

ANNUAL REPORT

For the year ended 30 June 2020



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Corporate Directory

Directors

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

Company Secretary

Ms Susan Hunter

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Perth WA 6000

Securities Exchange

ASX:VRC



Your Directors submit the financial report of Volt Resources Limited (the Company) and its Controlled Entities (Consolidated Entity) for the year ended 30 June 2020.

DIRECTORS

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

Asimwe Kabunga	Non-Executive Chairman
Stephen Hunt	Non-Executive Director (resigned 1 May 2020)
Giacomo Fazio	Non-Executive Director (appointed 1 July 2019)

Trevor Matthews Managing Director (appointed 1 May 2020)

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 2020 was \$3,134,096 (2019: \$3,483,275).

REVIEW OF OPERATIONS

Overview

Key operational highlights during the 2020 financial year included:

Gold

The June quarter saw activity in relation to Volt's progression in establishing a new gold business whilst continuing with the development of its Bunyu Graphite Project in Tanzania.

The creation of a new gold business provides Volt shareholders with the opportunity to participate in the potential value accretion from gold exploration and development activities at a time when gold prices are at historical record levels, particularly through leveraging the Company's existing extensive networks in Africa.

Gold Projects Guinea

During May 2020 Volt entered into an agreement to acquire three highly prospective gold projects located in Guinea, Africa. The projects comprise six permits ("Permits") with a total area of 388km² in the prolific Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

The Company is to acquire all of the issued capital of Gold Republic Pty Ltd. Gold Republic is the legal and beneficial holder of all of the issued share capital in each of Norsk Gold Pte. Ltd, (a registered Singapore entity which in turn is the legal and beneficial holder of all of the issued share capital in Novo Mines Sarlu) and KB Gold Sarlu. Novo Mines and KB Gold hold 100% of the legal and beneficial interests in the Permits.

Completion of the acquisition occurred subsequent to the year end following shareholder approval at a general meeting held on 20 July 2020.

Guinea Projects and Permits

Volt has six permits and has formed them into three projects – the Kouroussa Project, Mandiana Project and Konsolon Project. See Figure 2 below for the project and permit locations.



The **Kouroussa Project** is formed by three permits, the *Kouroussa*, *Kouroussa West* and *Fadougou* permits. The Kouroussa and Kouroussa West permits border PDI's Kaninko Project which was the subject of a recently announced discovery of high-grade gold mineralization.

The **Konsolon Project** constitutes one large permit named *Konsolon*. The permit has a NW-SE trending soil geochemical anomaly identified by previous explorers.

The **Mandiana Project** is formed by the *Nzima* and *Monebo* permits. The Nzima permit area surrounds the Nzima gold deposit which is operated by small scale miners.



Figure 2. The Permits located in the Siguiri Basin which forms part of the richly mineralised West African Birimian Gold Belt.

Konsolon Project

Historical data compilation of the Konsolon Permit has identified multiple "gold in soil" anomalies between 1 to 2.5km in length. This project is located ~20km West from Nordgold's Lefa Gold Mine which has resources and reserves of over 6 million ounces.

The company has undertaken additional review of the Konsolon legacy soil geochemistry. Multiple gold in soil anomalies were identified between 1.0km and 2.5km in length across this permit.

Review of soil samples in this dataset has identified high grade gold including 20.25g/t, 12.87g/t, 5.12g/t, 4.97g/t and 3.21g/t.

Volt plans to collect grab samples across prospective zones prior to undertaking an auger geochemistry program in Q4 2020 to refine drill targets.



Kouroussa Project

The desktop studies and initial site visits have identified the presence of Birimian greenstone sequences in all Kouroussa Project permits. The geology is similar to the nearby Kouroussa and Kiniero Gold Projects currently in development.

In the Kouroussa area, significant artisanal workings have been mapped along a NE interpreted structural trend through the Kouroussa and Fadougou permits. Gold panning of material from one of the artisanal pits produced visible gold. This structural trend hosts the Predictive Discovery and Cassidy Gold Projects.

Volt has extended its Kouroussa West permit area to the south, doubling its size. Active small scale gold mining has been identified 1.5km south of the permit area.

Mandiana Project

Volt's in-country geology team commenced field activities in its Monebo and Nzima permits. The Nzima permit is in close proximity to the Nzima large artisanal mining operation. Work completed includes:

- Geological mapping of artisanal workings and collection of grab samples.
- Numerous active artisanal workings have been mapped across both permits.
- A total of 90 grab samples have been collected in Monebo (11 grab samples) and Nzima (79 grab samples) permits. The samples have been despatched to SGS Mali for analysis.

Luiri Hill Gold Project - Zambia

On 21 May 2020, the Company announced it had entered into an agreement to acquire an 85% interest in the Luiri Hill Gold Project ("Luiri Project") located in south-central Zambia, 120km west-northwest of the Zambian capital of Lusaka.

Shareholder approval for the issue of shares to acquire the Luiri Project was obtained at a general meeting held on 20 July 2020. The negotiations with the project vendors to finalise the Share Sale Deed and supplementary agreements have been extended and difficult to finalise. In addition, issues identified in the due diligence process in relation to the corporate entities holding the licences and other matters has raised concerns in relation to completing the acquisition.

Graphite

The Company remains focused on development of its wholly-owned Bunyu Graphite Project in Tanzania. The Bunyu Graphite Project is ideally located near to critical infrastructure with sealed roads running through the project area and ready access to the deep-water port of Mtwara 140km to the south east.

Bunyu Stage 1 Note Issue Developments

Volt's 100% owned Tanzanian subsidiary Volt Graphite Tanzania Plc ("VGT") is undertaking a private placement of Notes that will be listed on the Development and Enterprise Market ("DEM") of the Stock Exchange of Mauritius ("SEM"). The Note offer is seeking to raise US\$15,000,000 through the issue of Senior Notes – with a greenshoe option of up to US\$15,000,000 – to raise up to US\$30,000,000. In December, VGT's application for the listing of Notes was approved by the Stock Exchange of Mauritius' listing executive committee.

The Company and its advisor, Alphier Capital (formerly Exotix Capital) along with local brokers, commenced investor meetings from 27 January 2020 as part of a roadshow to market the Notes to sophisticated investors.

Due to the widespread impact of the COVID-19 pandemic on financial markets and the associated delays as institutions and investment groups changed their work arrangements leading to delays in conducting due diligence and the deferral of investment decisions, the Company provided potential investors with additional time to complete these processes.

The Mauritian Note offer was extended to close on 30 June 2020 and prior to the year end was further extended to 30 September 2020.

A number of alternative funding proposals were presented to the Company as result of the engagement with numerous investment groups as part of the Note offer marketing process with some of these currently being progressed in parallel with the Note Offer process.



The purpose of progressing with the Mauritian Note offer and alternative funding proposals is to enable the Company to:

- (a) commence the development of the Stage 1 Bunyu Graphite Project in Southern Tanzania including the construction of a 400,000tpa concentration plant and associated infrastructure; and
- (b) fund the resettlement costs of people currently farming and/or living within the project development area.

Bunyu Metallurgical Testwork

During the March quarter the Company commenced the first stage of a testwork program on graphite ore from the Bunyu Graphite Project in Tanzania. The testwork program was undertaken by highly respected technical group, American Energy Technologies Co. ("AETC") which is headquartered and operates research and laboratory facilities in Chicago, Illinois.

In January 2020, Volt commissioned AETC to undertake a testwork program using a representative sample from drilling completed as part of the Stage 1 Feasibility Study at the Company's Bunyu Graphite Project. A graphite product from the Bunyu ore sample was prepared and analysed for certain physical, chemical and processing properties to provide information for its suitability for several value-added graphite market applications including as anode feedstock for Li-ion battery cells.

Below is a table with the Stage 1 product size distribution compared with the product distribution from the AETC graphite product from the testwork program.

There is a substantial increase in the percentage of high priced +30# and +50# graphite flake with a consequent reduction mainly in the lower priced fine graphite flake. With further testwork and analysis, this could have major economic benefits for both the Stage 1 and Stage 2 Bunyu project.

Size (µm)	Size (#)	% Distribution Stage 1 FS	% Distribution AETC Testwork
+500	+30	1	7
+300	+50	11	32
+180	+80	27	25
+150	+100	15	8
-150	-100	46	28
	Total	100	100

If through further testwork the benefits in flake size distribution continue, the next step would be to consider the incorporation into the Stage 1 feasibility study and flowsheet design. The operating and capital cost changes to the current Stage 1 plant are expected to be minimal and more than offset by the substantial increase in sales revenue.

Offtake Agreement Extended

The binding sales agreement ("Agreement") between VGT and Qingdao Tianshengda Graphite Co. Ltd. ("Tianshengda") for 9,000 tonnes per annum of Bunyu Graphite Product over five years was executed on 1 August 2018.

The Agreement is conditional upon VGT confirming that it has completed the construction and commissioning of the Stage 1 Project for mine development and upon completion of the processing plant for the treatment of sufficient ore from the Project within defined milestone dates. The milestone dates were due to expire in the March 2020 quarter.

In December 2019 the Company and Tianshengda executed an amendment to the Agreement extending these milestone dates by a further 2 years. This is a strong show of support and confidence by Volt's offtake partner, Tianshengda, and reflects not only the quality of Volt's graphite products but the expected strong increase in



flake graphite demand in coming years from Electric Vehicle and grid energy storage, flame retardant building materials and other new industrial applications.

The Tianshengda Offtake Agreement is one of two binding offtake agreements entered into by VGT and there is a further offtake agreement in draft that is to be executed once development funding is obtained. The combined offtake quantities under the existing and planned offtake agreements has completed the sale of product forecast to be available from Stage 1 production.

Community Relations Overview

The Company's 100% owned subsidiary VGT continued to strengthen relationships with local communities even though project development activities are deferred while development funding is being progressed. VGT maintained strong communication through update reports, Resettlement Working Group meetings and meetings with the district government, ward and village leaders.

Furthermore, VGT continued to make local financial contributions as part of its social investment program which includes the continued payment of a monthly allowance to Nursery School teachers at Utimbula village and financial contributions for a new ward office and school classroom facilities.

Corporate Overview

In July 2019, the maturity date for the loan note facility with RiverFort Global Capital and Yorkville Advisors was extended by two months, from 14 July 2019 to 14 September 2019.

Volt launched a Share Purchase Plan ("SPP") in July 2019, which closed oversubscribed during August to raise a total of \$1,299,000. In addition, a further \$250,000 was raised via a top-up placement of new shares to sophisticated and professional investors at the same issue price as the SPP and \$100,000 requiring shareholder approval at the 2019 AGM, taking the total amount raised to \$1,649,000.

On 23 August 2019 based on an issue price of \$0.012 per share, 108,250,081 shares were issued under the Share Purchase Plan and a further 20,833,335 shares were issued in relation to the \$250,000 top-up placement.

Funds raised under the SPP and Placement were used to repay the outstanding loan notes due to Riverfort Global Capital and Yorkville Advisors, which was due on 14 September 2019, and for general working capital and corporate purposes.

In the December 2019 quarter, the Company undertook a 1 for 12.9 non-renounceable Rights Issue ("Rights Issue") of ordinary shares, which closed in December, raising \$1,251,000 following the underwriting and placement of all shortfall shares. Funds raised from the Rights Issue were used to progress the DEM listed Note issue, discussions with other development funding sources and for general corporate and working capital.

On 8 January, the Company announced that it received \$638,055 from the issue of 63,805,449 shares following the underwriting and placement of the shortfall shares from the recently closed Rights Issue

On 14 May 2020, the Company announced it had successfully raised \$800,000 (before costs) to assist with funding the initial exploration programs on the Guinea gold project and to provide working capital for Volt's Tanzanian graphite project and meet corporate costs. The capital raising was completed through the placement of 160,000,000 new fully paid ordinary shares at A\$0.005 per share (Placement) plus 80,000,000 unlisted options with an exercise price of A\$0.01 and a maturity date 24 months from the date of issue (with each investor to receive one option for every two shares subscribed for under the Placement).

General Meetings

The AGM was held on 20 November 2019 and all resolutions were passed.

Board and Management Changes

On 1 July 2019, the Company appointed Mr Giacomo (Jack) Fazio as Non-Executive Director, following the resignation of Mr Alwyn Vorster.



On 30 April 2020, Mr Trevor Matthews resigned as CEO.

On 1 May 2020, the Company appointed Mr Trevor Matthews as Managing Director, following the resignation of Mr Stephen Hunt.

DIRECTOR AND COMPANY SECRETARY INFORMATION

Mr Asimwe Kabunga | Non Executive Chairman

From 4 August 2017, appointed 5 April 2017

Qualifications: Bachelor of Science Mathematics and Physics.

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

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

Interests in Shares and Options over Shares in the Company: 342,350,874 fully paid ordinary shares.

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 Trevor Matthews | Managing Director

Appointed 1 May 2020

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

Other current directorships of Listed Public Companies: nil.

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

Interests in Shares and Options over Shares in the Company: 1,580,043 fully paid ordinary shares.

Mr Matthews has an accounting and finance background with over 25 years experience in the resources industry including roles with North and WMC Resources in executive-level positions. More recently, his last two roles were as MD for MZI Resources (2012-16) and Murchison Metals (2005-11). During his career Mr Matthews has gained considerable experience managing a number of nascent resource projects through to production.

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

Mr Giacomo (Jack) Fazio | Non-Executive Director

Appointed 1 July 2019

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

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

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

Interests in Shares and Options over Shares in the Company: 915,892 fully paid ordinary shares.



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

Mr Stephen Hunt | Non-Executive Director

Resigned 1 May 2020

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

Other current directorships of Listed Public Companies: American Pacific Borate and Lithium Limited.

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

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 was a founding director of Magnis Resources Limited.

Ms Susan Hunter | Company Secretary

Appointed 1 August 2017

Ms Hunter has over 25 years' experience in the corporate finance industry and has extensive experience in Company Secretarial and Non-Executive Director roles on ASX, AIM and TSX listed companies. She is founder and Managing Director of consulting firm 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 2020, and the number of meetings attended by each Director.

Directors	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Asimwe Kabunga	6	6
Mr. Trevor Matthews ²	1	1
Mr. Giacomo Fazio ³	6	6
Mr. Stephen Hunt ¹	5	5

Notes:

1. S. Hunt resigned on 1 May 2020.
2. T. Matthews was appointed as Managing Director on 1 May 2020. T. Matthews attended all Board meeting held during the year prior to his appointment as Managing Director in the capacity of CEO.
3. G. Fazio was appointed on 30 June 2019.



SHARE OPTIONS

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

Grant Date	Details	Expiry Date	Exercise Price	Balance 30 June 2020
25 Jun 2019	Unlisted options	23 Dec 2020	\$0.04	25,536,000
15 May 2020	Unlisted options	15 May 2022	\$0.01	80,000,000
				105,536,000

PERFORMANCE RIGHTS

During the 2020 financial year no performance rights have been issued and 10,000,000 performance rights have been cancelled or lapsed. A balance of 10,000,000 performance rights remain outstanding at balance date and at the date of this report.

REMUNERATION REPORT

The "Remuneration Report" which forms part of the Director's Report, outlines the remuneration arrangements in place for the Key Management Personnel of Volt Resources Limited for the year ended 30 June 2020 and is included from page 13.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the year which will significantly affect, or may 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:

On 20 July 2020, the Company held a General Meeting of shareholders, the following resolutions voted on and passed.

- Ratification of the prior issue of 160,000,000 shares and 80,000,000 options issued on 15 May 2020.
- Approval for the issue of 121,718,576 shares to Kabunga Holdings Pty Ltd.
- Approval for the issue of \$3.75million in shares to the vendors on the Luiri Project.
- Approval for the issue of 10,000,000 Performance Rights to Mr Hashimu Millanga.

On 28 July 2020, the Company announced the completion of the acquisition of the Guinea Gold Project via the acquisition of all of the issued shares in Gold Republic Pty Ltd ("Gold Republic"). Gold Republic holds the permits for three gold projects (Mandiana, Konsolon and Kouroussa) located in Guinea, Africa. The projects comprise six permits located in the prolific Suiguri Basin with a total area of 388km².

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 the Senior Note Offer to be listed on issue on the Mauritian DEM, to raise development funding, initially for the Stage 1 Bunyu Graphite Project to allow directors to make a Final Investment Decision (FID) based on the Stage 1 Feasibility Study completed in July 2018.

Subsequent to development funding 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the group to the date of this report.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2020 (2019: nil).

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE GOVERNANCE

A copy of Volt's 2020 Corporate Governance Statement, which provides detailed information about governance, and a copy of Volt's Appendix 4G which sets out the Company's compliance with the recommendations in the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at <https://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 2020 (2019: nil).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020, which forms a part of the directors' report has been received and is included within this annual report at page 18.



REMUNERATION REPORT (Audited)

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

Remuneration Committee

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

Remuneration Philosophy

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

Remuneration Structure

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

Non-Executive Directors

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at General Meeting and was capped at \$360,000 in November 2018. The Company's policy is to remunerate non-executive directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the Company, however to align directors' interests with shareholders' interests, directors are encouraged to hold shares in the Company, and subject to approval by shareholders, are permitted to participate in the Employee Share Option Plan.

Retirement Benefits and Allowances

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

Performance on shareholder wealth

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

	2020	2019	2018	2017	2016
EPS loss (cents)	(0.20)	(0.24)	(0.27)	(0.32)	(0.57)
Net profit / loss (\$'000)	(3,134)	(3,483)	(3,079)	(3,102)	(3,807)
Exploration and Evaluation expenditure (\$'000)	355	603	4,863	6,167	3,114
Share price (\$)	0.024	0.020	0.021	0.029	0.105

**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. No bonuses have been paid or are payable in respect of the year to 30 June 2020. 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 commencing 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 or payment in lieu.

Under an established Performance Rights Plan approved by shareholders, Mr Matthews was issued 35,000,000 Performance Rights during the prior year in the following tranches subject to vesting conditions:

- Tranche A – 15,000,000 Performance Rights vest on the Company raising a minimum of US\$30 million for the development of the Bunyu Stage 1 Project by 31 March 2019.
- Tranche B – 10,000,000 Performance Rights vest on the receipt of first sales revenue from product produced from the Binyu Stage 1 Project evidenced by the receipt of cash proceeds in a Volt Group Company's bank account by 30 June 2020.
- Tranche C – 10,000,000 Performance Rights vest on the achieving a 20 business day VWAP equal to or exceeding 15 cents per share for the Company within 3 years of grant date.

The condition for Tranche A was not achieved by 31 March 2019 resulting in the 15,000,000 performance rights lapsing, the condition for Tranche B was not achieved by 30 June 2020 resulting in 10,000,000 performance rights lapsing.

On 1 May 2020, Mr Trevor Matthews resigned his position as CEO and was appointed Managing Director.

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

Use of Remuneration Consultants

The Board is satisfied that the recommendations of remuneration consultants (if utilised) were made free from undue influence from any member of Key Management Personnel. No remuneration consultants were utilised during the 2020 financial year.



Remuneration of Directors and Key Management Personnel

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

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

2019	Short term			Performance rights	Post employment		
	Cash salary and fees	Leave and other entitlements	Consulting fees	Share based payments	Super-annuation	Total	Performance related
Directors	\$	\$	\$	\$	\$	\$	%
Asimwe Kabunga	133,071	-	-	-	-	133,071	-
Stephen Hunt	52,560	-	-	-	-	52,560	-
Alwyn Vorster ²	52,560	-	-	-	-	52,560	-
Matthew Bull ¹	1,000	-	-	-	95	1,095	-
	239,191	-	-	-	95	239,286	-
KMP							
Trevor Matthews	270,000	2,923	-	591,582	30,000	894,505	66.1
Mark Hoffmann	209,331	953	-	-	19,886	230,170	-
	479,331	3,876	-	591,582	49,886	1,124,675	52.6
	718,522	3,876	-	591,582	49,981	1,363,961	43.4

1. Matthew Bull resigned 9 July 2018.
2. Alwyn Vorster resigned 30 June 2019.



Share Based Compensation

Options

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

Performance Rights

The conditions for Tranche B were not achieved resulting in 10,000,000 performance rights lapsing.

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

	Black Scholes Option Model	Trinomial Option Model
Details	Tranche B Performance Rights expiring 30-Jun-2020	Tranche C3 Performance Rights expiring 22- Oct-2021
Share price barrier	n/a	\$0.15
Expected volatility	80%	70%
Risk free interest rate	2.025%	2.09%
Expected life	1.69 years	3 years
Exercise price	nil	nil
Grant date share price	\$0.021	\$0.021
Fair value per right	\$0.021	\$0.004

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
2020					
Asimwe Kabunga	160,142,017	-	-	60,490,281	220,632,298
Giacomo Fazio	-	-	-	915,892	915,892
Trevor Matthews	125,935	-	-	1,454,108	1,580,043
Stephen Hunt ²	12,687,026	-	-	(12,687,026)	-
Mark Hoffmann ³	300,000	-	-	(300,000)	-
Total	173,254,978	-	-	49,873,255	223,128,233
2019					
Asimwe Kabunga	160,142,017	-	-	-	160,142,017
Stephen Hunt	12,687,026	-	-	-	12,687,026
Matthew Bull	4,088,885	-	-	(4,088,885)	-
Alwyn Vorster ¹	6,229,437	-	-	(6,229,437)	-
Trevor Matthews	72,920	-	-	53,015	125,935
Mark Hoffmann	300,000	-	-	-	300,000
Total	183,520,285	-	-	(10,265,307)	173,254,978

1. Alwyn Vorster resigned 30 June 2019.

2. Stephen Hunt resigned 1 May 2020.

3. Mark Hoffmann was made redundant 5 February 2020.



Performance rights

Key Management Personnel	Balance at Beginning of Year	Granted as Remuneration	Vested and converted into ordinary shares	Lapsed as hurdle not achieved / cancelled	Balance at End of Year
2020					
Asimwe Kabunga	-	-	-	-	-
Giacomo Fazio	-	-	-	-	-
Trevor Matthews	20,000,000	-	-	(10,000,000)	10,000,000
Stephen Hunt ²	-	-	-	-	-
Mark Hoffmann ³	-	-	-	-	-
Total	20,000,000	-	-	(10,000,000)	10,000,000
2019					
Asimwe Kabunga	-	-	-	-	-
Stephen Hunt	2,500,000	-	-	(2,500,000)	-
Matthew Bull	-	-	-	-	-
Alwyn Vorster ¹	2,000,000	-	-	(2,000,000)	-
Trevor Matthews	15,000,000	35,000,000	-	(30,000,000)	20,000,000
Mark Hoffmann	-	-	-	-	-
Total	19,500,000	-	-	(34,500,000)	20,000,000

1. Alwyn Vorster resigned 30 June 2019.

2. Stephen Hunt resigned 1 May 2020.

3. Mark Hoffmann was made redundant 5 February 2020.

No employee share option were granted as remuneration during the 2020 and 2019 financial years. Performance rights have been the preferred method of remuneration in recent years.

Other Transactions with Key Management Personnel of the Consolidated Entity

Entities associated with Mr Stephen Hunt and Mr Asimwe Kabunga both provided unsecured short-term loans of \$50,000 each. The loans have a 10% interest rate per annum payable at maturity and a maturity date of 15 July 2019 or earlier at the Company's discretion. These loans were repaid in full on 1 July 2019.

On 14 November 2019 Mr Asimwe Kabunga and Mr Trevor Matthews both provided unsecured short-term loans of \$50,000. The loans have a 10% interest rate per annum payable at maturity and an initial maturity date of 31 December 2019 or earlier at the Company's discretion. The loan from Mr Kabunga was repaid on 9 January 2020 by issue of shares at \$0.01. On 8 April 2020, a further \$20,000 was lent by Mr Trevor Matthews, the balance of \$73,595 including capitalised interest remains unpaid at 30 June 2020.

During the 2020 financial year, there were no other transactions with Key Management Personnel.

End of Remuneration Report

Signed in accordance with a resolution of directors.

Asimwe Kabunga
Non-Executive Chairman
30 September 2020

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 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
30 September 2020

B G McVeigh
Partner

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

		2020 \$	2019 \$
Revenue			
Interest income		580	4,071
Other income		41,685	-
Expenses			
Corporate compliance fees		(401,755)	(534,882)
Corporate management costs		(1,524,291)	(1,840,920)
Foreign exchange gain (loss)		290	38,222
Marketing and investor relations costs		(205,945)	(202,064)
Occupancy expenses		(46,364)	(156,427)
Share based payments	2	72,449	(591,582)
Finance costs		(765,662)	(233,280)
Other expenses	2	(350,582)	(607,586)
Loss before income tax		(3,179,595)	(4,124,448)
Income tax (expense)/benefit	3	45,499	641,173
Loss after income tax		(3,134,096)	(3,483,275)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		1,161,504	(61,075)
Other comprehensive loss for the year, net of income tax		1,161,504	(61,075)
Total comprehensive loss for the year		(1,972,592)	(3,544,350)
Loss attributable to:			
Owners of Volt Resources Limited		(3,139,173)	(3,493,873)
Non-controlling interests		5,077	10,598
		(3,134,096)	(3,483,275)
Total comprehensive loss attributable to:			
Owners of Volt Resources Limited		(1,973,390)	(3,554,948)
Non-controlling interests		798	10,598
		(1,972,592)	(3,544,350)
Loss per share attributable to owners of Volt Resources Limited			
Basic and diluted loss per share (cents per share)	4	(0.19)	(0.24)

The accompanying notes form part of these financial statements.



Consolidated Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	5	264,449	1,171,421
Trade and other receivables	6	129,281	41,748
Prepayments		39,465	40,413
Total current assets		433,195	1,253,582
Non-current Assets			
Trade and other receivables		-	3,900
Other financial assets		-	30,000
Property, plant and equipment	8	40,846	45,676
Deferred exploration and evaluation expenditure	9	23,959,210	22,394,753
Total non-current assets		24,000,056	22,474,329
Total assets		24,433,251	23,727,911
Current Liabilities			
Trade and other payables	10	679,635	347,354
Provisions		-	62,260
Borrowings	12	1,543,299	1,523,709
Total current liabilities		2,222,934	1,933,323
Non-current Liabilities			
Borrowings	12	-	1,004,648
Total non-current liabilities		-	1,004,648
Total liabilities		2,222,934	2,937,971
Net assets		22,210,317	20,789,940
Equity			
Share capital	13	67,880,852	64,415,434
Reserves	14	1,113,436	20,102
Accumulated losses		(46,574,311)	(43,435,138)
Parent entity interest		22,419,977	21,000,398
Non-controlling interests		(209,660)	(210,458)
Total equity		22,210,317	20,789,940

The accompanying notes form part of these financial statements.



Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Share capital \$	Reserves \$	Accumulated losses \$	Parent entity interest \$	Non-controlling interests \$	Total equity \$
At 1 July 2018	63,973,234	163,204	(40,614,874)	23,521,564	(221,056)	23,300,508
Loss for the year	-	-	(3,554,948)	(3,554,948)	10,598	(3,544,350)
Other comprehensive loss	-	(61,075)	61,075	-	-	-
Total comprehensive loss	-	(61,075)	(3,493,873)	(3,554,948)	10,598	(3,544,350)
<i>Transactions with owners in their capacity as owners</i>						
Shares issued	434,747	-	-	434,747	-	434,747
Cost of share issue	7,453	-	-	7,453	-	7,453
Equity exercised/expired	-	(673,609)	673,609	-	-	-
Share based payments	-	591,582	-	591,582	-	591,582
At 30 June 2019	64,415,434	20,102	(43,435,138)	21,000,398	(210,458)	20,789,940
At 1 July 2019	64,415,434	20,102	(43,435,138)	21,000,398	(210,458)	20,789,940
Loss for the year	-	-	(3,139,173)	(3,139,173)	5077	(3,134,096)
Other comprehensive loss	-	1,165,783	-	1,165,783	(4,279)	1,161,504
Total comprehensive loss	-	1,165,783	(3,139,173)	(1,973,390)	798	(1,972,592)
<i>Transactions with owners in their capacity as owners</i>						
Shares issued	3,699,963	-	-	3,699,063	-	3,699,963
Cost of share issue	(234,545)	-	-	(234,545)	-	(234,545)
Share based payments	-	(72,449)	-	(72,449)	-	(72,449)
At 30 June 2020	67,880,852	1,113,436	(46,574,311)	22,419,977	(209,660)	22,210,317

The accompanying notes form part of these financial statements.



Consolidated Statement of Cash Flows

For the year ended 30 June 2020

		2020	2019
		\$	\$
Cashflows from Operating Activities			
Government incentive received		33,348	-
Research and development tax credit received		-	641,173
Payments to suppliers and employees		(2,252,585)	(3,831,464)
Interest received		580	5,320
Finance costs		(120,514)	(19,210)
Net cash used in operating activities	5	(2,339,171)	(3,204,181)
Cashflows from Investing Activities			
Payments for exploration expenditure		(355,195)	-
Proceeds from disposal of plant and equipment		-	609
Refund of rental bond		-	59,088
Net cash (used in) / from investing activities		(355,195)	59,697
Cashflows from Financing Activities			
Proceeds from issue of shares		3,380,155	429,825
Proceeds from borrowings		132,208	2,435,218
Repayment of borrowings		(1,526,424)	(491,625)
Payments of share issue costs		(198,545)	39,812
Costs of loan financing		-	(289,602)
Net cash from financing activities		1,787,394	2,123,628
Net decrease in cash held		(906,972)	(1,020,856)
Cash and cash equivalents at beginning of period		1,171,421	2,192,277
Cash and cash equivalents as at year end	5	264,449	1,171,421

The accompanying notes form part of these financial statements.



Notes to the Consolidated 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.

(b) Going Concern

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

At 30 June 2020 the Consolidated Entity had cash of \$264,449 and net assets of \$22,210,317 primarily represented by deferred exploration expenditure of \$23,959,210 on its Graphite prospecting tenements in Tanzania. During the year, net cash outflows from operating activities totalled \$2,339,171 primarily in relation to corporate compliance, management, marketing and investor relations costs of the listed parent entity.

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

- (i) The Consolidated Entity is progressing a Senior Note Offer and listing on the Stock Exchange of Mauritius and other funding options. Assuming a successful Note issue and the sourcing of supplementary funding, all expenditures relating to the Bunyu Graphite project and Tanzanian activities will be met out of these funds in Tanzania. The 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. a capital raising;
 - b. issue of convertible securities; 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 continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(c) Adoption of new and revised standards

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the current annual reporting periods beginning on or after 1 July 2019. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity's accounting policies.



The new Standards effective and adopted are documented below:

AASB 16 Leases

If a lessee has significant operating leases outstanding at the date of initial application, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.

This will increase EBITDA as operating leases that were previously expensed will be amortised as a right-of-use asset, and an interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under the existing standard. This trend will reverse in the later years.

There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.

The Consolidated Entity has considered this standard and identified there has been no impact on the financial statements as the Consolidated Entity does not have any lease contracts in place.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Consolidated Entity and effective for the half-year reporting periods beginning on or after 1 January 2019. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity's accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(d) Statement of compliance

The financial report was authorised for issue on 30 September 2020. 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).

(e) 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.



(f) **Critical accounting judgements and key sources of estimation uncertainty**

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

Share-based payment transactions:

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

Exploration and evaluation expenditure:

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

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

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

2. Revenue and expenses

	2020	2019
	\$	\$
Other income		
Cashflow boost	41,685	-
	41,685	-
Expenses include:		
Share based payments - Performance rights	(72,449)	591,582
Other expenses		
Corporate advisors and brokers, including business development	1,667	113,939
Depreciation	9,029	50,729
Travel and accommodation	29,785	118,470
Other	310,101	324,448
Total other expenses	350,582	607,586

Accounting policy: revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the



relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest income

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

3. Income tax

	2020	2019
	\$	\$
<i>A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable tax rate is as follows:</i>		
Total loss before income tax expense	(3,179,595)	(4,124,448)
Tax at the group rate of 30% (2019: 30%)	953,879	1,237,334
Share based payments	21,735	(177,475)
Non-deductible expenses	(635,584)	(795,288)
Non-assessable income	12,506	-
Capital raising costs deductible	29,196	34,376
Income tax losses not brought to account	(381,732)	(298,947)
Profit and loss proportion of research and development tax credit	45,499	641,173
Income tax benefit	45,499	641,173

The tax rates used in the above reconciliation are the corporate tax rates of Australia 30% and Tanzania 30% (2019: Australia 30%, Tanzania 30%). The 27.5% tax rate on taxable profits for small businesses does not apply to Australian corporate entities under Australian tax law if greater than 80% passive income is expected. The Consolidated Entity has tax losses arising in Australia of \$20,339,592 (2019: \$19,251,419) 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 on losses arising in Tanzania to 30 June 2019 totalled A\$1.649 million equivalent. The Tanzania tax losses for the year ended 30 June 2020 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.

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.

Accounting policy: other taxes

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

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

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

4. Loss per share

	2020	2019
	\$	\$
Loss attributable to owners of Volt Resources Limited		
used in calculating basic and dilutive EPS	(3,139,173)	(3,483,275)



	2020 Number	2019 number
Weighted average number of ordinary shares used in calculating basic and diluted earnings / (loss) per share (*):	1,677,153,454	1,455,635,268
	Cents per share	Cents per share
Basic / diluted loss per share	(0.19)	(0.24)

*As the Consolidated Entity is loss making in both 2020 and 2019, no potential ordinary shares are considered to be dilutive as they would act to decrease the loss per share. The options on issue (Note 13) represent potential ordinary shares but are not dilutive and accordingly have been excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted loss per share.

Accounting policy: earnings/loss per share

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

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

5. Cash and cash equivalents

	2020 \$	2019 \$
<i>Reconciliation of operating loss after tax to the net cash flows from operations:</i>		
Loss after tax	(3,134,096)	(3,483,275)
<i>Non-cash items</i>		
Depreciation and impairment charges	9,029	50,728
Foreign currency (gain)/loss	(3,910)	(38,222)
Share based payments	(72,449)	591,582
Capitalised interest	454,926	-
Debt establishment fees	189,994	-
<i>Change in assets and liabilities</i>		
Trade and other receivables	(53,633)	112,485
Prepayments	948	6,917
Trade and other payables	332,280	(447,789)
Provisions	(62,260)	3,393
Net cash outflow from operating activities	(2,339,171)	(3,204,181)
<i>Reconciliation of cash:</i>		
Cash at bank and on hand	264,449	1,171,421
	264,449	1,171,421

**Accounting policy: cash and cash equivalents**

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

6. Trade and other receivables

	2020	2019
	\$	\$
Current		
GST receivable	23,426	15,562
Cashflow boost receivable	16,674	-
Other receivable	89,181	26,186
	129,281	41,748
Non-current		
Rental bond	-	3,900
	-	3,900

Accounting policy: trade and other receivables

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

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

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

7. Other financial asset

	2020	2019
	\$	\$
Term deposit	-	30,000
	-	30,000

Accounting policy: financial assets

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

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

Financial assets at fair value through profit or loss

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



a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

8. Plant and equipment

	2020	2019
	\$	\$
Plant and equipment – at cost	158,378	148,617
Accumulated depreciation	(117,532)	(102,941)
Net book amount	40,846	45,676
Balance at the beginning of the year	45,676	100,480
Acquisitions	-	-
Depreciation expense	(9,029)	(50,729)
Disposal	-	(4,075)
Foreign currency translation	4,199	-
Balance at the end of the year	40,846	45,676

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.

Impairment

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



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

Derecognition and disposal

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

9. Deferred exploration and evaluation expenditure

	2020 \$	2019 \$
Exploration and evaluation phase – at cost		
At beginning of the year	22,394,753	21,786,559
Exploration expenditure during the year	355,195	602,879
Foreign currency translation	1,209,262	5,315
Total exploration and evaluation	23,959,210	22,394,753

Accounting policy: exploration and evaluation

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

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

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



Ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale, of the respective areas of interest.

Accounting policy: impairment of assets

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

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

10. Trade and other payables

	2020	2019
	\$	\$
Trade payables and accruals	679,635	347,354
	679,635	347,354

Accounting policy: trade and other payables

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

11. Provisions

	2020	2019
	\$	\$
Employee entitlements	-	62,260
	-	62,260



12. Borrowings

	2020	2019
	\$	\$
Current		
Directors' loans ^{a),d)}	73,595	100,948
Short-term loan ^{b)}	1,461,159	1,422,761
Insurance premium funding	8,545	-
	1,543,299	1,523,709
Non-current		
18 month US\$ loan ^{c)}	-	1,004,648
	-	1,004,648
Total borrowings	1,543,299	2,528,357

Movement in borrowings:

	Other loans	Lars bader loan	Working capital	Insurance premium funding	Total
	\$	\$	\$	\$	\$
2020					
Opening balance	1,422,761	1,004,648	100,948	-	2,528,357
Proceeds from borrowings	-	-	120,000	12,208	132,208
Repayment of borrowings	(1,422,761)	-	(100,000)	(3,663)	(1,526,424)
Non-cash repayments	-	-	(50,329)	-	(50,329)
Interest paid	(13,236)	(102,186)	(948)	(201)	(116,571)
Interest and borrowing costs expensed	13,236	540,902	3,924	201	558,263
Forex movement on USD loans	-	17,795	-	-	17,795
	-	1,461,159	73,595	8,545	1,543,299

	Other loans	Lars bader loan	Working capital	Convertible loan	Total
	\$	\$	\$	\$	\$
2019					
Opening balance	-	-	-	399,844	399,844
Proceeds from borrowings	1,339,286	995,932	100,000	-	2,435,218
Repayment of borrowings	(91,781)	-	-	(399,844)	(491,625)
Interest paid	(10,329)	-	-	-	(10,329)
Capitalised interest	-	3,274	948	-	4,222
Interest and borrowing costs expensed	160,714	5,442	-	-	166,156
Forex movement on USD loans	24,871	-	-	-	24,871
	1,422,761	1,004,648	100,948	-	2,528,357

- a) On the 27 May 2019 Volt Director's Mr Hunt and Mr Kabunga provided unsecured loans of \$50,000 each on commercial terms or better at 10.0% per annum repayable by 15 July 2019 or earlier at the Company's election. These were repaid in full on 1 July 2019.
- b) The Company entered into a secured funding agreement on 14 January 2019 to provide a short-term loan for six months with a face value equivalent to A\$1.5 million (US\$1.0 million) and principal repayments totalling approximately A\$0.1 million during the April to June 2019 quarter, the loan is



denominated in US\$ and the proceeds totalled the equivalent of A\$1,339,286. Subsequent to year's end the loan maturity was extended from 14 July 2019 to 14 September 2019. This loan was paid during the year.

- c) On the 24 June 2019 as part of US\$1.0 million in funding from a European based high net worth investor, Volt received US\$700,000 in unsecured loan funds with the full amount due at maturity in 18-months. The total amount payable at maturity includes a deferred establishment fee of US\$350,000. On 26 June 2020, interest payable of US\$70,000 was capitalised to the loan balance bringing to total loan to US\$770,000. The interest rate applicable for the remainder of the loan term increased to 30% per annum.
- d) On 14 November 2019 Mr Asimwe Kabunga and Mr Trevor Matthews both provided unsecured short-term loans of \$50,000. The loans have a 10% interest rate per annum payable at maturity and an initial maturity date of 31 December 2019 or earlier at the Company's discretion. The loan from Mr Kabunga was repaid on 9 January 2020 by issue of shares at \$0.01. On 8 April 2020, a further \$20,000 was lent by Mr Trevor Matthews, the balance of \$73,595 including capitalised interest remains unpaid at 30 June 2020.

13. Issued capital

a) Share capital

	2020	2019
	\$	\$
Ordinary shares fully paid	67,880,852	64,415,434
	67,880,852	64,415,434

b) Movement in shares on issue

	2020 number	2020 \$	2019 number	2019 \$
Balance at the beginning of the year	1,476,323,875	64,415,434	1,455,379,711	63,973,234
Share placements	168,333,334	900,000	20,845,714	429,824
Shares issued in lieu of interest	-	-	98,450	4,923
Share purchase plan	129,083,416	1,549,000	-	-
Rights issue	125,096,172	1,250,963	-	-
Share issue costs		(234,545)	-	7,453
Balance at the end of the year	1,898,836,797	67,880,852	1,476,323,875	64,415,434

c) Share options

Grant Date	Details	Expiry Date	Exercise Price	Balance 30 June 2019	Movement during the year	Balance 30 June 2020
25 Jun 2019	Unlisted options	23 Dec 2020	\$0.04	25,536,000	-	25,536,000
15 May 2020	Unlisted options	15 May 2022	\$0.01	-	80,000,000	80,000,000
				25,536,000	80,000,000	105,536,000

The options granted during the 2020 financial year were free attaching to the May 2020 placement. The options granted during the 2019 financial year were free attaching to the June 2019 placement



d) Performance rights

Milestone	Expiry Date	Tranche	Balance 30 June 2019	Expired during the year	Balance 30 June 2020
Receipt of the first sales revenue from product produced from the Bunyu Stage 1 project	30 Jun 2020	B	10,000,000	(10,000,000)	-
Achieving a VRC 20-day VWAP of 15 cents per share	Within 3 yrs of grant	C	10,000,000	-	10,000,000
			20,000,000	(10,000,000)	10,000,000

The vesting conditions for the Tranche B performance rights were not met prior to the expiry date.

Tranche C rights contain market based vesting conditions and have been valued using an up and in single barrier share option pricing model with a Parisian barrier adjustment. The model takes into consideration that the Tranche C Rights will vest at any time during the performance period, given that the VWAP exceeds the determined barrier over the specified number of days. The model incorporates a trinomial option pricing model.

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.

14. Reserves

	2020	2019
	\$	\$
Share based payments reserve	22,393	94,842
Foreign currency translation reserve	1,091,043	(74,740)
	1,113,436	20,102

Movement in reserves;

	2020	2019
	\$	\$
Share based payments reserve		
Balance at the beginning of the year	94,842	176,869
Share based payment	(72,449)	591,582
Transfer to accumulated losses on expiry of options and lapse of performance rights	-	(673,609)
Balance at the end of the year	22,393	94,842
Foreign currency translation reserve		
Balance at the beginning of the year	(74,740)	(13,665)
Currency translation differences	1,165,783	(61,075)
Balance at the end of the year	1,091,043	(74,740)
Total reserves	1,113,436	20,102

**Accounting policy: foreign currency translation**

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

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

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

15. Share based payments

Vesting expense of \$137,551 was recognised during the year in relation to the Tranche B and C performance rights on issue to Trevor Matthews. A \$210,000 reversal of amounts previously expensed has also been recognised as a result of the vesting conditions attached to the Tranche B rights not being met upon their expiry.

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

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

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

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



fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

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

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

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The consolidated statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

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

16. Financial instruments

a) Capital risk management

The Consolidated Entity manages its capital to ensure that entities in the Consolidated Entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Consolidated Entity's overall strategy remains unchanged from 2018. 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.

	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents	264,449	1,171,421
Trade and other receivables	129,281	45,648
Other financial assets	-	30,000
	393,730	1,247,069
Financial liabilities		
Trade and other payables	679,635	347,354
Borrowings	1,543,299	2,528,357
	2,222,934	2,875,711

b) Financial risk management objectives

The Consolidated Entity is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Consolidated Entity seeks to minimise the



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

c) Market risk

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

d) Foreign currency risk management

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

	Assets		Liabilities	
	2020	2019	2020	2019
US dollars	7,574	1,012,701	1,461,159	2,348,088
Tanzanian shillings	1,024	691	-	-

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.

	2020	2019
	\$	\$
USD impact		
Result for the year	(145,359)	(133,539)
TZS impact		
Result for the year	102	69

e) Interest rate risk

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



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

		2020	2019
		\$	\$
Financial assets			
Cash and cash equivalents	Floating	264,449	1,171,421
Financial liabilities			
Borrowings	Fixed	1,543,299	2,528,357

Consolidated Entity and Parent Company sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance date and the stipulated change taking place at the beginning of the financial year and held constant through the reporting period. At balance date, if interest rates had been 80 basis points higher or lower and all other variables were held constant, the Consolidated Entity's net result would increase or decrease by \$2,116 (2019: \$9,371). This is mainly attributable to the Consolidated Entity's exposure to interest rates on its variable rate cash holdings.

f) Credit risk

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

g) Liquidity risk

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

h) Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value as at 30 June 2020.

Accounting policy: investments and other financial assets

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

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

Financial assets at fair value through profit or loss

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



Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised

is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

17. Commitments and contingencies

	2020	2019
	\$	\$
Within one year - exploration	49,888	148,027
Within one year – office lease	-	1,950
One to five years - exploration	-	349,157
	49,888	499,134

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

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

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



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 Corporate and Graphite.

	Corporate \$	Graphite \$	Total \$
2020			
Revenue	41,685	-	41,685
Interest received	580	-	580
Total segment revenue	42,265	-	42,265
Expenditure			
Corporate compliance fees	(321,000)	(80,755)	(401,755)
Corporate management costs	(1,186,612)	(337,679)	(1,524,291)
Foreign exchange gain (loss)	(40,721)	41,011	290
Marketing and investor relations costs	(204,818)	(1,127)	(205,945)
Occupancy expenses	(45,362)	(1,002)	(46,364)
Share based payments	72,449	-	72,449
Finance costs	(756,889)	(8,773)	(765,662)
Other expenses	(327,046)	(23,536)	(350,582)
Total segment expenditure	(2,809,999)	(411,861)	(3,221,860)
Loss before income tax	(2,767,734)	(411,861)	(3,179,595)
SEGMENT ASSETS			
Segment operating assets	400,382	24,032,869	24,433,251
Total segment assets	400,382	24,032,869	24,433,251
SEGMENT LIABILITIES			
Segment operating liabilities	2,222,934	-	2,222,934
Total segment liabilities	2,222,934	-	2,222,934
	Corporate \$	Graphite \$	Total \$
2019			
Revenue			
Interest received	4,071	-	4,071
Total segment revenue	4,071	-	4,071



	Corporate \$	Graphite \$	Total \$
Expenditure			
Corporate compliance fees	(528,472)	(6,410)	(534,882)
Corporate management costs	(1,380,719)	(460,201)	(1,840,920)
Foreign exchange gain (loss)	33,793	4,429	38,222
Marketing and investor relations costs	(201,730)	(334)	(202,064)
Occupancy expenses	(111,243)	(45,184)	(156,427)
Share based payments	(591,582)	-	(591,582)
Finance costs	(233,280)	-	(233,280)
Other expenses	(346,588)	(260,998)	(607,586)
Total segment expenditure	(3,359,821)	(768,698)	(4,128,519)
Loss before income tax	(3,355,750)	(768,698)	(4,124,448)
SEGMENT ASSETS			
Segment operating assets	2,038,498	22,394,753	24,433,251
Total segment assets	2,038,498	22,394,753	24,433,251
SEGMENT LIABILITIES			
Segment operating liabilities	2,937,971	-	2,937,971
Total segment liabilities	2,937,971	-	2,937,971

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

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

	Country of Incorporation	2020 %	2019 %
Volt Graphite Tanzania Plc	Tanzania	100	100
Mozambi Graphite Pty Ltd	Australia	100	100
Mozambi Resource Investments Pty Ltd	Australia	100	100
Dugal Pty Ltd	Australia	100	100
Dugal Resources Lda	Mozambique	70	70
Mozambi Ventures Lda	Mozambique	80	80
Xiluva Mozambi Lda	Mozambique	80	80

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



20. Auditors remuneration

	2020	2019
	\$	\$
<i>Amounts received or due and receivable by the auditor for:</i>		
Amounts received or due and receivable by HLB Mann Judd for an audit or review of the financial report	33,900	39,927
<i>Amounts received or due and receivable by other auditors:</i>		
Amounts received or due and receivable by Innovex in Tanzania for the audit of Volt Graphite Tanzania Ltd	11,950	6,410
	45,850	46,337

21. Key management personnel remuneration

	2020	2019
	\$	\$
Short term employee benefits	781,299	722,398
Share based payments	(72,449)	591,582
Post-employment benefits (superannuation)	36,749	49,981
Total remuneration	745,599	1,363,961

22. Parent entity information

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

	2020	2019
	\$	\$
Current assets	398,954	1,219,906
Non-current assets	23,659,953	22,880,951
Total assets	24,058,907	24,100,857
Current liabilities	2,228,505	391,436
Non-current liabilities	-	2,528,357
Total liabilities	2,228,505	2,919,793
Net assets/(liabilities)	21,830,402	21,181,064
Issued capital	67,880,852	64,415,434
Reserves	22,033	94,482
Accumulated losses	(46,072,483)	(43,328,852)
Total equity	21,830,402	21,181,064
Loss for the year	(2,743,631)	(2,775,654)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(2,743,631)	(2,775,654)



	2020	2019
	\$	\$
Commitments		
Within one year	-	1,950
One to five years	-	-
	-	1,950

Accounting policy: parent entity financial information

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

Investments in subsidiaries, associates and joint venture entities

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

Share-based payments

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

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 Consolidated Entity in future financial periods other than the following:

On 20 July 2020, the Company held a General Meeting of shareholders, the following resolutions voted on and passed.

- Ratification of the prior issue of 160,000,000 shares and 80,000,000 options issued on 15 May 2020.
- Approval for the issue of 121,718,576 shares to Kabunga Holdings Pty Ltd.
- Approval for the issue of \$3.75million in shares to the vendors on the Luiri Project.
- Approval for the issue of 10,000,000 Performance Rights to Mr Hashimu Millanga.

On 28 July 2020, the Company announced the completion of the acquisition of the Guinea Gold Project via the acquisition of all of the issued shares in Gold Republic Pty Ltd ("Gold Republic"). Gold Republic holds the permits for three gold projects (Mandiana, Konsolon and Kouroussa) located in Guinea, Africa. The projects comprise six permits located in the prolific Suiguri Basin with a total area of 388km².



- 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 2020 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 2020.

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

Asimwe Kabunga
Non-Executive Chairman
30 September 2020

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 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Group's financial position as at 30 June 2020 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(b) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

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Key Audit Matter	How our audit addressed the key audit matter
<p>Exploration and evaluation asset</p> <p>Refer to Note 9</p>	
<p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group has capitalised the acquisition costs and all exploration and evaluation expenditure for its graphite project in Tanzania. The Group has applied the cost model after recognition.</p> <p>Our audit focused on the Group's impairment assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is the most significant asset of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2021 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 consolidated annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Volt Resources Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2020



B G McVeigh
Partner



Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 22 September 2020.

Number of Shareholders and Option Holders

Shares

As at 22 September 2020, there were 3,750 shareholders holding a total of 20,020,555,373 fully paid ordinary shares.

Options

As at 22 September 2020, there were 25,536,000 un-quoted Options exercisable at \$0.04 on or before 31 December 2020 and 80,000,000 un-quoted Options exercisable at \$0.01 on or before 15 May 2022.

Distribution of Equity Securities

	Ordinary Shares		Unlisted Options	
	Number of Holders	Number of Shares	Number of Holders	Number of Shares
1 - 1000	255	83,457	-	-
1001 - 5000	194	535,832	-	-
5001 - 10,000	149	1,193,688	-	-
10,001 - 100,000	1,595	74,581,887	-	-
100,001 and above	1,557	1,944,160,509	8	105,536,000
Total	3,750	2,020,555,373	8	105,536,000

There were 1,279 holders totalling 16,497,163 ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

	Shareholder name	Ordinary shares held number	%
1	KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	342,350,874	16.94
2	VEN CAPITAL PTY LTD	75,085,000	3.72
3	MR PETER RAYMOND NOTMAN + MR ELAINE NOTMAN	57,680,802	2.85
4	BOSSWHAT PTY LTD <D VIRGARA FAMILY A/C>	35,000,000	1.73
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	33,808,575	1.67
6	CITICORP NOMINEES PTY LIMITED	30,592,493	1.51
7	LITTLEJOHN EMBREY ENGINEERING PTY LTD	29,362,556	1.45
8	CHATA HOLDINGS PTY LTD <CHATA SUPER FUND A/C>	27,464,286	1.36
9	BNP PARIBAS NOMS PTY LTD GROUP	21,201,624	1.05
10	ROPA INVESTMENTS (GIBRALTAR) LIMITED	21,000,000	1.04
11	MR LESLIE THOMAS KING + MRS HEATHER KING <ROBTOM SUPER FUND A/C>	20,000,000	0.99
12	HAI CORPORATE & FINANCIAL SERVICES PTY LTD	19,780,000	0.98
13	MR SCOTT WILLIAMS	18,810,470	0.93
14	MR ROHAN PATNAIK	16,250,000	0.8
15	MR RICHARD HIM SIM VOM	12,258,657	0.61
16	MR KEVIN BRADY	12,165,724	0.6
17	ENDJUA PTY LTD <SALLAG S F A/C>	11,023,427	0.55
18	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,937,947	0.54
19	MR STEPHEN MARK YOUNG + MRS LILIBETH VILLAMIN YOUNG <S&L YOUNG SUPER A/C>	10,157,272	0.5
20	MR PAUL JOHN ANSTEE + MR RODNEY MICHAEL SMITH <BYRNESSTREET SUPERFUND A/C>	10,130,000	0.5
		815,059,707	40.34



Substantial Share Holders

The names of substantial shareholders pursuant to the Company's share register are as follows:

Shareholder name	Ordinary shares held number	%
1 KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	342,350,874	16.94
	342,350,874	16.94

Voting Rights

All ordinary shares carry one vote per share without restriction.

Tenement Listing

Project	Country	Region	Licence Number	Status	Beneficial Interest
Tanzania Graphite	Tanzania	Masasi District	ML 591/2018	Live	100%
	Tanzania	Masasi District	ML 592/2018	Live	100%
	Tanzania	Nachingwea, Ruangwa & Masasi Districts	PL 10643/2015	Renewal	100%
	Tanzania	Ruangwa & Masasi Districts	PL 10644/2015	Renewal	100%
	Tanzania	Newala & Masasi Districts	PL 10667/2015	Renewal	100%
	Tanzania	Newala, Ruangwa & Masasi Districts	PL 10668/2015	Renewal	100%
	Tanzania	Ruangwa & Lindi Districts	PL 10717/2015	Renewal	100%
	Tanzania	Masasi District	PL 10788/2016	Renewal	100%
	Tanzania	Masasi District	PL 13207/2018	Application	#
	Tanzania	Masasi District	PL 13208/2018	Application	#

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

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

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the ASX Listing Rules. The review was carried out as at 30 June 2020. The estimates for Ore Reserves and Mineral Resources were prepared and disclosed under the JORC Code 2012.

As of the 30 June 2020, the Company reviewed the Mineral Resource and Ore Reserve inventories and found:

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

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

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

Mineral Resource and Ore Reserve Statements

All Mineral Resources and Ore Reserves announced by Volt Resources Ltd are within the Republic of Tanzania. Volt Resources the consolidated entity, is targeting Graphite mineralisation within the Republic of Tanzania.



As of the 30 June 2020, the Graphite Mineral Resources for Volt Resources were:

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

Note:

The Mineral Resource is inclusive of the Ore Reserves.

Inconsistencies in totals are due to rounding.

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

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

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

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

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

Note:

Inconsistencies in totals are due to rounding.

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

As of the 30 June 2020, the Graphite Ore Reserves for Volt Resources were:

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



Note:

Inconsistencies in totals are due to rounding.

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

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

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

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

The material changes in the Graphite Mineral Resources from the 2019 financial year to the 2020 financial year:

There were no material changes to Mineral Resources or Ore Reserves during the year ended 30 June 2020. An updated subset of the Mineral Resources and Ore Reserves relating to the Stage 1 higher grade portion of the Bunyu 1 deposit was announced on 31 July 2018 and is further detailed below.

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

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

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

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

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

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

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

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

Competent Person's Statements

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

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

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



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

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

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

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

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

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

Classification	Mt	TGC (%)
	8.0	5.8
Indicated	31.9	5.6
Inferred	36.9	5.1
Total	76.8	5.4

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

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

The scope of the Stage 1 FS was to develop a project plan for a relatively small component of the Bunyu 1 deposit. The Bunyu Stage 1 FS Ore Reserve is considered a subset of the 2016 Namangale 1 Ore Reserve released by Volt



Resources 15 December 2016 as part of the 2016 Namangale Pre-Feasibility Study. It therefore does not replace or update this reserve and is for the purposes of underpinning the Stage 1 FS. The overall Ore Reserve for Bunyu (previously Namangale) will be updated as part of the Bunyu Stage 2 DFS which will be based on the whole of the Bunyu 1 deposit.

The specifications of the minerals reported above:

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

Note:

Inconsistencies in totals are due to rounding.

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

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

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

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

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

Competent Person's Statements

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



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

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