



VOLT
RESOURCES

ABN: 28 106 353 253

And Controlled Entities

CONSOLIDATED ANNUAL REPORT

**For the Year Ended
30 June 2017**

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DIRECTORS

Asimwe Kabunga	Non-Executive Chairman
Stephen Hunt	Non-Executive Director
Alwyn Vorster	Non-Executive Director
Matt Bull	Non-Executive Director

CHIEF EXECUTIVE OFFICER

Trevor Matthews

COMPANY SECRETARY

Susan Hunter

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ASX CODES

VRC and VRCO

Your Directors submit the financial report of Volt Resources Limited (the Company) and its Controlled Entities (Consolidated Entity) for the year ended 30 June 2017.

DIRECTORS AND CEO

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

Stephen Hunt	Executive Chairman (Until 31 December 2016) Non-Executive Chairman (Until 4 August 2017) Non-Executive Director (From 4 August 2017)
Alwyn Vorster	Non-Executive Director
Matt Bull	Non-Executive Director
Asimwe Kabunga	Non-Executive Director (Appointed 5 April 2017, until 4 August 2017) Non-Executive Chairman (From 4 August 2017)
Alan Armstrong	Non-Executive Director (Resigned 22 August 2016)

Trevor Matthews is the Chief Executive Officer (appointed 1 January 2017).

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the financial year was graphite exploration activities in Tanzania.

RESULTS

The loss after tax for the year ended 30 June 2017 was \$3,102,035 (2016: \$3,806,555).

REVIEW OF OPERATIONS

Overview

Key operational highlights during the year included:

- Namangale Project Pre-Feasibility Study (PFS) was completed with an IRR of 87% and after tax NPV₁₀ of US\$890 million.
- Relatively low capital development cost of US\$173m and operating costs of US\$536 per product tonne.
- Maiden JORC Ore Reserve of 127.4Mt @4.4%TGC for 5.6Mt of contained graphite. This is the largest graphite Ore Reserve in Tanzania.
- Mineral Resource Estimate increased to 461Mt at 4.9% TGC which is the largest graphite Mineral Resource in Tanzania.
- Metallurgical testwork confirms the ability to upgrade Namangale concentrate to meet battery anode feedstock requirements and suitability for expandable graphite market applications.
- New strategy to develop the Namangale Graphite Project in stages. Feasibility studies being revised to focus on a Stage 1 starter project and a stage 2 expansion project.

- Execution of a number of product marketing agreements including:
 - A binding offtake agreement with Nano Graphene Inc incorporating a fixed price for a five year term;
 - A Co-operation Agreement with Aoyu Graphite Group incorporating a 1,000 tonne ore processing trial, discussions on a processing agreement to produce up to 20,000tpa of spheroidised graphite and 10,000 tonne to 20,000 tonne per annum graphite product offtake;
 - A Co-operation Agreement with China National Building Materials General Machinery which, subject to completion of certain conditions, incorporates offtake, engineering support and facilitation of Stage 1 and Stage 2 project finance and credit insurance; and
 - A detailed Offtake Term Sheet with Guangxing Electrical Materials for 5,000 tonnes per annum of flake graphite concentrate. The contract period is five years with concentrate delivery planned to commence from mid-2018.
- The Company is proceeding with a 20,000tpa Stage 1 project with annual production expected to be fully committed under binding offtake agreements by Q4 2017.

Namangale Project, Southern Tanzania

A number of activities were progressed in relation to the Namangale Project including exploration and resource definition drilling, metallurgical testwork programs to facilitate processing plant flow sheet design and product marketing, meetings to advance environmental approvals and community engagement and the preliminary engineering combined with operational planning required for the completion of the Pre-Feasibility Study. The PFS results summary is reported following this section.

The drilling program undertaken in 2016 comprised 7,791 metres of RC and Diamond drilling which resulted in the material upgrades in the Mineral Resource Estimate and a maiden Ore Reserve during the first half of the financial year.

The Project's close proximity to road and port infrastructure is a material benefit and has a positive impact on the capital development costs and logistics costs during the construction and operation phases. There is sufficient capacity at the Mtwara Port available to support the Project's export requirements.

Independent metallurgical testwork and customer analysis continues to consistently support the positive properties of the Namangale graphite. Ease of graphite concentrate upgrading, excellent conductivity, low deleterious impurities and very good expansion properties provide opportunities in the entire graphite market for Namangale graphite. Technical and commercial marketing discussions continued with key potential customers during the year resulting in the successful execution of four agreements incorporating offtake and other supporting provisions including downstream processing, engineering and financing support.

Following the completion of the Pre-Feasibility Study, securing environmental approvals, the grant of mining licences (ML's) and progressing further Feasibility Studies are now key focus areas. The process for securing the ML's is progressing, with several government departments involved with the approval process. Volt's local team and experienced consultants have been working across the various elements and expect to complete these activities in the second half of the 2017 calendar year.

In May 2017, the Company announced a new strategy to develop Namangale in two stages. Stage 1 will now be focussed on the potential development of a 20,000tpa graphite mine and processing facility in Tanzania with exports of graphite products expected into the USA, China and other markets¹. The Stage 2 development is an expansion of production based on the market demand for Namangale's graphite products.

This Stage 2 expansion is targeted to be completed by 2020 to meet expected significant increases in demand for large flake graphite in the expandable market and smaller flake size products for battery anode material and other existing and evolving industrial uses for micro carbon products.

Pre-Feasibility Study

During December 2016, the Namangale Project PFS was completed. It recommended to proceed with the Definitive Feasibility Study (DFS), which the Board accepted.

Key points from the PFS include:

Attractive project: The base case price and production assumptions resulted in an 87% IRR and pre-tax NPV of US\$1.31B (based on ore material from Measured, Indicated and Inferred Mineral Resource categories) that are presented in Table 1 on the following page.

¹ Whilst the Company previously released the results of a Pre-Feasibility Study in relation to the development of the Namangale Graphite Project on 16 December 2016, the Company is now revisiting that study based on the Company's revised objectives for the Stage 1 production from the project. The Company expects that all of the initial Stage 1 production will come from existing ore reserves and measured and indicated mineral resources attributable to the Project area.

Table 1: Key project financial results

Key Financial Measure	Units	Result
IRR - before tax	(%, real)	86.9%
IRR - after tax	(%, real)	66.5%
NPV @ 10.0% - before tax	(US\$ M, real)	1,310
NPV @ 10.0% - after tax	(US\$ M, real)	890
Payback Period from 1 st ore to process plant	(years)	1.4

Key Metrics: The project's key metrics comprise a 22-year mine life, annual throughput of 3.8Mt @ 4.7% TGC resulting in annualised production of 170kt/y of graphite concentrate (Table 2).

Table 2: Nominal key project parameters

Parameter	Units	Design
Mine Life	Y	22
Nominal ore feed tonnes	Mt	83.4
Average grade TGC	%	4.7
Oxide ore	%	40
Fresh and transition ore	%	60
Nominal strip ratio	Waste : Ore	1.4
Process throughput	Mt/y	3.8
Recovery	%	93
Concentrate grade TGC (average)	%	95
Average graphite production	kt/y	170

Large Mineral Resource: The JORC Compliant Mineral Resource Estimate of 461Mt @ 4.9% TGC (Table 3) updates the 446Mt @ 5.01% TGC announced on 12 October 2016. Management believes this is the largest Mineral Resource in Tanzania.

Table 3: JORC Mineral Resource Estimate for Namangale project¹

Namangale Project	Mt	TGC (%)
Inferred		
North	264	5.0
South	23	3.6
Total Inferred	287	4.9
Indicated		
North	122	5.2
South	33	4.3
Total Indicated	155	5.0
Measured		
North	20	5.3
Total Resource	461	4.9
Note: Namangale North previously Nam 1; and Namangale South previously Nam 2 & 3. The Mineral Resource is inclusive of the Ore Reserve.		

Significant Ore Reserve: The Ore Reserve consists of 127.4Mt @ 4.4% TGC which translates into 5.6Mt of contained graphite.

Table 4: Namangale Project Ore Reserve Statement as at December 2016¹

Ore Classification	Reserve	Ore (Mt)	TGC (%)	Contained Graphite (Mt)
Proved				
Namangale 1 (North)		19.3	4.32	0.8
Namangale 2 (South)		-	-	-
Namangale 3 (South)		-	-	-
Subtotal – Proved		19.3	4.32	0.8
Probable				
Namangale 1 (North)		95.8	4.40	4.2
Namangale 2 (South)		6.4	5.11	0.3
Namangale 3 (South)		5.8	3.05	0.2
Subtotal - Probable		108.0	4.37	4.7
Total Ore Reserve		127.4	4.36	5.6

Note: Namangale North previously Nam 1; and Namangale South previously Nam 2 & 3.

1. Refer to ASX announcement dated 15 December 2016 for information in relation to the Mineral Resource Estimate and Ore Reserve Statement. The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Competent Person's Statement

The information in this report that relates to Exploration Target and, Exploration Results is based on information compiled by Mr Matt 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'. Matt Bull consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

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

CORPORATE

Mr Stephen Brockhurst was appointed Company Secretary effective 15 August 2016 and resigned on 1 August 2017 at which time Ms Susan Hunter was appointed Company Secretary.

The AGM was held on 29 November 2016 and all resolutions passed on a show of hands.

Mr Trevor Matthews was appointed Chief Executive Officer effective 1 January 2017 and a number of other senior appointments were made during the year to strengthen the Company's marketing, project development and Tanzanian external relations and operations capabilities.

Mr Asimwe Kabunga was appointed as Non-Executive Director effective 5 April 2017 and then appointed Non-Executive Chairman from 4 August 2017. Mr Stephen Hunt assumed the role of Non-Executive Director effective 4 August 2017.

Meetings with financial institutions and financial advisers in various locations including the Middle East to discuss finance options to fast track the Namangale project into production were held during the second half of the financial year.

DIRECTOR AND COMPANY SECRETARY INFORMATION

Current Directors

Mr Stephen Hunt – Non-Executive Director (Appointed 15 December 2015)

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

Other current directorship of Listed Public Companies – American Pacific Borate and Lithium Limited

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

Interests in Shares and Options over Shares in the Company –

9,258,454 ordinary shares;

2,000,000 listed options (VRCO); 7,500,000 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 Matt Bull – Independent Non-Executive Director (Appointed 1 June 2015)

Qualifications – BSc Geology (hons)

Other current directorship of Listed Public Companies – Lindian Resources Limited

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

Interests in Shares and Options over Shares in the Company:

4,088,885 fully paid ordinary shares

2,461,412 listed options (VRCO); 3,000,000 unlisted options

Mr Bull 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.

Mr Alwyn Vorster – Independent Non-Executive Director (Appointed 22 March 2016)

Qualifications – BSc Geology; MBA, MSc Mineral Economics

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

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

Interests in Shares and Options over Shares in the Company:

3,515,151 fully paid ordinary shares

2,000,000 listed options (VRCO); 6,000,000 performance rights

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 Asimwe Kabunga – Non-Executive Director (Appointed 5 April 2017 until 4 August 2017), Non-Executive Chairman (from 4 August 2017)

Qualifications – BSc Mathematics and Physics

Other current directorship of Listed Public Companies – Strandline Resources Limited; Lindian Resources Limited

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

Interests in Shares and Options over Shares in the Company:

145,645,118 fully paid ordinary shares

11,397,613 listed options

Mr Kabunga is a Tanzanian born Australian entrepreneur who has over 19 years technical and commercial experience in Tanzania, the United States of America and Australia. Mr Kabunga has extensive experience in the mining industry, logistics, land access, tenure negotiation and acquisition, as well as a developer of technology businesses. Mr Kabunga has been instrumental in establishing the Tanzania Community of Western Australia Inc, and served as it's first President. Mr Kabunga was also a founding member of Rafiki Surgical Missions and Safina Foundation, both NGOs dedicated to helping children in Tanzania.

Ms Susan Hunter – Company Secretary (Appointed 1 August 2017)

Ms Hunter has over 23 years' experience in the corporate finance industry and has extensive experience in Company Secretarial and Non-Executive Director roles on ASX, AIM and TSX listed companies. She is founder and Managing Director of consulting firm Hunter Corporate Pty Ltd, which specialises in the provision of corporate governance and company secretarial advice to ASX listed entities. She has previously held senior management roles at Ernst & Young, PricewaterhouseCoopers and Bankwest, both in Perth and Sydney. Ms Hunter holds a Bachelor of Commerce degree majoring in accounting and finance, is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and a Member of the Governance Institute of Australia.

Mr Stephen Brockhurst – Company Secretary (Appointed 15 August 2016 to 1 August 2017)

Mr Brockhurst is based in Perth and has many years' experience in delivering company secretarial services to predominantly mining and exploration companies.

Former Directors

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

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

Mr Armstrong 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.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2017, and the number of meetings attended by each Director.

Director	Directors' Meetings	
	Eligible to Attend	Attended
Stephen Hunt	9	9
Matt Bull	9	9
Alan Armstrong	-	-
Alwyn Vorster	9	8
Asimwe Kabunga	4	4

SHARE OPTIONS

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

Number	Exercise Price	Expiry Date	Status
236,314,931	\$0.02	31 December 2017	Listed
4,500,000	\$0.02	31 December 2017	Unlisted
4,200,000	\$0.06	30 April 2019	Unlisted
4,200,000	\$0.08	30 April 2019	Unlisted
4,200,000	\$0.10	30 April 2019	Unlisted
4,200,000	\$0.12	30 April 2019	Unlisted

PERFORMANCE RIGHTS

8,000,000 performance rights have been issued during the 2017 financial year. A balance of 13,500,000 remain outstanding at balance date and at the date of this report and 4,500,000 performance rights have been converted into ordinary shares during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial periods other than the following:

The Company completed interim funding on 7 July 2017 to raise \$1m for working capital purposes through a 12-month convertible loan facility.

A detailed Offtake Term Sheet with Qingdao Tianshengda for 10,000 tonnes per annum of flake graphite concentrate was signed in July 2017. The contract period is five years with concentrate delivery planned to commence from mid-2018.

Three Bills passed through the Tanzanian Parliament in early July 2017 containing changes to the legal framework governing the natural resources sector in Tanzania. The Written Laws Miscellaneous Amendments Act ("Miscellaneous Amendments Act"), the Natural Wealth and Resources (Permanent Sovereignty) Act ("Permanent Sovereignty Act") and the Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act ("Review and Re-Negotiation of Unconscionable Terms Act") have been approved by Tanzania's Parliament and received Presidential assent. In addition, Tanzania's Parliament has approved the new Finance Act, which will impose a 1% clearing fee on the value of all minerals exported from the country from 1 July 2017.

The Company advised the ASX of the impact of the new legislation on 7 July 2017. Based on the initial review and external legal advice, the Board and Management believe the legislative changes – as currently passed by the Tanzanian parliament – would not cause or prevent the Company from progressing with its current business strategy and plans for the future development of the Namangale project.

Mr Stephen Brockhurst resigned as Company Secretary effective 1 August 2017 and Ms Susan Hunter was appointed Company Secretary effective 1 August 2017.

Mr Asimwe Kabunga was appointed Non-Executive Chairman effective 4 August 2017 and Mr Stephen Hunt was appointed Non-Executive Director effective 4 August 2017.

LIKELY DEVELOPMENTS

The Consolidated Entity 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.

The Company plans to complete feasibility studies and development funding discussions to progress the construction and operation of the Namangale project.

ENVIRONMENTAL REGULATION

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

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2017 (2016: None).

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Consolidated Entity has paid a premium in respect of a contract insuring the directors and secretaries of the Consolidated Entity (as named above), against liabilities incurred as such by an auditor 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 Consolidated Entity has not otherwise, during or since the financial year, indemnified or agreed to indemnify an auditor of the Consolidated Entity or of any related body corporate against a liability incurred as such an auditor.

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE GOVERNANCE

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 2017 (2016: nil).

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2017 has been received and is included within the financial statements.

REMUNERATION REPORT: AUDITED

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

Remuneration Committee

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

Remuneration Philosophy

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

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-Executive Directors

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at General Meeting. The Company's policy is to remunerate non-executive directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the Company, however to align directors' interests with shareholders' interests, directors are encouraged to hold shares in the Company, and subject to approval by shareholders, are permitted to participate in the Employee Share Option Plan.

Retirement Benefits and Allowances

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

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 Board of Directors. For the periods ended 30 June 2016 and 2017, 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 2017. There have been no forfeitures of bonuses by key management personnel during the current or prior periods and no cash bonuses remained unvested at year-end.

Long Term Incentives - Share-Based Compensation

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

Service Agreements

On 30 September 2015, the Company entered into a consultancy agreement with Mr Alan Armstrong, in his capacity as Managing Director. Mr Armstrong resigned on 22 August 2016.

On 11 December 2015, the Company entered into a consultancy agreement with Mr Stephen Hunt, as a marketing consultant. 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 (which had not been met by the deadline).
- 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.

The conditions for Tranche 1 were achieved during the 2017 financial year and 2,500,000 shares were issued for nil consideration to satisfy the terms of the Performance Rights.

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 was 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 which was 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 (which had not been met by the deadline).
- 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.

The conditions for Tranche 1 were achieved during the 2017 financial year and 2,000,000 shares were issued for nil consideration to satisfy the terms of the Performance Rights.

Remuneration of Directors and Key Management Personnel

Key Management Personnel	Short Term Benefits		Post-Employment Benefits	Share Based Payments	Total	Performance Related
	Cash Salary and Fees \$	Consulting \$	Super-annuation \$	Performance Rights / Options \$	\$	%
30 June 2017						
Stephen Hunt	85,000	199,300	21,071	85,000	390,371	22%
Alan Armstrong	-	-	-	-	-	-%
Trevor Matthews	90,000	-	10,000	-	100,000	-%
Matt Bull	42,265	151,218	4,015	-	197,498	-%
Alwyn Vorster	48,000	4,000	4,560	134,000	190,560	70%
Asimwe Kabunga	11,441	-	1,087	-	12,528	-%
Mark Hoffmann	-	265,000	-	-	265,000	-%
Jason Livingstone	61,385	-	5,832	-	67,217	-%
Total	338,091	619,518	46,565	219,000	1,223,174	18%
30 June 2016						
Stephen Hunt	131,236	12,000	12,373	40,000	195,609	20.4%
Adrien Wing	92,500	54,500	-	98,000	245,000	40.0%
Alan Armstrong	106,670	8,000	-	98,000	212,670	46.1%
Matt Bull	36,530	179,500	3,470	114,500	334,000	34.3%
Alwyn Vorster	12,000	4,400	-	40,000	56,400	70.9%
Total	378,936	258,400	15,843	390,500	1,043,679	37.4%

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 Company and Consolidated Entity 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
27-May-14	9,000,000	27-May-15	31-Dec-17	\$0.02	\$0.0048	100%
25-Feb-15	6,000,000	25-Feb-15	31-Dec-17	\$0.02	\$0.0067	100%
07-Aug-15	3,000,000	07-Aug-15	31-Dec-17	\$0.02	\$0.0055	100%
01-Apr-16	2,000,000	01-Apr-16	31-Dec-17	\$0.02	\$0.0200	100%
07-Apr-16	2,000,000	07-Apr-16	31-Dec-17	\$0.02	\$0.0200	100%
Total	22,000,000					

There were no options granted, exercised or lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration.

Performance Rights

8,000,000 performance rights have been issued to Alwyn Vorster during the 2017 financial year with milestones identical to performance rights issued to Stephen Hunt in the 2016 financial year. Based upon a valuation of the performance rights at the grant date an amount of \$219,000 has been included in remuneration for these recipients based on the value attributable to the milestones which were achieved during the 2017 financial year. Performance rights whose targets were met during the 2017 financial year have been converted into ordinary shares. The remaining performance rights will be cancelled and new performance rights will be issued, subject to shareholder approval.

Directors and Key Management Personnel Equity Holdings

Shares

Key Management Personnel	Balance at Beginning of Year	Issued as Remuneration	Exercise of Options / Conversion of Performance Rights	Net Other Change*	Balance at End of Year
2017					
Stephen Hunt	4,173,454	-	2,500,000	2,585,000	9,258,454
Alan Armstrong	4,000,000	-	-	(4,000,000)**	-
Trevor Matthews	-	-	-	-	-
Matt Bull	3,838,885	-	-	250,000	4,088,885
Alwyn Vorster	1,515,151	-	2,000,000	-	3,515,151
Asimwe Kabunga	142,127,795	-	-	3,517,323	145,645,118
Mark Hoffmann	-	-	-	-	-
Jason Livingstone	-	-	-	-	-
Total	155,655,285	-	4,500,000	2,352,323	162,507,608
2016					
Stephen Hunt	-	-	-	4,173,454	4,173,454
Adrien Wing	3,000,000	-	1,000,000	1,700,056	5,700,056
Alan Armstrong	500,000	-	3,000,000	500,000	4,000,000
Matt Bull	-	-	3,000,000	838,885	3,838,885
Alwyn Vorster	378,788	-	-	1,136,363	1,515,151
Total	3,878,788	-	7,000,000	8,348,758	19,227,546

*On-market purchases / (sales).

**Balance on date of resignation.

Options

Key Management Personnel						Vested at End of Year	
	Balance at Beginning of Year	Granted as Remuneration	Exercise of Options	Net Other Change*	Balance at End of Year	Exercisable	Vested During Year
2017							
Stephen Hunt	2,000,000	-	-	-	2,000,000	2,000,000	-
Alan Armstrong	3,000,000	-	-	(3,000,000)**	-	-	
Trevor Matthews	-	-	-	-	-	-	-
Matt Bull	3,000,000	-	-	2,461,412	5,461,412	5,461,412	-
Alwyn Vorster	2,000,000	-	-	-	2,000,000	2,000,000	-
Asimwe Kabunga	9,046,430	-	-	2,351,183	11,397,613	11,397,613	-
Mark Hoffmann	-	-	-	300,000	300,000	300,000	-
Jason Livingstone	-	-	-	-	-	-	-
Total	19,046,430	-	-	2,112,595	21,159,025	21,159,025	-
2016							
Stephen Hunt	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000
Adrien Wing	9,000,000	-	-	850,028	9,850,028	9,850,028	-
Alan Armstrong	3,000,000	-	-	-	3,000,000	3,000,000	-
Matt Bull	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000
Alwyn Vorster	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000
Total	12,000,000	7,000,000	-	850,028	19,850,028	19,850,028	7,000,000

*On-market purchases / (sales).

**Option lapse.

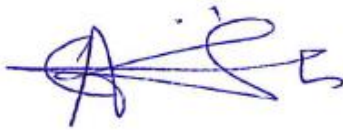
All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan. During the financial year, no options were exercised by key management personnel (2016: nil). For details of the employee share option plan and of share options granted during the 2017 and 2016 financial years, please refer to Note 14.

Other Transactions with Key Management Personnel of the Consolidated Entity

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

End of Remuneration Report

Signed in accordance with a resolution of directors.

A handwritten signature in blue ink, appearing to read 'Asimwe Kabunga', written over a horizontal line.

Asimwe Kabunga
Non-Executive Chairman
28 August 2017

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Volt Resources Limited for the year ended 30 June 2017, 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.



HLB Mann Judd
Chartered Accountants



L Di Giallonardo
Partner

Perth, Western Australia
28 August 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**



	Note	Consolidated Year Ended 30 June 2017 \$	Consolidated Year Ended 30 June 2016 \$
Revenue	2	52,260	24,100
Corporate compliance fees		(470,490)	(428,417)
Corporate management costs		(1,173,265)	(627,620)
Foreign exchange (loss)		15,241	(40,282)
Marketing and investor relations costs		(332,727)	(223,210)
Occupancy expenses		(130,153)	(53,877)
Share based payments	2, 13	(792,750)	(1,773,609)
Other expenses		(423,003)	(203,660)
Loss before income tax benefit		(3,254,887)	(3,326,575)
Income tax benefit	3	152,852	-
Net loss for the year from continuing operations		(3,102,035)	(3,326,575)
Discontinued operations			
Loss after tax from discontinued operations	9	-	(479,980)
Net loss for the year		(3,102,035)	(3,806,555)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(400,866)	(25,829)
Total comprehensive loss for the year		(3,502,901)	(3,832,384)
Loss attributable to:			
Owners of the parent		(3,099,831)	(3,812,285)
Non-controlling interests		(2,204)	5,730
		(3,102,035)	(3,806,555)
Total comprehensive loss attributable to:			
Owners of the parent		(3,500,697)	(3,838,114)
Non-controlling interests		(2,204)	5,730
		(3,502,901)	(3,832,384)
Basic and diluted loss per share from continuing operations (cents)	4	(0.32)	(0.57)
Basic and diluted loss per share from discontinued operations(cents)	4	-	(0.08)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**



	Note	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	102,208	7,617,762
Trade and other receivables	6	148,401	104,120
Prepayments		52,315	103,973
Total Current Assets		302,924	7,825,855
Non-Current Assets			
Trade and other receivables	6	2,400	2,400
Other financial assets	7	30,000	20,000
Plant and equipment	8	123,854	-
Deferred exploration expenditure	9	16,581,589	10,750,378
Total Non-Current Assets		16,737,843	10,772,778
Total Assets		17,040,767	18,598,633
LIABILITIES			
Current Liabilities			
Trade and other payables	10	667,062	1,108,067
Provisions	11	21,682	-
Total Current Liabilities		688,744	1,108,067
Total Liabilities		688,744	1,108,067
Net Assets		16,352,023	17,490,566
EQUITY			
Issued capital	12	53,342,884	51,722,526
Reserves	13	4,173,650	3,830,516
Accumulated losses		(40,946,202)	(37,846,371)
Parent entity interest		16,570,332	17,706,671
Non-controlling interests		(218,309)	(216,105)
Total Equity		16,352,023	17,490,566

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

Consolidated Entity	Issued Capital	Reserves	Accumulated Losses	Parent Entity Interest	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	51,722,526	3,830,516	(37,846,371)	17,706,671	(216,105)	17,490,566
Loss for the year	-		(3,099,831)	(3,099,831)	(2,204)	(3,102,035)
Other comprehensive income	-	(400,866)	-	(400,866)	-	(400,866)
Total comprehensive income for the year	-	(400,866)	(3,099,831)	(3,500,697)	(2,204)	(3,502,901)
Shares issued during the year	1,637,708	-	-	1,637,708	-	1,637,708
Security issue expenses	(17,350)	-	-	(17,350)	-	(17,350)
Share based payments	-	744,000	-	744,000	-	744,000
Balance at 30 June 2017	53,342,884	4,173,650	(40,946,202)	16,570,322	(218,309)	16,352,023
Balance at 1 July 2015	32,466,385	2,903,738	(34,034,086)	1,336,037	(221,835)	1,114,202
Loss for the year	-	-	(3,812,285)	(3,812,285)	5,730	(3,806,555)
Other comprehensive income	-	(25,829)	-	(25,829)	-	(25,829)
Total comprehensive income for the year	-	(25,829)	(3,812,285)	(3,838,114)	5,730	(3,832,384)
Shares issued during the year	19,968,609	-	-	19,968,609	-	19,968,609
Security issue expenses	(712,468)	-	-	(712,468)	-	(712,468)
Share based payments	-	952,607	-	952,607	-	952,607
Balance at 30 June 2016	51,722,526	3,830,516	(37,846,371)	17,706,671	(216,105)	17,490,566

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**



	Note	Consolidated Year Ended 30 June 2017 \$ Inflows/ (Outflows)	Consolidated Year Ended 30 June 2016 \$ Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		(2,246,478)	(1,386,523)
Research and development tax credit received		229,279	-
Interest received		52,447	24,100
Net cash used in operating activities	5	(1,964,752)	(1,362,423)
Cash flows from investing activities			
Payments for term deposits		(10,000)	(22,400)
Payments for plant and equipment		(133,058)	-
Payments for exploration and evaluation expenditure		(6,266,877)	(3,038,679)
Payment for acquisition of Volt Graphite Tanzania Limited (formerly Nachi Resources Limited)		-	(342,002)
Net cash used in investing activities		(6,409,935)	(3,403,081)
Cash flows from financing activities			
Proceeds from issue of shares		1,148,957	12,341,609
Payment of share issue costs		(283,349)	(512,468)
Net cash provided by financing activities		865,608	11,829,141
Net increase/(decrease) in cash held		(7,509,079)	7,063,637
Cash and cash equivalents at beginning of the financial year		7,617,762	554,125
Effects of exchange rates on cash and cash equivalents		(6,475)	-
Cash and cash equivalents at year end	5	102,208	7,617,762

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 Consolidated Entity consisting of Volt Resources Limited and its subsidiaries. The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. The Company is a listed public company, incorporated in Australia. The entity's principal activities are mineral exploration in Tanzania (as more fully described in the Directors' Report).

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.

As at 30 June 2017 the Consolidated Entity had net assets of \$16,352,023 (2016: \$17,490,566), an excess of current liabilities over current assets of \$385,820 (2016: excess of current assets over current liabilities of \$6,717,788), and a cash balance of \$102,208 (2016: \$7,617,762).

During the year, the Consolidated Entity had a net cash outflow from operating activities of \$1,964,752 (2016: \$1,362,423), net outflow from investing activities of \$6,409,935 (2016: \$3,403,081) and a net inflow from financing activities of \$865,608 (2016: \$11,829,141) for an overall net cash outflow of \$7,509,079 (2016: net inflow of \$7,063,637) before effects of exchange rates on cash. The Consolidated Entity has undertaken a number of initiatives to reduce the cost of operations and to seek further funding. The Directors are of the opinion that the Consolidated Entity is a going concern due to the following factors:

- (i) As at 30 June 2017 the Company has 236,314,931 listed options and 4,500,000 unlisted options on issue, exercisable at \$0.02 and expiring 31 December 2017. As these are currently "in the money", the Company anticipates that these options will be exercised, resulting in the receipt of proceeds of \$4.82m;
- (ii) The Company has received a \$1,000,000 convertible loan in July 2017. The loan is repayable within one year, however it has the potential to be converted into ordinary shares in the Company; and
- (iii) The Company has the ability to raise additional working capital from a capital raising in the short term.

Whilst the Directors are confident that the above initiatives will generate sufficient funds to enable the Consolidated Entity to continue as a going concern for at least the period of 12 months from the date of signing this financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Consolidated Entity to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

1. Statement of significant accounting policies (Continued)

b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2017

In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the current annual reporting 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 Consolidated Entity's business and, therefore, no change is necessary to the Consolidated Entity's 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 2017. 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 Consolidated Entity's business and, therefore, no change necessary to the Consolidated Entity's accounting policies.

c) Statement of compliance

The financial report was authorised for issue on 28 August 2017. 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 affect its returns.

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

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

	Consolidated Year Ended 30 June 2017 \$	Consolidated Year Ended 30 June 2016 \$
2. Revenue and expenses		
Revenue		
<i>Continuing operations</i>		
Interest income	52,260	24,100
	52,260	24,100
Expenses		
<i>Continuing operations</i>		
Share based payments:		
Ordinary shares	-	(698,500)
Liability settled in ordinary shares	(48,750)	(440,000)
Performance rights	(219,000)	(294,000)
Options	(525,000)	(341,109)
	(792,750)	(1,773,609)

Accounting policy: revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity 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.

	Consolidated Year Ended 30 June 2017 \$	Consolidated Year Ended 30 June 2016 \$
3. Income tax		
The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax benefit in the financial statements as follows:		
Accounting loss before income tax	(3,254,887)	(3,806,555)
Income tax benefit calculated at 27.5% (2016: 28.5%)	895,094	1,084,868
Share based payments	(243,100)	(505,479)
Non-deductible expenses	(295,444)	(20,996)
Capital raising costs deductible	22,962	47,856
Income tax losses not brought to account	(379,512)	(606,249)
Profit and loss proportion of research and development tax credit	152,852	-
Income tax benefit from continuing operations	152,852	-

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% (2016: 28.5%) payable by Australian corporate entities on taxable profits under Australian tax law for small businesses. The Consolidated Entity has tax losses arising in Australia of \$17,543,167 (2016: \$16,163,124) 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 Consolidated Entity can utilise the benefits thereof.

Accounting policy: income tax

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

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

3. *Income tax (continued)*

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 Consolidated Entity. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

3. *Income tax (continued)*

Accounting policy: other taxes

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

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

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

	Consolidated Year Ended 30 June 2017 \$	Consolidated Year Ended 30 June 2016 \$
4. <i>Loss per share</i>		
Loss after tax from continuing operations	(3,102,035)	(3,326,575)
Loss after tax from discontinued operations	-	(479,980)
	Consolidated Year Ended 30 June 2017 No.	Consolidated Year Ended 30 June 2016 No.
Weighted average number of ordinary shares	962,554,436	583,282,168
	Consolidated Year Ended 30 June 2017 Cents per Share	Consolidated Year Ended 30 June 2016 Cents per Share
Basic / diluted loss per share – continuing operations	(0.32)	(0.57)
Basic / diluted loss per share – discontinued operations	-	(0.08)

As the Consolidated Entity is loss making in both 2017 and 2016, no potential ordinary shares are considered to be dilutive as they would act to decrease the loss per share. The options on issue (Note 12) 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.

4. Loss per share (continued)

Accounting policy: loss 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) 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.

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
5. Cash and cash equivalents		
Cash at bank and on hand	102,208	7,617,762
	102,208	7,617,762
	Consolidated Year Ended 30 June 2017 \$	Consolidated Year Ended 30 June 2016 \$

Reconciliation of loss for the year to net cash outflows from operating activities:

Loss for the year	(3,102,035)	(3,806,555)
Depreciation	11,787	-
Non-capitalised exploration expenditure	-	479,980
Impairment of other assets	-	73,670
Foreign exchange (gain)/loss	(15,241)	-
Share based payments	792,750	1,773,609
(Increase)/decrease in trade and other receivables	(44,281)	(87,297)
(Increase)/decrease in prepayments	51,658	(103,973)
(Increase)/decrease in trade and other payables	340,610	308,143
Net cash used in operating activities	(1,964,752)	(1,362,423)

5. Cash and cash equivalents (continued)

Accounting policy: cash and cash equivalents

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

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
6. Trade and other receivables		
Current:		
Other receivables	91,056	104,120
Rental bonds	57,345	-
	148,401	104,120
Non-Current:		
Rental bond	2,400	2,400
	2,400	2,400

Accounting policy: trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less 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 Consolidated Entity may not be able to collect all amounts due according to the original contractual terms. Factors considered by the Consolidated Entity 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 Consolidated Entity. 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.

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
7. Other financial assets		
Term deposit	30,000	20,000
	30,000	20,000

Accounting policy: 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 Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity 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.

7. Other financial assets (continued)

(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.

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
8. Plant and equipment		
Cost	143,797	8,156
Accumulated depreciation	(19,943)	(8,156)
Written down value	123,854	-
	Consolidated Year Ended 30 June 2017 \$	Consolidated Year Ended 30 June 2016 \$
Reconciliation:		
Opening written down value	-	-
Additions	137,676	-
Depreciation	(11,787)	-
Foreign currency translation	(2,035)	-
Closing written down value	123,854	-

8. *Plant and equipment (continued)*

Accounting policy: 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.

Consolidated 30 June 2017	Consolidated 30 June 2016
\$	\$

9. *Deferred exploration expenditure*

Balance at beginning of year	10,750,378	478,703
Expenditure during the year	6,166,554	7,637,536
Acquisition of Tanzanian graphite project	11,339	3,114,119
Impairment	-	(479,980)
Foreign currency translation	(346,682)	-
Balance at end of year	16,581,589	10,750,378

9. *Deferred exploration expenditure (continued)*

Discontinued operations:

During the 2016 financial 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 17, this represents a discontinued operation. The loss after tax from discontinued operations was \$Nil (2016: \$479,980).

Acquisition of subsidiary:

During the 2016 financial year, the Consolidated Entity acquired 100% of Volt Graphite Tanzania Limited (formerly Nachi Resources Limited) (a company registered in Tanzania). As Volt Graphite Tanzania Limited does not constitute a business, this transaction was accounted for as an asset acquisition, being the acquisition of exploration and evaluation assets.

Accounting policy: exploration and evaluation

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

- (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.

9. *Deferred exploration expenditure (continued)*

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development. Capitalised exploration and evaluation expenditure represents the accumulated cost of acquisition and subsequent cost of exploration and evaluation of the properties. Ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale, of the respective areas of interest.

Accounting policy: impairment of assets

The Consolidated Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

9. *Deferred exploration expenditure (continued)*

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.

Accounting policy: 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.

Accounting policy: 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.

9. Deferred exploration expenditure (continued)

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.

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
10. Trade and other payables		
Trade creditors and accruals	667,062	1,108,067
	667,062	1,108,067

Accounting policy: trade and other payables

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

11. Provisions

Employee entitlements	21,682	-
	21,682	-

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
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12. Issued capital

Issued and paid up capital:

Ordinary shares fully paid of no par value	53,342,884	51,722,526
	53,342,884	51,722,526

	Consolidated Year Ended 30 June 2017		Consolidated Year Ended 30 June 2016	
	Number	\$	Number	\$
Movement in ordinary shares on issue:				
Balance at beginning of year	906,180,471	51,722,526	308,645,421	32,466,385
Entitlements issue	-	-	127,661,569	1,531,843
Subsidiary acquisitions	-	-	176,000,000	6,928,500
In lieu of consultancy and corporate advisory fees	-	-	35,104,529	698,500
Options exercised at \$0.02 per share	-	-	21,703,802	434,001
Placement at \$0.035 per share	-	-	50,000,000	1,750,000
Performance rights converted at \$Nil per right	-	-	9,000,000	-
Placement at \$0.033 per share	-	-	138,065,150	4,556,150
Placement at \$0.01 per share	-	-	40,000,000	4,000,000
Options exercised (not yet issued)	-	-	-	69,615
In lieu of services	5,250,000	488,750	-	-
Performance rights converted at \$Nil per right	4,500,000	-	-	-
Options exercised at \$0.02 per share	60,853,718	1,148,958	-	-
Security issue expenses	-	(17,350)	-	(712,468)
Balance at end of year	976,784,189	53,342,884	906,180,471	51,722,526

12. Issued capital (continued)

Share options:

Grant Date	Details	Expiry Date	Exercise Price	Balance at 30-Jun-16	Granted During the Year	Exercised During the Year	Expired During the Year	Cancelled During the Year	Balance at 30-Jun-17
26-Nov-12	Unlisted options	30-Nov-16	\$0.25	2,200,000	-	-	(2,200,000)		-
02-Aug-12	Unlisted options	02-Aug-16	\$0.25	475,000	-	-	(475,000)		-
²	Listed options	31-Dec-17	\$0.02	289,668,649		(53,353,718)	-		236,314,931
01-Apr-16	Unlisted options	31-Dec-17	\$0.02	12,000,000	-	(7,500,000)	-		4,500,000
25-May-16	Unlisted options	30-Apr-19	\$0.06	4,200,000	-	-	-		4,200,000
25-May-16	Unlisted options	30-Apr-19	\$0.08	4,200,000	-	-	-		4,200,000
25-May-16	Unlisted options	30-Apr-19	\$0.10	4,200,000	-	-	-		4,200,000
25-May-16	Unlisted options	30-Apr-19	\$0.12	4,200,000	-	-	-		4,200,000
13-Sep-16	Unlisted options	12-Aug-17	\$0.12	-	7,500,000	-	-	(7,500,000)	-
13-Sep-16	Unlisted options	12-Aug-18	\$0.14	-	7,500,000	-	-	(7,500,000)	-
13-Sep-16	Unlisted options	12-Aug-19	\$0.16	-	7,500,000	-	-	(7,500,000)	-
				321,143,649	22,500,000	(60,853,718)	(2,675,000)	(22,500,000)	257,614,931

The options granted during the year (and cancelled) were granted to a corporate advisor for services relating to ongoing capital market strategy requirements, and the resulting value of \$525,000 has been expensed in the current year. In addition, a further expense of \$90,000 relating to options issued in the previous year but relating to services rendered in the current year, has been recorded. The options granted during the year have been valued using the Black and Scholes option pricing method with the following inputs:

Exercise Price	Expiry Date	Share Price	Volatility	Interest Rate
\$0.12	12-Aug-17	\$0.07	100%	1.5%
\$0.14	12-Aug-18	\$0.07	100%	1.5%
\$0.16	12-Aug-19	\$0.07	100%	1.5%

Performance rights:

Issue Date	Details	Balance at 30-Jun-16	Granted During the Year	Expired During the Year	Converted During the Year	Balance at 30-Jun-17
Various	Unlisted performance rights	10,000,000	8,000,000	-	(4,500,000)	13,500,000
		10,000,000	8,000,000	-	(4,500,000)	13,500,000

² Varying grant dates: 27-May-14, 20-Feb-15, 26-Feb-15, 19-Mar-15, 21-Apr-15, 15-May-15, 07-Aug-15, 10-Aug-15, 18-Aug-15, 22-Oct-16, 04-Nov-15, 11-Nov-15.

12. Issued capital (continued)

The unlisted performance rights granted during the year to a Non-Executive Director each convert into one fully paid ordinary share upon satisfaction of certain milestones achieved by the Company. The unlisted performance rights will rank equally with the existing fully paid ordinary shares on issue. The performance rights granted during the year were valued at \$536,000 in total. The value attributed to the performance rights whose vesting conditions were satisfied during the year, together with the value attributed to the performance rights granted in previous years whose vesting conditions were satisfied during the year, amounted to \$219,000. This amount has been expensed in the current year.

Accounting policy: issued capital

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

	Consolidated Year Ended 30 June 2017 \$	Consolidated Year Ended 30 June 2016 \$
13. Reserves		
Share based payments reserve:		
Balance at beginning of year	3,932,507	2,979,900
Share based payments	744,000	952,607
	<u>4,676,507</u>	<u>3,932,507</u>
Balance at end of year	<u>4,676,507</u>	<u>3,932,507</u>
Foreign currency translation reserve:		
Balance at beginning of year	(101,991)	(76,162)
Currency translation differences	(400,866)	(25,829)
	<u>(502,857)</u>	<u>(101,991)</u>
Balance at end of year	<u>(502,857)</u>	<u>(101,991)</u>
Total reserves	<u>4,173,650</u>	<u>3,830,516</u>

13. Reserves (continued)

Accounting policy: foreign currency translation

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

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

14. Share based payments

Under an established Performance Rights Plan, Stephen Hunt, Alwyn Vorster, Alan Armstrong, Matt Bull, and Adrien Wing were issued Performance Rights in the following tranches and subject to the following vesting conditions:

Key Management Personnel	Grant Date	Tranche	Number of Performance Rights	Fair Value Expensed	Vesting Conditions	Vesting Conditions Achieved
Stephen Hunt	08-Apr-16	1	2,500,000	\$85,000	Completion of a PFS on the Namangale project by 31 March 2017	Yes
	08-Apr-16	2	2,500,000	\$Nil	Execution of an off-take agreement in respect of the Namangale project for a minimum of 50% of the minimum production contemplated in the PFS by 30 June 2017	No
	08-Apr-16	3	2,500,000	\$Nil	Execution of contracts for finance sufficient to fund the commissioning of mining operations at the Namangale project by 30 September 2017	No
	08-Apr-16	4	2,500,000	\$Nil	Commencement of mining and processing of first ore recovered from the Namangale project by 31 March 2019	No
Adrien Wing ³	26-Oct-15	1	1,000,000	\$32,600	Market capitalisation of the Company of \$25m or more within 3 years of issue date	Yes
	26-Oct-15	2	1,000,000	\$30,400	Market capitalisation of the Company of \$40m or more within 3 years of issue date	Yes
	26-Oct-15	3	1,000,000	\$35,000	Company successfully raising an aggregate of \$5m or more for the purposes of development of the Tanzanian assets, working capital and other opportunities	Yes
Alan Armstrong ⁴	26-Oct-15	1	1,000,000	\$32,600	Market capitalisation of the Company of \$25m or more within 3 years of issue date	Yes
	26-Oct-15	2	1,000,000	\$30,400	Market capitalisation of the Company of \$40m or more within 3 years of issue date	Yes
	26-Oct-15	3	1,000,000	\$35,000	Company successfully raising an aggregate of \$5m or more for the purposes of development of the Tanzanian assets, working capital and other opportunities	Yes
Matt Bull	26-Oct-15	1	1,000,000	\$32,600	Market capitalisation of the Company of \$25m or more within 3 years of issue date	Yes
	26-Oct-15	2	1,000,000	\$30,400	Market capitalisation of the Company of \$40m or more within 3 years of issue date	Yes
	26-Oct-15	3	1,000,000	\$35,000	Company successfully raising an aggregate of \$5m or more for the purposes of development of the Tanzanian assets, working capital and other opportunities	Yes
Alwyn Vorster	20-Dec-16	1	2,000,000	\$134,000	Completion of a PFS on the Namangale project by 31 March 2017	Yes
	22-Dec-16	2	2,000,000	\$Nil	Execution of an off-take agreement in respect of the Namangale project for a minimum of 50% of the minimum production contemplated in the PFS by 30 June 2017	No
	22-Dec-16	3	2,000,000	\$Nil	Execution of contracts for finance sufficient to fund the commissioning of mining operations at the Namangale project by 30 September 2017	No
	22-Dec-16	4	2,000,000	\$Nil	Commencement of mining and processing of first ore recovered from the Namangale project by 31 March 2019	No
Total			27,000,000	\$513,000		

³ Resigned 15-Aug-16

⁴ Resigned 22-Aug-16

14. Share based payments (continued)

Under a new Performance Rights Plan (to be approved by shareholders at the 2017 Annual General Meeting), Stephen Hunt, Trevor Matthews, Matt Bull, Alwyn Vorster and Asimwe Kabunga will be issued Performance Rights in the following tranches and subject to the following vesting conditions during the year:

Key Management Personnel	Tranche	Number of Performance Rights	Vesting Conditions
Stephen Hunt	1	4,000,000	Commence stage 1 of the construction of the Namangale project
	3	1,000,000	Achieving a 30-day VWAP of 20c/share for the Company
Trevor Matthews	1	10,000,000	Commence stage 1 of the construction of the Namangale project
	2	2,000,000	Completion of the Namangale project DFS
	3	5,000,000	Achieving a 30-day VWAP of 20c/share for the Company
Matt Bull	1	3,000,000	Commence stage 1 of the construction of the Namangale project
	3	1,000,000	Achieving a 30-day VWAP of 20c/share for the Company
Alwyn Vorster	1	3,000,000	Commence stage 1 of the construction of the Namangale project
	3	1,000,000	Achieving a 30-day VWAP of 20c/share for the Company
Asimwe Kabunga	1	3,000,000	Commence stage 1 of the construction of the Namangale project
	3	1,000,000	Achieving a 30-day VWAP of 20c/share for the Company
Total		34,000,000	

14. Share based payments (continued)

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

Details	Security Type	Issue / Grant Date	Number Issued / Granted	Fair Value	Vested Expense
Consulting services	Fully paid ordinary shares	25-Aug-16	1,250,000	\$48,750	\$48,750
Consulting services	Unlisted options exercisable at \$0.12 expiring 12-Aug-17	13-Sep-16	7,500,000 ⁵	\$112,500	\$112,500
Consulting services	Unlisted options exercisable at \$0.14 expiring 12-Aug-18	13-Sep-16	7,500,000 ⁶	\$180,000	\$180,000
Consulting services	Unlisted options exercisable at \$0.16 expiring 12-Aug-19	13-Sep-16	7,500,000 ⁷	\$232,500	\$232,500
Stephen Hunt	Director performance rights	⁸			\$85,000
Alwyn Vorster	Director performance rights	20-Dec-16 & 22-Dec-16	8,000,000	\$536,000	\$134,000
Total			31,750,000	\$1,109,750	\$792,750

The fair value of the equity settled share options granted during the financial 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:

Details	Unlisted options exercisable at \$0.12 expiring 12-Aug-17	Unlisted options exercisable at \$0.14 expiring 12-Aug-18	Unlisted options exercisable at \$0.16 expiring 12-Aug-19
Expected volatility	100%	100%	100%
Risk free interest rate	1.50%	1.50%	1.50%
Expected option life	333 days	698 days	1,063 days
Exercise price	\$0.12	\$0.14	\$0.16
Grant date share price	\$0.07	\$0.07	\$0.07

Accounting policy: share-based payment transactions

(i) Equity settled transactions:

The Consolidated Entity provides benefits to employees (including senior executives) of the Consolidated Entity in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Volt Resources Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

⁵ Cancelled 18-May-17

⁶ Cancelled 18-May-17

⁷ Cancelled 18-May-17

⁸ The expense of \$85,000 relates to the milestones achieved in the current year in relation to performance rights granted in the previous year

14. *Share based payments (continued)*

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 Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The 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).

15. *Financial instruments*

Capital risk management

The Consolidated Entity manages its capital to ensure that entities in the Consolidated Entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Consolidated Entity's overall strategy remains unchanged from 2016. The capital structure of the Consolidated Entity consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the entities are subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
Categories of financial instruments		
<u>Financial assets</u>		
Cash and cash equivalents	102,208	7,617,762
Trade and other receivables	150,801	106,520
Other financial assets	30,000	20,000
	283,009	7,744,282

Consolidated
30 June 2017
\$

Consolidated
30 June 2016
\$

15. *Financial instruments (continued)*

Categories of financial instruments

Financial liabilities

Trade and other payables	667,062	(1,108,067)
	667,062	(1,108,067)

Financial risk management objectives

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

Market risk

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

Foreign currency risk management

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

	Assets		Liabilities	
	2017	2016	2017	2016
US dollars	US\$12,458	US\$12,273	US\$59,963	US\$-
Tanzanian shillings	TZS6,712,836	TZS-	TZS-	TZS-

15. Financial instruments (continued)

Foreign currency sensitivity analysis

The Consolidated Entity is exposed to US Dollar (USD) currency fluctuations. The following table details the Consolidated Entity's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates a weakening against the respective currency. For a strengthening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	USD Impact	
	2017 \$	2016 \$
Result for the year	4,083	1,227

	TZS Impact	
	2017 TZS	2016 TZS
Result for the year	(27)	-

Interest rate risk

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

Financial Asset	Interest Rate	Consolidated 2017 \$	Consolidated 2016 \$
Cash and cash equivalents	Floating	102,208	7,617,762
Total		102,208	7,617,762

Consolidated Entity and Parent Company sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance date and the stipulated change taking place at the beginning of the financial year and held constant through the reporting period. At balance date, if interest rates had been 80 basis points higher or lower and all other variables were held constant, the Consolidated Entity's net result would increase or decrease by \$4,181 (2016: \$60,942). This is mainly attributable to the Consolidated Entity's exposure to interest rates on its variable rate cash holdings.

15. Financial instruments (continued)

Credit risk

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

Liquidity risk

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

Maturities of financial liabilities

Consolidated Entity - As at reporting date the Consolidated Entity had total financial liabilities of \$667,062 (2016: \$668,067), comprised of non-interest-bearing payables to related parties, trade creditors and accruals with a maturity of less than 6 months.

Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value as at 30 June 2017.

Accounting policy: 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 Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity'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 Consolidated Entity could be required to repay.

15. Financial instruments (continued)

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 Consolidated Entity's continuing involvement is the amount of the transferred asset that the Consolidated Entity 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 Consolidated Entity'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.

Accounting policy: impairment of financial assets

The Consolidated Entity 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 Consolidated Entity 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.

15. Financial instruments (continued)

(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.

Consolidated Year Ended 30 June 2017	Consolidated Year Ended 30 June 2016
\$	\$

16. Commitments and contingencies

In order to maintain and preserve the rights of tenure to granted exploration tenements, the Consolidated Entity is required to meet certain minimum levels of exploration expenditure. As at the reporting date, these future minimum exploration expenditure commitments are as follows:

Within one year	723,836	279,418
One to five years	7,238,356	838,256
	7,962,192	1,117,674

There are no contingent liabilities as at the date of this report.

17. Financial reporting by segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The function of the chief operating decision maker is performed by the Board collectively. Information reported to the Board for the purposes of resource allocation and assessment of performance is focused broadly on the Group's diversified activities across different sectors.

The Group's reportable segments under AASB 8 are therefore as follows:

- Mineral Exploration – Tanzania
- Mineral Exploration – Australia

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

	Australian Exploration \$	Tanzanian Exploration \$	Total \$
30 June 2017			
Segment revenue	-	-	-
Segment results	-	(50,422)	(50,422)
Interest revenue			52,260
Central administration costs and Directors' remuneration			(3,256,725)
Loss before income tax			(3,254,887)
Segment assets	-	16,581,589	16,581,589
Unallocated assets			459,178
Total assets			17,040,767
Segment liabilities	-	303,460	303,460
Unallocated liabilities			385,284
Total liabilities			688,744

	Australian Exploration \$	Tanzanian Exploration \$	Total \$
17. Financial reporting by segments (continued)			
30 June 2016			
Segment revenue	-	-	-
Segment results	(479,980)	-	(479,980)
Interest revenue			24,100
Central administration costs and Directors' remuneration			(1,577,066)
Share based payments			(1,773,609)
Loss before income tax			(3,806,555)
Segment assets	-	10,750,378	10,750,378
Unallocated assets			7,848,255
Total assets			18,598,633
Segment liabilities	-	184,647	184,647
Unallocated liabilities			923,420
Total liabilities			1,108,067

Accounting policy: segment reporting

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

18. Subsidiaries

Subsidiary	Principal Activity	Country of Incorporation	Equity Interest	
			2017	2016
Blackall Capital Pty Ltd	Deregistered	Australia	-%	100%
Dugal Pty Ltd	Dormant	Australia	100%	100%
Dugal Resources Lda	Dormant	Mozambique	70%	70%
Mine Mixers Pty Ltd	Deregistered	Australia	-%	100%
MNBB Pty Ltd	Deregistered	Australia	-%	100%
Mozambi Graphite Pty Ltd	Dormant	Australia	100%	100%
Mozambi Resources Pty Ltd	Dormant	Australia	100%	100%
Mozambi Ventures Lda	Dormant	Mozambique	80%	80%
Volt Graphite Tanzania Ltd ⁹	Graphite exploration	Tanzania	100%	100%
Xiluva Mozambi Lda	Dormant	Mozambique	80%	80%

Consolidated
Year Ended
30 June 2017
\$

Consolidated
Year Ended
30 June 2016
\$

19. Auditor's remuneration

Amounts received or due and receivable by HLB Mann Judd
for an audit or review of the financial report

38,250 31,000

38,250 31,000

20. Key management personnel remuneration

Total remuneration paid to key management personnel during the year:

Short term benefits	957,609	637,336
Post-employment benefits	46,565	15,843
Share based payments	219,000	390,500
	1,223,174	1,043,679

During the year, Asimwe Kabunga received consultancy fees of \$60,000 before his appointment as Director.

⁹ Changed its name from Nachi Resources Ltd on 18-Apr-17

Parent Entity	Parent Entity
30 June 2017	30 June 2016
\$	\$

21. Parent entity information

The following details information related to the parent entity, Volt Resources Limited, as at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

Financial position

Assets

Current assets	262,892	7,818,413
Non-current assets	16,699,868	10,586,123
Total assets	16,962,760	18,404,536

Liabilities

Current liabilities	(610,737)	(913,970)
Non-current liabilities	-	-
Total liabilities	(610,737)	(913,970)

Net assets

16,352,023	17,490,566
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Equity

Issued capital	53,342,844	51,722,526
Reserves	4,676,509	3,932,507
Accumulated losses	(41,667,330)	(38,164,467)
Total equity	16,352,023	17,490,566

Parent Entity	Parent Entity
Year Ended	Year Ended
30 June 2017	30 June 2016
\$	\$

Financial performance

Loss for the year	(3,502,863)	(3,852,851)
Total comprehensive loss for the year	(3,502,863)	(3,852,851)

Within one year	78,128	-
One to five years	26,366	-
	104,494	-

21. Parent entity information (continued)

Accounting policy: parent entity financial information

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

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

22. Events subsequent to year end

No matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

The Company completed interim funding on 7 July 2017 to raise \$1m for working capital purposes through a 12-month convertible loan facility.

A detailed Offtake Term Sheet with Qingdao Tianshengda for 10,000 tonnes per annum of flake graphite concentrate was signed in July 2017. The contract period is five years with concentrate delivery planned to commence from mid-2018.

Three Bills passed through the Tanzanian Parliament in early July 2017 containing changes to the legal framework governing the natural resources sector in Tanzania. The Written Laws Miscellaneous Amendments Act ("Miscellaneous Amendments Act"), the Natural Wealth and Resources (Permanent Sovereignty) Act ("Permanent Sovereignty Act") and the Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act ("Review and Re-Negotiation of Unconscionable Terms Act") have been approved by Tanzania's Parliament and received Presidential assent. In addition, Tanzania's Parliament has approved the new Finance Act, which will impose a 1% clearing fee on the value of all minerals exported from the country from 1 July 2017.

The Company advised the ASX of the impact of the new legislation on 7 July 2017. Based on the initial review and external legal advice, the Board and Management believe the legislative changes – as currently passed by the Tanzanian parliament – would not cause or prevent the Company from progressing with its current business strategy and plans for the future development of the Namangale project.

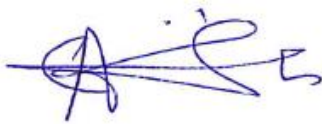
22. *Events subsequent to year end (continued)*

Mr Stephen Brockhurst resigned as Company Secretary effective 1 August 2017 and Mrs Susan Hunter was appointed Company Secretary effective 1 August 2017.

Mr Asimwe Kabunga was appointed Non-Executive Chairman effective 4 August 2017 and Mr Stephen Hunt was appointed Non-Executive Director effective 4 August 2017.

1. In the opinion of the directors of Volt Resources Limited (the 'Company'):
 - a. the accompanying financial statements and notes and the additional disclosures are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 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 2017.

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

A handwritten signature in blue ink, appearing to read 'Asimwe Kabunga', with a horizontal line drawn underneath it.

Asimwe Kabunga
Non-Executive Chairman

28 August 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Volt Resources Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Volt Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that the ability of the Group to continue as a going concern is dependent on the ability to raise sufficient capital in the future or other forms of funding. If the Group is unable to raise sufficient capital in the future or other forms of funding, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying amount of exploration and evaluation expenditure Note 9 of the financial report</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.</p> <p>Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> ▪ We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; ▪ We considered the Directors' assessment of potential indicators of impairment; ▪ We obtained evidence that the Group has current rights to tenure of its areas of interest; ▪ We examined the exploration budget for the year ending 30 June 2018 and discussed with management the nature of planned ongoing activities; ▪ We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and ▪ We examined the disclosures made in the financial report.
<p>Share based payment expense Note 14 of the financial report</p> <p>The Group has recorded a material share based payment expense for the year ended 30 June 2017. This expense has arisen from the granting during the current year and previous years of options to a corporate advisor and performance rights to a non-executive director. The valuation of these options and performance rights are subject to complex estimation techniques and significant judgement. A small change in assumptions can have a material impact on the financial report.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> ▪ We assessed the reasonableness of the assumptions used in the valuation of the share based payments as well as testing the accuracy of the calculations themselves. ▪ We agreed the terms of the share based payments to the actual option agreements and performance rights agreements to ensure that the valuations were based on the terms of those agreements.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in pages 13 to 20 of the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Volt Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



HLB Mann Judd
Chartered Accountants



L Di Giallonardo
Partner

Perth, Western Australia
28 August 2017

As at 22 August 2017

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	976,784,189	-	976,784,189
\$0.02 listed options expiring 31-Dec-17	236,814,931	-	236,814,931
\$0.02 unlisted options expiring 31-Dec-17	-	4,500,000	4,500,000
\$0.06 unlisted options expiring 30-Apr-19	-	4,200,000	4,200,000
\$0.08 unlisted options expiring 30-Apr-19	-	4,200,000	4,200,000
\$0.10 unlisted options expiring 30-Apr-19	-	4,200,000	4,200,000
\$0.12 unlisted options expiring 30-Apr-19	-	4,200,000	4,200,000
Total	1,213,599,120	21,300,000	1,234,899,120

Distribution of Listed Ordinary Fully Paid Shares

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1	-	1,000	252	88,849	0.009%
1,001	-	5,000	212	596,907	0.061%
5,001	-	10,000	221	1,774,536	0.182%
10,001	-	100,000	1,455	67,553,770	6.916%
100,001	-	and over	1,170	906,770,127	92.832%
Total			3,310	976,784,189	100.000%

Number of shareholders holding less than a marketable parcel: 974

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Kabunga Holdings Pty Ltd <Kabunga Family A/C>	145,645,118	14.911%
2.	Chata Holdings Pty Ltd <Chata Super Fund A/C>	19,000,000	1.945%
3.	Gerard C Toscan Management Pty Ltd <Gerard C Toscan Fam No 2 A/C>	15,026,750	1.538%
4.	Gasmere Pty Ltd	14,151,515	1.449%
5.	Dominic Virgara	10,000,000	1.024%
6.	Leslie Thomas King & Heather King <Robtom Super Fund A/C>	9,750,000	0.998%
7.	Leticia Kokutengeneza Kabunga	9,196,698	0.942%
8.	Littlejohn Embrey Engineering Pty Ltd	8,579,094	0.878%
9.	Citicorp Nominees Pty Ltd	8,116,410	0.831%
10.	Robert Adrian James	7,500,910	0.768%
11.	Richard Him Sim Vom	7,439,371	0.762%
12.	Daroc Pty Ltd <Daroc Super Fund A/C>	7,113,969	0.728%
13.	Minerals & Metals Marketing Pty Ltd	6,758,454	0.692%
14.	Endjua Pty Ltd <Sallag S F A/C>	6,082,866	0.623%
15.	Gasmere Pty Ltd	5,972,956	0.611%
16.	Robert Lorenzin	5,331,718	0.546%
17.	Aspen Gold Investments Pty Ltd <The Challenger A/C>	5,030,303	0.515%
18.	Molate Pty Ltd <Allan Hain Retire Fund A/C>	5,014,000	0.513%
19.	Endeavour Resources Pty Ltd	5,000,000	0.512%
20.	Adrien Wing	5,000,000	0.512%
Total		305,710,132	31.298%

The substantial shareholders of the Company are: Kabunga Holdings Pty Ltd holding 145,645,118 representing 14.911%.

Top 20 Listed Option Holders

Rank	Option Holder	Options Held	% Listed Options
1.	Littlejohn Embrey Engineering Pty Ltd	12,466,820	5.276%
2.	Kabunga Holdings Pty Ltd <Kabunga Family A/C>	11,397,613	4.823%
3.	Leslie Thomas King & Heather King <Robtom Super Fund A/C>	7,000,000	2.962%
4.	David Lachlan Wildy	5,701,000	2.412%
5.	CCI Super Fund Pty Ltd <Moultrie Staff S/F A/C>	5,000,000	2.116%
6.	Laurie Barichello	4,000,000	1.693%
7.	Nicholas Edward Bull	4,000,000	1.693%
8.	Ian David Penny	3,935,000	1.665%
9.	Endjua Pty Ltd <Sallag S F A/C>	3,865,112	1.636%
10.	David Vyvian Retallick	3,680,000	1.557%
11.	Wobbly Investments Pty Ltd	3,536,713	1.497%
12.	Leslie Thomas King	3,400,000	1.439%
13.	Stephen Charles Stuart Watts <Watts Family A/C>	3,346,226	1.416%
14.	Stephen C S Watts & Sarah Scott Watts	3,330,453	1.409%
15.	Vassago Pty Ltd <Aston A/C>	3,081,250	1.304%
16.	Ian Hunter	3,000,000	1.269%
17.	David Michael Gartner	3,000,000	1.269%
18.	Tony Crea <Crea Super Fund Account>	3,000,000	1.269%
19.	Body Sculpting Com Au Pty Ltd	2,625,000	1.111%
20.	Glenn Thomas Connor	2,480,097	1.049%
Total		91,845,284	38.866%

Corporate Governance Statement

The Board of Volt Resources has adopted the spirit and intent of the 3rd Edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

The Company's Corporate Governance Statement is available in the Governance section of the Company's website <http://voltresources.com/corporate-governance/> . This document is reviewed regularly to address any changes in governance practices and the law.

Tenement Listing

All tenement within Tanzania are held by Volt Graphite Tanzania Ltd, a wholly owned subsidiary of Volt Resources Ltd.

Current tenements

Project	Location	Tenement Number	Status	Beneficial Interest
Tanzania Graphite	Tanzania - Nachingwea, Ruangwa & Masasi Districts	PL 10643	Live	100%
	Tanzania - Ruangwa & Masasi Districts	PL 10644	Live	100%
	Tanzania - Newala & Masasi Districts	PL 10667	Live	100%
	Tanzania - Newala, Ruangwa & Masasi Districts	PL 10668	Live	100%
	Tanzania - Masasi District	PL 10718	Live	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10717	Live	100%
	Tanzania - Masasi District	PL 10788	Live	100%

Relinquished tenements

Project	Location	Tenement Number	Status	Beneficial Interest	Date Relinquished
Tanzania Graphite	Tanzania - Luchingi, Masasi & Newala Districts	PL 10642	Relinquished	0%	20/11/2016
	Tanzania - Lindi & Ruangwa Districts	PL 10665	Relinquished	0%	20/11/2016
	Tanzania - Masasi District	PL 10666	Relinquished	0%	20/11/2016
	Tanzania - Masasi & Nanyumba Districts	PL 10716	Relinquished	0%	20/11/2016
	Tanzania - Masasi District	PL 10719	Relinquished	0%	20/11/2016

Mineral Resource and Ore Reserve Statements

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

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the ASX Listing Rules. The review was carried out as at 30 June 2017. The estimates for Ore Reserves and Mineral Resources were prepared and disclosed under the JORC Code 2012.

As of the 30 June 2017, the Company reviewed the Mineral Resource and Ore Reserve inventories and found:

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

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

Except for the changes to the Mineral Resource Estimate noted below, the Company is not aware of any new information or data that materially affects the information included in the Annual Statement about Mineral Resources or Ore Reserves and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed as of 30 June 2017.

Mineral Resource and Ore Reserve Statements

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

Volt Resources Ltd is targeting Graphite mineralisation within the Republic of Tanzania.

As of the 30 June 2017, the Graphite Mineral Resources for Volt Resources Ltd were:

Namangale Project	Mt	TGC (%)
Inferred		
North	264	5.0
South	23	3.6
Total Inferred	286	4.9
Indicated		
North	122	5.2
South	33	4.3
Total Indicated	155	5.0
Measured		
North	20	5.3
Total Resource	461	4.9

Note:

Namangale North previously Nam, Namangale South previously Nam 2 & 3. The Mineral Resource is inclusive of the Ore Reserves. Inconsistencies in totals are due to rounding.

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

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

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

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

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

Note:

Inconsistencies in totals are due to rounding.

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

As of the 30 June 2017, the Graphite Ore Reserves for Volt Resources Ltd were:

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

Note:

Namangale North previously Nam, Namangale South previously Nam 2 & 3.

Inconsistencies in totals are due to rounding.

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

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

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

Material changes in Mineral Resources and Ore Reserve Holdings

Volt Resources Ltd reports our material changes within the financial year period.

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

At the end of the 2016 financial year, the Graphite Mineral Resource inventory was:

Namangale Project	Mt	TGC (%)
Inferred		
Namangale 1	133.4	5.1
Namangale 2	16.8	5.4
Namangale 3	1.6	5.3
Total Inferred	151.8	5.1
Indicated		
Namangale 1	62.6	5.1
Namangale 2	-	-
Namangale 3	-	-
Total Indicated	62.6	5.1
Total Resource	214.4	5.1

The material change in the Graphite Mineral Resources from the 2016 financial year to the 2017 financial year:

Namangale Project	Mt (difference)	TGC (%) (difference)
Total Inferred	Increase of 134.2Mt	Down 0.2% TGC
Total Indicated	Increase of 92.4Mt	Down 0.1% TGC
Total Measured	Increase of 20Mt	-
Total Resources	Increase of 246.6Mt	Down 0.2% TGC

Note:

Inconsistencies in totals are due to rounding.

Refer to announcement "Pre-Feasibility Study Completed" dated 15 December 2016 & "High Quality Concentrates Produced and JORC Resource Upgrade at the Namangale Project" dated 13 May 2016.

The increase in the total Graphite Mineral Resource tonnage was the result of extensional and infill drilling completed over each of the mineral resources and subsequent resource estimations utilising such information. Extensional drilling identified lower grading graphite mineralisation within each resource, hence the slightly lower total graphitic carbon percentage in the updated mineral resource estimate.

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

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

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

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

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

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

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

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

Competent Person's Statement

The information extracted from the announcements listed above, The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. Nevertheless, for ease of access, please see the relevant Competent Person's statements below:

The information in this report that relates to Exploration Results (metallurgical) is based on information compiled by Mr Mark Hoffmann, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hoffmann is a consultant to Volt Resources Ltd. Mr Hoffmann 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 Hoffmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

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

Mineral Resources and Ore Reserves'. Mr Biggs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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