Other transactions with key management personnel of the Group

During the 2015 financial year, the Group has paid $3,800 to MB Exploration Pty Ltd, a company related to Mr Matthew Bull, for consulting services on normal commercial terms. For 2016, consulting arrangements have been included with the remuneration disclosures above.

During the 2015 financial year, the Group paid $19,080 as a placement fee, on normal commercial terms to Alignment Capital Pty Ltd. In addition, from April 2014 Alignment Capital Pty Ltd (a related party of Mr Julian Jarman) was paid $5,000 per month as an ongoing retainer for corporate advisory services on normal commercial terms. Mr Jarman resigned as a Director on 1 June 2015.

During the 2016 financial year, the Group paid $4,950 as an underwriting fee, on normal commercial terms to Mr Stephen Hunt.

End of Remuneration Report

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.
On behalf of the Directors

Stephen Hunt
Chairman
29 September 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Volt Resources Limited (formerly Mozambi Resources Limited) for the year ended 30 June 2016, 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 2016

L Di Giallonardo
Partner

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INDEPENDENT AUDITOR'S REPORT

To the members of Volt Resources Limited (formerly Mozambi Resources Limited)

Report on the Financial Report

We have audited the accompanying financial report of Volt Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Volt Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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.

Auditor's opinion

In our opinion, the Remuneration Report of Volt Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
29 September 2016

Directors' Declaration

1. In the opinion of the directors of Volt Resources Limited (formerly Mozambi 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 2016 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 2016.

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

Stephen Hunt

Chairman

29 September 2016

Volt Resources Limited

Consolidated statement of profit or loss for the year ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
Revenue	2	**24,100**	4,781
Office costs		**(53,877)**	(37,987)
Corporate management costs		**(627,620)**	(256,159)
Corporate compliance costs		**(428,417)**	(74,050)
Evaluation expenses		**-**	(32,008)
Marketing and investor relations		**(223,210)**	(47,621)
Share based payments	2	**(1,773,609)**	(216,200)
Other gains and losses		**(73,670)**	-
Foreign exchange gain / (loss)		**(40,282)**	16,428
Other expenses		**(129,990)**	(19,330)
Loss before income tax		**(3,326,575)**	(662,146)
Income tax expense	3	**-**	-
Loss after tax from continuing operations		**(3,326,575)**	(662,146)
Discontinued operations			
Loss after tax from continuing operations	9	**(479,980)**	-
Net loss for the year		**(3,806,555)**	(662,146)
Loss attributable to:			
Owners of the parent		**(3,812,285)**	(658,310)
Non-controlling interests		**5,730**	(3,836)
		(3,806,555)	(662,146)
Loss from continuing operations per share (cents per share)			
Basic loss per share	4	**(0.57)**	(0.27)
Diluted loss per share	4	**(0.57)**	(0.27)
Loss from discontinued operations per share (cents per share)			
Basic loss per share	4	**(0.08)**	-
Diluted loss per share	4	**(0.08)**	-

The accompanying notes form part of these financial statements.

Volt Resources Limited

Consolidated statement of other comprehensive income
for the year ended 30 June 2016

	Consolidated 2016 $	2015 $
Loss for the year	**(3,806,555)**	(662,146)
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(25,829)**	255
Other comprehensive loss for the year net of income tax	**(25,829)**	255
Total comprehensive loss for the year	**(3,832,384)**	(661,891)
Total comprehensive loss attributable to:		
Owners of the parent	**(3,838,114)**	(658,055)
Non-controlling interests	**5,730**	(3,836)
	(3,832,384)	(661,891)

The accompanying notes form part of these financial statements.

Volt Resources Limited

Consolidated statement of financial position as at 30 June 2016

	Note	Consolidated 2016 $	2015 $
Current Assets			
Cash and cash equivalents	5	**7,617,762**	554,125
Trade and other receivables	6	**104,120**	16,823
Prepayments		**103,973**	-
Total Current Assets		**7,825,855**	570,948
Non-Current Assets			
Trade and other receivables	6	**2,400**	-
Other financial assets	7	**20,000**	224,475
Deferred exploration expenditure	9	**10,750,378**	478,703
Total Non-Current Assets		**10,772,778**	703,178
Total Assets		**18,598,633**	1,274,126
Current Liabilities			
Trade and other payables	10	**1,108,067**	159,924
Total Current Liabilities		**1,108,067**	159,924
Total Liabilities		**1,108,067**	159,924
Net Assets		**17,490,566**	1,114,202
Equity			
Issued capital	11	**51,722,526**	32,466,385
Reserves	12	**3,830,516**	2,903,738
Accumulated losses		**(37,846,371)**	(34,034,086)
Parent entity interest		**17,706,671**	1,336,037
Non-controlling interests		**(216,105)**	(221,835)
Total Equity		**17,490,566**	1,114,202

The accompanying notes form part of these financial statements.

Volt Resources Limited

Consolidated statement of changes in equity for the year ended 30 June 2016

Consolidated

	Issued Capital	Accumulated Losses	Reserves	Total	Non-controlling interests	Total
	$	$	$	$	$	$
Balance as at 1 July 2014	**31,758,385**	**(33,375,776)**	**2,758,783**	**1,141,392**	**(217,999)**	**923,393**
Loss for the year	-	(658,310)	-	(658,310)	(3,836)	(662,146)
Exchange differences arising on translation of foreign operations	-	-	255	255	-	255
Total comprehensive Loss for the year	-	(658,310)	255	(658,055)	(3,836)	(661,891)
Shares issued during the year	839,200	-	-	839,200	-	839,200
Less transaction costs	(131,200)	-	-	(131,200)	-	(131,200)
Recognition of share-based payments	-	-	144,700	144,700	-	144,700
Balance at 30 June 2015	**32,466,385**	**(34,034,086)**	**2,903,738**	**1,336,037**	**(221,835)**	**1,114,202**
Balance as at 1 July 2015	**32,466,385**	**(34,034,086)**	**2,903,738**	**1,336,037**	**(221,835)**	**1,114,202**
Loss for the year	-	(3,812,285)	-	(3,812,285)	5,730	(3,806,555)
Exchange differences arising on translation of foreign operations	-	-	(25,829)	(25,829)	-	(25,829)
Total comprehensive Loss for the year	-	(3,812,285)	(25,829)	(3,838,114)	5,730	(3,832,384)
Shares issued during the year	19,968,609	-	-	19,968,609	-	19,968,609
Less transaction costs	(712,468)	-	-	(712,468)	-	(712,468)
Recognition of share-based payments	-	-	952,607	952,607	-	952,607
Balance at 30 June 2016	**51,722,526**	**(37,846,371)**	**3,830,516**	**17,706,671**	**(216,105)**	**17,490,566**

The accompanying notes form part of these financial statements.

Volt Resources Limited

Consolidated statement of cash flows for the year ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		**(1,386,523)**	(354,068)
Net cash applied to operating activities	5	**(1,386,523)**	(354,068)
Cash flows from investing activities			
Payments for exploration expenditure		**(3,038,679)**	(23,688)
Payments for acquisition of subsidiary		**(342,002)**	-
Payments for deposits and bonds		**(22,400)**	-
Payment for other financial assets		**-**	(178,275)
Interest received		**24,100**	4,781
Net cash applied to investing activities		**(3,378,981)**	(197,182)
Cash flows from financing activities			
Proceeds from share issues		**12,341,609**	688,000
Share issue costs		**(512,468)**	(97,700)
Net cash provided by financing activities		**11,829,141**	590,300
Net increase in cash and cash equivalents		**7,063,637**	39,050
Cash and cash equivalents at the beginning of the year		**554,125**	515,075
Cash and cash equivalents at the end of the year	5	**7,617,762**	554,125

The accompanying notes form part of these 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 Group 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 listed public company, incorporated in Australia. The entity's principal activities are mineral exploration in Tanzania (as more fully described in the Directors' Report & Note 16).

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.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2016

In the year ended 30 June 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 29 September 2016.

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).

(d) 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 to 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 Group'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.

(e) 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 Group 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 the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

(g) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) 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.

(j) 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 provision for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group may not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss.

(k) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(l) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss for the period. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(m) Foreign currency translation

Both the functional and presentation currency of Volt Resources Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group 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).

As at the balance 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.

(n) 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 subsidiary 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 Group. 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.

(o) 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.

(p) Property, plant and equipment

Plant and equipment is 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.

(i) 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.

(ii) 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.

(q) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(r) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(s) Impairment of assets

The Group 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 Group 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.

(t) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group 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.

(u) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(w) 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.

(x) Earnings per share

Basic earnings 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.

(y) 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.

(z) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of the disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(aa) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(bb) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group 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 (i) the extent to which the vesting period has expired and (ii) the Group'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 statement of 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).

(cc) 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:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- (a) 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
- (b) 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.

(dd) Parent entity financial information

The financial information for the parent entity, Volt Resources Limited, disclosed in Note 20 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) 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.

(ii) Share-based payments

The Group 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.

2. Revenue and Expenses

	Consolidated	
	2016	2015
	$	**$**
(a) Revenue		
Continuing Operations		
Interest Income	**24,100**	4,781
(b) Expenses		
Loss before income tax has been determined after charging:		
Continuing Operations		
Depreciation	**-**	(2,548)
Impairment loss recognised on other receivables	**-**	(19,087)
Share-based payments		
Ordinary shares	**(698,500)**	-
Liability to be settled in ordinary shares	**(440,000)**	-
Performance rights	**(294,000)**	-
Options	**(341,109)**	(216,200)
	(1,773,609)	(216,200)

Further details of share-based payments can be found in Note 13.

3. *Income Tax*

	Consolidated	
	2016	2015
	$	$
The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	**(3,806,555)**	(662,146)
Income tax benefit calculated at 28.5% (2015: 30%)	**1,084,868**	198,644
Share based payments	**(505,479)**	(64,860)
Non-deductible expenses	**(20,996)**	(5,726)
Capital raising costs deductible	**47,856**	66,635
Income tax losses not brought to account	**(606,249)**	(194,693)
Income tax benefit from continuing operations reported in the consolidated statement of profit or loss	**-**	-
Income tax benefit attributable to discontinued operations	**-**	-

The tax rate used in the above reconciliation is the corporate tax rate of 28.5% (2015: 30%) payable by Australian corporate entities on taxable profits under Australian tax law for small businesses.

The Group has tax losses arising in Australia of $17,464,906 (2015: $15,004,046) 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.

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 Group can utilise the benefits thereof.

4. *Loss per share*

	Consolidated	
	2016	2015
	Cents per share	Cents per share
Basic / diluted loss per share – continuing operations:		
Loss per share	**(0.57)**	(0.27)
Loss after tax (used in calculation of basic / diluted loss per share)	**(3,326,575)**	(658,310)
Basic / diluted loss per share – discontinued operations:		
Loss per share	**(0.08)**	-
Loss after tax (used in calculation of basic / diluted loss per share)	**(479,980)**	-

	Consolidated	
	2016	2015
	No.	No.
Weighted average number of ordinary shares used as the denominator in calculating basic / diluted loss per share	**583,282,168**	243,663,510

As the entity is loss-making in both the current and prior year, no potential ordinary shares are considered to be dilutive as they would act to decrease the loss per share.

The options on issue (Note 11) 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 earnings per share.

5. *Cash and Cash Equivalents*

	Consolidated	
	2016	2015
	$	$
Cash at bank and on hand	**7,617,762**	554,125

Cash at bank earns interest at floating rates based on daily bank deposit rates

	2016 $	2015 $
(i) Reconciliation to Statement of Cash Flows:		
Cash and cash equivalents	**7,617,762**	554,125
	7,617,762	554,125
(ii) Reconciliation of loss for the year to net cash outflows from operating activities		
Loss for the year	**(3,806,555)**	(662,146)
Depreciation	**-**	2,548
Interest received	**(24,100)**	(4,781)
Non-capitalised exploration expenditure	**479,980**	-
Impairment of other assets	**73,670**	19,087
Foreign Exchange (gain)/loss	**-**	(16,428)
Share based payments	**1,773,609**	216,200
(Increase)/decrease in trade and other receivables	**(87,297)**	20,891
(Increase)/decrease in prepayments	**(103,973)**	-
Increase/(decrease) in creditors and accruals	**308,143**	70,561
Net cash used in operating activities	**(1,386,523)**	(354,068)

6. *Trade and Other Receivables*

	Consolidated	
	2016	2015
	$	$
Other receivables – Current	**104,120**	16,823
Rental Bond – Non-current	**2,400**	-
	106,520	16,823

7. *Other Financial Assets*

	Consolidated	
	2016	2015
	$	**$**
Term deposit	**20,000**	-
Options to acquire shares/projects	**-**	224,475
Total	**20,000**	224,475

Option to acquire shares in Nachi Resources Limited
On 22 May 2015, the Group signed a term sheet granting the option to acquire eighteen tenement applications in Tanzania via the acquisition of 100% of the share capital of the entity that owns the tenements, Nachi Resources Limited. The option was paid for with an initial consideration of 3,300,000 ordinary shares issued in the Company at a value of $46,200, plus a cash payment of US$75,000.

Option to acquire exploration licences in Mozambique
On 10 February 2015, the Group signed a term sheet granting the option to acquire to prospective graphite licences in the Balama-Montepuez province of Mozambique. The option was extended to 4 November 2015 and allowed to lapse during the financial year.

8. Property, Plant and Equipment

	Consolidated	
	2016	2015
	$	**$**
Cost	**-**	**-**
Accumulated depreciation	**-**	**-**
Net carrying amount	**-**	**-**

A reconciliation of movements in plant & equipment during the current & prior financial year is as follows:

Opening balance	**-**	2,548
Depreciation	**-**	(2,548)
Closing balance	**-**	-

9. Deferred Exploration Expenditure

	Consolidated	
	2016	2015
	$	$
Opening balance	**478,703**	455,015
Acquisition of Tanzania graphite project (ii)	**7,637,536**	-
Expenditure during the year	**3,114,119**	23,688
Impairment – Bowen River and Carmilla coal tenements (i)	**(479,980)**	-
Closing balance	**10,750,378**	478,703

Capitalised exploration and evaluation expenditure represents the accumulated cost of acquisition and subsequent expenditure cost on properties which are in the exploration and evaluation phase. Ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

Discontinued Operation

(i) During the year, tenements comprising the Australian Coal assets were relinquished and, accordingly, the amounts previously capitalised in the financial report were written off. Due to these assets representing a separate geographical segment per the segment reporting at Note 16, this represents a discontinued operation. The loss after tax from discontinued operations was $479,980 (2015: $nil).

Acquisition of Subsidiary

(ii) During the year, the Group acquired 100% of Nachi Resources Limited (a company registered in Tanzania). As Nachi Resources Limited does not constitute a business, this transaction has been accounted for as an asset acquisition, being the acquisition of exploration and evaluation assets.

The total consideration paid to acquire Nachi Resources Limited was as follows:

	$
Consideration paid	
Option fee carried forward from 30 June 2015	142,034
Cash consideration	322,722
Shares issued to vendors	6,895,000
Options issued to vendors	150,000
Other transaction costs – Shares issued	93,500
Other transaction costs – Options issued	15,000
Other transaction costs	19,280
Total consideration paid	7,637,536
Net tangible assets acquired	-
Other identifiable assets acquired – exploration and evaluation	7,637,536
Total identifiable assets acquired	7,637,536
Excess of consideration paid over identifiable assets acquired	-

10. Trade & Other Payables

	Consolidated	
	2016	2015
	$	$
Trade Creditors & Accruals	**1,108,067**	159,924
Total Trade & Other Payables	**1,108,067**	159,924

Trade payables are non-interest bearing and are normally settled on 30-day terms.

11. Contributed Equity

Share Capital

	Consolidated		**Consolidated**	
	2016 Shares	2015 Shares	**2016 $**	2015 $
Ordinary shares issued and fully paid	**906,180,471**	308,645,421	**51,722,526**	32,466,385

11. Contributed Equity (Cont.)

Movements in Share Capital during the current and prior financial years are as follows:

Ordinary Shares

	Date	No.	Issue Price	$
Balance as at 30 June 2014		**212,541,987**		**31,758,385**
Placement	24/12/14	52,999,998	$0.006	318,000
Consulting fees in lieu of payment	26/2/15	2,500,000	$0.008	20,000
Consulting fees in lieu of payment	21/4/15	5,881,868	various	75,000
Consulting fees in lieu of payment	15/5/15	588,235	$0.017	10,000
Tanzania option	28/5/15	3,300,000	$0.014	46,200
Placement	16/6/15	30,833,333	$0.012	370,000
Less costs of issue				(131,200)
Balance as at 30 June 2015		**308,645,421**		**32,466,385**
Rights issue	30/7/15	77,161,569	$0.012	925,843
Rights issue	18/8/15	50,500,000	$0.012	606,000
Nachi acquisition	18/8/15	5,000,000	$0.017	85,000
Consulting	18/8/15	16,000,000	$0.012	192,000
Consulting	26/10/15	14,200,000	various	322,500
Options exercised	26/10/15	4,516,285	$0.02	90,250
Consulting	4/11/15	1,500,000	$0.04	60,000
Nachi acquisition	4/11/15	39,000,000	various	1,563,500
Placement	9/11/15	50,000,000	$0.035	1,750,000
Performance rights	2/12/15	3,000,000	nil	-
Options exercised	2/12/15	2,176,785	$0.02	43,536
Consulting	25/2/16	2,000,000	$0.04	80,000
Placement	25/2/16	30,171,212	$0.033	995,650
Nachi acquisition	8/4/16	132,000,000	$0.04	5,280,000
Corporate advisory	8/4/16	1,404,529	$0.04	44,000
Placement	8/4/16	107,893,938	$0.033	3,560,500
Performance rights	8/4/16	3,000,000	nil	-
Options exercised	8/4/16	13,776	$0.02	276
Performance rights	25/5/16	3,000,000	nil	-
Options exercised	20/06/16	14,996,956	$0.02	299,939
Placement	20/06/16	40,000,000	$0.10	4,000,000
Options exercised (not yet issued)				69,615
Less costs of issue				(712,468)
Balance as at 30 June 2016		**906,180,471**		**51,722,526**

11. Contributed Equity (Cont.)

Options

The following options were in existence during the current and prior reporting periods:

Number	Grant date	Fair value at grant date $	Exercise price $	Expiry date
475,000	02/08/2012	$0.0260	$0.25	02/08/2016
2,200,000	26/11/2012	$0.0060	$0.25	30/11/2016
50,000,000	27/05/2014	$0.0048	$0.02	31/12/2017
9,000,000	27/05/2014	$0.0048	$0.02	31/12/2017
26,499,999	26/02/2015	n/a	$0.02	31/12/2017
2,000,000	26/02/2015	n/a	$0.02	31/12/2017
5,000,000	20/02/2015	$0.0067	$0.02	31/12/2017
6,000,000	20/02/2015	$0.0067	$0.02	31/12/2017
50,000,000	19/03/2015	$0.001	$0.02	31/12/2017
20,000,000	21/04/2015	$0.001	$0.02	31/12/2017
1,000,000	15/05/2015	$0.001	$0.02	31/12/2017
3,000,000	10/08/2015	$0.006	$0.02	31/12/2017
48,441,667	10/08/2015	$0.005	$0.02	31/12/2017
38,580,785	07/08/2015	N/A	$0.02	31/12/2017
24,208,784	18/08/2015	N/A	$0.02	31/12/2017
6,125,000	22/10/2015	$0.012	$0.02	31/12/2017
1,041,667	22/10/2015	N/A	$0.02	31/12/2017
11,750,000	04/11/2015	$0.02	$0.02	31/12/2017
12,500,000	11/11/2015	N/A	$0.02	31/12/2017
2,000,000	01/04/2016	$0.02	$0.02	31/12/2017
1,500,000	07/04/2016	$0.025	$0.02	31/12/2017
3,500,000	07/04/2016	$0.02	$0.02	31/12/2017
4,200,000	25/05/2016	$0.029	$0.06	30/04/2019
4,200,000	25/05/2016	$0.026	$0.08	30/04/2019
4,200,000	25/05/2016	$0.024	$0.10	30/04/2019
4,200,000	25/05/2016	$0.022	$0.12	30/04/2019
2,000,000	20/06/2016	$0.09	$0.02	31/12/2017

The options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares. All options on issue vested at the grant date.

The following table illustrates the number and weighted average exercise prices of and movements in share options during the year:

	2016		**2015**	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Outstanding at the beginning of the year	**172,174,999**	**$0.02**	61,675,000	$0.03
Granted during the year	**170,672,452**	**$0.03**	110,499,999	$0.02
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**(21,703,802)**	**$0.02**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**321,143,649**	**$0.03**	172,174,999	$0.02
Exercisable at the end of the year	**321,143,649**		172,174,999	

Share options exercised during the year

21,703,802 shares were issued during the year to 30 June 2016 as a result of the exercise of options (2015: nil).

Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of $0.03 (2015: $0.02) and a weighted average remaining contractual life of 571 days (2015: 910 days).

12. Reserves

	Consolidated	
	2016	2015
	$	$
Share-based Payments Reserve		
Balance at beginning of year	**2,979,900**	2,835,200
Share based payments	**952,607**	144,700
Balance at end of year	**3,932,507**	2,979,900

The share-based payments reserve has historically been used to record the fair value of share-based payments made by the Company to employees and directors as part of their remuneration.

Foreign currency translation reserve		
Balance at beginning of year	**(76,162)**	(76,417)
Currency translation differences	**(25,829)**	255
Balance at end of year	**(101,991)**	(76,162)

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Total Reserves	**3,830,516**	2,903,738

13. Share-based Payments

Under an established Performance Rights Plan, Mr Matthew Bull, Mr Adrien Wing and Mr Alan Armstrong were issued 3,000,000 Performance Rights each in the following tranches and subject to the following vesting conditions:

- Tranche 1 – 1,000,000 Performance Rights vest on the market capitalisation of the Company of $25 million or more within 3 years of the issue date.
- Tranche 2 – 1,000,000 Performance Rights vest on the market capitalisation of the Company of $40 million or more within 4 years of the issue date.
- Tranche 3 – 1,000,000 Performance Rights vest the Company successfully raising an aggregate of not less than $5,000,000 for the purposes of development of the Tanzanian assets, working capital and other opportunities.

These conditions were achieved during the financial year and 9,000,000 shares issued for nil consideration to satisfy the terms of the Performance Rights.

On 11 December 2015, the Company entered into a consultancy agreement with Mr Stephen Hunt, in his capacities as Chairman. Under an established Performance Rights Plan, following shareholder approval, Mr Hunt was also issued 10,000,000 Performance Rights in the following tranches and subject to vesting conditions:

- Tranche 1 – 2,500,000 Performance Rights vest on completion of the Pre-Feasibility Study (as defined by the JORC Code) on the Namangale Project to be achieved by 31 March 2017.
- Tranche 2 – 2,500,000 Performance Rights vest on the execution of an Off-Take Agreement in respect of the Namangale Project for a minimum of 50% of the minimum production contemplated in the Pre-Feasibility Study to be achieved by 30 June 2017.
- Tranche 3 – 2,500,000 Performance Rights vest on the execution of contracts for finance sufficient to fund the commissioning of mining operations at Namangale Project to be achieved by 30 September 2017.
- Tranche 4 – 2,500,000 Performance Rights vest on the commencement of mining, and processing of first ore recovered from the Namangale Project to be achieved by 31 March 2019.
-

Summary of the Performance Rights issued during the year ended 30 June 2016 over Ordinary Shares:

Type	Expiry Date	Vesting Status	Number	Market Conditions	Fair Value $	Expensed
S Hunt - 1	30/03/2017	Not yet vested	2,500,000	No	n/a	nil
S Hunt - 2	30/06/2017	Not yet vested	2,500,000	No	n/a	nil
S Hunt - 3	30/09/2017	Not yet vested	2,500,000	No	n/a	nil
S Hunt - 4	31/03/2019	Not yet vested	2,500,000	No	n/a	nil
Other - 1	22/10/2018	Vested	1,000,000	Yes	$97,800	$97,800
Other - 2	22/10/2019	Vested	1,000,000	Yes	$91,200	$91,200
Other - 3	22/10/2018	Vested	1,000,000	Yes	$105,000	$105,000

The following share-based payments were made during the year:

Description	**Security type**	**Number issued**	**Fair value $**	**Vested expense $**
Consulting and corporate services (i)	Unlisted Options	14,250,000	426,720	52,609
Consulting and corporate services	Listed Options	14,250,000	344,500	344,500
Consulting and corporate services	Ordinary shares	33,604,529	618,500	618,500
Director remuneration (i)	Unlisted Options	3,000,000	16,500	16,500
Director remuneration	Listed Options	2,000,000	40,000	40,000
Director remuneration	Performance Rights	13,000,000	294,000	294,000
Share issue costs	Ordinary shares	1,500,00	115,000	115,000
Acquisition of Tanzania graphite project and exploration expenses	Listed Options	8,250,000	165,000	165,000
Acquisition of Tanzania graphite project and exploration expenses	Ordinary shares	177,000,000	6,988,500	6,988,500

(i) The fair value of the equity settled unlisted share options granted during the current year is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted.

	Consultant Options				**Director Options**
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**	**M Bull**
Expected volatility (%)	100%	100%	100%	100%	100%
Risk-free interest rate (%)	1.87%	1.87%	1.87%	1.87%	1.87%
Expected Option life (days)	1,079	1,079	1,079	1,079	880
Exercise price	$0.06	$0.08	$0.10	$0.12	$0.02
Grant date share price	$0.05	$0.05	$0.05	$0.05	$0.012

14. Financial Instruments

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group 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 Group's overall strategy remains unchanged from 2015.

The capital structure of the Group 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 Group's 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.

	Consolidated	
	2016	2015
	$	$
(b) Categories of financial instruments		
Financial assets		
Loans and receivables	**106,520**	16,823
Cash and cash equivalents	**7,617,762**	554,125
Other financial assets	**20,000**	224,475
Financial liabilities		
Trade & other payables	**(1,108,067)**	159,924

(c) Financial risk management objectives

The Group 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 Group 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 Group'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 Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(d) Market risk

The Group'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 Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(e) Foreign currency risk management

The Group 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 Group's foreign exchange exposure is not considered to be sufficiently material to justify such activities.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2016	2015	**2016**	2015
	$	$	**$**	$
US dollars	**-**	-	**12,273**	-

Foreign currency sensitivity analysis

The Group is exposed to US Dollar (USD) currency fluctuations.

The following table details the Group'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 an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	USD Impact	
	2016	2015
	$	$
Result for the year	**1,227**	-
Other equity	**-**	-

(f) Interest rate risk

As at and during the year ended on reporting date the Group had no significant interest-bearing assets or liabilities other than liquid funds on deposit. As such, the Group's income and operating cash flows (other than interest income from funds on deposit) are substantially independent of changes in market interest rates. The Group's exposure to interest rate risk for each class of financial assets and liabilities is set out below.

		Consolidated	
		2016	2015
		$	$
Financial Assets			
Cash assets	Floating interest	**7,617,762**	554,125

Group 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 Group's net result would increase or decrease by $60,942 (2015: $4,433). This is mainly attributable to the Group's exposure to interest rates on its variable rate cash holdings.

(g) Credit risk

The Group 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 Group. The Group has no significant concentrations of credit risk.

(h) 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 Group 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 Group has sufficient working capital and preserving the 15% share issue limit available to the Company under the ASX Listing Rules.

Maturities of financial liabilities
Group - As at reporting date the Group had total financial liabilities of $668,067 (2015: $159,924), comprised of non-interest-bearing payables to related parties, trade creditors and accruals with a maturity of less than 6 months.

(i) Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value as at 30 June 2016.

15. Commitments and Contingencies

In order to maintain and preserve rights of tenure to granted exploration tenements, the Group is required to meet certain minimum levels of exploration expenditure.

As at reporting date these future minimum exploration expenditure commitments are as follows:

	2016	**2015**
	$	**$**
Not longer than 1 year	**279,418**	500,000
Longer than 1 year and not longer than 5 years	**838,256**	1,220,000
Longer than 5 years	-	-
Total	**1,117,674**	1,720,000

16. Segment Reporting

a) Description

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 therefore as follows:

- Mineral Exploration – Tanzania
- Mineral Exploration – Australia

Information regarding the activities of these segments during the current and prior financial period is set out in the following tables.

b) Segment revenues and results

	Segment revenue		Segment profit/(loss)	
	Year ended 2016 $	Year ended 2015 $	**Year ended 2016 $**	Year ended 2015 $
Mineral Exploration – Tanzania	**-**	-	**-**	-
Mineral Exploration – Australia	**-**	-	**(479,980)**	-
Total for continuing operations	**-**	-	**(479,980)**	-
Investment income			**24,100**	4,781
Share based payments			**(1,773,609)**	(216,200)
Central administration costs and directors' salaries			**(1,577,066)**	(450,727)
Loss before tax (continuing operations)			**(3,806,555)**	(662,146)

Segment assets and liabilities

	2016	2015
Segment assets	**$**	$
Mineral Exploration – Tanzania	**10,750,378**	-
Mineral Exploration – Australia	**-**	478,703
Total segment assets	**10,750,378**	478,703
Unallocated	**7,848,255**	795,423
Consolidated total assets	**18,598,633**	1,274,126

Segment liabilities	**$**	**$**
Mineral Exploration – Tanzania	**184,647**	**-**
Mineral Exploration – Australia	**-**	**-**
Total segment liabilities	**184,647**	**-**
Unallocated	**923,420**	159,924
Consolidated total liabilities	**1,108,067**	159,924

c) Other segment information

	Impairment		Additions to non-current assets	
	Year ended 2016 $	Year ended 2015 $	**Year ended 2016 $**	Year ended 2015 $
Mineral Exploration – Tanzania	**-**	-	**10,750,378**	-
Mineral Exploration – Australia	**-**	-	**-**	23,688
	-	-	**10,750,378**	23,688

17. Subsidiaries

The consolidated financial statements include the financial statements of Volt Resources Limited and the subsidiaries listed in the following table.

Name	*Principal activity*	*Country of Incorporation*	*% Equity Interest* 2016	2015
Mine Mixers Pty Ltd	Dormant	Australia	**100**	100
Dugal Pty Ltd	Dormant	Australia	**100**	100
Dugal Resources Lda	Dormant	Mozambique	**70**	70
Xiluva Mozambi Lda	Dormant	Mozambique	**80**	80
Mozambi Resources Pty Ltd	Dormant	Australia	**100**	100
Mozambi Ventures Lda	Dormant	Mozambique	**80**	80
MNBB Pty Ltd	Dormant	Australia	**100**	100
Blackall Capital Pty Ltd	Dormant	Australia	**100**	100
Mozambi Graphite Pty Ltd	Dormant	Australia	**100**	100
Nachi Resources Limited	Graphite Exploration	Tanzania	**100**	-

Volt Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.
None of the non-wholly owned subsidiaries are considered to have material non-controlling interests to the Group.

18. Auditor's Remuneration

	Consolidated	
	2016 $	2015 $
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report	**31,000**	25,000
	31,000	25,000

19. Key Management Personnel Remuneration

Total remuneration paid to key management personnel during the year:

	Consolidated	
	2016	2015
	$	$
Short-term benefits	**637,336**	186,314
Post-employment benefits	**15,843**	3,482
Share based payments	**390,500**	40,200
	1,043,679	229,996

20. Parent Entity Information

The following details information related to the parent entity, Volt Resources Limited, at 30 June 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

Financial position	Parent	
	2016	2015
Assets	**$**	$
Current Assets	**7,818,413**	1,046,431
Non-Current Assets	**10,586,123**	248,162
Total Assets	**18,404,536**	1,294,593
Liabilities		
Current Liabilities	**(913,970)**	(159,924)
Total Liabilities	**(913,970)**	(159,924)
Equity		
Issued capital	**51,722,526**	32,466,385
Reserves	**3,932,507**	2,979,900
Accumulated losses	**(38,164,467)**	(34,311,616)
Total Equity	**17,490,566**	1,134,669
Financial performance		
Loss for the year	**(3,852,851)**	(658,817)
Total comprehensive loss for the year	**(3,852,851)**	(658,817)

There are no commitments in respect to the parent entity.

21. Subsequent Events

On 15 August 2016, Mr Adrien Wing resigned as Company Secretary and was replaced by Mr Stephen Brockhurst.
On 22 August 2016, Mr Alan Armstrong resigned as a director of the Company.
Since balance date the following equity issues have occurred:
- 46,474,723 shares issued upon the exercise of options
- 1,250,000 shares issued for marketing and consulting services in lieu of cash consideration
- 7,500,000 options for corporate advisory services exercisable at $0.12 on or before 12 August 2017
- 7,500,000 options for corporate advisory services exercisable at $0.14 on or before 12 August 2018
- 7,500,000 options for corporate advisory services exercisable at $0.16 on or before 12 August 2019

The shareholder information set out below was applicable as at 6 September 2016.

1. *Twenty largest holders of quoted equity securities*

Rank	Name	Number of units	% of units
1.	Kabunga Holdings Pty Ltd	144,164,203	15.17
2.	HSBC Custody Nominees	24,305,351	2.56
3.	CS Fourth Nominees Pty Limited	16,223,409	1.71
4.	Citicorp Nominees Pty Limited	15,127,509	1.59
5.	Gasmere Pty Ltd	14,151,515	1.49
6.	Mr Hsien Michael Soo	13,012,500	1.37
7.	Chata Holdings Pty Ltd	12,000,000	1.26
8.	Gerard C Toscan Management	11,026,750	1.16
9.	Dejul Trading Pty ltd	9,000,000	0.95
10.	Mr Anthony Michael Malyniak	8,857,928	0.93
11.	Mr Ian Hunter	8,531,933	0.90
12.	S A Coupe Pty Limited	8,000,000	0.84
13.	Ms Leticia Kokutengeneza	7,946,698	0.84
14.	Mr John Richard Turner & Mrs Clare Frances Turner	7,580,000	0.80
15.	Endjua Pty Ltd	7,570,500	0.80
16.	Moultrie Super Fund Pty Ltd	7,500,000	0.79
17.	Bring on Retirement Ltd	6,720,545	0.71
18.	Mr Robert Adrian Jones	6,469,105	0.68
19.	Mr Leslie Thomas King & Mrs Heather King	6,200,000	0.65
20.	Gasmere Pty Ltd	5,972,956	0.63
	Total Top 20	**340,360,902**	**35.81**
	Other	610,046,792	64.19
	Total Ordinary Shares On Issue	**950,407,694**	**100%**

2. *Substantial shareholders*

The Company has not been notified of any substantial shareholders as at 6 September 2016.

3. *Distribution of holders of equity securities*

	Ordinary shares	Listed Options
1 - 1,000	251	40
1,001 – 5,000	236	33
5,001 – 10,000	244	20
10,001 – 100,000	1,487	130
> 100,001	1,015	239
Total	**3,233**	**462**

559 shareholders held fewer than a marketable parcel of shares based on the share price at 6 September 2016.

4. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of shareholders or classes of shareholders:

1. each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
2. on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
3. on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited).

5. Twenty largest holders of Options

Rank	Name	Number of units	% of units
1.	Kabunga Holdings Pty Ltd	10,421,835	4.13
2.	BBD Custodians Pty Ltd	7,115,000	2.82
3.	JBO Assets Pty Ltd	6,978,571	2.77
4.	Red Marlin Pty Ltd	5,940,000	2.36
5.	Mr John Richard Turner & Mrs Clare Frances Turner	5,932,000	2.35
6.	Reid Machine Pty Ltd	5,634,167	2.23
7.	Mr David Lachlan Wildy	5,501,000	2.18
8.	Taka Custodians Pty Ltd	5,284,167	2.10
9.	TWW Assets Pty Ltd	5,103,571	2.02
10.	Moultrie Super Fund Pty Ltd	5,000,000	1.98
11.	Bring on Retirement	5,000,000	1.98
12.	Mr Laurie Barichello	4,000,000	1.59
13.	Mr Steven John Bodey	3,813,856	1.51
14.	Valplan Pty Ltd	3,670,000	1.46
15.	Dr Tony Crea	3,467,500	1.38
16.	Vassago Pty Ltd	3,281,250	1.30
17.	Mr Brian Peter Bypass	3,166,667	1.27
18.	Mr Floyd Barry Aquino	3,061,028	1.21
19.	Mr Ian Hunter	3,000,000	1.19
20.	Mr Anthony Michael Malyniak	3,000,000	1.19
	Total Top 20	**98,370,612**	**39.01**
	Other	153,820,814	60.99
	Total Listed Options	**252,191,426**	**100%**

6. Unquoted equity security holdings greater than 20%

The Company has 29,500,000 unlisted options on issue as of 6 September 2016. The options do not carry a right to vote at a general meeting of shareholders.

Expiry date	Exercise price	No. of options	No. of holders
30/11/2016	$0.25	2,200,000	4
31/12/2017	$0.02	10,500,000	5
30/04/2019	$0.06	4,200,000	1
30/04/2019	$0.08	4,200,000	1
30/04/2019	$0.10	4,200,000	1
30/04/2019	$0.12	4,200,000	1
		29,500,000	

7. Securities subject to voluntary escrow

No securities are subject to voluntary escrow.

8. On-market buy back

There is currently no on-market buy-back program for any of the Company's listed securities.

9. Company secretary, registered and principal administrative office and share registry

The Company Secretary is Mr Stephen Brockhurst.

The Company's registered and principal administration office is Level 11, London House, 216 St Georges Terrace, Perth WA 6000.

The Company's Share Registry is maintained by Advanced Share Registry Limited, 110 Stirling Hwy Nedlands WA 6009.

10. *Tenement listing*

Mining tenements held at 30 June 2016:
Tanzania

Project	Location	Tenement Number	Status	Beneficial interest
Tanzania graphite	Tanzania, Africa	PL10642, PL10643, PL10644, PL10665, PL10666, PL10667, PL10668, PL10716, PL10717, PL10718, PL10719	Exploration licence (prefix: "PL")	100%

Beneficial interests held in farm-in or farm-out agreements at the end of the quarter

Farm-in agreements

The Company owns a 70% interest in Dugal Resources Lda, a Mozambican entity which holds a 100% interest in the following licences:

Licence	Owner	Location	Commodities	Area (ha)
3245L	Camal & Companhia Lda	Tete province	Copper, Zinc, Lead	18,240
3246L	Camal & Companhia Lda	Tete province	Base Metals	20,240