VOLT RESOURCES

ABN: 28 106 353 253

And Controlled Entities

CONSOLIDATED ANNUAL REPORT

For the Year Ended
30 June 2018

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DIRECTORS

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

CHIEF EXECUTIVE OFFICER
Trevor Matthews

SECRETARY
Susan Hunter

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Your Directors submit the financial report of Volt Resources Limited (the Company) and its Controlled Entities (Consolidated Entity) for the year ended 30 June 2018.

DIRECTORS AND CEO

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

Asimwe Kabunga	Non-Executive Chairman (since 4 August 2017)
Stephen Hunt	Non-Executive Director (Chairman to 4 August 2017)
Alwyn Vorster	Non-Executive Director
Matthew Bull	Non-Executive Director (resigned 9 July 2018)

Trevor Matthews is the Chief Executive Officer.

PRINCIPAL ACTIVITIES

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

RESULTS

The loss after tax for the year ended 30 June 2018 was $3,079,019 (2017: $3,102,035).

REVIEW OF OPERATIONS

Overview

Key operational highlights during the year included:

- Feasibility Study (FS) for the Stage 1 Bunyu Graphite Project was substantially completed and the results announced on 31 July 2018.
- Positive FS based on annual throughput rate of 400,000 tonnes of ore to produce on average 23,700 tonnes per annum of graphite products over a 7 year project period:
  - Pre-tax NPV at 10% discount rate of US$18.6 million, after tax US$14.7 million;
  - Pre-tax IRR of 21%
  - Payback period of 4.4 years
  - Start-up Capital cost estimate of US$31.8 million
  - FOB operating costs averaging US$664 per tonne
  - Average annual EBITDA of US$13.1 million over 7 years, US$96.3 million in total.
- Key objective of Stage 1 development is to establish infrastructure and market position in support of the development of the significantly larger Stage 2 expansion project.
- Stage 1 development incorporates a significant amount of infrastructure, utilities and mine development work that will benefit the Stage 2 expansion.
- Stage 2 expansion is currently assumed to approximate the Pre-feasibility Study of 15 December 2016 which reported an after tax NPV at 10% discount rate of US$890 million.

Based on a 22 year mine life, producing on average 170,000 tonnes per annum of graphite product. A Definitive Feasibility Study (DFS) for Stage 2 is planned to proceed concurrently with the Stage 1 project development, in the near term.

- Volt appointed experienced, well-qualified investment banking firm Exotix Capital and in partnership decided to proceed with a planned raising of US$30-US$40 million via a Tanzanian note issue listed on the Dar es Salaam Stock Exchange (DSE) as funding for Stage 1 development.
- A draft prospectus or information memorandum (IM) for the note issue was lodged with the two Tanzanian regulators, DSE and Capital Markets and Securities Association (CMSA) on 27 March 2018 for their approvals. After formal feedback and discussions, intergroup financial restructuring and incorporation of recent FS results, the Company lodged a revised IM with both regulators on 17 August 2018 for further consideration.
- Subsequent to the new strategic plan announced on 18 May 2017, whereby the Feasibility studies were to be revised to focus on a Stage 1 starter project and a Stage 2 expansion project, on 22 September 2017 it was announced that the project would be renamed the Bunyu Graphite project from the previous Namangale Graphite project and Volt's Tanzanian subsidiary Nachi Resources Limited would be renamed Volt Graphite Tanzania Limited.
- North American offtake partner Nano Graphene Inc. confirmed the premium quality of Bunyu grahite product during the September 2017 quarter.
- Infill drilling for the Bunyu Stage 1 FS focussed on the Bunyu 1 deposit and included:
    - Reverse Circulation drilling of 56 holes totalling 1,452 metres
    - Diamond Core drilling of 16 holes totalling 463 metres
    - Water bore drilling of 2 holes totalling 175 metres.

  This was completed during the December 2017 quarter, with assays of samples completed in the following quarter.
- Metallurgical testwork confirmed the premium grade graphite product at the Bunyu 1 deposit including C content of 99.6% and O content of 0.08%, with no impurities. High quality defect-free material, to be the main source of ore for the Stage 1 project and the Stage 2 expansion project.
- The Company's Environmental and Social Impact Statement (ESIS) for the Bunyu Graphite Project covering the footprints of both Stage 1 and Stage 2 expansion project was initially lodged with the National Environmental Management Council (NEMC) on 23 January 2018. After site visits by NEMC and requests for the inclusion of further information, an updated ESIS was lodged during the June 2018 quarter. The resulting Environmental Certificate and Environmantal Conditions were received on 3 September 2018.
- The Resettlement Action Plan (RAP) was completed during the March 2018 quarter with the associated Valuation Report of compensation payable to people affected by the Bunyu Project development approved by the Government Chief Valuer on 17 April 2018. The Valuation Report is now fully approved following approval at the district and regional levels.
- On 8 February 2018 the Company announced it had lodged two Mining Licence Applications (MLA's) with the Ministry of Energy and Minerals of Tanzania covering both Stages 1 and 2 of its Bunyu Graphite Project. A key requirement for the approval of the

Mining Licences is the receipt and attachment of the Environmental Certificate for the project, which was received on 3 September 2018.

- Additional Offtake agreements continued to be advanced following positive meetings with potential Chinese partners during April 2018. Subsequent to year end, in early August 2018 a second binding offtake was signed with Qingdao Tiangshengda Graphite for 9,000 tonnes per annum of Bunyu Graphite product, approx. 40% of forecast production from the Stage 1 project and a Co-operation agreement was signed with Haida Graphite in late August. Further signed Offtake agreements are anticipated, immediately after project development funding is available.

CORPORATE

Ms Susan Hunter was appointed Company Secretary effective 1 August 2017.

Following the resignation of Mr Stephen Hunt as Chairman on 4 August 2017, Mr Asimwe Kabunga was appointed Non-Executive Chairman effective from the same date. Mr Hunt remains as a Non-executive director.

The 2017 AGM was held on 24 October 2017 and all resolutions passed on a show of hands.

During the December 2017 quarter and in early January 2018, the Company raised $7.9 million before underwriting and raising costs, from a shareholder purchase plan, top-up placement and exercise of listed options. These funds were utilised to fund the drilling, feasibility study, environmental reports, resettlement action plan report with supporting valuations, preparation and fees for the note prospectus (IM), plus ongoing operational and compliance costs.

A share placement of $2.0 million before costs was completed on 14 June 2018 with funds to be deployed to repay the Convertible Loan Facility, predominately in July 2018, and working capital requirements at the Bunyu Graphite project.

DIRECTOR AND COMPANY SECRETARY INFORMATION

Current Directors

Mr Asimwe Kabunga – Non-Executive Chairman from 4 August 2017, appointed 5 April 2017.
Qualifications – BSc Mathematics and Physics
Other current directorships of Listed Public Companies – Strandline Resources Limited; Lindian Resources Limited (Chairman).
Former directorships of Listed Public Companies in last three years - Nil
Interests in Shares and Options over Shares in the Company:
160,142,017 fully paid ordinary shares;
Nil options

Mr Kabunga is a Tanzanian born Australian entrepreneur who has over 20 years technical and commercial experience in Tanzania, the United States 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 its first President. Mr Kabunga was also a founding member of Rafiki Surgical Missions and Safina Foundation, both NGOs dedicated to helping children in Tanzania.

Mr Stephen Hunt – Non-Executive Director, appointed 15 December 2015. Non-Executive Chairman prior to 4 August 2017.
Qualifications – Bachelor of Business (Maj. Marketing), AICD member
Other current directorship of Listed Public Companies – American Pacific Borate and Lithium Limited
Former directorships of Listed Public Companies in last three years – Magnis Resources Limited
Interests in Shares and Options over Shares in the Company:
12,687,026 fully paid ordinary shares;
Nil options;
2,500,000 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 Matthew Bull – Non-Executive Director, appointed 1 June 2015, resigned 9 July 2018.
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:
Nil fully paid ordinary shares;
Nil 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 – Non-Executive Director, appointed 22 March 2016.
Qualifications – BSc Geology; MBA, MSc Mineral Economics
Other current directorship of Listed Public Companies: Managing Director of BCI Minerals Limited
Former directorships of Listed Public Companies in last three years: Iron Ore Holdings Limited – Managing Director (2010-2014)
Interests in Shares and Options over Shares in the Company:

6,229,437 fully paid ordinary shares;
Nil options;
2,000,000 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 BCI Minerals Limited, API Management and with Iron Ore Holdings Limited.

Ms Susan Hunter – Company Secretary, appointed 1 August 2017.
Ms Hunter has over 24 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, AIM and TSX listed companies. 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 Fellow of the Institute of Chartered Secretaries and Administrators and a Graduate Member of the Australian Institute of Company Directors.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors (and committees of directors) held during the year ended 30 June 2018, and the number of meetings attended by each Director.

	Directors' Meetings		Audit & Risk Committee Meetings	
Director	Eligible to Attend	Attended	Eligible to Attend	Attended
Asimwe Kabunga	12	12	-	-
Stephen Hunt *	12	12	-	-
Alwyn Vorster	12	11	2	2
Matthew Bull *	12	11	2	2
	External Advisor			
	Glyn O'Brien		2	2

* Mr Matthew Bull resigned as a Non-executive director on 9 July 2018 and Mr Stephen Hunt was appointed to the Audit and Risk Committee on 15 August 2018.
Mr Kabunga and Mr Hunt attended the Audit & Risk Committee meetings as guests.

SHARE OPTIONS

At the date of this report the following options have been granted over unissued capital to advisors which had assisted with prior capital raisings and North American investor relations.

Number	Exercise Price	Expiry Date	Status
12,200,000	$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

During the 2018 financial year 17,000,000 performance rights have been issued and 6,500,000 performance rights have lapsed. Previously 4,500,000 performance rights lapsed on 30 June 2017. A balance of 19,500,000 performance rights remain outstanding at balance date and at the date of this report.

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:

- Mr Matthew Bull resigned from his role as Non-Executive Director effective 9 July 2018.
- The results of the Stage 1 Bunyu Graphite Project Feasibility Study were released on 31 July 2018.
- A binding Offtake Agreement, for 9,000 tonnes of Graphite product per annum, was signed with Qingdao Tianshengda Graphite Co Ltd on 2 August 2018.
- A revised Prospectus (IM) was lodged with the Tanzanian regulators on 17 August 2018 for approval of the US$30 to US$40 million Note issue to be listed on the Dar es Salaam Stock Exhange.
- The Company's wholly-owned subsidiary Volt Graphite Tanzania Ltd, received the Environmental Impact Assessment (EIA) Certificate from the National Environment Management Council of Tanzania (NEMC) on 3 September 2018.

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 Consolidated Entity is progressing options, including a planned Note issue on the Dar es Salaam Stock Exchange, to raise development funding, intially for the Stage 1 Bunyu Graphite Project to allow directors to make a Final Investment Decision (FID) based on the recently completed Stage 1 Feasibility Study.

The FID is also conditional on the receipt of two Mining Licences for the Bunyu 1 project area currently under application. Recent receipt of the Environmental Certificate for the Bunyu 1 area is understood to be the final document required to allow consideration of the Mining licence applications for approval.

Subsequent to development funding, receipt of mining licences and resulting positive FID for Stage 1, the Company would then be in a position to commence resettlement of affected landowners, upgrade of access roads and water supply, preparation of the plant site and commencement of construction works.

ENVIRONMENTAL REGULATION

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

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2018 (2017: None).

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE GOVERNANCE

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 2018 (2017: nil).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2018, which forms a part of the directors' report has been received and is included within this annual report at page 19.

REMUNERATION REPORT: AUDITED

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

Remuneration Committee

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

Remuneration Philosophy

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

Remuneration Structure

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

Non-Executive Directors

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at General Meeting. 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 years ended 30 June 2017 and 2018, 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 2018. 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

In late November 2016, the Company entered into an agreement with Mr Trevor Matthews, in his capacity as Chief-Executive Officer to commence from 1 January 2017 with a base package inclusive of statutory superannuation and before incentives of $300,000 per annum, plus a company provided car parking bay at its corporate office.

Under an established Performance Rights Plan approved by shareholders, Mr Matthews was issued 17,000,000 Performance Rights during the current year in the following tranches subject to vesting conditions:

- Tranche A – 10,000,000 Performance Rights vest on the commencement of Stage 1 construction of the Bunyu project within 3 years of grant date.
- Tranche B – 2,000,000 Performance Rights vest on the completion of the feasibility study for Stage 1 of the Bunyu Project by 31 March 2018.
- Tranche C – 5,000,000 Performance Rights vest on the achieving a 30 day VWAP of 20 cents per share for the Company within 3 years of grant date.

The condition for Tranche B was not achieved by 31 March 2018 resulting in the 2,000,000 performance rights lapsing.

In December 2015 as part of Mr Stephen Hunt's consultancy agreement as Chairman, he was issued 10,000,000 performance rights split into four tranches with varying hurdles as approved by shareholdrers. Tranche 1 of 2,500,000 rights vested in the previous financial year and tranches 2 and 3 totalling 5,000,000 rights lapsed as the hurdles were not achieved in the current year. Tranche 4 of 2,500,000 Performance rights vest on commencement of mining, and processing of first ore recovered from the Bunyu Graphite Project to be achieved by 31 March 2019.

In March 2016 as part of Mr Alwyn Vorsters's consultancy agreement as Non-Executive Director, he was issued 8,000,000 performance rights split into four tranches with varying hurdles as approved by shareholdrers. Tranche 1 of 2,000,000 rights vested in the previous financial year and tranches 2 and 3 totalling 4,000,000 rights lapsed as the hurdles were not achieved in the current year. Tranche 4 of 2,000,000 Performance rights vest on commencement of mining, and processing of first ore recovered from the Bunyu Graphite Project to be achieved by 31 March 2019.

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 $	Leave and other entitlements # $	Consulting $	Superannuation $	Performance Rights $	$	%
30 June 2018							
Asimwe Kabunga	122,472	-	26,909	7,835	-	157,216	-%
Stephen Hunt	51,083	-	30,000	4,853	-	85,936	-%
Alwyn Vorster	48,000	-	-	4,560	-	52,560	-%
Matthew Bull *	48,000	-	-	4,560	-	52,560	-%
Directors Subtotal	**269,555**	**-**	**56,909**	**21,808**	**-**	**348,272**	**-%**
Trevor Matthews	270,000	30,667#	-	30,000	108,261	438,928	24.7%
Mark Hoffmann	85,688	3,176	140,000	8,141	-	237,005	-%
Jason ** Livingstone	139,431	(6,319)	-	11,836	-	144,948	-%
Management Subtotal	**495,119**	**27,524**	**140,000**	**49,977**	**108,261**	**820,881**	**13.2%**
KMP TOTAL	**764,674**	**27,524**	**196,909**	**71,785**	**108,261**	**1,169,153**	**9.3%**
30 June 2017							
Stephen Hunt	85,000	-	199,300	21,071	85,000	390,371	22%
Matthew 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	-%
Trevor Matthews	135,000	-	-	15,000	-	150,000	-%
Mark Hoffmann	-	-	265,000	-	-	265,000	-%
Jason Livingstone	61,385	-	-	5,832	-	67,217	-%
KMP TOTAL	**383,091**	**-**	**619,518**	**51,565**	**219,000**	**1,273,174**	**17.2%**

*   Resigned on 9 July 2018
** Resigned on 7 March 2018
# Includes provision of car parking at $6,521.

Share Based Compensation

Options

There were no options granted, exercised or lapsed during the financial year, in relation to key management personnel's remuneration, apart from 2,000,000 options exercised by Mr Hunt, 2,000,000 options exercised by Mr Vorster and 3,000,000 options which lapsed unexercised by Mr Bull, which were all granted as remuneration in the 2016 financial year.

Performance Rights

17,000,000 performance rights have been issued to Trevor Matthews during the 2018 financial year with milestones as set out above. Based upon a valuation of the performance rights at the grant date an amount of $108,261 has been included in remuneration of the recipient based on the value attributable to the milestones over the determined vesting period during the 2018 financial year.

The fair value of the performance rights granted during the financial year is estimated as at the date of grant using the black scholes model (except Tranche 3) and trinomial option model (Tranche 3) taking into account the following inputs:

	Black Scholes Option Model		Trinomial Option Model
Details	**Tranche 1 Performance RIghts expiring 18-May-2020**	**Tranche 2 Performance RIghts expiring 31-Mar-2018**	**Tranche 3 Performance RIghts expiring 18-May-2020**
Share price barrier	n/a	n/a	$0.20
Expected volatility	90%	90%	30%
Risk free interest rate	1.76%	1.65%	1.76%
Expected life	3 years	0.87 years	3 years
Exercise price	nil	nil	nil
Grant date share price	$0.029	$0.029	$0.029
Fair value per right	$0.029	$0.029	$0.000
Probability at 30 June 2018	100%	0%	N/A.

Directors and Key Management Personnel Equity Holdings

Shares

Key Management Personnel	Balance at Beginning of Year	Issued as Remuneration	Exercise of Options / Conversion of Perf. Rights	Net Other Change*	Balance at End of Year
2018					
Asimwe Kabunga	145,645,118	-	13,202,613	1,294,286	160,142,017
Stephen Hunt	9,258,454	-	2,000,000	1,428,572	12,687,026
Matthew Bull	4,088,885	-	-	-	4,088,885
Alwyn Vorster	3,515,151	-	2,000,000	714,286	6,229,437
Trevor Matthews	-	-	-	72,920	72,920
Mark Hoffmann	-	-	300,000	-	300,000
Jason Livingstone	-	-	-	-	-
TOTAL	**162,507,608**	**-**	**17,502,613**	**3,510,064**	**183,520,285**
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	-	-	-	-	-
Matthew 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**	**1,352,323**	**162,507,608**

*On-market purchases / (sales) and share placements/purchase plans.
**Balance on date of resignation.

Options

Key Management Personnel	Balance at Beginning of Year	Granted as Remuneration	Exercise/lapsing of Options	Net Other Change*	Balance at End of Year	Vested at Year End Exercisable	Vested at Year End Vested During Year
2018							
Asimwe Kabunga	11,397,613	-	(13,202,613)	1,805,000	-	-	-
Stephen Hunt	2,000,000	-	(2,000,000)	-	-	-	-
Matthew Bull***	5,461,412	-	(5,461,412)	-	-	-	-
Alwyn Vorster	2,000,000	-	(2,000,000)	-	-	-	-
Trevor Matthews	-	-	-	-	-	-	-
Mark Hoffmann	300,000	-	(300,000)	-	-	-	-
Jason Livingstone	-	-	-	-	-	-	-
TOTAL	**21,159,025**	**-**	**(22,964,025)**	**1,805,000**	**Nil**	**-**	**-**
2017							
Stephen Hunt	2,000,000	-	-	-	2,000,000	2,000,000	-
Alan Armstrong	3,000,000	-	-	(3,000,000)**	-	-	
Trevor Matthews	-	-	-	-	-	-	-
Matthew 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**	**-**

*On-market purchases / (sales).
**Balance on date of resignation.
*** These options lapsed unexercised.

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, 17,502,613 options were exercised by key management personnel (2017: nil). No employee share option were granted as remuneration during the 2017 and 2018 financial years. All options received as remuneration had vested in full prior to 1 July 2016. Performance rights have been the preferred method of remuneration in recent years.

Performance Rights

Key Management Personnel	Balance at 1 July 2017	Granted as Remuneration	Vested and converted into ordinary shares	Lapsed as hurdle not achieved	Balance at End of Year
2018					
Asimwe Kabunga	-	-	-	-	-
Stephen Hunt	5,000,000	-	-	(2,500,000)	2,500,000
Matthew Bull	-	-	-	-	-
Alwyn Vorster	4,000,000	-	-	(2,000,000)	2,000,000
Trevor Matthews	-	17,000,000	-	(2,000,000)	15,000,000
Mark Hoffmann	-	-	-	-	-
Jason Livingstone	-	-	-	-	-
TOTAL	**9,000,000**	**17,000,000**	**-**	**(6,500,000)**	**19,500,000**

Other Transactions with Key Management Personnel of the Consolidated Entity

An entity associated with Mr Trevor Matthews provided a convertible loan of $50,000 to the Company on the same terms and conditions as all other convertible loans. The loans have a 10% interest rate per annum which accrues daily. The interest is payable quarterly in arrears in cash or Company shares. The lender can convert the facility into Company shares at any time prior to maturity at a conversion price of $0.05 per share. The loan remains outstanding and is due to mature on 5 October 2018. Interest paid on the convertible loan was paid as fully paid ordinary shares in the Company at Mr Matthews election, in accordance with the loan terms.

During the 2018 financial year, there were no other transactions with Key Management Personnel.

End of Remuneration Report

Signed in accordance with a resolution of directors.

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Asimwe Kabunga
Non-Executive Chairman
14 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Volt Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
14 September 2018

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated Year Ended 30 June 2018 $	Consolidated Year Ended 30 June 2017 $
Revenue	2	**22,220**	52,260
Corporate compliance fees		**(477,413)**	(470,490)
Corporate management costs		**(1,655,069)**	(1,173,265)
Foreign exchange (loss)		**(56,111)**	15,241
Marketing and investor relations costs		**(246,059)**	(332,727)
Occupancy expenses		**(161,037)**	(130,153)
Share based payments	2, 15	**(108,261)**	(792,750)
Interest expenses		**(140,142)**	-
Other expenses	2	**(805,774)**	(423,003)
Loss before income tax benefit		**(3,627,646)**	(3,254,887)
Income tax benefit	3	**548,627**	152,852
Net loss for the year from continuing operations		**(3,079,019)**	(3,102,035)
Net loss for the year		**(3,079,019)**	(3,102,035)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**489,194**	(400,866)
Total comprehensive loss for the year		**(2,589,825)**	(3,502,901)
Loss attributable to:			
Owners of the parent		**(3,076,272)**	(3,099,831)
Non-controlling interests		**(2,747)**	(2,204)
		(3,079,019)	(3,102,035)
Total comprehensive loss attributable to:			
Owners of the parent		**(2,587,078)**	(3,500,697)
Non-controlling interests		**(2,747)**	(2,204)
		(2,589,825)	(3,502,901)
Basic and diluted loss per share from continuing operations (cents)	4	**(0.27)**	(0.32)

The accompanying notes form part of these financial statements.

	Note	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**2,192,277**	102,208
Trade and other receivables	6	**214,820**	148,401
Prepayments		**47,330**	52,315
Total Current Assets		**2,454,427**	302,924
Non-Current Assets			
Trade and other receivables	6	**2,400**	2,400
Other financial assets	7	**30,000**	30,000
Plant and equipment	8	**100,480**	123,854
Deferred exploration and evaluation expenditure	9	**21,786,559**	16,581,589
Total Non-Current Assets		**21,919,439**	16,737,843
Total Assets		**24,373,866**	17,040,767
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**614,647**	667,062
Provisions	11	**58,867**	21,682
Borrowings	12	**399,844**	-
Total Current Liabilities		**1,073,358**	688,744
Total Liabilities		**1,073,358**	688,744
Net Assets		**23,300,508**	16,352,023
EQUITY			
Issued capital	13	**63,973,234**	53,342,884
Reserves	14	**163,204**	4,173,650
Accumulated losses		**(40,614,874)**	(40,946,202)
Parent entity interest		**23,521,564**	16,570,332
Non-controlling interests		**(221,056)**	(218,309)
Total Equity		**23,300,508**	16,352,023

The accompanying notes form part of these financial statements.

Consolidated Entity	Issued Capital	Reserves	Accumulated Losses	Parent Entity Interest	Non-Controlling Interest	Total
	$	$	$	$	$	$
Balance at 1 July 2017	**53,342,884**	**4,173,650**	**(40,946,202)**	**16,570,332**	**(218,309)**	**16,352,023**
Loss for the year	-	-	(3,076,272)	(3,076,272)	(2,747)	(3,079,019)
Other comprehensive income	-	489,194	-	489,194	-	489,194
Total comprehensive loss for the year	-	489,194	(3,076,272)	(2,587,078)	(2,747)	(2,589,825)
Shares issued during the year	9,999,597	-	-	9,999,597	-	9,999,597
Issue expenses	(585,547)	-	-	(585,547)	-	(585,547)
Equity exercised/expired	1,216,300	(4,623,900)	3,407,600	-	-	-
Share based payments	-	124,260	-	124,260	-	124,260
Balance at 30 June 2018	**63,973,234**	**163,204**	**(40,614,874)**	**23,521,564**	**(221,056)**	**23,300,508**
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 loss 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
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)**	**16,570,332**	**(218,309)**	**16,352,023**

The accompanying notes form part of these financial statements.

	Note	Consolidated Year Ended 30 June 2018 $ Inflows/ (Outflows)	Consolidated Year Ended 30 June 2017 $ Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		**(3,459,723)**	(2,246,478)
Research and development tax credit received		**548,627**	229,279
Interest paid		**(120,475)**	-
Interest received		**20,477**	52,447
Net cash used in operating activities	5	**(3,011,094)**	(1,964,752)
Cash flows from investing activities			
Payments for term deposits		**-**	(10,000)
Payments for plant and equipment		**(20,278)**	(133,058)
Payments for exploration and evaluation expenditure		**(4,678,786)**	(6,266,877)
Net cash used in investing activities		**(4,699,064)**	(6,409,935)
Cash flows from financing activities			
Proceeds from issue of shares		**9,802,688**	1,148,957
Proceeds from borrowings		**1,304,301**	-
Repayment of borrowings		**(914,301)**	-
Payment of share issue costs		**(392,461)**	(283,349)
Net cash provided by financing activities		**9,800,227**	865,608
Net increase/(decrease) in cash held		**2,090,069**	(7,509,079)
Cash and cash equivalents at beginning of the financial year		**102,208**	7,617,762
Effects of exchange rates on cash and cash equivalents		**-**	(6,475)
Cash and cash equivalents at year end	5	**2,192,277**	102,208

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 graphite exploration activities in Tanzania.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2018 the Consolidated entity had cash of $2,192,277 and net assets of $23,300,508, primarily represented by deferred exploration expenditure of $21,786,559 on its Graphite prospecting tenements in Tanzania. During the year, net cash outflows from operating activities totalled $3,011,094 primarily in relation to corporate compliance, management, marketing and investor relations costs of the listed parent entity. The cash outflows from investing activities were primarily exploration and evaluation expenditure of $4,678,786, which was spent in maintaining the Tanzanian graphite tenements and completing (i) the feasibility study for the Stage 1 Bunyu Graphit project, (ii) environmental reports, (iii) resettlement action plan report and valuations and (iv) ongoing exploration activities. In the near term, operating activities are expected to contine at similar levels while investing activities will be reduced until funding is available.

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

(i) The Company is in the process of obtaining regulatory approval in Tanzania to issue a Prospectus or Information Memorandum to raise debt funding through the issue of listed Notes on the Dar es Salaam Stock Exchange for the equivalent of US$30 to US$40 million. Assuming a successful Note issue, all expenditures relating to the Bunyu Graphite project and Tanzanian activities will be met out of these funds in Tanzania. The remaing corporate costs to be incurred in Australia are expected to approximate A$2.5 million per annum;

(ii) The Company has the ability to raise additional working capital in the shorter term from:
- a capital raising;
- issue of convertible loan notes; and
- a loan advance on Research & Development income tax credits; and

(iii) The Company has the ability to sell assets, or an interest in assets.

Whilst the Directors are confident that the above initiatives will generate sufficient funds to enable the Consolidated Entity to continue as a going concern for at least the period of 12 months from the date of signing this financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Consolidated Entity to-

1. *Statement of significant accounting policies (Continued)*

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.

b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018

In the year ended 30 June 2018, 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 2018. 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 14 September 2018. 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 within its power to affect its returns.

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

1. Statement of significant accounting policies (Continued)

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 either the Black and Scholes or Trinomial Options formula taking into account the terms and conditions upon which the instruments were granted.

Exploration and evaluation expenditure:

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

The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

	Consolidated Year Ended 30 June 2018 $	Consolidated Year Ended 30 June 2017 $
2. *Revenue and expenses*		
Revenue		
Interest income	**22,220**	52,260
	22,220	52,260
Expenses		
Share based payments:		
Liability settled in ordinary shares	**-**	48,750
Performance rights	**108,261**	219,000
Options	**-**	525,000
	108,261	792,750
Other Expenses:		
Corporate advisors and brokers, including business development	**282,326**	-
Depreciation	**63,682**	11,787
Travel and accomodation	**256,438**	221,332
Other	**203,328**	189,884
	805,774	423,003

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.

3. *Income tax*	Consolidated Year Ended 30 June 2018 $	Consolidated Year Ended 30 June 2017 $
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	**(3,627,646)**	**(3,254,887)**
Income tax benefit calculated at 27.5% & 30% (2017: 27.5% & 30%)	**997,603**	**895,094**
Share based payments	**(29,772)**	**(243,100)**
Non-deductible expenses	**(637,229)**	**(295,444)**
Capital raising costs deductible	**22,902**	**22,962**
Income tax losses not brought to account	**(353,504)**	**(379,512)**
Profit and loss proportion of research and development tax credit	**548,627**	**152,852**
Income tax benefit from continuing operations	**548,627**	**152,852**

The tax rates used in the above reconciliation are the corporate tax rates of Australia 27.5% and Tanzania 30% (2017: Australia 27.5%, Tanzania 30%). The 27.5% tax rate applies to Australian corporate entities on taxable profits under Australian tax law for small businesses. The Consolidated Entity has tax losses arising in Australia of $18,319,381 (2017: $17,543,167) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. The availability of these losses is subject to the satisfaction of either the same business or continuity of ownership tests. Tax losses arising in Tanzania to 30 June 2017 totalled A$1.2 million equivalent. The Tanzania tax losses for the year ended 30 June 2018 are yet to be determined. 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 2018 $	Consolidated Year Ended 30 June 2017 $
4. *Loss per share*		
Loss after tax from continuing operations	**(3,079,019)**	(3,102,035)

	Consolidated Year Ended 30 June 2018 No.	Consolidated Year Ended 30 June 2017 No.
Weighted average number of ordinary shares	**1,123,682,862**	962,554,436

	Consolidated Year Ended 30 June 2018 Cents per Share	Consolidated Year Ended 30 June 2017 Cents per Share
Basic / diluted loss per share – continuing operations	**(0.27)**	(0.32)

As the Consolidated Entity is loss making in both 2018 and 2017, no potential ordinary shares are considered to be dilutive as they would act to decrease the loss per share. The options on issue (Note 13) represent potential ordinary shares but are not dilutive and accordingly have been excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted loss per share.

4. *Loss per share (continued)*

Accounting policy: earnings/loss per share

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

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

	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
5. *Cash and cash equivalents*		
Cash at bank and on hand	**2,192,277**	102,208
	2,192,277	102,208

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

	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Loss for the year	**(3,079,019)**	(3,102,035)
Depreciation	**63,682**	11,787
Foreign exchange (gain)/loss	**(56,111)**	(15,241)
Share based payments	**108,261**	792,750
(Increase)/decrease in trade and other receivables	**(66,419)**	(44,281)
(Increase)/decrease in prepayments	**4,985**	51,658
(Increase)/decrease in trade and other payables	**(23,658)**	340,610
(Increase)/decrease in provisions	**37,185**	-
Net cash used in operating activities	**(3,011,094)**	(1,964,752)

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 2018 $	Consolidated 30 June 2017 $
6. *Trade and other receivables*		
Current:		
GST receivable net	**131,319**	43,141
Sundry receivables	**24,413**	47,915
Rental bonds	**59,088**	57,345
	214,820	148,401
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 2018 $	Consolidated 30 June 2017 $
7. *Other financial assets*		
Term deposit	**30,000**	30,000
	30,000	30,000

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 2018 $	**Consolidated 30 June 2017 $**
8. *Plant and equipment*		
Cost	**168,120**	143,797
Accumulated depreciation	**(67,640)**	(19,943)
Written down value	**100,480**	123,854
Reconciliation:		
Opening written down value	**123,854**	-
Additions	**20,279**	137,676
Depreciation	**(63,682)**	(11,787)
Foreign currency translation	**20,029**	(2,035)
Closing written down value	**100,480**	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 2018 $	**Consolidated 30 June 2017 $**
9. *Deferred exploration and evaluation expenditure*		
Balance at beginning of year	**16,581,589**	10,750,378
Expenditure during the year	**4,863,440**	6,166,554
Acquisition of Tanzanian graphite project	**-**	11,339
Foreign currency translation	**341,530**	(346,682)
Balance at end of year	**21,786,559**	16,581,589

9. *Deferred exploration and evaluation expenditure (continued)*

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.

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.

9. *Deferred exploration and evaluation expenditure (continued)*

Accounting policy: impairment of assets

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

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

	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
10. *Trade and other payables*		
Trade creditors and accruals	**614,647**	667,062
	614,647	667,062

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.

	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
11. *Provisions*		
Employee entitlements	**58,867**	21,682
	58,867	21,682

	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
12. *Borrowings*		
Convertible loans (a)	**399,844**	-
Loan (b)	**-**	-
	399,844	-

	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Balance at beginning of year	**-**	-
Proceeds from convertible loans	**875,000**	-
Repayment of convertible loans	**(475,000)**	-
Repayment of convertible loan through share issue	**(10,000)**	-
Interest accrued on convertible loans	**9,844**	-
Proceeds from loan	**439,301**	-
Repayment of loan	**(439,301)**	-
Balance at end of year	**399,844**	-

(a) These funds have been raised from various lenders through a convertible loan facility for 12 months, with a 10% interest rate per annum which accrues daily. The interest is payable quarterly in arrears in cash or Company shares. The lender can convert the facility into Company shares at any time prior to maturity at a conversion price of $0.05 per share. Interest paid and accrued to date on this facility totals $61,538, of which $9,818 has been settled through the issuance of fully paid ordinary shares.
There is no material equity component to the convertible notes.

(b) The Company entered into a secured loan agreement on 20 October 2017 for $439,301 with an annual interest rate of 15% per annum and final maturity date of 28 February 2018. This is secured against the Company's present and future right, title and interest in its eligible research and development expenditure that it will become entitled as a tax refund under the applicable tax legislation. This was repaid in full on 17 May 2018.

	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
13. *Issued capital*		
Ordinary shares fully paid of no par value	**63,973,234**	53,342,884
	63,973,234	53,342,884

	Consolidated Year Ended 30 June 2018 Number	$	Consolidated Year Ended 30 June 2017 Number	$
Movement in ordinary shares on issue:				
Balance at beginning of year	**976,784,189**	**53,342,884**	906,180,471	51,722,526
In lieu of services	**-**	**-**	5,250,000	488,750
Performance rights converted at $nil per right	**-**	**-**	4,500,000	-
Share purchase plan	**111,379,981**	**2,338,980**	-	-
Share placements	**130,504,148**	**2,914,500**	-	-
Options exercised at $0.02 per share	**236,314,931**	**4,726,299**	60,853,718	1,148,958
Shares issued in lieu of interest	**196,462**	**9,818**	-	-
Convertible loan converted into shares	**200,000**	**10,000**	-	-
Transfer from share based payment reserve on exercise of options	**-**	**1,216,300**	-	-
Issue expenses	**-**	**(585,547)**	-	(17,350)
Balance at end of year	**1,455,379,711**	**63,973,234**	976,784,189	53,342,884

13. *Issued capital (continued)*

Share options:

Grant Date	Details	Expiry Date	Exercise Price	Balance at 30-Jun-17	Granted During the Year	Exercised During the Year	Expired During the Year	Cancelled During the Year	Balance at 30-Jun-18
[1]	Listed options	31-Dec-17	$0.02	236,314,931		(236,314,931)	-	-	-
01-Apr-16	Unlisted options	31-Dec-17	$0.02	4,500,000	-	-	(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
21-June-18	Unlisted options	30-Apr-19	$0.06	-	8,000,000	-	-	-	8,000,000
				257,614,931	**8,000,000**	**(236,314,931)**	**(4,500,000)**	**-**	**24,800,000**

The options granted during the year were granted to a corporate advisor for services relating to placement and management fees for a June 2018 placement, and the resulting value of $16,000 has been charged to share issue expenses. 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
$0.06	30-Apr-19	$0.022	90%	2.07%

Performance rights:

Issue Date	Details	Balance at 29 June 2017	Granted During the Year	Expired 30 June 2017 and during the Year	Converted During the Year	Balance at 30 June 2018
Various	Unlisted performance rights	13,500,000	17,000,000	(11,000,000)	-	19,500,000
		13,500,000	**17,000,000**	**(11,000,000)**	**-**	**19,500,000**

The unlisted performance rights granted during the year to the Chief Executive Officer 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 if and when converted. The performance rights granted during the year were valued at $288,000 in total. The value attributed to the performance rights granted during the year amounted to $108,261. 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.

[1] 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-15, 04-Nov-15, 11-Nov-15.

	Consolidated Year Ended 30 June 2018 $	Consolidated Year Ended 30 June 2017 $
14. *Reserves*		
Share based payments reserve:		
Balance at beginning of year	**4,676,507**	3,932,507
Share based payments	**124,262**	744,000
Transfer to share capital on exercise of options	**(1,216,300)**	-
Transfer to accumulated losses on lapse of performance rights and expiry of options	**(3,407,600)**	-
Balance at end of year	**176,869**	4,676,507
Foreign currency translation reserve:		
Balance at beginning of year	**(502,857)**	(101,991)
Currency translation differences	**489,192**	(400,866)
Balance at end of year	**(13,665)**	(502,857)
Total reserves	**163,204**	4,173,650

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).

14. *Reserves (continued)*

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.

15. *Share based payments*

Under an established Performance Rights Plan, CEO Trevor Matthews was issued Performance Rights in the following tranches and subject to the following vesting conditions:

Key Management Personnel	Valuation / Grant Date	Tranche	Number of Performance Rights	Fair Value Expensed	Vesting Conditions	Vesting Conditions Achieved
Trevor Matthews	18 May 2017	1	10,000,000	$108,261	Commence stage 1 construction of the Bunyu project within 3 years of grant date	No (i)
	18 May 2017	2	2,000,000	-	Completion of the feasibility study for stage 1 of the Bunyu project by 31 March 2018	No
	18 May 2017	3	5,000,000	-	Achieving a Company 30 day VWAP of 20 cents per share within 3 years of grant date	No
Total			**17,000,000**	**$108,261**		

(i) The Directors consider it probable that the Tranche 1 vesting conditions will be met. Accordingly, the value of $108,261 has been recognised as an expense.

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

Details	Security Type	Issue / Grant Date	Number Issued / Granted	Fair Value	Vested Expense
Conversion of convertible loan and interest	Fully paid ordinary shares	6-Oct-17	255,110	$12,751	$12,751
In lieu of interest	Fully paid ordinary shares	8-Jan-18	71,462	$3,573	$3,573
In lieu of interest	Fully paid ordinary shares	9-Apr-18	69,890	$3,494	$3,494
Trevor Matthews	Performance rights	18-May-17	17,000,000	$288,000	$108,261
Consulting services	Unlisted options	21-Jun-18	8,000,000	$16,000	$16,000
Total			**25,396,462**	**$323,818**	**$144,079**

The fair value of the equity settled share options and performance rights granted during the financial year is estimated as at the date of grant using the Black Scholes model (except Tranche 3 Performance Rights) and Trinomial Option model (Tranche 3 Performance Rights) taking into account the terms and conditions upon which the options were granted:

15. *Share based payments (continued)*

	Black Scholes Option Model			Trinomial Option Model
Details	**Tranche 1 Performance RIghts expiring 18-May-2020**	**Tranche 2 Performance RIghts expiring 31-Mar-2018**	**Unlisted options exercisable at $0.06 expiring 30-Apr-2019**	**Tranche 3 Performance RIghts expiring 18-May-2020**
Share price barrier	n/a	n/a	n/a	$0.20
Expected volatility	90%	90%	90%	30%
Risk free interest rate	1.76%	1.65%	2.07%	1.76%
Expected life	3 years	0.87 years	0.86 years	3 years
Exercise price	nil	nil	$0.06	nil
Grant date share price	$0.029	$0.029	$0.022	$0.029
Fair value per right/option	$0.029	$0.029	$0.002	$0.000

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).

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.

15. ***Share based payments (continued)***

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).

16. ***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 2017. 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 2018 $	Consolidated 30 June 2017 $

16. *Financial instruments (continued)*

Categories of financial instruments

Financial assets		
Cash and cash equivalents	**2,192,277**	102,208
Trade and other receivables	**217,220**	150,801
Other financial assets	**30,000**	30,000
	2,439,497	283,009
Financial liabilities		
Trade and other payables	**614,647**	667,062
Convertible loans	**399,844**	-
	1,014,491	667,062

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.

16. *Financial instruments (continued)*

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	
	2018	**2017**	**2018**	**2017**
US dollars	**1,306**	16,207	**80,911**	78,007
Tanzanian shillings	**3,767**	3,948	**-**	-

Foreign currency sensitivity analysis

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

	USD Impact	
	2018 $	**2017 $**
Result for the year	**(7,961)**	(6,180)

	TZS Impact	
	2018 TZS	**2017 TZS**
Result for the year	**377**	395

16. *Financial instruments (continued)*

Interest rate risk

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

Financial Asset	Interest Rate	Consolidated 2018 $	Consolidated 2017 $
Cash and cash equivalents	Floating	2,192,277	102,208
Total		**2,192,277**	**102,208**

Financial Liabilities	Interest Rate	Consolidated 2018 $	Consolidated 2017 $
Borrowings	Fixed	399,844	-
Total		**399,844**	**-**

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 $17,538 (2017: $4,181). This is mainly attributable to the Consolidated Entity's exposure to interest rates on its variable rate cash holdings.

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.

16. ***Financial instruments (continued)***

Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value as at 30 June 2018.

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.

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.

16. *Financial instruments (continued)*

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.

(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 2018 $	Consolidated Year Ended 30 June 2017 $

17. *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 expenditure commitments together with operating lease commitments for office premises are as follows:

	2018 $	2017 $
Within one year - exploration	**150,319**	723,836*
Within one year – office lease	**32,334**	78,128
One to five years - exploration	**362,136**	7,238,356*
One to five years – office lease	**-**	26,366
	544,789	8,066,686

From the FY2018 year graphite has been confirmed as an industrial mineral or building material (*rather than “all other minerals”) for determination of minimum levels of exploration expenditure. As a result, minimum expenditure requirements have reduced significantly in the current year.

There are no contingent liabilities as at the date of this report, other than for the Resettlement Action Plan totalling US$3.5 million where commencement of resettlements and any commitments are contingent on the two Mining Licences being granted for the Bunyu Graphite project and the Consolidated entity proceeding to develop the project.

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

Changes to the legal framework governing the natural resources sector in Tanzania were passed by the Tanzanian Parliament in early July 2017 and the Company advised the ASX of the impact of the new legislation on 7 July 2017. One impact was the Tanzanian Government would have a 16% non-dilutable free carried interest in Volt’s Tanzanian subsidiary which increases from a current interest of nil. The 16% interest is to apply to mining operations under a mining licence or a special mining licence. The Company is not aware of any further guidance or application of this change to date. Volt Tanzania is yet to receive its mining licences and accordingly the Consolidated entity currently retains a 100% interest in Volt’s Tanzanian subsidiary which holds the Bunyu Graphite Project.

18. *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 predominantly within the one segment being Mineral Exploration – Tanzania.

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.

19. *Subsidiaries*

			Equity Interest	
Subsidiary	Principal Activity	Country of Incorporation	2018	2017
Volt Graphite Tanzania Ltd	Graphite exploration	Tanzania	**100%**	100%
Mozambi Graphite Pty Ltd	Holding Company	Australia	**100%**	100%
Mozambi Resource Investments Pty Ltd	Dormant	Australia	**100%**	100%
Dugal Pty Ltd	Dormant	Australia	**100%**	100%
Dugal Resources Lda	Dormant	Mozambique	**70%**	70%
Mozambi Ventures Lda	Dormant	Mozambique	**80%**	80%
Xiluva Mozambi Lda	Dormant	Mozambique	**80%**	80%

The Company's intention is to wind up or liquidate the three Mozambique subsidiaries and Dugal Pty Ltd.

	Consolidated Year Ended 30 June 2018 $	Consolidated Year Ended 30 June 2017 $
20. *Auditor's remuneration*		
Amounts received or due and receivable by HLB Mann Judd for an audit or review of the financial report	**41,000**	38,250
Amounts received by auditors in Tanzania for the audit of Volt Graphite Tanzania Ltd	**16,041**	-
	57,041	38,250
21. *Key management personnel remuneration*		
Total remuneration paid to key management personnel during the year:		
Short term benefits	**989,107**	1,002,609
Post-employment benefits	**71,785**	51,565
Share based payments	**108,261**	219,000
	1,169,153	1,273,174

	Parent 30 June 2018 $	Parent 30 June 2017 $

22. *Parent entity information*

The following details information related to the parent entity, Volt Resources Limited, as at 30 June 2018. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

Financial position

	Parent 30 June 2018 $	Parent 30 June 2017 $
Assets		
Current assets	**2,454,427**	262,892
Non-current assets	**22,170,665**	16,699,868
Total assets	**24,625,092**	16,962,760
Liabilities		
Current liabilities	**(1,028,187)**	(610,737)
Non-current liabilities	**-**	-
Total liabilities	**(1,028,187)**	(610,737)
Net assets	**23,596,905**	16,352,023
Equity		
Issued capital	**63,973,234**	53,342,884
Reserves	**176,869**	4,676,509
Accumulated losses	**(40,553,198)**	(41,667,330)
Total equity	**23,596,905**	16,352,023

Financial performance	Year ended 30 June 2018 $	Year ended 30 June 2017 $
Loss for the year	**(2,293,468)**	(3,502,863)
Total comprehensive loss for the year	**(2,293,468)**	(3,502,863)
Commitments		
Within one year	**32,334**	78,128
One to five years	**-**	26,366
	32,334	104,494

22. *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.

23. *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:

- Mr Matthew Bull resigned from his role as Non-Executive Director effective 9 July 2018.
- The results of the Stage 1 Bunyu Graphite Project Feasibility Study were released on 31 July 2018.
- A binding Offtake Agreement, for 9,000 tonnes of Graphite product per annum, was signed with Qingdao Tianshengda Graphite Co Ltd on 2 August 2018.
- A revised Prospectus (IM) was lodged with the Tanzanian regulators on 17 August 2018 for approval of the US$30 to US$40 million Note issue to be listed on the Dar es Salaam Stock Exhange.
- The Company's wholly-owned subsidiary Volt Graphite Tanzania Ltd, received the Environmental Impact Assessment (EIA) Certificate from the National Environment Management Council of Tanzania (NEMC) on 3 September 2018.

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 2018 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 2018.

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

Asimwe Kabunga
Non-Executive Chairman

14 September 2018

Accountants | Business and Financial Advisers

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 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 2018 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 the existence of a material incertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 9 of the financial report	
In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit 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.	Our procedures included but were not limited to the following: ▪ We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; ▪ We considered 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.

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 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

‘

Auditor’s Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

HLB Mann Judd

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Volt Resources Limited for the year ended 30 June 2018 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

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
14 September 2018

The following additional information is required by the Australian Securities Exchange. The information is current as at 13 September 2018.

(a) Distribution schedule and number of holders of equity securities as at 13 September 2018

Issued Securities	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares	268	196	180	1,517	1,464	3,625
Options exercisable at $0.06 on or before 30 April 2019.	-	-	-	-	2	2
Options exercisable at $0.08 on or before 30 April 2019.	-	-	-	-	1	1
Options exercisable at $0.10 on or before 30 April 2019.	-	-	-	-	1	1
Options exercisable at $0.12 on or before 30 April 2019.	-	-	-	-	1	1
Performance Rights	-	-	-	-	3	3

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 13 September 2018 is 1,084.

(b) 20 Largest holders of quoted equity securities as at 13 September 2018

The names of the twenty largest holders of fully paid ordinary shares (ASX code: VRC) as at 13 September 2018 are:

Rank	Name	Shares	% of Total Shares
1	Kabunga Holdings Pty Ltd <Kabunga Family A/C>	160,142,017	11.00
2	Littlejohn Embrey Engineering Pty Ltd	26,000,141	1.79
3	Citicorp Nominees Pty Limited	22,353,297	1.54
4	Daroc Pty Limited <Daroc Super Fund A/C>	21,950,000	1.51
5	Chata Holdings Pty Ltd <Chata Super Fund A/C>	21,714,286	1.49
6	Ms Leticia Kokutengeneza Kabunga	21,652,490	1.49
7	Gerard C Toscan Management Pty Limited <Gerard C Toscan Fam No 2 A/C>	21,026,750	1.44
8	Mr Dominic Virgara	20,000,000	1.37
9	Mr Leslie Thomas King & Mrs Heather King <Robtom Super Fund A/C>	17,464,286	1.20
10	BNP Paribas Nominees Pty Ltd	15,492,482	1.06

Rank	Name	Shares	% of Total Shares
11	Mr Richard Him Sim Vom	12,258,657	0.84
12	Endjua Pty Ltd <Sallag S F A/C>	11,121,000	0.76
13	Mr Jim Anogianakis	9,495,200	0.65
14	HSBC Custody Nominees (Australia) Limited	9,488,641	0.65
15	Minerals And Metals Marketing Pty Ltd	9,472,740	0.65
16	Mr Paul John Anstee & Mr Rodney Michael Smith <Byrnesstreet Superfund A/C>	9,130,000	0.63
17	Mr Stephen Mark Young & Mrs Lilibeth Villamin Young <S&L Young Super A/C>	8,157,272	0.56
18	Ian David Penny	8,048,645	0.55
19	BNP Paribas Nominees Pty Ltd <Global Prime Omni DRP>	7,941,024	0.55
20	Molate Pty Limited <Allan Hain Retire Fund A/C>	7,534,000	0.52
	TOTAL	**440,442,928**	**30.25**

Stock Exchange Listing – Listing has been granted for 1,455,450,388 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 13 September 2018 are detailed below in part (d).

(c) Substantial shareholders

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

Name	Shares	% of Total Shares
Kabunga Holdings Pty Ltd <Kabunga Family A/C>	160,142,017	11.69%

(d) Unquoted Securities

The number of unquoted securities on issue as at 13 September 2018 is as follows:

Unquoted Security	Number on Issue
Options exercisable at $0.06 on or before 30 April 2019.	12,200,000
Options exercisable at $0.08 on or before 30 April 2019.	4,200,000
Options exercisable at $0.10 on or before 30 April 2019.	4,200,000
Options exercisable at $0.12 on or before 30 April 2019.	4,200,000
Performance Rights.	19,500,000

(e) Holder Details of Unquoted Securities

Unquoted security holders that hold more than 20% of a given class of unquoted securities as at 13 September 2018 other than the performance rights which were issued under an employee incentive scheme are as follows:

Security	Name	Number of Securities
Options exercisable at $0.06 on or before 30 April 2019.	EAS Advisors LLC	4,200,000
Options exercisable at $0.06 on or before 30 April 2019.	Melshare Nominees Pty Ltd	8,000,000
Options exercisable at $0.08 on or before 30 April 2019.	EAS Advisors LLC	4,200,000
Options exercisable at $0.10 on or before 30 April 2019.	EAS Advisors LLC	4,200,000
Options exercisable at $0.12 on or before 30 April 2019.	EAS Advisors LLC	4,200,000

(f) Restricted Securities as at 13 September 2018

The Company had no restricted securities as at 13 September 2018.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options and performance rights have no voting rights.

(h) On-Market Buy-Back

The Company is not currently undertaking an on-market buy-back.

(i) Corporate Governance

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

(j) Schedule of Mining Tenements

The schedule of interest in mining tenements both as at 30 June 2018 and as at 13 September 2018 is as follows:

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

Project	Location	Tenement Number	Status	Beneficial Interest
Tanzania Graphite	Tanzania - Nachingwea, Ruangwa & Masasi Districts	PL 10643/2015	Live	100%
	Tanzania - Ruangwa & Masasi Districts	PL 10644/2015	Live	100%
	Tanzania - Newala & Masasi Districts	PL 10667/2015	Live	100%
	Tanzania - Newala, Ruangwa & Masasi Districts	PL 10668/2015	Live	100%
	Tanzania - Ruangwa & Lindi Districts	PL 10717/2015	Live	100%
	Tanzania - Masasi District	PL 10718/2015	Live	100%
	Tanzania - Masasi District	PL 10788/2016	Live	100%