VOLT GRAPHITE TANZANIA PLC

ADMISSION DOCUMENT FOR THE ISSUANCE OF SENIOR NOTES WITH A VALUE OF UP TO US$15 MILLION (WITH GREENSHOE RIGHTS OF UP TO US$15 MILLION)

DATE: 24 December 2019

LEC Reference Number: LEC/P/11/2019

The Development & Enterprise Market is a market designed to include emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The Development & Enterprise Market securities are not admitted to the Official Market of the SEM.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with a professional financial adviser. Prospective investors are directed to review Section 15 ("Risk Factors") of this Admission Document.

1 Table of Contents

2 Notice

This Admission Document has been prepared by Volt Graphite Tanzania Plc and is issued pursuant to the rules for Development & Enterprise Market (DEM) companies of the Stock Exchange of Mauritius Ltd ("the DEM Rules") in relation to a listing by way of private placement on the Development & Enterprise Market (the "**DEM**"). A copy of this Admission Document has been duly filed with the Financial Services Commission of Mauritius.

This Admission Document relates to the issue of up to US$15,000,000 interest bearing notes with a maturity of five years with the interest being payable in cash and the principal being paid in cash.

The Listing Executive Committee of the SEM has granted its approval on 24 December 2019 for the listing of the above Notes on the DEM. On the first day of admission to listing and trading on the DEM, which has been scheduled for 26 February 2020, 1,000 Notes will be made available for trading at an indicative price of US$1.00 per Note.

In accordance with DEM Rule 7, the Company advises that as at the date of admission, all related parties and applicable employees including the parent company, have agreed not to dispose of any interest in the Securities for one year from the date of the admission on the DEM.

3 Important Notices

This Admission Document include particulars given in compliance with the DEM Rules governing the listing of Securities on the DEM for the purpose of giving information with regard to the Issuer. The Issuer or where applicable, the directors, whose names appear on page 35, collectively and individually accept full responsibility for the accuracy or completeness of the information contained in this Admission Document and confirm/s, having made all reasonable enquiries, that to the best of its / their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Certain of the statements made and information contained or incorporated by reference herein is "forward-looking information" within the meaning of applicable securities laws. All statements other than statements of historical facts included in this Admission Document, including but not limited to statements regarding the prospects of the industry and the Company's prospects, plans, future financial and operating performance and business strategy, constitute forward-Looking information. Forward-looking information is based on current expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Company's management.

Such statements include, in particular, statements about the Company's plans, prospects, position, future results, and business strategies; the Company's technical reports, or any Preliminary Economic Assessment or Feasibility Study, including, without limitation, with respect to any mineral resource and ore reserve estimates, life of mine estimates, and mine closure plans; the parameters and assumptions underlying the mineral resource and ore reserve estimates and financial analysis; anticipated market prices of minerals; the Company's anticipated capital and operating costs for its material mineral properties; the Company's ability to comply with contractual and regulatory requirements; the receipt of all necessary permitting and approvals; the Company's intentions with respect to exploration and development activities at its projects and expectations regarding the results of operations and production at the Company's projects.

Words such as “aim”, “anticipate”, “believe”, “continue”, “contingent”, “endeavour”, “estimate”, “expect”, “feasibility”, “forecast”, “focus”, “foresee”, “future”, “guidance”, “initiative”, “intend”, “likely”, “may”, “model”, “objective”, “opportunity”, “option”, “outlook”, “plan”, “potential”, “predict”, “preliminary”, “project”, “proposed”, “prospect”, “risk”, “seek”, “should”, “strategy”, “study”, “target”, “uncertainty”, or “will”, or the negatives of these terms or variations of them or similar terminology or statements that certain actions, events or results “could”, “may”, “might”, “would”, or “will be taken”, “occur,” or “be achieved” are intended to identify such forward-looking information.

Although the Company believes that the expectations reflected in the forward-looking information contained herein are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Forward-looking information is based on a number of assumptions and are subject to a variety of risks and uncertainties, and ultimately, actual events or results may differ materially from those reflected in the forward-looking information. Risks and uncertainties that may impact the Company’s performance include, without limitation, risks associated with operating in foreign countries; uncertain political and economic environments; community activism and risks related to negative publicity with respect to the Company or the mining industry in general; changes in laws, regulations or policies including but not limited to those related to permitting, environmental management, labour, trade relations, and transportation; delays in or inability to obtain necessary permits; risks associated with business arrangements and partners over which the Company does not have full control; risks associated with acquisitions and related integration efforts; competition; development or exploration results not being consistent with the Company's expectations; estimates of future production; operating and cash costs estimates; allocation of resources and capital; litigation; uninsurable risks; volatility in mineral prices; the estimation of asset carrying values; funding requirements and availability of financing; indebtedness; foreign currency fluctuations; interest rate volatility; changes in the parent company’s share price, and equity markets, in general; changing taxation regimes; counterparty and credit risks; health and safety risks; risks related to the environmental impact of the Company’s operations and products and management thereof; unavailable or inaccessible infrastructure; risks inherent in mineral exploration, development and production including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations, or unstable ground conditions; actual mineral quality varying from estimates; mineral processing efficiency; risks relating to attracting and retaining of highly skilled employees; ability to retain key personnel; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; the price and availability of energy and key operating supplies or services; the inherent uncertainty of exploration efforts as well as development, and the potential for unexpected costs and expenses; risks associated with the estimation of mineral resources and ore reserves; and the geology, quality and continuity of mineralisation including but not limited to models relating thereto; natural phenomena such as earthquakes, flooding, and unusually severe weather; potential for the allegation of fraud and corruption involving the Company, its customers, suppliers or employees, or the allegation of improper or discriminatory employment practices; security at the Company’s operations; breach or compromise of key information technology systems; materially increased or unanticipated reclamation obligations; risks related to mine closure activities; title risk and the potential of undetected encumbrances; and other risks and uncertainties, including but not limited to those described in Section 15 “Risk Factors” of this Admission Document.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management that the Company can access financing, appropriate equipment and sufficient labour and that the political environment in which the Company operates will continue to support the development and operation of mineral projects. Should one or more of these risks and uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking

information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate, and so readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this Admission Document. The Company does not undertake to update such forward-looking information unless required under applicable laws.

This Admission Document (the "**Admission Document**") is furnished to a limited number of selected investors who have expressed an interest in investing in the Securities of Volt Graphite Tanzania Plc ("Volt" or the "Company").

By accepting this Admission Document and other information supplied by GFin Corporate Services Ltd ("**GFin**") on behalf of the Company, or any of their directors, employees or agents, the recipient agrees that, except as otherwise provided in this Admission Document, neither it nor any of its directors, employees, agents or advisors will use such information for any purpose other than for evaluating an investment in the Company or divulge such information to any other party. This Admission Document may not be photocopied, reproduced or distributed to others without the prior written consent of GFin.

No person has been authorized to make any statement concerning Volt or the offering being made under this Admission Document, other than as set forth herein, and any such statements, if made, may not be relied upon.

The Securities and the resale thereof may be subject to other restrictions on transfer under the securities laws, rules and regulations of other countries and jurisdictions. This Admission Document is not an offer to sell or a solicitation to buy Securities, nor shall any Securities be offered or sold, to any person in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. For information on the restrictions applying in certain jurisdictions, prospective investors should refer to Section 13 ("**Investment Overview**"). Prospective investors are required to inform themselves, and comply with, all such restrictions or prohibitions and none of the Company, GFin or any other person accepts liability to any person in relation thereto.

The Company has taken all reasonable care to ensure that the information contained in this Admission Document is accurate as of the date of this Admission Document. Neither the Company nor any of its affiliates has any obligation to update this Admission Document. Under no circumstances should the delivery of this Admission Document, irrespective of when it is made, create an implication that there has been no change in the affairs of Volt since such date. The Company reserves the right to modify any of the terms of the offering and the Securities described herein. This Admission Document may be updated and amended by a supplement and where such supplement is prepared, this Admission Document will be read and construed with such supplement, as one Admission Document.

This Admission Document is provided for information purposes only and is not intended to be, and must not alone be taken as, the basis for an investment decision. Prospective investors should conduct their own investigation and analysis of an investment in Volt and make their own assessment of the private placement (including, without limitation, their consideration and review of the subject matter of the appendices hereto, and the documents referred to herein) independently and without reliance on the Company, GFIN or their respective directors, employees, agents and affiliates. In addition, prospective investors are strongly urged to consult their own legal counsel and financial, accounting, regulatory and tax advisors regarding the implications of investing in the Group.

An investment in the Securities involves certain risks - see Section 15 ("**Risk Factors**"). Any projections or forecasts in this Admission Document are illustrative only and have been based on the estimates and assumptions described in this Admission Document in relation to them which may or may not prove to be correct. Each recipient of this Admission Document should be aware that these projections do not constitute a forecast or prediction of actual results and there can be no assurance that the projected results will actually be realized or achieved. Actual results may depend on future events which are not in the Company's control and may be materially affected by unforeseen economic or other circumstances. The reliance which can be placed upon the projections and forecasts made in this Admission Document is a matter of commercial judgment. No representation or warranty is made as to the achievability or reasonableness of any projection or forecast in this Admission Document.

Furthermore, the Company operates in a specialised sector with potentially high risks and potential investors should be aware of these risks before investing in the securities. Each prospective investor must be prepared to bear the economic risk of an investment in the Securities and should consult their financial advisors regarding the appropriateness of making an investment in the Securities. ***Neither the Listing Executive Committee (the "LEC") of the SEM, nor the SEM, nor the FSC assumes any responsibility for the contents of this Admission Document. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Admission Document and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.***

4 Responsibility Statement

The directors, whose names appear on page 35, collectively and individually:

a. confirm that the accounts of the Issuer for the 14 month period ending 30 June 2016, the financial years ended 30 June 2017 and 30 June 2018 have been prepared in accordance with all applicable legislation and relevant accounting standards, and accept full responsibility for them;

b. accept full responsibilty for the accuracy and completeness of the information in this Admission Document and confirm to the best of their knowledge and belief after having made all reasonable enquiries, that this Admission Document complies with the Securities Act 2005 (including applicable rules and regulations issued thereunder) and the DEM Rules, and that this Admission Document contain or incorporate all information which is material in the context of the Issue and the offering of the Notes, that the information contained or incorporated in this Admission Document is true and accurate in all material respects and is not misleading, that forecasts, estimates or projections hasve been made after due and careful enquiry, that the opinions and the intentions expressed in this Admission Document are honestly held and that there are no other facts, the ommission of which would make this Admission Document or any of such information or expression of any such opinions or intentions misleading;

c. confirm that, in their opinion, having made due and careful enquiry, the working capital available to the Company upon completion of this private placement will be sufficient to meet the Company's obligations and commitments for at least the twelve months, as further shown in Section 10 ("**Financial and Trading Prospects of the Group**") of this Admission Document; and

d. confirm that there has been no material adverse change in the financial or trading position of the Company or its subsidiaries since the date of the last audited accounts or as disclosed in this Admission Document.

Unanimously approved by the Board (as defined below) of the Issuer on 11 November 2019 and signed on its behalf by:

……………………………………..
Asimwe Kabunga
Chairman

……………………………………..
Trevor Matthews
Executive Director and Chief Executive Officer

5 Corporate Information

ISSUER

Volt Graphite Tanzania Plc
Plot No 1826/17 Chole Road
Golden Heights Building
Msasani Peninsula, Masaki
PO Box 80003
Dar es Salaam
Tanzania

SEM AUTHORISED REPRESENTATIVE

GFin Corporate Services Ltd
Level 6, GFin Tower
42 Hotel Street
Cybercity
Ebene 72201
Mauritius

ADVISORS

Exotix Partners LLP
1st Floor, Watson House
54 Baker Street
W1U 7BU
London
United Kingdom

LEGAL ADVISOR (Tanzania)

Clyde & Co Tanzania
Golden Jubilee Towers
Ohio Street
PO Box 80512
Dar es Salaam
Tanzania

LEGAL ADVISORS (Mauritius)

Dentons
2nd Floor, Chancery House
Lislet Geoffroy Street
Port- Louis
Mauritius

AUDITORS

Innovex Auditors
8 Kilimani Road
PO Box 75297
Dar es Salaam
Tanzania

RECEIVING BANK AND COLLECTION AGENT

NMB Bank PLC
Ohio/Ali Hassan Mwinyi Road
PO Box 9213
Dar es Salaam
Tanzania

REPORTING ACCOUNTANT

Ernst & Young
Tanhouse Tower (4th Floor)
34/1 Ursino South,
New Bagamoyo Road,
Dar es Salaam
Tanzania

COMPANY SECRETARY

Leticia Kabunga
Plot No 1826/17 Chole Road
Golden Heights Building
Msasani Peninsula, Masaki
PO Box 80003
Dar es Salaam
Tanzania

BANKERS

CRDB Bank PLC
Lumumba
PO Box 2318
Dar es Salaam

REGISTRAR AND TRANSFER AGENT

(GFin Corporate Services Ltd acting as local representative)
NMB Bank PLC
Ohio/Ali Hassan Mwinyi Road
PO Box 9213
Dar es Salaam
Tanzania

6 Definitions and Equivalences

6.1 Definitions

Application means an application to subscribe for Securities under this Admission Document made on the Application Form and accompanied by the relevant application monies.

Application Form means the application form attached to or accompanying this Admission Document relating to the Offer.

Business Day means any day upon which the SEM is open for business.

Closing Date means the closing date for receipt of Application Forms under this Admission Document as set out in Section 8.2 (“**Indicative Timetable**”) (unless extended or closed early by the Company).

Coupon means interest of 9.5% (nine decimal five percent) fixed rate.

Companies Act means the Tanzania Companies Act No. 12 of 2002 (as amended).

DEM means the Development & Enterprise Market

Directors means directors of the Company at the date of this Admission Document and Director means any one of them.

Dollars or **US$** means the currency of the United States of America. Prospective Investors should note that the graphite industry commonly trades in, and refers to, Dollars.

DSE means Dar es Salaam Stock Exchange.

DSRA means Debt Service Reserve Account.

East African Territories means the countries comprising the East African Community but excluding Tanzania, being, as at the date of this Admission Document, Kenya, Uganda, Burundi and Rwanda.

Exposure Period means the period of 7 days after the date of lodgement of this Admission Document, which period may be extended by the Company and the SEM.

Free Carried Interest means a potential 16% free carried interest, which the Government of Tanzania is entitled to in all companies that hold a mining license as per the 2017 Mining Act amendments.

Greenshoe Rights means the rights of the Company to sell investors more Securities than originally planned by the Company if the demand for the Securities proves higher than expected.

Information Memorandum or **Admission Document** means this Admission Document.

Issuer or **Volt** or **the Company** means Volt Graphite Tanzania Plc.

JORC means Joint Ore Reserves Committee.

Ktpa means thousand tonnes per annum.

Mtpa means million tonnes per annum.

Notes means up to US$15,000,000 senior notes with a maturity of five years with the interest being payable in cash and the principal being paid in cash.

Noteholders mean the holders of the Notes.

Offer means the Offer as set out in this Admission Document.

Opening Date means the opening date for receipt of Application Forms under this Admission Document as set out in Section 8.2 (“Indicative Timetable”).

Prospective Investor means any investor eligible to invest in the Notes as per section 8.6 of this Admission Document.

ROM means Run of Mine. Generally, describes untreated mined ore either stockpiled or fed direct to a processing plant.

Securities means the Notes issued by the Company under this Admission Document and the subject of the Offer.

SEM means the Stock Exchange of Mauritius Ltd.

Share means a fully paid up ordinary share in the capital of the Company.

Shareholders means the holders of Shares.

Subscribing Investor means a subscriber to the Notes.

Tanzanian Government means the Government of the United Republic of Tanzania.

TGC means Total Graphitic Carbon.

VRC means Volt Resources Ltd.

6.2 Equivalences used in this Admission Document

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

To Convert	To	Multiply By
Feet	metres	0.305
Metres	feet	3.281
Miles	kilometres	1.609
Kilometres	miles	0.621
Acres	hectares	0.405
Hectares	acres	2.471

7 Summary of the Transaction

Volt Graphite Tanzania Plc ("**Volt**" or the "**Company**") is issuing up to US$15,000,000 of 5-year interest bearing notes on the DEM in Mauritius, in addition to US$30,000,000 equivalent in Tanzanian Shillings of 7-year unsecured interest bearing notes on the Dar es Salaam Stock Exchange (DSE) in Tanzania to develop the Bunyu Project ("**Bunyu**" or the "**Project**"), an open pit graphite mine in Southern Tanzania. The Project is 100% owned by the Company and has so far been financed through equity investments by its ASX listed parent company Volt Resources Ltd (ASX: VRC).

The Financial Forecasts and Assumptions in section 10.3 include the plan by the Company to raise equity funds periodically through the 5-year period of the DEM listed Notes. The equity finance is planned to be raised through the subscription of equity by its parent, VRC from funds raised on the Australian Stock Exchange, and/or equity issuance to third party investors by Volt. VRC has a history of raising equity as required to fund the development expenditure to date and in excess of the amounts identified in section 10.3. **There is the risk that the funds from the periodic equity raisings will not be successful. This could result in investors losing some or all of their investment in Volt's Notes**.

It is envisaged that a listing on the DEM will provide the company with access to a global investor base of managed funds, banks with investment portfolios, high net worth individuals and other sources of capital who are looking for high yielding fixed income investments with liquidity and view Mauritius as an attractive market in which to invest. Additionally, Mauritius is well placed geographically in terms of its proximity to both Africa and Asia, with a favourable time-zone with either continent. A bond listing on the DEM will provide Volt with a platform and acquisition currency for further expansion and diversification, as well as increase the Company's public presence and profile. Investors should note that the high yield nature of the securities is commensurate with their risk profile. These risks can be found in section 15 "Risk Factors".

8 Particulars of the Listing

The creation and issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 11 November 2019 and subsequently in a shareholder resolution at the Company's General Meeting held on the 11 November 2019.

All consents, approvals, authorisations or other permissions of the Issuer as well as of all regulatory authorities required by the Issuer under all applicable laws have been obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Notes, the Admission Document and any other agreement as may be applicable for the purpose of the subscription to the Notes by Prospective Investors.

As at the date of this document, the following expenses of the issue and of the application for listing has been or will be payable by the Issuer:

Activity	Cost (USD)
Legal costs	10,000
Authorised Representative fees	7,000
SEM Application fees	2,155[(1)]
Total	**19,155**

(1) The SEM application fees are MUR 75,000, which equated to USD2,155 at the time of payment.

8.1 Summary of the Securities

The following is a summary of the Notes, which is qualified in its entirety by the remainder of this Admission Document.

Issuer:	Volt Graphite Tanzania Plc
Issuing Venue:	Development & Enterprise Market of the Stock Exchange of Mauritius.
Amount:	Up to USD15,000,000
Currency:	United States Dollars
Underwriting	These Notes are not underwritten
Coupon:	9.5% (nine decimal five percent) fixed rate (“**Interest Rate”**)
Coupon Frequency:	Payable semi-annually, on 14th of October and 14th of April in each year (“**Scheduled Payment Date”**).
Coupon Payments:	The Company shall pay accrued interest in cash, in arrears to the persons who were registered as Noteholders at the close of business on the relevant Scheduled Payment Date.
Interest	Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365-day year. Interest on any Note repaid by the Company in accordance with this Admission Document shall cease to accrue as from the date of such repayment. There shall be no additional rights to payments (including dividends that the Company may issue from time to time).
Greenshoe Rights:	The Company reserves the right to issue up to USD15,000,000 of Greenshoe Rights in the event that demand proves higher than expected.
Payment Format:	Coupon payments to Prospective Investors will be paid in USD on the day of Coupon payment.

Seniority: The Notes are senior to all outstanding obligations at the time of issue, including shareholder equity and are not subordinated to any other debt.

Security: These Notes are not secured but shall be the senior debt of the Issuer.

Furthermore, no security or guarantee in rem or in personam is being granted by the Issuer or any third party. Prospective Investors of the Notes should accordingly be aware that by subscribing to the Notes, they are subject to the credit risk of the Issuer, as described in the Section 15 "**Risk Factors**".

Minimum subscription: The minimum amount to be raised is USD6,000,000. Should the Company not raise this minimum amount the Company shall withdraw its application to list the Securities on the DEM and shall refund all collected monies to Subscribing Investors.

Description of any instalment arrangement: None. Payment should be made in full before the Notes are issued.

Method of payment: Payment should be made by direct transfer to the Company's bank account.

Opening Date: 27 January 2020

Closing Date: 20 February 2020

Maturity: 5 years

General:

(a) The issue price is US$1.00 per Note with an issue date of 25 February 2020. The final maturity date of the Notes shall be 25 February 2025 (Maturity).

(b) The Notes are denominated in units of US$1.00 with a minimum subscription of US$100,000.00 or above in integral amounts of US$1.00.

(c) No discount or premium is applicable to the issue of these Securities.

(d) The Notes shall be in registered form.

Redemption:

(a) The Company shall have the right to offer a redemption of the Notes early in whole or in part as the Company elects.

(b) The Notes shall be redeemed by way of cash payment at market value to the Noteholders.

(c) If, on redemption of Notes, a Noteholder fails to deliver the receipt of allotment for the Notes or an indemnity in accordance with these conditions or to accept payment of moneys due to him, the Company shall pay the moneys due to him into a bank account which payment shall discharge the Company from all further obligations in respect of the Notes.

(d) The Company shall cancel any Notes repaid, redeemed or purchased and shall not reissue them.

Transfers and other matters:

(a) Once listed, transfer of Notes will be effected through the Automated Trading System of the SEM in accordance with the applicable procedures and the Notes are freely transferable.

(b) The Company shall recognise the registered holder of any Note as the absolute owner of them and shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Note may be subject. The Company shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to enter any notice of any trust (whether express, implied or constructive) on the register in respect of any of the Notes.

(c) Where applicable, an instrument of transfer shall be signed by the transferor or upon instructions given for such transfer through the Automated Trading System of the SEM, and the transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the register in respect of such Notes.

(d) In the event that the Transfer of Notes will not be effected according to point (a), each instrument of transfer shall be sent to, or left for registration at, the office of the Company for the time being, and shall be accompanied by the certificate(s) for the Notes to be transferred and any other evidence that the Company may require to prove the title of the transferor or his right to transfer the Notes (and, if such instrument is executed by some other person on his behalf, the authority of that person to do so). All such instruments of transfer that are registered may be retained by the Company.

(e) No transfer of Notes shall be registered in respect of which a redemption notice has been given.

(f) Payment of the principal amount and all accrued interest on the Notes may be made by cheque made payable to, or by bank transfer to an account nominated for the purpose to the Company in writing by, the registered holder or, in the case of joint registered holders, to the one who is first-named on the register, or to such person or persons as the registered holder or all the joint registered holders may in writing direct and sent to the registered holder or in the case of joint registered holders to that one of the joint registered holders who is first-named on the register or to such address as the registered holder or joint registered holders may in writing direct. Cheques may be sent through the post at the risk of the registered holder or jointly registered holders and payment of any such cheque by the bankers on whom it is drawn, or a bank transfer to the relevant account, shall be good discharge to the Company.

(g) If more than one person is entered in the register as joint holders of any Note then the receipt of any one of such holders for any moneys payable on or in respect of the Notes shall be as effective a discharge to the Company or other person making the payment as if the person signing such receipt were the sole registered holder of such Notes.

(h) If any certificate is worn out or defaced then, on production of it to the Directors, they may cancel it and may issue a fresh certificate in lieu. If any certificate is lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity as the Company may reasonably require. An entry recording the issue of the new certificate and indemnity (if any) shall be made in the register. No fee shall be charged for the registration of any transfer or for the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other documents relating to or effecting title to any Note.

(i) A copy of the instrument shall be kept at the Company's registered office. A Noteholder (and any person authorised by a Noteholder) may inspect that copy of the instrument at all reasonable times during office hours.

(j) The Company reserves the right to issue and transfer additional Notes if demand proves higher than expected (Greenshoe Rights). Here, the Company is committed to reduce the DSE Note issue by the equivalent amount of DEM Notes issued under the Greenshoe, in order to avoid any excessive indebtedness.

Taxation:

All payments in respect of Notes will be made free and clear of withholding tax unless law requires the withholding tax. In the event that withholding tax is imposed, the Issuer will make payments net of the tax withheld.

The acquisition and disposal of Securities may have tax consequences, which will differ depending on the prevailing tax legislation or regulations applicable to the investor. All Prospective Investors in the Company are urged to obtain independent financial advice about the consequences of acquiring any Securities in the Company from a taxation viewpoint.

Governing Law and Dispute Resolution

i. The laws of Mauritius shall govern the Senior Notes and any transaction documents which are connected to or relate to the Senior Notes.

ii. Any dispute, controversy or claim arising out of the Senior Notes or any other transaction document to which the Senior Notes relate to or the breach, termination or invalidity thereof shall be settled by final and binding arbitration pursuant to the First Schedule of the International Arbitration Act 2008 of the Republic of Mauritius. The arbitration procedures shall be conducted pursuant to the arbitration rules of the Mauritius Chamber of Commerce and Industry (“MCCI”). The dispute, controversy or claim shall be referred to one (1) arbitrator jointly appointed by both parties. Should the parties fail to agree on the appointment of the arbitrator, within a period of 30 days from the date that one party raises the arbitration clause, any of the parties can instruct the MCCI to appoint a suitably qualified arbitrator of their choosing to rule as regards the said dispute, controversy or claim. The juridical seat of arbitration shall be Mauritius. The language to be used in the arbitral proceedings shall be the English language. Each party to a dispute, controversy or claim shall bear its own costs, expenses, fees, disbursements and other charges of its counsels in connection with the arbitration proceedings, except as may be otherwise determined by the arbitrators.

8.2 Indicative Timetable

An indicative timetable of events relating to the transaction is outlined below.

Event	Date
Submission of application for listing of the Notes with the SEM	14 November 2019
Opening Date of Offer	27 January 2020
Closing Date of Offer	20 February 2020
Announcement of results of the offer	24 February 2020

The above dates are indicative only and may change subject to obtaining the SEM's approval. The Company may extend the Closing date or close the offer early after obtaining approval of the SEM.

8.3 Procedure for Application and Payment

The summarized procedures below should be read in conjunction with the detailed instructions for applying for Securities as contained in this Admission Document, as well as the instructions set out in the Application Form.

Completed Application Forms must be submitted to the Company together with the necessary payment in USD, by way of electronic funds transfer to the account the details of which are on the Application Form.

The latest time for submitting an Application Form is 4:00 pm Mauritian time on 20 February 2020.

Late Applications will not be considered. Acceptance of Applications will only be considered if received by the Company by the Closing date and time. Accordingly, the Company will not accept any responsibility for any Application that are, or may be, misdirected.

Applicants will not be charged any fees for the submission of the Application Form, but will be liable to pay any bank fees or charges incurred upon payment of the requisite application funds at the time of submission (including any fees or charges associated with any banker's draft or irrevocable bank guarantee). All applicable fees will be for the account of the Company.

8.4 Exposure Period

This Admission Document will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Admission Document to be examined by market participants prior to the raising of funds. Prospective Investors should be aware that this examination may result in the identification of deficiencies in the Admission Document.

Applications for Securities under this Admission Document will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

8.5 Restrictions on Distribution and Foreign Jurisdictions

This Admission Document does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Admission Document. No action has been taken to register or qualify the Securities or to otherwise permit a public offering of the Securities in any jurisdiction outside Mauritius except to the extent indicated in the Section ("**Eligibility**").

The distribution of this Admission Document outside Mauritius may be restricted by law and persons who come into possession of this Admission Document outside Mauritius should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Applicants who are resident in countries other than Mauritius should consult their professional advisors as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

8.6 Eligibility

By this Offer, the Company invites Prospective Investors in Mauritius, together with any current Shareholders exercising their lawful pre-emption rights to acquire new Securities of the Company.

The offer of Securities to parties outside of Mauritius may be affected by laws and regulatory requirements of the relevant jurisdictions. Any foreign investor wishing to apply for the Private Placement must satisfy themselves as to the full observance of the laws of the relevant territory and governmental and other consents to ensure that all requisite formalities are adhered to and pay any transfer or other taxes due in such territory. Such foreign investors are advised to consult their own professional advisors as to whether they require any governmental or other consent or need to observe any applicable legal or regulatory requirements to enable them to apply for and purchase the Securities.

None of the Company, Advisors or their respective directors, officers, staff and advisor accepts any responsibility or liability for any breach of relevant laws and / or regulatory requirements of relevant jurisdictions or for any tax consequences to Applicants who acquire the Securities under this offer.

The offer is conditional on the Company achieving a minimum subscription of US$6,000,000 (before expenses of the Private Placement) under this Admission Document. The minimum amount to be raised is US$6,000,000 (six million US dollars). Should the Company not raise this minimum amount the Company shall withdraw its application to list the Securities on the DEM and shall refund all collected monies to Subscribing Investors.

8.7 Selling Restrictions

8.7.1 United States

The Notes have not been and will not be registered under the Securities Act 1933, as amended (the **Securities Act**) or securities laws or "*blue sky*" laws of any state of the United States or any other relevant federal jurisdiction and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States (**U.S.**) to non-U.S. persons in reliance on Regulation S under the Securities Act. Terms used in this section that are defined in Regulation S under the Securities Act are used herein as defined therein.

The Company will not offer, sell or deliver the Notes as part of its distribution at any time or otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the Distribution Compliance Period a confirmation or notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Each Investor in the offered Notes will be deemed, by its acceptance of those Notes, or its beneficial interest in those Notes, to have acknowledged, represented and agreed as follows:

(a) It understands that such Notes have not been registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the later of (A) the date upon which the offering of such Notes commenced to persons other than distributors in reliance upon Regulation S and (B) the date of issuance of the offered Notes, except in either case in accordance with Regulation S under the Securities Act; and

(b) it understands and acknowledges that such Notes have not been and will not be registered under the Securities Act or any state or applicable securities law and that such Notes, or any interest or participation therein, may not be offered, sold, pledged or otherwise transferred unless registered pursuant to, or exempt from registration under, the Securities Act and any other applicable securities law.

The Issuer, the Paying Agents, and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

The Notes will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES." THIS LEGEND WILL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES."

8.7.2 Prohibition of Sales to EEA Retail Investors

The Company has also represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Note to any retail investor in the European Economic Area (the **EEA**). For the purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Directive 2014/65/EU (**MiFID II**); or

(b) a customer within the meaning of the Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

8.7.3 United Kingdom

The Company has further represented and agreed that except as permitted by this Admission Document:

(a) it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (**FSMA**) received by them in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

8.7.4 General

Except for the approval of this document as a Listing Document by the SEM, no action has been or is being taken by the Issuer in any jurisdiction which would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer in any country or jurisdiction where action for that purpose is required.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this document nor any other circular, Listing Document, form of application, advertisement or other material in connection with the Notes may be distributed in or from or published in any country or jurisdiction, except under circumstances which will result in compliance with applicable laws and regulations of any such country or jurisdiction.

9 About the Company

9.1 The Company

Nachi Resources Ltd was incorporated on 13 May 2015 in Dar es Salaam, Tanzania, with registration number 117231. On 18 April 2017 the Company name was changed to Volt Graphite Tanzania Ltd. Following Volt Graphite Tanzania Ltd's conversion to a Public Limited Company on 7 November 2018 the Company name was changed to Volt Graphite Tanzania Plc. ("Volt").

Volt's registered office address is Plot No 1826/17 Chole Road, Golden Heights Building, Msasani Peninsula, Masaki, Dar es Salaam, Tanzania. Its contact telephone number is +255 (0) 784 282 212.

Volt Resources Ltd ("**VRC**") is an Australian public company listed on the Australian Securities Exchange (ASX) (ASX:VRC). VRC owns 100% of its subsidiary, Mozambi Graphite Pty Ltd. Between them the two companies own 100% of the issued shares of the Tanzanian operating company Volt Graphite Tanzania Plc. VRC's sole undertaking is the development of the Bunyu project in accordance with a two-stage strategy discussed later in this section. VRC has approximately 3,400 shareholders mainly located in Australia. It has invested approximately US$17m in the acquisition and development of the Bunyu Project since late 2015 in both Tanzania and Australia. VRC has demonstrated its ability to raise material amounts of capital to support Volt and the Bunyu Project development achieve its current status of being development ready.

Upon discovering the Bunyu (formerly Namangale) deposit in Tanzania's Lindi and Mtwara regions in 2015, VRC's focus shifted from exploration in Australia and Mozambique to exploration and development in Tanzania, through its subsidiary Volt, specifically in the Lindi and Mtwara regions. Since that time, VRC has increased its Tanzanian focus, appointing its largest shareholder, Tanzanian-born Asimwe Kabunga, as chairman of the VRC board of directors.

Volt plans to issue Notes that will be listed on the DEM. The Notes will be used to raise the funds required to construct the mine, plant and infrastructure and bring the Bunyu project into production.

Volt's vision is to become a top 3 global supplier of natural flake graphite by 2023 and the preferred supplier of high-quality flake graphite to existing and growth industries. Volt and its parent company, VRC, management, directors and advisors have considerable international experience in exploration and the development of projects in the metals and mining sector. Currently the Company is focused on exploring and developing its wholly owned Bunyu Graphite Project in Southern Tanzania and identifying further assets which have the potential to add value for its stakeholders.

Volt is developing the Bunyu project over two stages. Stage 1 will be developed over the course of twelve months and requires US$35.2 million in project development funding with a further US$5.8 million to cover interest during construction and US$0.6 million for working capital. Part of the funding is to be raised in Tanzania and part in Mauritius. The funding will be disbursed equally over the construction period, so that each month will see capital expenditures of about US$2-3 million. The Stage 1 development incorporates a significant amount of infrastructure, utilities and mine development work that benefits the Stage 2 expansion including the site access road, plant laydown area, tailings storage facility, waste dumps, stockpile areas, open pit development and mining, accommodation village, water supply, etc.

Stage 1 production is expected to start in Q4 2020, processing 400ktpa of ore and producing on average 23.7ktpa of graphite products.

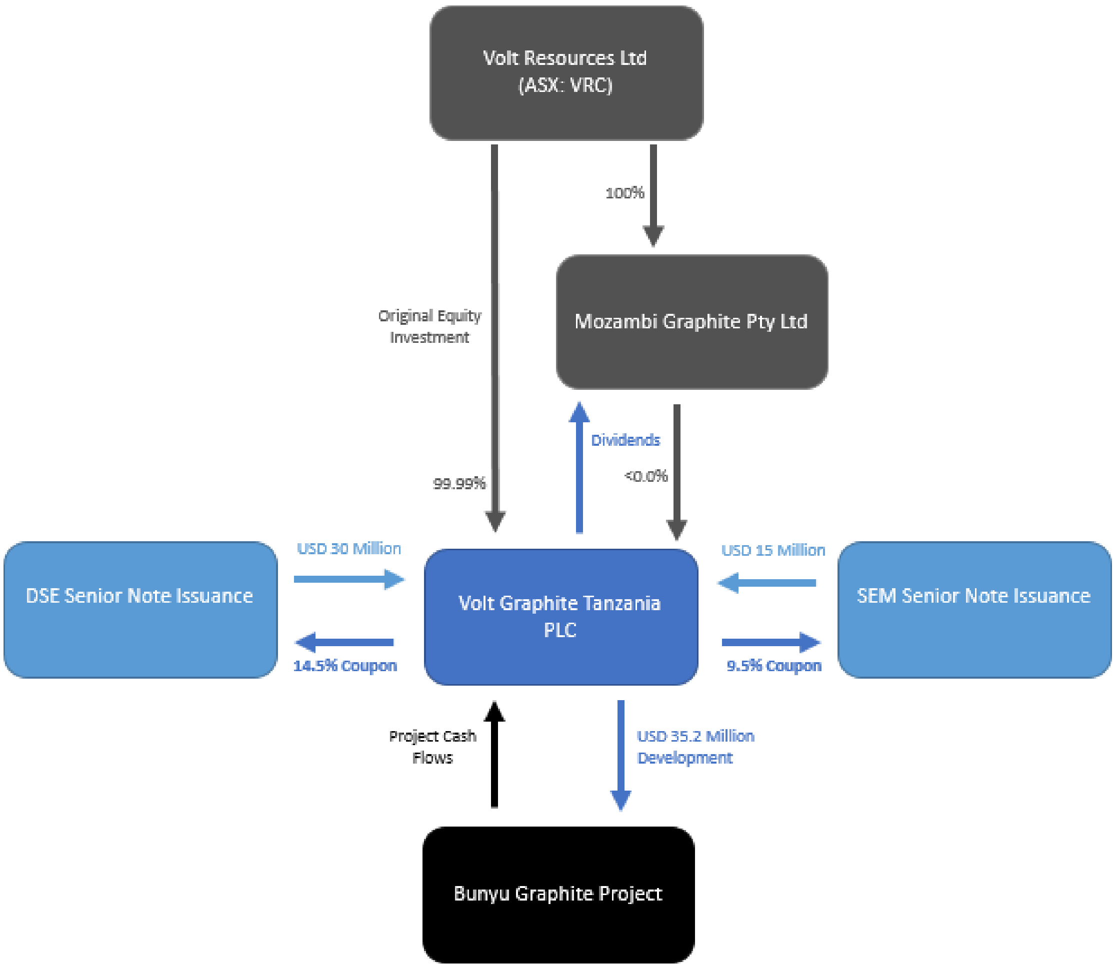
The Stage 2 expansion will require a definitive feasibility study, which Volt is planning to fund and complete in H1 2021. The total development funding for Stage 2 is expected to be in the neighbourhood of US$150 million. Volt plans to commence the development of Stage 2 in Q3 2021 and start ramping up production in 2023. The project's pre-feasibility study has set Stage 2 production at 170ktpa. The Stage 2 expansion is targeted to meet expected significant increases in demand for coarse flake graphite in the expandable graphite market and fine flake size products for battery anode material and other existing and evolving industrial uses for micro carbon products.

9.2 Company Structure

By investing in the Notes through the below structure, Investors are able to participate in the growth of Volt as the Bunyu Project brings both the Company and the Tanzanian graphite market to prominence.

The Company is pursuing a Note issuance on the Dar es Salaam Stock Exchange (DSE) alongside Notes to be issued and listed on the DEM. Volt is planning to raise US$15 million through the Note issue to be listed on the DEM combined with an East African US$30 million Note issue and listing on the DSE. The Tanzanian Note issue requires the approval of the Capital Markets and Securities Authority (CMSA) to issue the Note Information Memorandum (prospectus) and the DSE for listing approval. The Company is in advanced discussions with the Tanzanian government in relation to the approval for the DSE Note issue and expects to receive the approval to proceed soon after the completion of the DEM Note issue.

The difference in pricing for each Note is dictated by international investors yield expectation for each market and includes a Tanzanian shilling currency premium. Both, the SEM and DSE Notes will be **unsecured** but with different tenors with the SEM Notes having a 5-year term to maturity and the DSE Notes having a 7-year term to maturity. There are no differences in covenants for each Note. The minimum subscription amount for both the SEM and DSE Notes is US$6,000,000 respectively.



9.3 Description of capital structure

9.3.1 Shares

As from July 2018, the authorised share capital of the Company is made up of 100,000,000 shares of TZS 1,000 each. The Company has only one class of share with no other form of securities issued.

The Company has 24,500,100 fully paid up shares on issue held by the following shareholders:

9.3.2 Volt Shareholders

Rank	Name	Interest in Volt
1	Volt Resources Ltd	24,500,099 shares
2	Mozambi Graphite Pty Ltd	1 share
	Total Shares Issued	24,500,100 shares

Mozambi Graphite Pty Ltd is a 100% subsidiary of Volt Resources Ltd.

For the periods ending 30 June 2016, 2017 and 2018 the authorised share capital of the Company was 2,000 shares of TZS 1000 each. The Company had 100 fully paid up shares on issue.

9.3.3 Voting Rights of Members / Shareholders

Subject to any rights or restrictions attached to any class or classes of shares, on a show of hands every member in person shall have one vote. On a poll every member shall have one vote for every share he / she holds. In case of joint members, the vote of the senior member in person or by proxy shall be accepted to the exclusion of other joint holders – in this case seniority shall be determined by the order in which the names stand in the register of members.

9.3.4 Memorandum and Articles of Association

Extracts from the Company's Memorandum and Articles of Association are set out under section 19 of the Admission Document.

9.4 General development of the Company in the past four years

2015

The Company acquired a number of tenements either granted or under application under two Term Sheets dated 19 May 2015 and 7 September 2015 and subsequent variation agreements dated 17 August 2015 and 21 October 2015 respectively.

On 22 September the Company announced the granting of 11 prospecting licences. Exploration activities commenced following the grants. Subsequent relinquishments of low prospectivity tenements has reduced this number to a current holding of 7 tenements.

Drilling results announced on 1 December 2015 identified a large envelope of mineralisation extending 3.2kms in length. With a number of near surface results pointing to low cost mining and access to nearby road and port infrastructure, the Bunyu Project was developing into a world class project.

2016

The Company commenced the PFS for the Bunyu Project on 10 March 2016 with target PFS completion timing of Q4 2016.

The Company announced the signing of three MOU's with Chinese graphite end-users for a total offtake of 100,000tpa. The Chinese groups were battery, anode and spherical graphite producers.

The Bunyu Project Pre-Feasibility Study results were announced on 15 December 2016. The PFS estimated capital expenditure of USD173 million to process 3.8Mtpa of ore and produce 170ktpa of graphite products. Financial analysis indicated an attractive investment with a post-tax NPV in the order of USD890 million, 66.5% after tax IRR based on a 22-year mine life. The Company also reported the largest JORC Resource in Tanzania with 461M tonnes @ 4.9% TGC and largest Ore Reserve with 127M tonnes @ 4.4% TGC.

2017

A successful stakeholder workshop was held in Lindi on 26 January 2017. This workshop was an important pre-cursor to the commencement of the ESIA study, resettlement action plan preparation and the mining licence applications. During January 2017 the NEMC agreed to the terms of reference for the environmental impact assessment.

On 3 March 2017 the Company signed a binding offtake agreement with Nano Graphene Inc, the agreement was to supply on average 1,000tpa of graphite products at a fixed price per tonne of product for a term of 5 years. The price is commercially confidential.

On 18 May 2017 VRC announced a revised development strategy for Volt's Bunyu Project. The project would be developed in two stages with a smaller lower development cost Stage 1 Project processing 400,000tpa of ore to produce 20,000tpa of graphite products. The Stage 2 Expansion Project would follow and be sized at approximately the same production capacity as the PFS output of 170,000tpa of graphite products. This would be scheduled for development in mid-2019 and be commissioned by late 2020.

During June and July 2017, the Company entered into four non-binding agreements with Chinese counterparties including two offtake term sheets with Qingdao Tianshengda Graphite and Guangxing Electrical and two cooperation agreements with China National Building Materials General Machinery and AOYU Graphite. The cooperation agreement with CNBMGM covers graphite product offtake, engineering services and financing support. The AOYU cooperation agreement covers potential downstream processing of graphite products for the production of battery anode material and graphite product offtake.

2018

On 8 February 2018 the Company lodged two Mining Licence Applications ("MLA's") with the Minister for Minerals of Tanzania. The MLA's cover the area required for both the Stage 1 and Stage 2 developments. The total area covered by the MLA's is approximately 18km2. Single MLA's are limited to 10km2 in area. The newly formed Tanzanian Minerals Commission commenced issuing prospecting and mineral licences in May 2018.

The Company completed the Environmental and Social Impact Assessment study and lodged its Environmental and Social Impact Statement (ESIS) with the National Environment Management Council on 23 January 2018, an amended ESIS on 30 April 2018 and a further amended ESIS on 29 June 2018. The ESIA study covers the area required for the Stage 1 Project and Stage 2 Expansion Project.

The Resettlement Action Plan (RAP) was completed and the compensation report approved by the relevant authorities including the Chief Valuer. The RAP covers the MLA areas incorporating both the Stage 1 and Stage 2 development.

The Bunyu Stage 1 Feasibility Study ("FS") results were released on 31 July 2018. The Stage 1 FS was based on a mining and processing plant annual throughput rate of 400,000 tonnes to produce on average 23,700tpa of graphite products. The FS financial analysis showed favourable NPV and IRR over a payback period of 4.4 years. The capital and operating cost estimates used for the FS have been prepared to an accuracy of ±15%.

A binding graphite offtake agreement was entered into with Qingdao Tianshengda Graphite Co. Ltd. for 9,000 tonnes per annum of Bunyu Graphite Product over five years. The Agreement includes an option for a further five-year term by mutual agreement. The Agreement incorporates the size ranges of products to be produced in both the Stage 1 development and the planned expansion to Stage 2 at Bunyu. Product pricing will be market based negotiated six monthly based on published reference prices for applicable products.

The Bunyu EIA certificate, along with the previously advised approval of the resettlement compensation under the Resettlement Action Plan, covers the area required for the Stage 1 development and Stage 2 Expansion Project.

The Company received the Environmental Impact Assessment (EIA) Certificate from the National Environment Management Council of Tanzania (NEMC) for the Bunyu project development on 3 September 2018. Importantly, the EIA certificate signed by the Honourable Minister of State in Vice President's Office for Union Affairs and Environment Hon. January Makamba, represents the final pre-requisite for the granting of Volt's Mining Licence (ML) and one of the final remaining major milestones in terms of Government permitting for the Bunyu Graphite Project.

On 20 October 2018 the Company received two mining licences ML 591/2018 and ML 592/2018 from the Mining Commission of the Ministry of Minerals of Tanzania. The two Mining Licences (ML's) cover the respective Stage1 and Stage 2 developments of the Bunyu Graphite Project. The two ML's cover a combined area of 17.71km2 and provide Volt with the exclusive right to develop the graphite resources in the ML area. The ML's are effective for a period of 10 years and there is a right of further 10-year renewals under section 53 of the Mining Act.

9.5 Significant Acquisitions

Volt acquired the Bunyu tenements in 2015 under two separate Term Sheet agreements dated 19 May 2015 and 7 September 2015. Subsequently, the Term Sheets were varied on 17 August 2015 and 21 October 2015 respectively resulting in the acquisition of various prospecting licences and applications that form the Bunyu Project. On 20 October 2018 the Company received two mining licences ML 591/2018 and ML 592/2018 from the Mining Commission of the Ministry of Minerals of Tanzania. Following the receipt of the mining licenses, the underlying PL, PL 10718 was cancelled. Subsequently an application has been submitted for two new PL's (PL 13208 and PL 13207), to cover land area previously covered by PL 10718 but not accounted for by the new mining licences.

These tenements have been consolidated into the current 1,109.km2 Bunyu Project licence holding as summarised below.

License No.	Deposit Name	Land Area km^2	Status
PL 10643	Bunyu 4	154.5	
PL 10644	Bunyu 2	198	
PL 10667		153.2	
PL 10668		108	
PL 10717	Bunyu 3	142.8	
PL 10788		117.1	
PL 13208		121.78	Application
PL 13207		96.23	Application
ML 591		8.48	
ML 592		9.23	
Total		1109.32	

9.5.1 Fixed Assets

The Company is an exploration and development company. As such, it does not own any material fixed assets. The Company intends to purchase and construct a graphite processing facility / plant and develop related infrastructure including a mine, access roads, accommodation and storage facilities, all together the Bunyu Project Development, from the proceeds of the Note issues. This expenditure is forecast at US$31.8 million and will be funded from the proceeds of the SEM and DSE Note issues and other sources.

9.5.2 Legal and arbitration proceedings and regulatory action

To the best of the Company's knowledge, the Company is not and was not, during the year to the date of this Admission Document, a party to any material legal proceedings, nor is any of its property, nor was any of its property during the year ended on the date of the Admission Document, the subject of any such legal proceedings. As at the date hereof, no such legal proceedings are known to be contemplated.

No penalties or sanctions have ever been imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, nor have any settlement agreements been entered into by the Company before a court relating to securities legislation or with a securities regulatory authority.

9.5.3 Reproduced Third Party Information

Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10 Financial and Trading Prospects of the Group

10.1 Notes

1. The Board of Directors is responsible for the preparation and fair presentation of the financial projections including the underlying assumptions supporting the projections.
2. Actual results may be different from projections because anticipated events do not usually happen as expected and variations from projections may be material.

10.2 Historical Financial Statements

For the three years (periods) ended 30 June 2016, 30 June 2017 and 30 June 2018, audited financial statements of Volt Graphite Tanzania (previously Nachi Resources) have been prepared in accordance with IFRS (International Financial Reporting Standards) presented in Tanzanian Shillings (TZS) and audited by Innovex Auditors based in Dar es Salaam, Tanzania.

All three audit reports on the Financial Statements noted above provided a not modified or unqualified opinion but with an emphasis of matter with regards to a “Material Uncertainty Related to Going Concern” whereby it was drawn to the attention that the Company has not started mining activities and is still in the exploration phase and therefore did not record any revenues for the years under review. As a result, the Company since its incorporation relies on funding from the Parent Company to meet its administrative and exploration costs. During the years under review it reported net losses from operations and had negative equity. If the Parent Company for any reason stops providing funding for its administrative and operational needs, these events or conditions along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

During the years to 30 June 2019 after acquiring the Graphite prospecting tenements in Tanzania in May and September 2015 Volt has completed exploration drilling to define graphite Resources and Reserves, a Pre-feasibility study for a significant Graphite project completed December 2016 and Feasibility study for Stage 1 Bunyu graphite project (starter project) completed July 2018 all funded by the parent company via inter-company loans and capitalised to the balance sheet as Exploration and evaluation assets. Ongoing administrative costs of maintaining the company including accounting and exploration support in Tanzania, tenement maintenance costs, environmental compliance and community relations costs have been expensed through the profit and loss account along with unrealised gains and losses on the revaluation of the inter-company loan with the parent entity. The project is yet to be developed and commence production so there were no sales revenue for these years.

Volt Graphite Tanzania	FY2016*	FY2017	FY2018	FY2019
	US$000's	US$000's	US$000's	US$000's
Profit & loss				*Unaudited*
Administrative expenses	352	941	1,211	*900*
Foreign exchange (gains) / losses	52	205	157	
Net Loss after tax	404	1,146	1,368	
Financial Position				
Exploration and evaluation assets	1,894	5,451	7,980	*8,200*
Other furniture and equipment	-	10	14	*10*
Cash and current assets	10	41	129	*40*
Current liabilities	(17)	(22)	(28)	*(50)*
Loan from parent company (non-current)	(2,291)	(7,030)	(11,012)	*(700)*
Net Assets / (Liabilities)	(404)	(1,550)	(2,918)	*7,500*
Total Equity / (Deficiency)	(404)	(1,550)	(2,918)	*7,500*
Cash Flows				
Operating	(392)	(1,147)	(1,472)	
Investing	(1,894)	(3,567)	(2,535)	
Financing from parent company	2,291	4,739	3,982	*1,100*
Net inflow / (outflow)	5	25	(25)	

** 14-month period ended 30 June 2016*

1. There is no remuneration paid or due to be paid to the directors of the Company.
2. The Company has engaged consultants to operate the business to date and therefore has no liabilities in relation to pension, retirement or similar benefits.
3. The Parent Company has provided interest free loans to fund the activities of Volt. On 10 July 2018 Volt issued 24,500,000 new shares at TZS1,000 per share to substantially reduce the non-current loan's balance outstanding.
4. Other than as noted under Note 3 above, there is no significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which audited financial information is available.

10.3 Financial Forecasts and Assumptions

Cash Flow Forecast	FY2020 US$000's	FY2021 US$000's	FY2022 US$000's	FY2023 US$000's	FY2024 US$000's	TOTAL US$000's
Net Receipts						
Proceeds from Debt Note issue - DSE 7 yrs	30,000					30,000
Proceeds from Debt Note issue - DEM 5 yrs	15,000					15,000
less (Costs) of the Debt Note raisings	(3,550)					(3,550)
Equity raising (net of costs)	6,200	5,800	3,500		8,500	24,000
Cash receipts from sales revenue	-	21,594	24,212	38,653	39,664	124,123
Cash (costs) of production	-	(15,230)	(15,714)	(22,213)	(20,741)	(73,897)
Working capital adjustments	-	209	(78)	(497)	(105)	(471)
	47,650	12,372	11,921	15,944	27,318	115,205
Payments						
RAP (Resettlement Action Plan)	(3,400)					(3,400)
Stage 1 Capex	(31,771)					(31,771)
Stage 2 DFS	(3,000)					(3,000)
Sustaining capex / pre-prod. mining	-	(2,335)	(298)	(609)	(4,678)	(7,919)
Interest on listed Notes DSE (14.5%)	(4,350)	(4,350)	(4,350)	(4,350)	(4,350)	(21,750)
Interest on listed Notes DEM (9.5%)	(1,425)	(1,425)	(1,425)	(1,425)	(1,425)	(7,125)
Income tax expense (min 0.5% revenue)	-	(108)	(121)	(193)	(198)	(621)
Royalties	-	(1,512)	(1,695)	(2,706)	(2,776)	(8,689)
Administration expenses	-	(1,748)	(1,765)	(1,765)	(1,764)	(7,042)
Corporate expenses (Tanzania)	(800)	(1,706)	(1,706)	(1,706)	(1,706)	(7,625)
DEM Notes repayment	-	-	-	-	(15,000)	(15,000)
	(44,746)	(13,184)	(11,360)	(12,754)	(31,898)	(113,942)
Cash Generated	**2,904**	**(811)**	**561**	**3,189**	**(4,580)**	
Cumulative Cash Generated	**2,904**	**2,092**	**2,653**	**5,843**	**1,263**	1,263

Detailed Capex Schedule (FY 2020)	Q1	Q2	Q3	Q4
Process Plant (equipment, earthworks, infrastructure, buildings)	2,563,966	2,563,966	$2,563,966	2,563,966
Project Infrastructure (water supply, power stations, roads etc.)	2,206,875	2,206,875	$2,580,486	2,580,486
Indirect Costs (mobilisation costs, engineering etc.)	2,452,267	2,616,360	$2,915,320	3,956,746
Total	**7,223,108**	**7,387,201**	**8,059,773**	**9,101,199**

General Assumptions

1. The Company will be able to source sufficient funding through debt and equity to continue as a going concern, meeting its obligations in the ordinary course of business.
2. The Company will obtain US$30 million equivalent of funding in early FY2020 from the listing of 7-year unsecured Notes on the Dar es Salaam Stock Exchange (DSE) in Tanzania. Interest will be paid half-yearly in arrears at 14.5% per annum. The DSE Notes are repayable in full on their 7-year maturity in FY2026.
3. The Company will obtain US$15 million of funding in early FY2020 from the listing of 5 year unsecured Notes on the Development and Enterprise Market of Mauritius (DEM). Interest will be paid half-yearly in arrears at 9.5% per annum. The DEM Notes are repayable in full on their 5-year maturity in FY2024.
4. Any additional funding required will be sourced through the issue of new shares, either directly or through the Parent Company (VRC) which is listed on the Australian Securities Exchange (ASX).
5. The Company is planning to implement Stage 1 of the Bunyu Graphite Project in the 7 years from FY2020. During this period, it is likely that the larger Stage 2 expansion project will either supersede or run in parallel with the Stage 1 project. The Company's five-year projected cash forecast incorporates local corporate operations plus

Stage 1 of the Bunyu Graphite Project for the period FY2020 to FY2024 which is expected to cover the construction and early operating phases of the project. The projected cash forecast information does not include projections for Stage 2 of the Bunyu Project other than completion of the feasibility study which is forecast at US$3.0 million.

6. No changes to the Tanzanian legal, regulatory and fiscal frameworks, including laws related to the natural resources sector currently enacted are expected to delay or prevent the Company progressing the project. The company tax rate is expected to remain at 30% of taxable income. The Alternative Minimum Tax (AMT) rate for entities with 3 consecutive tax loss years is to remain at the revised 0.5% of revenue.
7. The Company has its required mining licences, environmental and social impact assessments and resettlement compensation plan approved by the relevant authorities and all other secondary approvals, permits and licences required for the project are expected to be obtained on a timely basis. Secondary approvals are numerous and generally minor but may cause delays if not received in time.
8. The Total Graphitic Carbon (TGC) Grade is expected to average 6.26% from preliminary results targeting a specific higher-grade portion of the Bunyu 1 graphite resource identified as the initial pit areas to cover the 7 years' production under Stage 1 of the project.
9. Offtake agreements are in place or will be executed immediately after development funding is available and are expected to continue in force to ensure sales transaction as forecast are achieved.
10. The construction of Stage 1 plant and infrastructure is planned to take 12 months and comprises early works for roads, water bores and camp; water storage dam construction; mine establishment and pre-strip; tailings storage facility construction; process plant. A 3-month period for commissioning and ramp-up to nameplate operations follows. Based on development funding completed in 2019 construction is expected to be completed Q4 2020.
11. Proceeds from the sale of flake graphite products are expected to start in the FY2021 and proceeds from the sale of Purified Spherodised Graphite for Battery Anode Product (PSGBAP) is expected to start in FY2023.
12. Royalties are expected to be paid at the rate of 3% to the Government of Tanzania and 3% to the former tenement holders.
13. The Company does not have a dividend policy. No dividends are expected to be paid to shareholders in the five years up to FY2024 from the Stage 1 Bunyu Graphite project. Dividends are anticipated once Stage 2 of the Bunyu Graphite project is in commercial production.
14. The cash flow forecast does not reflect any impact of a 16% free carried interest[1] to be held by the Government of Tanzania. Under current legislation the Tanzanian Government will be issued shares in Volt which will provide the Government with a direct interest in the project and alignment of interests. All costs including debt servicing will be funded from 100% of project cashflows. Along with existing Volt shareholders, the Tanzanian Government will be entitled to receive dividends arising from net profits.
15. Current planning is to complete the DFS for the Stage 2 expansion project, obtain financing and commence construction 6-months after the Stage 1 project is commissioned and in commercial production.

[1] Free Carried Interest (FCI) refers to an equity interest granted to the State by the company holding a mining license. FCIs serve the purpose of giving States, and therefore by extension the people of the host country, an ownership stake in mining projects developed in-country.

10.4 Development Funding

Volt plans to raise sufficient funding through debt and equity to fully develop and commence operations of the Stage 1 Bunyu Graphite Project and complete the Definitive Feasibility Study for the Stage 2 Expansion Project. The primary sources of funding will be through the issue of US$15,000,000 of 5-year interest-bearing notes to be listed on the DEM of the Stock Exchange of Mauritius and US$30,000,000 equivalent in Tanzanian Shillings of 7-year unsecured interest-bearing notes to be listed on Tanzania’s Dar es Salaam Stock Exchange (DSE).

Refer to section 15.2.8 for the risk of funding shortfalls from the DEM and/or DSE Note Issues.

10.5 Additional Development Funding

Refer to section 15.2.7 for the risk of availability of additional funding.

10.5.1 Additional Debt Funding

Cognizant that both a project finance style mining bond is new to both the Tanzanian and Mauritian markets, the issuer has contingency planning in the event only the minimum amounts in each market are raised. Volt and its advisors are in discussions with both African Development Agencies and African Development Banks regarding extending funds to complete Stage 1 if required. Volt and its advisers are in dialogue with these counterparts and will proceed to documentation and due diligence once the results of the local Note raisings are completed and the additional financing can be appropriately sized.

Refer to section 15.2.10 for Additional Debt Funding risks.

10.5.2 Equity Funding

Volt plans to raise equity funding during construction of US$6.2 million The equity funding will be used to supplement the funds raised through the planned Note issuance to cover the Stage 2 DFS and Volt working capital and corporate costs. The timing for the equity raising will be at approximately the mid-point of the 12-month construction period and may be completed in two or more tranches. It should be noted that Volt’s cash balance at the completion of construction is forecast at US$2.9 million after the first two interest payments during the 12-month construction period. There is a material amount of contingent funding in the amount of equity planned to be raised in the first 12 months when the DFS expenditure of US$3.0 million during the construction period is taken into account.

The following two years have equity funding requirements of US$5.8 million and US$3.5 million respectively. The forecast operating net cash flows in these years of US$6.4 million and US$8.5 million are sufficient to meet debt servicing with equity to fund administration, corporate and FY 2021 mine development capital expenditure.

The equity funding for Volt is planned to come from two sources - equity investment by VRC which will raise funds through capital raisings from its shareholders and investors on the ASX and private equity placements by Volt. Direct investment in Volt is attractive to strategic investors and may be combined with offtake agreements or other commercial arrangements. VRC has a history of raising material amounts of capital to fund Volt and the Bunyu Project development expenditure.

VRC has raised a total of A$64.4 million to date from equity issuances on the ASX. In the past 4 years it has raised a total of A$26.7 million including A$12.3 million in the year ended 30 June 2016 and A$11.2 million in the year ended 30 June 2018. VRC raises equity from financial markets as required to fund project activities. During 2016 the company completed its first drilling programme and prepared the PFS published in December 2016. In 2018 the Company obtained its key environmental approvals, received its mining licences, signed binding offtake and prepared the Stage 1 Feasibility Study published in July

2018. In years of less activity it reduces expenditure through reducing the use of consultants and contractors. With VRC's sole investment focus being Volt, VRC's shareholders are committed to supporting the Bunyu Project development strategy and ensuring it is successful.

With the Bunyu Project's status as a world class graphite project through its resource size, high value flake size distribution, proximity to existing transport infrastructure and products suitable to a range of end uses, the sale of equity in Volt to strategic investors is a realistic source of funding. Following the DEM Note issue, the appetite for investment in a project entering the construction phase on the pathway to operations will be increased.

Refer to section 15.2.9 in relation to the risks of equity funding being unavailable.

10.5.3 Refinancing from Stage 2 Funding

As discussed in section 9.1, Volt's strategy is to develop the Bunyu Project in two stages. The cashflow forecasts in this section are based on funding the DFS for the Stage 2 Expansion Project with the remaining 4 years based on Stage 1 operations only. As described in section 14.10, the plan is to fund the Stage 2 development in the first year of Stage 1 operations. With a construction period of approximately 18 months, the Bunyu project cashflows will increase significantly as the project is scaled up to be one of the largest flake graphite producers globally. The Bunyu Project is forecast to produce approximately 16% of global graphite supply in 2023 once fully developed into a period when there are forecast to be significant deficits in graphite markets (see section 14.8). If the Company is able to achieve this development pathway, by year 4 of the DEM Note's the Company will, based on the PFS cashflow forecasts, be in a strong position to repay the DEM Notes on maturity.

There is a risk that funding for the Stage 2 development will not be obtained when planned or that it will be unable to raise the required funding, in which case the Stage 2 development will be delayed or may not proceed.

11 Board of Directors

11.1 The Directors

The Company has two board members:

Mr. Asimwe Kabunga (Non-Executive Chairman, Age 47)

Mr. Kabunga is a Tanzanian born Australian entrepreneur who holds a Bachelor of Science, Mathematics and Physics and has over 19 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. Kabunga is currently Chairman of Volt Resources Ltd (ASX:VRC) and Chairman of Lindian Resources Limited (ASX:LIN). Mr Kabunga is an Australian citizen and presently resides at Perth, Australia.

Mr. Trevor Matthews (Chief Executive Officer, Age 60)

Mr. Matthews has an accounting and finance background with 30 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 Managing Director for MZI Resources (2012-16) and Murchison Metals (2005-11). During his career Mr. Matthews has gained considerable experience managing many 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. Matthews' role in overseeing an exploration company into production which was valued at approximately US$2 billion in market capitalization was viewed by the Volt Board as an excellent prerequisite. This experience will be valuable to Volt as it moves forward to bringing its Bunyu project into production. Mr. Matthews has a Bachelor of Commerce Degree from the University of Western Australia, a Post-Graduate Diploma in Applied Finance and Investment and is a member of the Australian Institute of Company Directors. Mr Matthews is an Australian citizen, and presently resides at Perth, Australia.

As noted above, both Company directors are directors or executives of the parent company Volt Resources Limited which is listed on the Australian Securities Exchange (ASX:VRC). Mr Kabunga is the Non-executive Chairman of VRC and Mr Matthews is Chief Executive Officer of VRC, Volt Graphite Tanzania and its Bunyu Graphite Project are the only current projects of VRC and its subsidiaries and accordingly it is in the best interest of both companies to develop the Bunyu Graphite projects. There are currently no conflicts of interest, nor are any foreseen. Mr Kabunga is a party to the Royalty Term Sheet Agreement detailed in section 17.1 Material Contracts, where the development of the Bunyu Graphite projects and sale of graphite products is of mutual benefit to all parties.

11.1.1 About the Company Secretary

Ms Leticia Kabunga

Ms Kabunga has a Bachelor of Business Management from Bangalore University in India. She has extensive experience in logistics planning and management and Government liaison. She is consulting to a number of companies in Tanzania in relation to business management and logistics. Ms Kabunga provides company secretarial services to a number of Tanzanian subsidiary companies of listed foreign companies.

11.1.2 Conflict of Interests

Certain directors of the Company have other business interests and do not devote all their time to the affairs of the Company. The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation.

From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Tanzania, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and the financial position at that time. The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors and officers of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the board's Code of Conduct and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed herein, the directors and officers of the Company are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving the Company.

No directors of the Company or their associates have any shareholding in Volt.

11.1.3 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

As at date of this Admission Document, there is no contract or arrangement subsisting in which any director of the Issuer is materially interested or which is significant in relation to the business of the Company, apart from the Royalty Agreement disclosed in section 11.1.

11.1.4 Corporate Cease Trade Orders or Bankruptcy

Except as may be provided in this Admission Document, no director or executive officer of the Company is, as at the date of this Admission Document, or was within 10 years before the date of this Admission Document, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an Order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as may be provided in this Admission Document, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

a) is, as at the date of this Admission Document, or has been within the 10 years before the date of this Admission Document, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the 10 years before the date of this Admission Document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors, officers and controlling shareholders of the Company individually.

11.1.5 Loans and Guarantees

The Company has not extended any loans to any of its current or former directors and has not provided any guarantees to any current or former directors in respect of any other third-party loans.

11.1.6 Annual General Meetings

A general meeting shall be held once in every calendar year (but not being more than 15 months from the last general meeting) at the proposed time and place as may be determined by the directors. Notice of general meetings shall be at least three weeks – excluding the day the notice is served but including the day on which notice is given. A quorum is convened when two members are present in person or by proxy and hold no less than 75% of the issued share capital entitled to vote on the matters therein presented.

12 Management

The Company is aware of the need to have sufficient and experienced management to conduct its graphite exploration and development business in Southern Tanzania. During the exploration and study phases the Company utilizes the services of its parent company's Australian staff, international and local consultants and contract services to undertake the required programs of work and administration of the Company until the project enters and completes the project financing followed by the development phase.

The current Company management are:

- Trevor Matthews – Chief Executive Officer
- Peter Dodi – Community Relations Manager (consultant)
- Juma Selemani – Exploration Manager (consultant)

The Company also has engaged the service of Godwin Nyelo as a consultant on government and corporate relations.

Post financing, the Company will recruit a number of roles including senior finance and operations positions to ensure the safe and efficient operation of the Company's graphite business, protection of the Company's assets and appropriate levels of corporate governance. At least one independent director is likely to be appointed to the board of directors.

No employees have any arrangements involving the capital of the company.

To date the Company has managed its activities through the engagement of consultants and contractors to maintain flexibility regarding project expenditure when any delays or changes in activity levels occur. Progressively over the development, construction and ramp-up period to commercial production, approximating twelve months, the Company is anticipating hiring approximately 70 staff including approximately 5 expats in addition to the mining contactors and other service provider employees.

13 Investment Overview

13.1 Historical Investment

Since its incorporation in May 2015, and following the acquisition of the graphite tenements in Tanzania in May and September 2015, Volt has completed exploration drilling to define graphite Mineral Resources and Ore Reserves, a Pre-feasibility study for a significant graphite project completed December 2016, Feasibility study for the Stage 1 Bunyu graphite project (starter project) completed July 2018, obtained key approvals and completed product offtake agreements. These activities were all funded by the parent company via inter-company loans and capitalised to the balance sheet as Exploration and Evaluation assets. Ongoing administrative costs of maintaining the company including accounting and exploration support in Tanzania, tenement maintenance costs, environmental compliance and community relations costs have been expensed through the profit and loss account along with unrealised gains and losses on the revaluation of the inter-company loan with the parent entity. The project is yet to be developed and commence production so there is no sales revenue for these years.

Consequently, there is no history of investments by the Company.

13.2 Purpose of the Note Issuance

The purpose of issuing the Notes on the SEM is to provide funds to enable the Company to:

(a) develop the 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.

On completion of the private placement, the Board believes that funds raised from the Offer will provide the Company with sufficient funds to achieve the Company's objectives set out above.

13.3 Use of Proceeds

The Company intends to apply funds raised from the Offer and the Tanzanian Note Offer, as follows:

Sources	**Millions**
Securities	US$45.000
Note Issue costs	US$3.550
Net Proceeds	US$41.550

Uses	**Millions**
Bunyu Project Development	US$31.771

DSRA	US$5.775
Resettlement compensation payments	US$3.400
Working Capital (part DFS funding)	US$0.604
Total Uses	US$41.550

The above table is a statement of current intentions as at the date of lodgement of this Admission Document with the SEM. As with any work plan and budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds are ultimately applied. Accordingly, the actual expenditures may vary from the above estimates and the Board reserves the right to vary the expenditures dependent on circumstances and other opportunities.

The Company has not entered into any commitments in relation to the above tabled uses apart from resettlement compensation payments which have been calculated and agreed with the landowners and approved by the Tanzanian Chief Valuer.

The DSRA is utilised to reserve the funds to pay the first two semi-annual coupon payments due to Noteholders.

13.4 Queries

This Admission Document provides information for Potential Investors in the Company and should be read in its entirety. If, after reading this Admission Document, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent professional advisor. For additional copies of the Admission Document, further advice on how to complete the Application Form or further information about the Offer, please contact the SEM Authorised Representative.

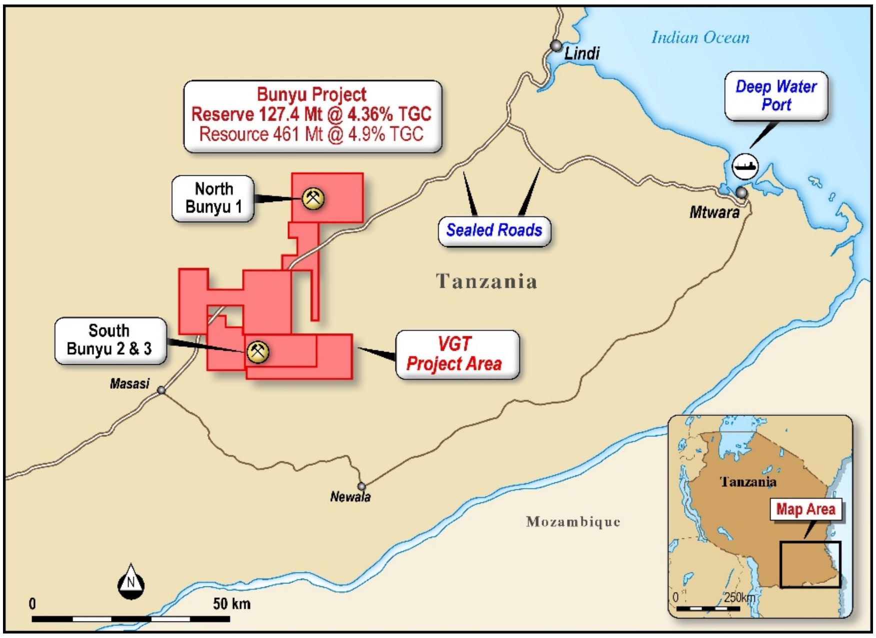
13.5 SEM Authorised Representative

GFIN Corporate Services Ltd ("**GFIN**") has been appointed as the authorised representative to facilitate communication between the Company and the SEM for the purpose of the Listing.

14 Bunyu Graphite Project

14.1 A Unique Mining Opportunity

Geographic size, location, flake distribution and purity of graphite products give Volt a distinct advantage over market competitors. Volt is the largest tenement holder in the area with licenses covering 1109km^2 of the highly prospective Usagaran Belt (Mozambique Belt Neoproterozoic System). To date, approximately 6% of the tenement area has been explored offering significant exploration upside. Situated 10km from sealed roads, Volt's tenements benefit from a direct 140km route to the deep-water port of Mtwara which currently operates at just 34% of capacity.



14.2 Description of Deposits

At the time of tenement acquisition there had been no previous exploration on any of the application areas although numerous areas of outcropping graphite mineralisation had been noted by local prospectors and several large coarse-flaked graphite deposits had been discovered to the north and east within the same sequence of prospective rock. As the exploration progressed and high-quality graphite mineralisation was identified, surrounding areas were progressively acquired, building Volt's tenement package.

Volt's tenements contain a JORC 2012 compliant resource base of 461MT at 4.9% total graphitic carbon. The project is divided into North and South zones. The Bunyu 1 mine is situated in the North zone with the Bunyu 2 and 3 mines located in the South zone.

14.3 Resource Summary

Within the North zone the contained graphite amounts to 406Mt, while the South zone makes up the rest of the endowment (55Mt). The total graphitic carbon grade in the Northern zone is about 1% higher than in the South zone.

Bunyu Graphite Project	**Mt**	**TGC (%)**
Inferred		
North	264	5
South	23	3.6
Total Inferred	**286**	**4.6**
Indicated		
North	122	5.2
South	33	4.3
Total Indicated	**155**	**5**
Measured		
North	20	5.3
Total Resource	**461**	**4.9**

14.4 Description of Mining Methods

The Bunyu Deposits are suited to conventional drill and blast, and load and haul open pit mining methods. Further it is expected that some of the weathered material will be amenable to ripping by dozer and free dig.

The deposit dips at 30 to 40 degrees which allows one wall of the pit to follow the footwall (minimal waste dilution). There are also multiple parallel lenses that fall within the pit boundary resulting in low stripping ratios.

The ROM pad would be built adjacent to the processing facility, the open pit haul trucks would haul directly from the pit to the ROM pad, where the material would be re-handled by front-end-loader into the Crusher.

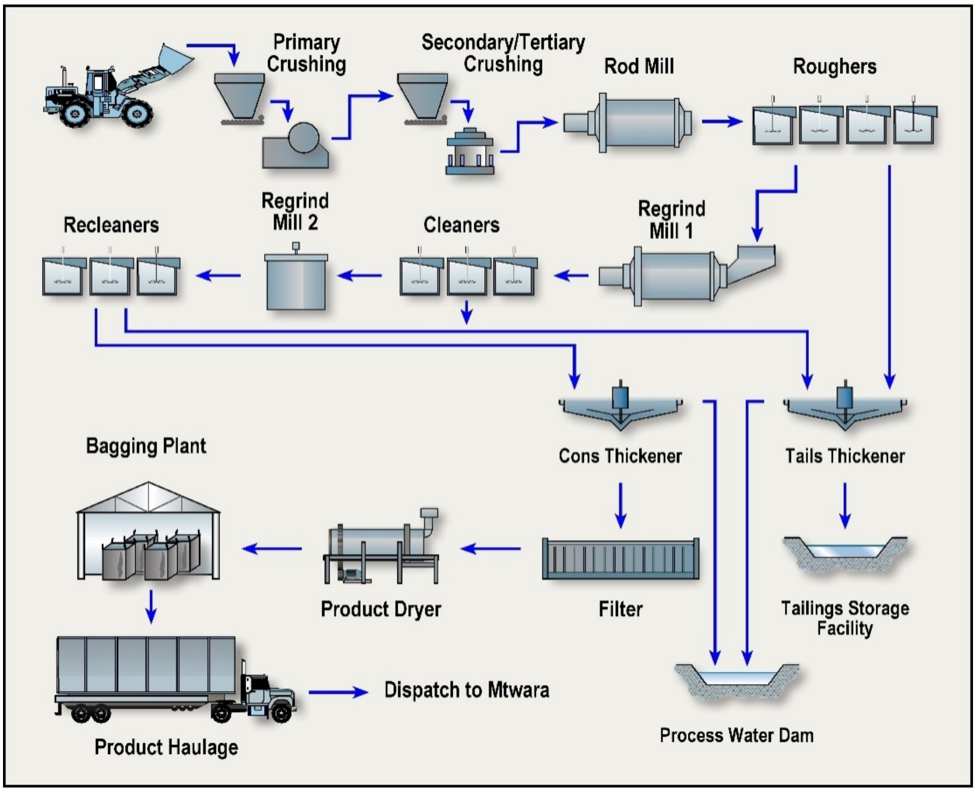
14.5 Description of Processing Plant and Associated Infrastructure

The processing plant will incorporate the following unit process operations:

- ROM ore will be stage-crushed in primary and secondary crushers, with associated screening to recirculate the oversize back to the crushers and to produce a top-sized product ahead of grinding
- Ore will be wet ground by rod mill for concentration by flotation
- Flotation will recover graphite by rougher flotation followed by five cleaning stages, with regrind milling between stages, to target coarse graphite recovery
- Graphite product will be thickened, filtered, dried, screened and packaged in 1-tonne bags
- Flotation tailings will be thickened to maximise water recovery and discharged into a constructed TSF

The product is subsequently transported approximately 550 km to the port at Dar es Salaam in Eastern Tanzania.

The principal production objective of the plant design is a marketable high-grade graphite product which is sized in ranges for the purpose of targeting appropriate market segments and so maximises the value of the products produced. Maximising the yield of high-value coarse flake is a key part of this objective.



Production Flowsheet

14.6 Supply Chain and Product Transport

Volt will manage all supply-chain activities. The product will be filtered, dried, screened and bagged then trucked approximately 550 km to the port at Dar es Salaam (DES) in Eastern Tanzania where the bags will be loaded into 20’ or 40’ sea containers in preparation for shipping to customers. Loading of containers onto the ship and stevedoring will be done through a contract arrangement with a logistics management and freight company. There will be two warehouses; a product storage and dispatch facility on site and a warehouse in DES managed by the freight company. The feasibility study investigations have recommended DES as the lower cost port option for Stage 1. This is due to the modest Stage 1 product tonnages and current absence of coastal shipping in Tanzania. Discussions and investigations are ongoing for a Mtwara based shipping solution for Stage 1 that is cost competitive and robust.

For Bunyu Stage 2, with the significantly increased product tonnages, it is expected that transport to and shipping from the Mtwara Port will become the preferred logistics route. Each container will contain 20 bags of graphite product. There is access to land near the port for storage and warehousing.

14.7 Product Marketing

14.7.1 Product Quality

Test work conducted on graphite samples from these deposits has been positive with metallurgical results showing graphite product TGC purity of up to 96.6%. Samples have also been tested by US based graphene customer Nano Graphene INC (“**NGI**”) and potential off-taker Chinese National Building Materials General Machinery (“**CNBMGM**”). NGI confirmed Volt’s Bunyu graphite is amongst the highest quality graphite tested to date. CNBMGM reported that the Bunyu graphite product meets all company requirements. Such feedback supports the rationale that current reserves can provide consistent, high-grade graphite suitable for commercial applications including those within the Li-ion battery market and the fire-retardant building materials market.

14.7.2 Off-take and Buyers

Volt has signed a 5-year fixed price binding off-take agreement with a US-based graphene producer NGI for an average 1,000tpa of flake graphite. On 1 August 2018 Volt signed a second binding off-take agreement with Qingdao Tianshengda Graphite (“**TSD**”) for the supply of 9,000tpa of graphite products. Additionally, non-binding co-operation agreements and term sheets have been signed with three Chinese off-takers; CNBMGM, Guangxing Electrical (“**GEM**”) and AOYU Graphite. CNBM is China’s largest building materials group and has agreed to purchase 10-15ktpa of expandable focused product. GEM, one of China’s largest graphite processors and distributors has agreed to purchase 5ktpa of expandable focused product. Aoyu, one of China’s leading graphite groups has the potential to purchase 10 - 20ktpa of flake graphite subject to further testwork planned during the course of 2019.

14.8 Graphite Market

Natural graphite is an industrial mineral with several marketable properties including heat resistance and electrical conductivity. Discovered in three forms (vein/lump, flake and amorphous), flake graphite composes 40% of the market, is considered high grade and has the greatest number of end uses including components of lithium-ion batteries and upcoming new technologies such as graphene batteries. Amorphous graphite accounts for approximately 60% of the market and is primarily used in industrial products such as refractories. However, two industries that use natural graphite have the potential to more than double global demand over the next five years - lithium-ion batteries used in electric vehicles and fire-retardant building materials. The demand for electric vehicles is forecast to continue growing with more than 12 'gigawatt' battery making facilities coming on stream by 2020. This is due to increasing environmental awareness in the US, Europe and China with the Chinese Government targeting 5 million electric vehicles produced by 2020 and 3 million manufactured every year by 2025. Analysts estimate that natural graphite demand will increase 500% by 2020 and the graphite market will reach US$ 29.05 billion by 2022. Expandable graphite is manufactured by treating flake concentrate with reagents (acid and heat) to produce a compound that expands several hundred times its original size when heated to >1,000°C. Typically, end-users require large, jumbo or super jumbo flake concentrate to produce expanded graphite, as they have higher expansion rates than smaller flakes. Other than being heat resistant, expandable graphite doesn't corrode, cannot be compressed and blocks radiation to a high degree. Expandable graphite flake is a fire-retardant additive for applications that require improved fire protection characteristics, including wood, foam, paint, plastics, and other construction and building materials. Mining of flake graphite takes place predominantly in China, with Brazil being the only other major supplier. China's three biggest producers of flake graphite in 2016 were Luimao Graphite, BTR New Energy Materials and Yixiang Graphite Group, all of which operate in the flake graphite capital of China's Heilongjiang province. With the average size of a flake graphite mine in China estimated at less than 25,000tpa, there are only a handful of major producers in the world. Outside of China, there is only one producer with a capacity of over 25,000tpa, Nacional de Grafite of Brazil. Almost no output from Nacional or any other producer outside of China goes into the battery industry today, although many companies are conducting test work to explore the economics of using their material for these applications.

Future demand for advanced material graphene is expected to increase graphite demand even further. Graphene is a one-atom thick sheet of hexagonally arranged carbon. This structure creates an extremely strong, thin, light material. Furthermore, graphene is a significant conductor of heat and electricity. These properties give the material application in nano-technologies, LED's and other electronic components. The global graphene market was valued at US$32 million in 2016 driven by research and development with analysts forecasting a US$ 195 million market by 2022.

UBS on Graphite Supply Deficit by 2022

		2016	2017	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Supply											
Total Flake Mine Supply	:ktpa	629	655	738	802	849	925	1000	1085	1185	1435
Growth	:%	5.5%	4.0%	12.8%	8.7%	5.9%	9.0%	8.1%	8.5%	9.2%	21.1%
Demand											
Demand Drivers											
EAF Steel Production Growth	:%	-1.6%	4.0%	3.2%	2.8%	1.3%	1.4%	0.0%	0.0%	0.0%	0.0%
BF Steel Production Growth	:%	2.2%	4.6%	0.6%	-0.1%	0.1%	-0.4%	0.0%	0.0%	0.0%	0.0%
Total Steel Production Growth	:%	1.1%	4.3%	1.2%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Battery Use Growth	:%	9.7%	20.5%	14.0%	16.4%	19.3%	26.7%	31.9%	35.4%	38.9%	40.6%
Global GDP Growth	:%	3.1%	3.6%	3.7%							
Natural Flake	:ktpa	629	689	723	762	815	896	1,016	1,191	1,449	1,820
Growth	:%	5.6%	9.4%	5.0%	5.5%	6.9%	9.9%	13.5%	17.2%	21.6%	25.6%
						Deficit -34kt	Surplus +29kt	Surplus +16kt	Deficit -106kt	Deficit -263kt	Deficit -385kt

14.9 Stage 1 Development

Volt commissioned engineering consultants, Battery Limits to complete a Feasibility Study published in July 2018 for a proposed Stage 1 development to process 400ktpa of ore and produce a nominal 23.7ktpa of graphite products. This Stage 1 development is to produce bulk graphite product which will both satisfy the existing offtake agreements and allow potential customers to assess the product. In addition, Stage 1 includes the planned downstream toll treatment in China of part of the graphite production to produce a high value Spherical Graphite product for sale into the Lithium battery anode market.

The strategy of staging the project development provides a low-cost, fast-track path to get the Bunyu Project into production and deliver consistent representative product to the market place. This Stage 1 will facilitate product validation and assist in securing long-term offtake agreements to support development of the large-scale Stage 2 project. The Stage 1 development will have the added benefit of de-risking the full-scale project, improving the ability to finance the expansion, reducing the risks of commissioning and production ramp up delays, cost and schedule overruns.

14.9.1 Key project parameters for the Stage 1 development

Description	Units	Design
Deposit		Bunyu 1
Bunyu 1 block model	Mt	2.8
Nominal strip ratio	Waste: Ore	0.2
Annual ore feed rate	Mtpa	0.4
Ore grade	%TGC	6.5
Life of Stage 1 development	y	7
Graphite recovery	%	91
Product grade	%TGC	95
Nominal Graphite production	Ave ktpa	23.7
Graphite Products	Type	Multiple product grades and sizes

14.9.2 Summary of project financial parameters

Financial Performance Summary

Capex	(US$MM)	32
Opex (excl. PSGBAP processing)	(US$/t)	578
Average product basket price (excl. PSGBAP)	(US$/t)	1,200
Project Life (from first ore)	(years)	7.1
Total LOM Net Revenue	(US$MM, real)	263
Total LOM EBITDA	(US$MM, real)	103
Total LOM Net Cash Flows After Tax	(US$MM, real)	50
NPV @ 10.0% - after tax	(US$MM, real)	24
IRR – after tax	(%, real)	30
Payback Period - after tax - from first ore	(years)	3.0

Financial analysis of the Stage 1 project based on capex and opex estimates produced the above results

The development schedule is built around a twelve-month contract schedule for engineering, supply and installation of the process plant which was provided by the plant supplier. This includes two months of commissioning and ramp-up time and seven months to take the project from contract award to commencement. The schedule assumes that regulatory approvals are obtained as required without causing any delays to the execution of the Stage 1 development.

14.10 Stage 2 Expansion

The Bunyu graphite project Pre-Feasibility Study ("**PFS**") was completed in December 2016 by Battery Limits. The PFS was for a project with an estimated capex of US$173 million to process 3.8Mtpa of ore and produce 170ktpa of graphite products. Financial analysis indicated an attractive investment with a post-tax NPV in the order of US$ 890 million. The PFS can be used as a proxy for the Stage 2 Expansion project. During mid-2020 the Company will compete a Definitive Feasibility Study ("DFS") for the Stage 2 Expansion Project and plans to complete further offtake agreements, enter into construction contracts and other material project agreements, and finance the Stage 2 Expansion Project by mid-2021.

Highlights:

- Project Life: 22 years
- Total Net Revenue: US$6.46 billion
- Total EBITDA: US$4.20 billion
- After-tax IRR: 66.5%
- After-tax NPV (10%): US$891 million
- Revenue shared to Government of Tanzania[2]
- Development Funding Required: US$173 million

[2] *Financial projections are indicative and based on a 100% share held at the project level. Final, audited financial statements will include a free carried interest provision currently estimated at 16%, though this number remains under discussion.*

Financial Performance Summary

Project Life	(years)	22.1
Total LOM Net Revenue	(US$MM, real)	6,445
Total LOM EBITDA	(US$MM, real)	4,186
Total LOM EBIT	(US$MM, real)	3,912
Total LOM NPAT	(US$MM, real)	2,738
Total LOM Net Cash Flows Before Tax	(US$MM, real)	3,912
Total LOM Net Cash Flows After Tax	(US$MM, real)	2,738
IRR - Before Tax	(%, real)	86.9%
IRR - After Tax	(%, real)	66.5%
NPV @ 10.0% - Before Tax	(US$MM, real)	1,306
NPV @ 10.0% - After Tax	(US$MM, real)	890
Maximum Cash Draw - Before Tax	(US$MM, real)	172.5
Maximum Cash Draw Period - From Construction Start	(years)	2.0
Payback Period - After Tax - From 1st ore	(years)	1.4

14.11 Sustainability

14.11.1 Community

To build relationships with the community and to commence the environmental and social impact assessment process, Volt held a workshop in January 2017 with 3 levels of government, community members and neighbours. Via this stakeholder workshop, the Company secured the support from key participants throughout the local community and government to proceed with the various development approvals needed to develop the Bunyu project. Volt has appointed a Community Relations Manager and two Community Liaison Officers as it continues to engage in meetings with the regional government, community and landowners to advance the Bunyu project.

Volt proudly has an active community engagement and sponsorship program which includes making contributions for school equipment and village infrastructure.

As part of its community outreach program, Volt is funding the construction and repair of village offices and restoration of a primary school. As the project begins to ramp up, the opportunity for local people to secure employment during both the construction and operations phases will improve the living standards for the local population.

Compensation through the RAP (Resettlement Action Plan) in the form of cash or new accommodation at a neighbouring site, valued in total at US$3.4 million, will be made to displaced home owners and for farming plots and fruit trees etc.

14.11.2 Environmental and Social

Volt has a policy of at least meeting or exceeding its environmental obligations. During financial year 2016/17 Volt did not materially breach any significant regulation in respect of environmental management in any of the jurisdictions in which it operates.

Volt has completed the Environmental and Social Impact Assessment (ESIA) for the Bunyu Project and on 23 January 2018, Volt lodged its Environmental and Social Impact Statement (ESIS) with the National Environment Management Council of Tanzania. The NEMC Technical Advisory Committee (TAC) has conducted a site visit and held a meeting with other government agencies. On 4 April 2018 the TAC issued a number of requests for further information to be incorporated in the ESIS. The Company amended the ESIS to incorporate the additional information and lodged the document with the NEMC on 30 April 2018. Further NEMC meetings and requests for additional detailed engineering drawings for certain project infrastructure followed during May and June. With the incorporation of the additional information, an amended ESIS was lodged on 29 June 2018.

Volt received the Environmental Impact Assessment (EIA) Certificate from the National Environment Management Council of Tanzania (NEMC) for the Bunyu project development on 3 September 2018. Importantly, the EIA certificate signed by the Honourable Minister of State in Vice President's Office for Union Affairs and Environment, the Hon. January Makamba, represents the final pre-requisite for the granting of Volt's Mining Licence (ML) and one of the final remaining major milestones in terms of Government permitting for the Bunyu Graphite Project.

The Bunyu EIA certificate covers the area required for the Stage 1 development and Stage 2 Expansion Project.

Volt has completed a Resettlement Action Plan (RAP) which includes a Valuation Report in relation to compensation payments for people affected by the project development. The Valuation Report has been approved by the relevant authorities, including the Government Chief Valuer. The RAP is not part of the environmental approvals required to grant a ML but the implementation of the plan is required during construction to facilitate land-based construction activities. The RAP implementation plan is currently under development and does not require any approval by a government body. It is developed by the Company to share with the local communities and government and is used as a guide for the resettlement program once it commences. As part of this process Volt has built relationships with the local village councils and all levels of government that commenced with a stakeholder workshop held in Q1 2017. The communication process has continued and been expanded by the use of consultation and working groups supported by a Volt's full time Community Relations Manager and two Community Liaison Officers.

14.11.3 Mining Licence

In February 2018 Volt applied for two mining licences covering an area of approximately 18km2. Mining licences are limited to 10km2 and are granted for a period of 10 years. The two licences cover the area required for the Stage 1 pit, processing plant and infrastructure, and also the area required for the Stage 2 Expansion pit, plant and infrastructure.

On 20 October 2018 the Company received two mining licences ML 591/2018 and ML 592/2018 from the Mining Commission of the Ministry of Minerals of Tanzania. The two Mining Licences (ML's) cover the respective Stage 1 and Stage 2 developments of the Bunyu Graphite Project.

The two ML's cover a combined area of 17.71km^2 and provide Volt with the exclusive right to develop the graphite resources in the ML area. The ML's are effective for a period of 10 years and there is a right of 10-year renewals under section 53 of the Mining Act.

15 Risk Factors

15.1 General

An investment in the Company is not risk free and the Directors strongly recommend Prospective Investors to consider the risk factors described below, together with information contained elsewhere in this Admission Document, before deciding whether to apply for Securities pursuant to this Admission Document.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The Company actively monitors and seeks where possible to minimize or remove any material risks.

Based on the information available, a non-exhaustive list of risk factors which may affect the Company's financial position, prospects and the price of its listed Securities include the following:

15.2 Financial Risks and Risks relating the Securities

15.2.1 General Risks Relating to the Securities

Noteholders' rights may be adversely affected by a change of Mauritian law and/or Tanzanian law, and an active trading market for the Securities may not develop in the Mauritian market. Additionally, Investors may be exposed to exchange rate risks and exchange controls because of purchasing the Securities.

15.2.2 Tanzanian Tax Implications

Volt is a company incorporated in Tanzania and is a tax resident in Tanzania. Section 56 of the Tanzanian Income Tax Act (ITA) deals with the Tanzanian income tax consequences of a change in the underlying ownership of a Tanzanian-resident entity (such as Volt) by more than 50%. Section 56(1) of the ITA provides that "where the underlying ownership of an entity changes by more than 50% as compared with the ownership at any time during the previous three years, the entity shall be treated as realizing any assets owned and any liabilities owed by it immediately before the change". This applies whether or not there is continuity in the business activities carried on by the Tanzanian entity. The income tax liability which arises on a deemed disposal triggered by section 56 of the ITA is attached to the Tanzanian company (i.e. in this case the appropriate member of the Volt Group). This is not the tax liability of the direct or indirect owners of the shares.

Section 56 of the ITA does not prescribe the value at which assets and liabilities would be deemed to be disposed. However, section 39(h) of the ITA deals with deemed disposals under section 56 and section 42 of the ITA prescribes that the value to be attributed to the deemed disposal of assets and liabilities should be the fair market value. The assets and liabilities in question are treated as immediately re-acquired by the company at that value.

The capital gains arising from the deemed disposal will be calculated as the difference between the deemed disposal value (i.e. the market value) and the cost of the assets and liabilities (balance sheet value of the assets and liabilities). The capital gains tax will be computed at the rate of 30% of the capital gain. The new balance sheet cost of the assets and liabilities after the section 56 event will be the market value of the assets at the point of the deemed disposal. Therefore, although the transaction will have capital gains tax implications on the entity, the base cost of its assets and liabilities will be “stepped up” to the market value after the deemed realization.

There are no exemptions available in respect of the implications of section 56(1) of the ITA. Accordingly, a change in the shareholding of Volt could trigger tax consequences for the Company under section 56 of the ITA.

15.2.3 Implications of Section 56 of the ITA on the Offer

The offer will not trigger the provisions of section 56 of the ITA, as the underlying ownership of Volt will not change by more than 50% (i.e. the current Shareholders will still own more than 50% of the Company upon completion of the Offer).

15.2.4 Implications of Section 56 of the ITA on Future Capital Raisings by the Company

Depending on the Company’s exploration success and future capital requirements, the Company may undertake equity capital raisings in the future.

If such equity capital raisings result in the direct or indirect ownership of Volt changing by more than 50% as compared with that ownership at any time during the previous three years, Volt could, on a technical reading of section 56 of the ITA, be treated as realizing any assets owned and any liabilities owed by it immediately before the change under section 56(1) of the ITA. As at the date of this Admission Document, the Tanzanian Revenue Authority has not applied this broad interpretation of section 56 of the ITA and it is unclear whether or how it would apply such an interpretation in the future.

15.2.5 Exceptions to Section 56 of the ITA

Section 56(1) is subject to Section 56(4) of the ITA, which states that Section 56 shall not apply where, for a period of two years after the change in ownership, the entity conducts the same business and in the same manner, as it had done for the 12 months that preceded the change in ownership; and that it did not engage in new business or investments other than those in place in the same 12-month period.

15.2.6 External Influences on the Trading Price of Securities

The trading price of securities of mineral commodities issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors unrelated to the Company's performance could include macroeconomic developments, domestic and global commodity prices or current perceptions of the graphite market. Similarly, the market price of any securities of the Company could be subject to significant fluctuations in response to variations in the Company's operating results, financial condition, liquidity and other internal factors.

Lower commodity prices may also affect the value of the Volt Group’s ore reserves as certain reserves become uneconomic. In addition, lower commodity prices may restrict the Volt Group’s cash flow resulting in a reduced capital expenditure budget. As a result, the Volt Group may not be able to replace its production with additional reserves and both the production and reserves of the Volt Group could be reduced on a year over year basis. Any decrease in value of its reserves may reduce the borrowing base under future credit facilities, which, depending on the level of indebtedness, could result in the Volt Group having to repay a portion of its indebtedness. If market conditions were to decline resulting in a lack of confidence in the graphite industry, the Volt Group may have difficulty raising additional funds or if it is able to do so, it may be on unfavourable and highly dilutive terms. Any substantial decline in the prices of graphite could have a material adverse effect on the Volt Group and the level of its graphite reserves. Additionally, the economics of producing from some deposits may change as a result of lower prices, which could result in a suspension of production by the Volt Group.

Accordingly, the price at which any securities of the Company will trade cannot be accurately predicted.

15.2.7 Risks Relating to the Availability of Additional Financing

Currently there exists no material indebtedness with regard to Volt. Future capital expenditures will be financed out of funds generated from operations, borrowings and future equity sales forecasted in section 10.3.2. The Company's ability to do so is dependent on, among other factors, the performance of its investments, the overall state of capital markets and investor appetite for investments in the Company's securities. From time to time the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed partially or wholly with debt, which may temporarily increase the Volt Group’s debt levels above industry standards.

Based on current funds available, forecast debt and equity issuance and expected results of operations, the Company believes it has sufficient funds available to fund its development costs and operations. To expand the productive capacity of its assets, depending on the timing, the Company may require significant additional capital. In addition, if capital costs for these projects exceed current estimates, or if the Company incurs major unanticipated expenses related to development or maintenance of its existing properties, it may be required to seek further additional capital to maintain its capital expenditures at planned levels, meet operating costs or debt servicing requirements.

15.2.8 Risks Relating to a Funding Shortfall

In the event that both the DEM and DSE notes are undersubscribed, there is a risk the Company will need to source alternative additional funding. This may result in a delay in development or production on the Volt properties. There can be no assurance that the Company will be successful in its efforts to arrange additional financing in amounts sufficient to meet the Company’s goals or requirements, or on terms that are acceptable to the Company. This risk is only after Volt has exhausted all forms of alternative funding including bank financing, project equity investment by third parties and/or equity financing by Volt either from its parent company, VRC, or from other investors.

15.2.9 Risks Relating to Additional Equity Funding

The Company may be required to pursue equity financing should a funding shortfall occur in relation to the DEM and/or the DSE Note Issuance and alternative forms of finance be unavailable to the Company. The company may find market conditions at the time of sourcing additional equity funding to be unfavourable. An equity issuance to be funded by VRC will require shareholder approval if it exceeds 15% on its market capitalisation at the time, which may not be forthcoming at the time of issue. To date, Volt’s ASX listed parent entity, VRC, has raised US$17,000,000 from 3,400 shareholders to fund the Bunyu Project development costs. The ASX is the eighth largest securities exchange in the world (based on free-float market capitalization) and the second largest in Asia-Pacific, with A$1.2 trillion market capitalization and average daily secondary trading of over A$5 billion a day. Due to its compulsory superannuation system, Australia has the largest pool of funds under management in the Asia-Pacific region, and the fourth largest in the world. Volt can also consider raising capital in other markets or sources which could include the Mauritian equity markets, private equity and strategic investors.

15.2.10 Risk Mitigation Measures for Additional Debt or Equity Funding

Any funds raised by the DEM/DSE Notes will serve to de-risk the Bunyu project to facilitate the introduction of new financiers. Subject to a funding shortfall, the Company may seek additional finance in the form of bank debt. Bank funding will likely be of a shorter tenor than the capital markets issuances and thus structurally senior. This will likely result in banks seeking returns lower than that of the DEM/DSE notes. Where the Company is unable to secure bank funding, alternative funding would have to be sought from existing shareholders, equity providers or strategic industrial or end users. The Company has executed NDA's and continues to be in dialogue with a number of institutions providing project finance facilities and/or credit enhancement facilities. Commitment letters from these institutions will only be prepared once funding for both the DEM and DSE issuances have been completed and the amounts raised are quantified. Banks and other potential financiers will then complete their own credit processes to provide the required funding to complete the Stage 1 development. There is a risk the Company will not receive credit approved offers of finance or the offers will be unacceptable to Volt.

15.3 Risk Related to Mine Development in Emerging Markets

15.3.1 General Economic and Political Risks

Changes in the general economic and political climate in the jurisdictions in which the Volt Group and its assets are located, or on a global basis that could impact on economic growth, the graphite price, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any mining activity that may be conducted by the Volt Group.

15.3.2 Title Risk

All licenses are subject to compliance with certain requirements, including but not limited to meeting the minimum exploration work commitments, lodgement of reports, payment of royalties and compliance with environmental conditions and environmental legislation. Consequently, the Volt Group could lose title to or its interest in any of the licenses to any of its assets if these requirements are not met.

15.3.3 Risks of Foreign Operations

The Volt Group operates in areas that may be considered politically unstable and is subject to the laws of foreign jurisdictions. The Volt Group's operations and related assets are located in Tanzania, ranking in the lowest quartile of both the Human Development Index (World Bank) and the Ease of Doing Business Index (World Bank), may be considered to be politically and/or economically unstable. Risks exist in terms of the relevant governmental approval for the various activities which mining licenses require and the timetable associated with obtaining such approvals.

Volt is subject to extensive laws and regulations governing prices, taxes, royalties, production, transport, pollution control, export of graphite and many other aspects of its business in its country of operations. There can be no assurance that the actions of present or future national governments will not materially and adversely affect the business, financial condition or results of operations of the Volt Group.

Through its operations in foreign jurisdictions, the Volt Group may become subject to economic and political risks, such as:

- the renegotiation, cancellation or forced modification of existing contracts and product sharing agreements;
- expropriation or nationalization of property;
- changes in laws or policies or increasing legal and regulatory requirements, including those relating to tax, royalties, imports, exports, duties, currency or other claims by government entities (including retroactive claims or changes in administration of laws, policies and practices);
- uncertain political and economic environments, war, terrorism, sabotage and civil disturbances;
- delays or inability to obtain or maintain necessary government permits or to operate in accordance with such permits or regulatory requirements; and
- currency fluctuations.

Exploration, development or production activities in Tanzania may require protracted negotiations with host governments and third parties and there is no guarantee that results of these negotiations will be favourable.

In addition, if a dispute arises with regards to any of Volt's operations, Volt will be subject to the exclusive jurisdiction of the courts of Tanzania. Tanzania's legal system, developing since independence in 1961, is relatively emergent compared to for instance the 800-year-old UK legal system, therefore Volt may have difficulty in obtaining effective legal redress in the national courts. These risks may limit or disrupt Volt operations, restrict the movement of funds, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation and may materially adversely affect Volt's financial position and results of operations. Volt operates in a region that may be subject to a higher degree of political, social and economic risks than more developed regions.

The occurrence of these several factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company. The Company has made its investment and strategic decisions based on the information currently available to its directors, however should there be any material change in the political, economic, legal and social environments in Tanzania, the Directors may re-assess investment decisions and commitments to assets in the country.

15.3.4 Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

15.3.5 The Tanzanian government exercises significant influence over the mining industry

In Tanzania, the state retains ownership of the minerals and consequently retains control of the exploration and production of mineral resources. Accordingly, these operations may be materially affected by the government through royalty payments, export taxes and regulations, surcharges, value added taxes, production bonuses and other charges.

The Company has operated in Tanzania for a number of years and management believes the Company has reasonably good relations with the current Tanzanian government. However, there can be no assurance that present or future administrations or governmental regulations in Tanzania will not materially adversely affect the operations or future cash flows of the Company.

15.4 Risks Associated with Changes in Legislation

Changes to mineral exploration or investment policies and legislation or a shift in political attitude within the jurisdiction in which the Volt operates may adversely affect the Volt's proposed operations and profitability. Government action or policy change in relation to access to lands and infrastructure, compliance with environmental regulations, export restrictions, taxation, royalties and subsidies may adversely affect Volt's operations and financial performance. Volt is governed by a series of national laws and regulations. Breaches or non-compliance with these laws and regulations can result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of the Company.

These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for the Company. The legal and political conditions in Tanzania and any changes thereto are outside the control of Volt.

The introduction of new legislation or amendments to existing legislation by the national government, developments in existing common law, or the interpretation of the legal requirements which govern Volt's operations or contractual obligations, could adversely affect the assets, operations and, ultimately, the financial performance of the Company and the value of its securities. In addition, there is a commercial risk that legal action may be taken against or by Volt in relation to commercial matters.

15.4.1 The evolution and interpretation of Tanzanian legislation is uncertain and may impose restrictions on Volt

Volt´s business is subject to various levels of government controls and regulations which are revised from time to time. The Company is unable to predict what legislation may be proposed that might affect its business or when any such proposals, if enacted, might become effective. Such changes could require increased capital and operating expenditures and could prevent or delay certain operations by Volt. To the extent Volt is unable to comply with any such legislation, whether in the future or past, the Company may be unable to continue to successfully operate.

15.4.2 The 'Natural Wealth Resources' Regulations

The introduction of new legislation such as the introduction in Tanzania of the Natural Wealth and Resources (Permanent Sovereignty) Act, 2017 and the Natural Wealth and Resources (Review and Renegotiation of Unconscionable Terms), 2017 which govern the Company's operations or contractual obligations, may adversely affect the assets, operations and, ultimately the financial performance of the Company and the value of its securities.

15.5 Asset Operating Risks

15.5.1 General Operational Risks

Developing mineral resources inherently involves a high degree of risk. The business of Volt is subject to all of the operating risks normally associated with the exploration for, and the production, storage, transportation and marketing of graphite. These risks include explosions, fire, migration of harmful substances and waste production spills, any of which could cause personal injury, result in damage to, or destruction of, production facilities and other property, equipment and the environment, as well as interrupt operations. In addition, Volt will be subject to the risks normally incident to the construction of graphite mines and the operation and development of graphite properties, including encountering unexpected mining conditions, premature declines of resources, equipment failures and other accidents, adverse weather conditions, pollution and other environmental risks.

15.6 Ore Reserves and Mineral Resources Risks

15.6.1 Uncertainties in Estimating Reserves and Future Net Cash Flows

Ore reserve and mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates may change. This may result in alterations to development and production plans which may in turn, adversely affect the operations of Volt.

There are numerous uncertainties inherent in estimating quantities of proved and probable reserves and cash flows to be derived therefrom, including many factors beyond the control of the Company. These evaluations include a number of assumptions relating to factors such as initial production rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, graphite price differentials to forecasts, operating costs, transportation costs, cost recovery provisions and royalties, governmental “back-in” methodology and other government levies that may be imposed over the producing life of the reserves.

Estimates of the economically recoverable graphite reserves attributable to the project properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves may vary from actual results, and those variations could be material. The process of estimating reserves requires interpretations and judgments on the part of mining engineers, resulting in imprecise determinations, particularly with respect to new discoveries. Different engineers may make different estimates of reserve quantities and revenues attributable thereto based on the same data.

The reserve evaluation is based in part on the assumed success of activities Volt intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The reserve evaluation is effective as of a specific effective date and, except as may be specifically stated, has not been updated and therefore does not reflect changes in the reserves of Volt since that date.

The estimation of proved reserves that may be developed and produced in the future are often based upon probabilistic calculations and upon analogy to similar types of reserves rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history may result in variation or revisions in the estimates reserves, and any such variations or revisions could be material. Market driven fluctuations of commodity prices may render the recovery of certain reserves uneconomic.

15.6.2 Risk of Inability to Maintain or Replace Reserve Levels

Volt’s ore reserves and production and, therefore, its cash flows and earnings are highly dependent upon Volt developing and increasing its current reserve base and discovering or acquiring additional reserves or resources. Without the addition of reserves through exploration, acquisition or development activities, the Volt Group’s reserves and production will decline over time as they are depleted. To the extent that cash flow from operations is insufficient and external sources of capital become limited or unavailable, the ability of Volt to make the necessary capital investments to maintain and expand its graphite reserves will be impaired. There can be no assurance that Volt will be able to find and develop or acquire additional reserves to replace production at commercially feasible costs.

15.7 Environmental Risk

15.7.1 Risks Relating to Environmental and Other Regulations

Extensive environmental laws and regulations will affect Volt operations. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish in certain circumstances obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation. There can be no assurance that Volt will not incur substantial financial obligations relating to environmental compliance. Significant liability could be imposed on Volt for damages, clean-up costs or penalties in the event of certain discharges into the environment or non-compliance with environmental laws or regulations. Such liability could have a material adverse effect on Volt. Moreover, Volt cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by Volt for the installation and operation of systems and equipment for remedial measures, any or all of which may have a material adverse effect on Volt.

While management believes that Volt is currently in compliance with environmental laws and regulations applicable to its operations in Tanzania, no assurances can be given that it will be able to continue to comply with such environmental laws and regulations without incurring substantial costs.

Volt's planned operations are subject to extensive governmental legislation and regulation and increased public awareness concerning environmental protection. The introduction of more stringent regulations and conditions may also adversely affect Volt.

The Company expects that the cost of complying with environmental legislation and regulations will increase in the future. Compliance with existing environmental legislation and regulations has not had a material effect on capital expenditures, earnings or competitive position of Volt to date. Although management believes that Volt's operations and facilities are in compliance with such laws and regulations in all material respects, future changes in these laws, regulations or interpretations thereof or the nature of its operations may require Volt to make significant additional capital expenditures to ensure compliance in the future.

15.8 Personnel Risks

15.8.1 Reliance on Key Personnel

The Company is highly dependent upon its executive officers and key personnel (including contractors). The unexpected loss of the services of any of these individuals could have a detrimental effect on the Company. There is no guarantee that the Company will retain members of its management team, and if the Company were to lose a member of its management team unexpectedly, its business, prospects, financial condition and results of operations may be adversely affected.

15.8.2 Volt may not be able to attract and retain qualified personnel

Volt may have difficulty attracting and retaining qualified local personnel to work on its projects due to shortages of qualified, experienced workers and competition for their services. It may also be difficult to attract, employ and retain qualified expatriate workers as a result of legal restrictions, socio-economic issues and security concerns in the jurisdictions in which the Company operates. In the event of a labour shortage, Volt could be forced to increase wages in order to attract and retain employees, which may result in higher operating costs and reduced profitability. A failure by Volt to attract and retain a sufficient number of qualified workers could have a material adverse effect.

15.9 Competition Risks

15.9.1 Competition from other mining companies

The graphite industry is competitive in all its phases. The Company competes with numerous other organizations in the search for, and the acquisition of, graphite properties and in the marketing of graphite products.

The Company's competitors include graphite companies that have substantially greater financial resources, staff and facilities than those of the Company. The Company's ability to increase its reserves in the future will depend on its ability to explore and develop its present properties. Competitive factors in the distribution and marketing of graphite include product quality, graphite flake size, price and methods and reliability of delivery and storage.

15.9.2 Increased competition in Tanzania may pose a threat to the Company's ability to market its products

There has been an increase in exploration activity in Tanzania, which has yielded significant discoveries of graphite that could, when developed, lead to increased competition for graphite markets and lower graphite prices in the future. In addition, various factors, including the effect of foreign regulation of production and transportation, general economic conditions, changes in supply due to mining by other producers and changes in demand may adversely affect the Company's ability to market its graphite production.

15.9.3 The Company may be affected by the inability to respond to changing technical development

The mineral resource industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Company. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete. If the Company is unable to utilize the most advanced commercially available technology, its business, financial condition and results of operations could also be adversely affected in a material way.

15.9.4 Insurance

Insurance against all risks associated with graphite development and production is not always available or justifiable on a cost-benefit basis. The Company will maintain insurance where it is considered appropriate for its needs, however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

15.9.5 Risks relating to Corruption and Bribery

Corruption remains an issue in Tanzania. Tanzania ranks 116 out of 176 on the 2016 Transparency International Corruption Index, and 132 out of 190 on the World Bank's 2016 Ease of Doing Business Index.

Having assessed the Company's exposure to corruption in Tanzania, it was concluded that the risk of the Company and/or its subsidiaries violating applicable laws prohibiting corrupt activities are mitigated or unlikely given the Company's controls relating to such risks and their effective operation. There can be no assurance, however that corruption may not directly or indirectly affect or otherwise impair the Company's ability to operate in Tanzania and effectively pursue its business plan in either country.

15.9.6 Information Technology Systems and Cyber-Security

The Company has become increasingly dependent upon the availability, capacity, reliability and security of it's information technology infrastructure and the ability to expand and continually update this infrastructure, to conduct daily operations. The Company depends on various information technology systems to store and collate geological information, estimate resource and reserve quantities, process and record financial data, manage our land base, administer our contracts with our service providers and lessees and communicate with employees. Further, the Company is subject to a variety of information technology and system risks as a part of its normal course of operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to our business activities or our competitive position. Further, disruption of critical information technology services, or breaches of information security, could have a negative effect on our performance and earnings, as well as on our reputation. The Company applies technical and process controls in line with industry-accepted standards to protect our information assets and systems; however, these controls may not adequately prevent cyber-security breaches. The significance of any such event is difficult to quantify but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of future operations.

15.9.7 Reputational Risk

Due to the Company's asset concentration, the Company's operations are dependent on positive relationships with a small number of organizations (including the government of Tanzania). Damage to the Company's reputation within Tanzania due to the actual or perceived occurrence of any number of events could negatively impact the Company. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence, and the impediment of the Company's overall ability to advance its project development, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

15.9.8 Litigation and Dispute Risks

The Company may become involved in disputes with other parties in the future which may result in arbitration or litigation. The results of any future disputes cannot be predicted, and the Company may be subject to the exclusive jurisdiction of foreign bodies in settling these disputes. The costs of defending or settling these disputes may be significant. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the Company's financial performance, cash flow and results of future operations.

Although the agreements in relation to the Company's assets all require international arbitration if there is a dispute in connection with its operations, the Company could still become subject to the jurisdiction of courts or arbitration tribunals in any country of operation or may not be successful in subjecting persons or government entities to the jurisdiction of the arbitrators or another country. There can be no assurance that if the Company becomes involved in a dispute that it will be dealt with in a satisfactory manner or in a way in which the Company expects. The delay or results of such dispute settlement could have a material adverse effect on the Company, its business, prospects, results of future operations and financial condition.

16 Current Indebtedness

16.1 Intercompany Loan

As of 30 June 2018, and therefore considered current, the only Volt indebtedness apart from trade and other sundry payables was the intercompany loan of US$10.83 million. Post 30 June 2018 the intercompany loan from its parent company was substantially converted into share equity in Volt. The debt has been converted into share capital during the first quarter of the financial year ended 30 June 2019, with 24,500,000 fully paid shares issued to VRC with a par value of TZS 1,000.00.

17 Material Contracts

17.1 Royalty Term Sheet Agreement

Signature Date:	Term Sheet dated 19 May 2015 and variation agreement dated 17 August 2015
Parties:	Volt Resources Ltd, Leticia Kabunga, Jovitha Charles, Nachi Resources Limited (Volt), Asimwe Kabunga
Aim:	The sale and purchase of prospecting licences for graphite minerals
Signature Date:	Term Sheet dated 7 September 2015 and variation agreement dated 21 October 2015
Parties:	Volt Resources Ltd, Jovitha Charles, Frederick Msonga, Asimwe Kabunga
Aim:	The sale and purchase of prospecting licences for graphite minerals
Tenements Acquisition:	Volt acquired the Bunyu tenements in 2015 under two separate Term Sheet agreements dated 19 May 2015 and 7 September 2015. Subsequently, the Term Sheets were varied on 17 August 2015 and 21 October 2015 respectively resulting in the acquisition of various prospecting licences and applications that form the Bunyu Project.
Royalty:	The Term Sheets provide for the payment of a royalty on a 3% net smelter basis for any mineral production from the relevant licences, which includes the licence which contains the Stage 1 Project. The royalty is payable to the various parties who were the vendors of the prospecting licences.
Royalty Reduction Clause:	Under both Term Sheets and where applicable the Variation agreements, Volt has the option whereby the production royalty can be reduced to 1.5% net smelter basis by the payment of US$2,000,000 to the licence vendors. This payment applies once to each of the licences acquired under each Term Sheet. This option is available to Volt at any time post the settlement i.e. it is available now and at any time in the future.
Future Documentation	The royalty agreement will be further documented but the key terms described above will remain.

17.2 Nano Graphene Inc Offtake Agreement

Signature Date:	3 March 2017
Parties:	Volt Graphite Tanzania Plc, Volt Resources Ltd, Nano Graphene Inc.
Aim:	The supply and purchase of graphite products
Supply Agreement:	To supply on average 1,000tpa of graphite products at a fixed price for a term of 5 years. The price is FOB ex-Mtwara Port in South East Tanzania.
Terms & Conditions:	The agreement includes the usual terms and conditions found in offtake agreements including product specifications, shipping terms, risk and insurance, weighing, sampling, analysis and assays, payment, force majeure, dispute resolution and is governed under United Kingdom law.

17.3 Qingdao Tianshengda Graphite Co. Ltd. Offtake Agreement

Signature Date:	1 August 2018
Parties:	Volt Graphite Tanzania Plc, Qingdao Tianshengda Graphite Co. Ltd.
Aim:	The supply and purchase of graphite products
Supply Agreement:	To supply 9,000tpa of graphite products at market prices agreed each 6-month period for a term of 5 years. The price is CIF Qingdao, China.
Terms & Conditions:	The agreement includes the usual terms and conditions found in offtake agreements including product specifications, shipping terms, risk and insurance, weighing, sampling, analysis and assays, payment, force majeure, dispute resolution and is governed under Tanzanian law.

18 Mineral Resource and Ore Reserve

In accordance with the Stage 1 Feasibility Study for the Bunyu Graphite Project Tanzania dated 31 July 2018, the Bunyu 1 (Stage 1) Mineral Resources and Ore Reserves tables below, relate to the Stage 1 higher grade portion of the Bunyu 1 deposit, not the entire Bunyu 1 deposit:

A Competent Persons' Report, incorporating the Stage 1 Feasibility Study summary information, has been prepared in accordance with Schedule 10 of the DEM Listing Rules and is attached as Annexure 2.

There were no material changes to the information contained in the Competent Person Report including the Bunyu 1 Stage 1 Mineral Resources and Ore Reserve from 31 July 2018 to the date of this Admission Document.

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 Consulting Pty Ltd. 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 240m RL) reported above a cut-off grade of 2.93% TGC

Classification	Mt	TGC (%)
Measured	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 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%			

Inconsistencies in table totals are due to rounding.

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.

19 Extracts from The Memorandum and Articles of Association of The Company

The following sections use the definitions as set out in the Memorandum and Articles of Association ("**Memarts**") of the Company.

For a full appreciation of the provisions of the Memarts, shareholders are referred to the text of the Memarts which is available for inspection as provided for in section 20 of this Admission Document.

MEMORANDUM OF ASSOCIATION OF VOLT GRAPHITE TANZANIA PUBLIC LIMITED COMPANY

Company Objects

The name of the Company is VOLT GRAPHITE TANZANIA PUBLIC LIMITED COMPANY.

The registered office of the Company will be situated in the United Republic of Tanzania.

The objects for which the Company is formed are (and it is expressly declared that the several sub-clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause nor is any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction, ejusdem generis or otherwise):

To prospect explore acquire develop maintain and carry on wells mines and mining rights minerals ores and properties of any kind and to erect and operate refineries mill works machinery laboratories workshops dwelling houses and other buildings works and appliances and to aid in or subscribe towards or subsidise any such objects.

To carry on all or any of the businesses of importers exporters manufacturers' representatives buyers and sellers (both wholesale and retail) insurance agents property agents general merchants traders and manufacturers of and dealers in and agents and representatives for goods merchandise materials furniture furnishings appliances equipment machinery stores products provisions commodities substances and effects of all kinds and to establish factories for the manufacture of any of these.

To carry on the business as general merchants and to buy sell import export manufacture and to deal in textiles, hardware products goods stores consumable articles and articles for merchandise and trade of every kind and description both wholesale and retail and to act as manufacturer's representatives and agents, commission agents brokers and to transact every kind of agency business whether in respect of manufactured or consumer goods agriculture commercial or financial matter.

To carry on the business of an investment Company and to buy undertake invest in and acquire and hold shares, stocks debentures debenture stock bonds obligations and securities issued or guaranteed by any Company constituted or carrying on business in any part of the world and debentures debenture stock bonds obligations and securities issued or guaranteed by any government state public body or authority supreme municipal local or otherwise private or firm or person and to deal with and turn to account the same provided always that no investment imposing unlimited liability on the Company shall be made.

To carry on the business of an investment Company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares stocks bonds debentures debenture stocks bonds notes obligation and securities issued or guaranteed by any Company wherever incorporated or carrying on business and debentures debenture stock bonds notes obligations and securities issued or guaranteed by any government commissioners public body or authority dependent municipal local or otherwise in any part of the world.

To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to encourage light aviation or to enhance the value of or render profitable any of the company's property or rights.

To act as agents and to sell lease let mortgage or otherwise dispose of the lands houses buildings and other property of the Company and to undertake or direct the management of the property buildings lands and estates (of any tenure or kind) of any persons whether member of the Company or not in the capacity of consultants stewards or receivers or otherwise.

To purchase or otherwise acquire movable or immovable property of all kinds and any rights or privileges which may seem convenient to obtain for the purpose of or in connection with any of the businesses of the Company and whether for the purpose of resale or realisation or otherwise and to manage develop sell exchange lease mortgage or otherwise deal with the whole or any part of such property or rights.

To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

To prospect explore acquire develop maintain and carry on wells mines and mining rights minerals ores and properties of any kind and to erect and operate refineries mill works machinery laboratories workshops dwelling houses other buildings works and appliances and to aid in or subscribe towards or subsidise any such objects.

To construct, erect and maintain either by the Company or other parties, sewers roads, streets, buildings, houses, flats, shops and all other works erections and things of any description whatsoever either upon the lands acquired by the Company or upon other lands.

To establish maintain and operate air transport services, public and private joy flights and all trips of all kinds and all ancillary services and to carry on the business of flying instructors aerial photographers, crop sprayers and all other services for which aircraft can be used and for these purposes or as independent undertakings to purchase take in exchange charter hire build construct or otherwise acquire and own work manage and trade with aircraft and all necessary and convenient equipment therefor engines gear furniture and stores or any shares or interest in aircraft including shares stocks or securities in companies possessed of or interested in any aircraft and to maintain, fit out, improve insure, alter, sell exchange or let out on hire purchase or charter or otherwise deal with and dispose of the aircraft equipment engines gear furniture stores shares stock and securities of the Company.

To carry on the business of proprietors manufacturers and hirers of vehicles of all kinds whatsoever propelled and whether for use on land water or in the air including motor omnibuses, motorcars, motor vans, motor lorries, carts, motor cycles and aircraft of every description.

To carry on the business of garage proprietors dealers in repairers, cleaners, storers and warehousers of omnibuses, cars, vans, lorries and cycles, aircraft, tractors and trailers road making and repairing.

To give instructions in all aviation matters and ·the use of any of the machines connected therewith and to provide all and any facilities for such instructions, training of pilots, engineers, air traffic controllers, navigators, transport economists, ground and other crew and all other personnel connected with or who are deemed necessary for the carrying on of the business authorized by the Memorandum of Association of the Company.

To operate motor ship and aircraft transport of all kinds including the leasing hiring or chartering for any period or number of journeys of aeroplanes, cars, trucks, ships, or any other kind of vehicles.

To carry on the business of importers and exporters of all kinds and classes of goods, materials and merchandise manufacturers and distributors representatives marketing agents salesmen brokers auctioneers commission agents land and estate tourist travel commercial and financial agents charterer of ships and other vessels warehousemen wharfingers merchants carriers of goods clearing and forwarding agents and transport and management consultants and transport contractors by land sea and air.

To carry on the business as tourist agents and contractors a travel agency and to facilitate travelling and to provide for tourists and travellers and to promote the provision of conveniences of all kinds in the way of through tickets sleeping cars or berths reserved places hotel and lodging accommodation guides safe deposits inquiry bureau libraries lavatories reading rooms baggage transport and to fit out organize and conduct hunting trips photographic and scientific expeditions with all necessary and useful equipment and conveniences and generally to do all such things as are connected and incidental to the business of tour operators and contractors.

To provide and promote the provision of camps buildings and conveniences of all kinds for tourists and others including reserving and providing hotel messing and lodging accommodation guides safe deposits inquiry bureaux and reading rooms.

To carry on business as hotel keepers lodging house and restaurant keepers transport agents and to act as insurance agents.

To acquire by license or otherwise from any Government municipal or other public body or any person the right to maintain and operate air transport and any other services whether by air or land or by water.

To establish depots and agencies in different parts of the world for the purposes of carrying on any or all of the business of the Company.

To carry on the business of timber and lumber merchants, lumberyard and sawmill proprietors, and to buy, sell prepare for market, import export and deal in timber and articles of all kinds in the manufacture of which timber or wood is used.

To carry on business and to act as general merchants traders commission agent or in any other capacity and to import export buy sell barter exchange manufacture make advances upon or otherwise deal in goods produce articles stores and merchandise of all kinds both wholesale and retail and to transact every kind of agency business.

To construct garages and store houses and other buildings for the housing or repair of such vehicles the storage of fuel and other oils and substances required for the working of the said vehicles the warehousing of the goods carried and accommodation of the persons.

To carry on the business of importers and dealers in fuel and other oil petroleum of every kind and the business of lubricating oils and all accessories required for the equipment and operations of the said vehicles.

To purchase or otherwise acquire construct manufacture barter exchange sell equip maintain work run repair hire let or otherwise deal in buses motor coaches motor cars motor vans motor cycle's aircraft tractor trailers road-making and road-repairing machinery and equipment plant equipment and vehicles of every description vehicles bodies engines chassis machinery spare parts accessories and other specialized overland vehicles of all kinds, construction equipment chattels and things used for or in connection with any of the above purposes agricultural plant machinery and equipment of every description.

To enter into contracts with any person or company as to interchange of traffic running powers or otherwise.

To obtain all powers and authorities necessary to carry out or extend any of the above objects.

To purchase or otherwise acquire any interest in any patents brevets invention licenses concessions and the like conferring exclusive or limited rights to the use of any secret or other information as to any invention in relation to the production treatment storage application distribution and use of drugs pharmaceutical and industrial chemicals compounds cement oils of all kinds of fats fatty acids esters glycerine and like paints pigments and varnishes agricultural chemicals fertilizers pesticides and the like soaps detergents toilet and beauty preparations photographic surgical and scientific materials and matters articles and commodities of industrial personal household use and consumption textiles and artificial fabrics of all kinds and of any apparatus thereof or generally by invention which may seem to the company capable of being profitably dealt with.

To use exercise develop grant licenses in respect of or otherwise to turn into account any such patent, brevets invention licences concessions and the like and information aforesaid.

To carry on the business of soap manufacturers to buy sell manufacture refine prepare and deal in detergents toilet and beauty preparations of all kinds of oils and oleaginous and saponaceous substances and all kinds of unguents and ingredients and to carry on business as manufacturers collectors of flowers and perfume-producing vegetation.

To carry on the business of manufacturers' processors stores distributors and dealers of and in drugs pharmaceuticals and industrial chemicals compounds cements pigments dyeware varnishes agricultural chemicals fertilizers fungicides and the like, photographic surgical materials and matters articles and commodities of industrial personal and household use and consumption.

To carry on the business of weaving clothing material piece goods and fabrics from grey bleached or dyed yarns and threads of cotton silk linen wool mohair rayon terylene dacron or any other vegetable animal mineral or manmade synthetic fibre or fibres or mixtures thereof bleaching dyeing printing processing starching finishing ironing and making up of the same or any other clothing material piece goods and fabrics making up or weaving apparel garments and any other articles from the said or any other clothing materials piece goods and fabrics and dealing in marketing and selling the said or any other clothing material piece goods fabrics weaving apparel garments and articles.

To carry on the business as manufacturers of and dealers in grey bleached or dyed fibres of vegetable animal mineral or man-made synthetic origin made by mechanical chemical or any other process.

To carry on business as drapers and hosiers fashion artists or dress agents tailors dressmakers clothiers hatters glovers boot and shoe manufacturers rug and mat manufacturers feather and down purifiers and manufacturers embroiderers hemstitchers platters knitters lacemakers costumiers furriers haberdashers pelmet makers stencillers painters dyers cleaners and renovators men's children's and school outfitters naval military tropical and other outfitters engineers electricians wool and metal workers ironmongers and hardware dealers goldsmiths silversmiths watchmakers and jewellers electroplaters and fancy goods dealers and depository proprietors railway coach shipping and forwarding agents theatre, and entertainment agents bankers money changers and upholsterers house' office and shop furniture outfitters general warehousemen and shopkeepers.

To carry on the business as manufacturers of and dealers in cloth leather cotton wadding down feather goods linen silk and textiles and fabrics generally tapestry needlework neckwear ties scarves veils tinsel fabrics and threads and all articles of wearing attire or personal household use or ornament.

To carry on the business as manufacturers of and dealers in boxes trunks suitcases handbags portmanteaux and other carriers glass china porcelain cutlery picture framers cardboard mounts hair and cloth brushes combs toilette and manicure sets and cases games toys photo frames medals badges trophies presentation goods smailware fancy paper and similar goods.

To carry on the business of dealers in hardware and machinery and electrical operators appliances and things and all kinds of things mechanical plant and tools and spare parts of motor cars lorries and all types of engines.

To raise and borrow money by the issue of shares, stock, debentures, debenture stock, bonds, obligations, deposit, notes and otherwise howsoever.

To carry on all or any business of manufacturers of and dealers and workers in cement lime plasters whiting, clay gravel sand minerals earth coke fuel artificial stone and builder's requisites truck owners quarry owners general contractors and carriers garage and petrol service station proprietors.

To carry on any other business whether mercantile agricultural manufacturing constructional or otherwise which may seem to the Company capable of being conveniently carried on in connection with the objects herein contained or calculated directly or indirectly to enhance the value of or render more profitable any of the' Company's property or rights.

To carry on the business of manufacturers and manufacturer's representatives which may seem to the Company capable of being conveniently, carried on or calculated directly or indirectly to enhance the value of or tender more profitable any of the Company's property.

To act as agents or brokers and as trustees for any person firm or company and to undertake and perform sub-contracts and also to act in any of the business of the Company through or by means of agents brokers sub-contractors or otherwise.

To invest and deal with monies of the Company not immediately required in such shares or upon such securities and in such manner as may from time to time be determined.

To borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures debenture stock perpetual or otherwise and to secure the payment of any money borrowed or raised or owing by the mortgage charge or lien upon the whole or any part of the Company's property or assets whether present or future including its uncalled capital and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company or any obligation or liability it may undertake.

To purchase take on lease or in exchange or otherwise acquire buildings and to develop and turn to account the same in any manner and to advance money to or enter into contracts and arrangements of all kinds with the builders tenants and others.

To vary the investments of the Company.

To re-issue any stock or Shares or other securities with or without the guarantee of the Company.

To acquire and undertake the whole or any part of the goodwill and assets of any person firm or Company carrying on or proposing to carry on any of the businesses which the Company is authorized to carry on and as part of the consideration of such acquisition to undertake all or any of the liabilities of such person firm or company or to acquire an interest in amalgamate with or enter into partnership or into any arrangement for sharing profits or for co-operation or for limiting competition or for mutual assistance with such person firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired any shares debentures debenture stock or securities and to retain or sell mortgages and deal with any shares debenture stock or securities so received.

To promote any other company for the purpose of acquiring the whole or any part of the business or property and undertake any of the liabilities of this company or for undertaking any business or operations which may appear likely to assist or benefit this company or'to enhance the value of any property or business of this company and to place or guarantee the placing of or underwrite subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

To enter into any arrangements with any Government or Authorities (Supreme Municipal Local or otherwise) or any companies firms or persons that may seem conducive to the attainment of the Company's objects or any of them and to obtain from any such government authority company firm or person any charters contracts decrees rights privilege e and concessions which the Company may think desirable and to carry out exercise and comply with any such charters contracts decrees rights privileges and concessions.

To enter into working arrangements of all kinds (including joining in a cooperative arrangement) with other companies, corporations, firms or persons and also to make and carry into effect arrangements with respect to union of interests or amalgamation either in whole or in part or any other arrangements with other companies, corporations, firms or persons.

To accept any composition scheme or any securities for any debt or property claimed and to allow any time for payment of any debt and to compromise abandon compound or submit to arbitration or otherwise settle any debt account claim or thing.

To sell mortgage improve manage develop turn to account exchange let rent and grant licenses easements or otherwise rights in respect of and in any other manner deal with or dispose of the undertaking or the property for the time being of the company for any consideration whether in cash or shares (fully or partly paid) debentures debenture stock or other interest in securities of any company or otherwise.

To sell or otherwise dispose of the whole of any part of the business or property of the Company either together or in portions for such consideration as the Company may think fit and in particular for shares debentures or securities of any company purchasing the same.

To advertise all or any of the products or goods of the Company in any way that maybe thought advisable.

To establish and support or aid in the establishment and support of associations institutions funds trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee attorney for charitable or benevolent objects or for any public general useful objects.

To give as charity to any person from or institution in any part of the world any reasonable sum of money for the purpose of doing good to humanity at large.

To remunerate any person firm or Company rendering services to this Company either by cash payment or by allotment to him or them of shares or securities of the company credited as paid up in full or in part or otherwise as may be thought expedient.

To distribute among the members of the Company in kind any property of the Company and in particular any shares debentures or securities of other companies belonging to this Company or of which this Company may have the power of disposing.

To pay all or any expenses incurred in connection with the promotion formation and incorporation of the company or to contract with any person firm or company to pay the same and to pay commission to brokers and others for underwriting placing selling or guaranteeing the subscription of any shares debentures debenture stock or securities of this Company procure the Company to be registered in any part of the world or to take such other steps as may be necessary to give the Company as far as possible the same rights and privileges in any part of the world as are possessed by companies or partnerships of a like character elsewhere.

To carry on all such businesses which may be similar to any of the businesses specified in the foregoing sub-clauses.

To distribute any of the property of the Company in specie among the members.

To do all such other things as are incidental or conducive to the attainment of the above objects.

ARTICLES OF ASSOCIATION OF VOLT GRAPHITE TANZANIA PUBLIC LIMITED COMPANY

RIGHTS, PREFERENCES AND RESTRICTIONS ON SHARES AND DEBENTURES AND CHANGES TO RIGHTS

The Company is a public company and accordingly has the right to transfer any shares of the Company is not restricted and any invitation to the public to subscribe for any shares or debentures of the Company is not prohibited.

SHARES

The Share capital of the Company is Shillings One Hundred Billion Only (Shs 100,000,000,000/=) divided into One Hundred Million (100,000 ,000) Ordinary Shares of Shillings One Thousand (Shs. 1,000/=) each with such rights privileges or conditions as may be determined by or in accordance with the regulations of the Company, and to vary modify or abrogate any such rights privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

Subject to the provisions, if any, in that behalf of the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is or at the option of the Company is liable to be redeemed.

(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class may be varied with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

(2) In every such separate general meeting the provisions of these Regulations relating to general meeting should mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy seventy-five percent of the issued shares of that class, and that any holder or shares of the class present in person or by proxy may demand a poll.

For the purpose of this Article, the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

The Directors may allot and issue shares in the capital of the Company in payment or part payment for any property sold or transferred, goods or machinery supplied, or for service rendered to the Company in the conduct of its business as fully paid-up shares and if so issued, shall be deemed to be fully paid up.

Every person whose name is registered as a member on the register of members shall, without payment, be entitled to a certificate under the Seal of the Company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

No person shall exercise any rights or privileges of a member until he shall have paid all calls and other moneys for the time being due on every share held by him.

If a share certificate is defected, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one shilling, and on such terms, if any, as to evidence and indemnity, as the Directors think fit.

No part of the funds of the Company shall directly or indirectly be employed in the purchase of, or in loans upon the security of, the Company's shares, but nothing in this regulation shall prohibit transactions mentioned in the Act.

The Company shall be entitled to treat the person whose name appears upon the register in respect of any shares as the absolute owner thereof and shall not be under any obligation to recognize any trust or equity or equitable claim to or partial interest in such shares whether or not it shall have express or other notice thereof.

The Company shall have a lien on every share for all money (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien, if any, on a share shall extend to all dividends payable.

The Company may sell, subject to the provisions on forfeiture of shares, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, starting and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the, person entitled thereto by reason of his death or bankruptcy.

For giving effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

The Directors may, subject to any conditions of allotment from time to time make calls upon the members in respect of any moneys unpaid on their shares whether on account of the nominal value of the (shares or by way of premium) provided that except as otherwise fixed by the conditions of allotment) no call on any share shall be payable at less than thirty days from the date appointment for payment of the last preceding call, and each member shall (subject to being given at least three weeks' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

If a sum called in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest upon the sum at the rate of eight per centum per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

The provisions of these regulations as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue or a share, becomes payable at a fixed time, whether on account of the amount of the share, by way of premium, as if the same had become payable by virtue of a call duly made and notified.

The Directors may, if they think fit receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called upon thereon as a payments in advance of call which shall extinguish, so far as the same shall extend liability upon the shares in respect of which it is advanced and the Company may pay interest upon the money received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which.it has been received at such rate as the member paying such sum and the Directors agree.

TRANSFER AND TRANSMISSION OF SHARES

The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Shares shall be transferred in the following form, or in any usual or common form which the Directors shall approve:

"I, A.B. of. .. .., in Shs. .. .. paid to me consideration of by C.D. of...... ... . (hereinafter called "the said transferee") do hereby transfer to the said transferee the share (or shares) numbered in the undertaking called ... ... to hold unto the said transferee, subject to the several conditions on which I hold the same; and I, the said transferee, do hereby agree to take the' said aforesaid

As witness our hands set below Witness to the signatures of, etc."

The Directors may in their absolute discretion decline to register any transfer of shares to a person of whom they do not approve not being already a member of the Company and may also decline to register any transfer to shares on which the Company has a lien. The Directors may also suspend the registration of transfer during the fourteen days immediately preceding the ordinary general meeting in each year. The Directors may decline to recognize any instrument of transfer unless:

a fee-note exceeding two shillings is paid to the :Company in respect thereof, and

the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

If the Directors refuse to register a transfer of any shares they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

The legal personal representatives of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor or the legal personal representatives of the deceased's survivor shall be the only persons recognized by the Company as having any title to the share.

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be properly required by the Directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made, but the Directors shall, in either case, have the same fright to decline or suspend registration as they would have had in the case of transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

A person becoming entitled to a share by reason of th death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled to were he the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Save as hereinafter provided, no shares in the Company shall be transferred otherwise than to a person who is already a member of the Company until the rights of pre-emption hereby conferred, shall have been exhausted that it to say:

Every member or other person referred to in Article 26 who intends to transfer shares (hereinafter called the Vendor) shall ,give notice in writing to the Board of his intention so to do. Such notice shall constitute the Board his agent for the sale of the said shares in one or more lots at the discretion of the Board to members of the Company at a price to be agreed upon by the Vendor and the Board, or in default of agreement, at a price which the Auditor of the Company for the time being shall certify by writing, under his hand, to be in his opinion, the fair selling value thereof as between a willing Vendor and willing purchaser.

Upon the price being fixed as aforesaid the Board shall forthwith give notice to all the members of the Company of the number and price of the shares to be sold and invite each of them to state in writing within thirty days from the date of the said notice whether he is willing to purchase any, and if so, what maximum number of the said shares.

At the expiration of the said thirty days the Board shall allocate the said shares to or amongst the members or member who shall have expressed his or their willingness to purchase as aforesaid and (if more than one) so far as may be pro rata according to the number of shares already held by them respectively PROVIDED THAT no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid.

Upon such allocation being made the Vendor shall be bound on payment of the said price to transfer the shares to the Purchaser or purchasers. If he makes default in so doing the Chairman for the time being of the Directors of the Company or failing him one of the Directors duly nominated by resolution of the Board for that purpose shall forthwith be deemed to be duly appointed attorney of the Vendor, with full power to execute, complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing member and the Board may receive and give a good discharge for the Purchase money on behalf of the Vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.

In the event of the whole or any lot of shares offered through the Board as provided by this article not being sold in the manner by this article provided the Vendor may at any time within six calendar months after the expiration of the said period of thirty days after the date of the notice given by the Board to the members transfer the shares not so sold to any person (subject to article 24) and at any price.

FORFEITURE OF SHARES

If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

The notice shall name a further day (not earlier than the expiration of three weeks from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time hereafter before the payment required by the notice has been made be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares not actually paid before the forfeiture.

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the nominal amount of the shares.

A Statutory Declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether in account of the amount of the share, or by way of premium, as if the same had been payable by virtue of all calls duly made and notified.

CONVERSION OF SHARES INTO STOCK

The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as, and, subject to which, the shares from which the stock arose might previous to conversion have been transferred, or as near thereto as circumstances admit but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of the minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

The holders of stock shall, according, to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by any such a liquor part of the stock as would not if existing in shares, have conferred that privilege or advantage.

Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

The Company may from time to time by special resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

Subject to any direction to the contrary that may be given by the Company by special resolution in general meeting all new shares shall, before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot in the opinion of the Directors, be conveniently offered under this article.

The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

The Company may by ordinary resolution:

consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

sub-divide its existing shares or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association subject, nevertheless to the provisions of the Act;

cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

The Company may, by special resolution, reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorised and consent required, by law.

GENERAL MEETINGS

A general meeting shall be held once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be determined by the Directors. In default of a general meeting so held a general meeting may be convened by any one member in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

All such general meetings shall be called Annual General Meetings and all other general meetings shall be called Extraordinary General Meetings.

The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by section 114 of the Companies Act. If at any time there are not within Tanzania sufficient Directors capable of acting to form a quorum, any Director or any one member of the Company convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

Subject to the provisions of the Act relating to special resolutions, three weeks' notice at the least (exclusive of the day on which the notice is served or deemed to be served by inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general business, the general nature of that business shall be given in manner hereinafter mentioned, or in such other manner if any, as may be prescribed by the Company in general meeting, to such persons, as are under the regulations of the Company entitled.to receive such notices from the Company but with the Consent of all the members entitled to receive notice of some particular meeting that meeting may be convened by such shorter notice and in such manner as those members may think fit.

PROCEEDINGS AT GENERAL MEETINGS

All business transacted at any general meeting shall be deemed special with the exception of the consideration of the accounts, balance sheet and the ordinary report of the Directors and Auditors.

No business shall be transacted at any general meeting or any adjournment thereof unless a quorum of members is present when the meeting proceeds to business. A quorum shall be constituted when two members are present in person or by proxy and hold not less than seventy-five percent of the issued share capital entitled to vote on the matters therein presented.

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the request of members, shall be dissolved in any other case, it shall be adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum (as defined in article 50), is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

No resolution, whether special or extraordinary, shall be carried as being passed at any general meeting or any adjournment thereof, unless the said resolutions received the affirmative vote of not less than seventy-five percent of the shares of such members as, being entitled to do so, vote in person or by proxy at a general meeting of which notice specifying the intention to propose the resolution as special or extraordinary has been duly given.

The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company.

If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose someone of their number to be the Chairman.

The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to-place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting,

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one member present in person or by proxy and entitled to vote. Unless a poll is so demanded, a declaration by the Chairman that the resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact.

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

VOTES OF MEMBERS

Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote. On a poll every member shall have one vote each share of which he is the holder.

In case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian appointed by the court, and any such committee or other legal guardian may, on a poll, vote by proxy.

On a poll votes may be given either personally or by proxy, provided that no company shall vote by proxy unless a resolution of its Directors in accordance with the provisions of section 139 and 140 of the Act is in force.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hands of an officer or attorney duly authorised. A proxy need not be a member of the Company.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a naturally certified· copy of that power or authority shall be deposited at the registered office of the Company not less than twenty-four hours before the time for holding the meeting or adjourned meeting, at which the .person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Any instrument appointing a proxy may be in the following form, or any other form which the Directors shall approve:

"I, ... of ... .

being a member of a

.... hereby appoint

.... of

. ... as my proxy, to vote for me and on my behalf at the (ordinary or extraordinary as the case may be) general meeting of the company to be held .... on the

.... day of .... 20...., and at any

adjournment thereof.

Signed this .... day of .... 20.. .

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorised such person as it thinks fit to act as its representatives at any meeting other company or of any class of members of the Company, and the person authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

DIRECTORS

Every such member or members may at any time remove from office and Directors appointed or removal shall be effected by notice in writing signed by the member or members making the same or, in the case of a member being a Corporation signed by any of its Directors or other Authorised officer on its behalf, and shall take effect upon lodgement at the registered office.

Unless otherwise directed in a general meeting, any member or members holding in the aggregate more than fifty percent (50%) in nominal value of the issued shares of the Company may nominate as Chairman of the Board of Directors, one of the Directors appointed under this Article.

A Director may resign from office upon giving one month's notice in writing to the company of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance by the Board of Directors.

(1) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting.

(2) In addition to their usual remuneration the Directors shall, subject to the approval of the whole Board of Directors, also be paid such traveling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses incurred in connection with their attendance at meetings of Directors.

Any Director may at any time appoint any person to be an alternate Director of the Company, with powers which may be limited by the Director, and may at any time remove any alternate Director so appointed from office, and, appoint another person in his place. An alternate Director shall (subject to his giving to the Company an address at which notices may be served on him) be entitled to receive notices of all meetings of the Directors, and to attend and vote as a Director at any meetings at which the Director appointing him is not personally present and generally' to perform all the functions of his appointer as a Director in the absence of such appointer. An alternate Director shall ipso facto cease to be an alternate Director if his appointer ceases for any reason to be a Director. All appointments and removals of alternate Directors shall be effected by notice in writing under the hand of the Directors or by cable, making or revoking such appointment sent to or left at the registered office. An alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appoint him and shall consist of such part (if any) of the last mentioned remuneration as shall be agreed between the alternate Director and the Director appointing him. Any Director or alternate Director may, in addition to his position as Director or alternate Director, be appointed as an alternate to or by any number of Directors.

A Director and alternate Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.

The quorum necessary for the transaction of the business of the Directors shall be two. A resolution in writing signed by two Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted and may consists of several documents in the like form, each signed by one or more of the Directors hut so that the expression "Director" in this article shall not include an alternate Director other than an alternate Director appointed by a Director who at the date of the resolution is absent from Tanzania.

Provided a Director declared his interest therein in manner provided by the Act he may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted in the quorum when any such contract or arrangement is under consideration.

The Directors may exercise all of the powers of the Company with the exception of the following which shall require ratification by the Company in general meeting:

(1) borrowing money in excess of shs. 100,000.000/=;

(2) mortgaging or charging the Company's uncalled capital or any part thereof;

(3) issuing debentures, debenture stock and other securities in excess of shs. 100,000,000/=, whether outright or as security for any debt liability or obligation of the Company or of any third party.

The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting up and registering the Company, and may exercise all such powers of the Company, as are not by the Act, or by these articles, required to be exercised by the Company in general meeting subject nevertheless to any regulation of these articles, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulation or provisions, as may be prescribed by the Company in ,general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

The Directors may from time to time appoint one or more of their body to the office of Managing Director or may appoint any person or body corporate to manage the Company for such term and at such remuneration (whether by way of salary or compassion, or participation in profits, or partly in one way and partly in another) as they may think fit. In the case of the appointment of a Managing Director such appointment shall be subject to determination ipso facto if he ceases from any cause to be a Director.

The Directors shall cause minutes to be made in books provided for the purposes:

(a) of all appointments of officers made by the Directors.;

{b) of the names of the Directors present at each meeting of the Directors:

(c) of all resolutions and proceedings at all meetings of the Company, and of the Directors;

and every Director present at any meeting of Directors shall sign his name in a book to be kept for that purpose.

<u>DISQUALIFICATION OF DIRECTORS</u>

The Office of Director shall be vacated if the Director:

(a) without the consent of the Company in general meeting holds any other office of profit under the Company except that of Managing Director or Manager, or

(b) becomes bankrupt in this Territory or in any other territory which is declared to be a reciprocating territory under section 147 of the Bankruptcy Act or

(c) becomes prohibited from being a Director by reason of any order made under any provision of the Act; or

(d) if found lunatic or becomes of unsound mind; or

(e) resigns his office by notice in writing to the Company; or

(f) is punished with imprisonment for a term exceeding six months without the option of a fine.

<u>PROCEEDINGS OF DIRECTORS</u>

The Directors may meet, together, upon adequate notice duly given for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall, except as otherwise agreed from time to time by the members, be decided by a majority of votes. A Director may, and the secretary on the requisition of a Director shall at any time summon a meeting of the Directors. Adequate notice shall in all cases be that which is reasonably calculated to advise Directors whether within or without Tanzania of the proposed meeting.

If at any time the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chair.

20 Documents Available for Inspection

Copies of the following documents will be available for inspection by Prospective Investors at:

GFin Corporate Services Ltd

6th Floor, GFin Tower,

42 Hotel Street,

Ebene,

Cybercity, Mauritius.

- This Admission Document;
- The Business Plan prepared by the Company and certified by an independent financial advisor;
- The Memorandum and Articles of Association of the Issuer; and
- The audited financial statements of the Issuer for the past three years.

In addition, all documents relating to this issue will be available for viewing on the website of the Issuer at http://vgt.co.tz

All documents will be published in English.

Appendix 1: Note Application Form

Please complete all pages of this form in black ink using BLOCK letters.
Mark appropriate boxes with a tick like the following ☑
Please ensure that this form is completed and all required documentation is provided.

Notes to Applicants:
In case of Individual - complete sections 1.1, 2.1, 2.2, 2.3, 3
In case of Corporate/Societe/Trusts - complete sections 1.2, 2.1, 2.2, 2.3, 3

Part 1 - INVESTOR DETAILS

1.1. Investor Details (Individual)

INVESTOR INFORMATION

SINGLE INVESTOR

Title: Mr. ☐ Mrs. ☐ Miss ☐

Surname:...
First Name(s):..

Maiden Name:...

Marital Status: Single ☐ Married ☐ Divorced ☐ Widowed ☐

Date of Birth:...

National Identity Card No.: ....
OR Passport Number

Passport Issuing Country: ....

Passport Expiry Date: ....

Permanent Residential Address:
....
....
....
....
....

Mailing Address (if different):
....
....
....
....
....

Telephone (Home): …………………………………
Telephone (Office): …………………………………
Telephone (Mobile): ………………………………………………….
E-mail address: ……………………………………………………………

JOINT INVESTOR

Title: Mr. ☐ Mrs. ☐ Miss ☐

Surname:…………………………………………………
First Name(s):…………………………………………..

Maiden Name:………………………………………….

Marital Status: Single ☐ Married ☐ Divorced ☐ Widowed ☐

Date of Birth:……………………………….

National Identity Card No.: ………………………………………………
OR Passport Number

Passport Issuing Country: …………………………………………………

Passport Expiry Date: ……………………………………………………….

Permanent Residential Address:
………
………
………
………
………

Mailing Address (if different):
………
………
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………

Telephone (Home): ………………………………………………………..….
Telephone (Office): ………………………………………………………….

Telephone (Mobile): ………………………………………………………..….
E-mail address: ……………………………………………………………..…

EMPLOYMENT DETAILS

Employment Status (please tick)

- ☐ Employed — Employer's Name and Address
  ……………………………………………………………………………………
  ……………………………………………………………………………………
  ………………………………………..
- ☐ Self-Employed — Business Sector if self-employed and Address
  ……………………………………………………………………………………
  ……………………………………………………………………………………
  …………………………………………
- ☐ Retired
- ☐ Unemployed

FINANCIAL DETAILS

Gross Monthly Income (in '000 MUR)

Source of Funds

- ☐ Salary
- ☐ Pension
- ☐ Interest
- ☐ Loan / Overdraft
- ☐ Rent
- ☐ Alimony
- ☐ Inheritance
- ☐ Insurance
- ☐ Lottery / Gambling
- ☐ Business Proceeds
- ☐ Gift
- ☐ Capital Gains
- ☐ Retirement Provision
- ☐ Compensation
- ☐ Dividends

1.2. Investor Details (Corporate/ Trust/ Societe)

Corporate Name: ………………………………………………………..

Incorporation/Registration No.: …………………………………..……
Business Registration Number: ……………………………………….

Country of Incorporation/Registration:…………………………………..
Business Activity: ………………………………………………………

Place of Business (specify country): ……………………………………

Registered
Office:……………………………………………………………………………………………………
………
………
……….……………………………………………………………………………………………………
………

Mailing Address (if different):
………
………
………
………
……………………………………………………….

Telephone No.: …………………………………………………………

E-mail address: ………………………………………………………………………………………………..

Part 2 - INVESTMENT DETAILS

2.1. USD Notes

Number of Notes applied for:	………………………………………………………………………………..
Investment Amount (minimum USD 100,000):	………………………………………………………………………………..

2.2. Payment details

Account Name					
Bank Name					
Account Number					
IBAN					
SWIFT					
Currency					

CDS Account Number……
………..
(please state your CDS Account Number (or leave blank if you do not have one – see paragraph 3.7) and attach copy of the relevant CDS statement.

Notes allocated to you will be credited to your CDS account.

2.3. Applicant Bank Account Details

This section is mandatory and should be completed by all applicants.

Bank Name:	
Account Holder:	
Account Number:	
Currency:	

Subject to paragraph 3.7 this account shall be used for newly opened CDS accounts. Note that this same account shall be credited for refund of monies in case of oversubscription or cancellation of issue.

Part 3 – REPRESENTATION, WARRANTIES AND DECLARATIONS

3.1 I/We* the undersigned agree to purchase the above-mentioned Note(s) and I/We* agree to accept the same or lesser number of Notes that may be allocated to me/us* upon the terms and conditions of the Admission Document.

3.2 I/We* hereby acknowledge that I/We* have received, read and understood the Admission Document and agree to be bound by the provisions contained therein and by the provisions of the Financial Intelligence and Anti-Money Laundering Act 2002, as may be amended from time to time.

3.3 I/We* represent and warrant that I/We* have the necessary authority and power to purchase and hold the Notes in accordance with this application form and have taken all necessary corporate action, where necessary, to approve such purchase and to authorise the person(s) signing this application form to bind me/us* in accordance with the terms hereof.

3.4 In accordance with anti-money laundering requirements, I/We* hereby consent to Volt Graphite Tanzania plc (the "**Issuer**") issuer and/or GFin Corporate Services Ltd (the "**SEM Authorised Representative**") making reasonable enquiries for the purpose of verifying the information disclosed herein and obtaining information about me/us*. I/We* certify that the monies being invested are not proceeds from illegal activities and that my/our investment is not designed to conceal such proceeds so as to avoid prosecution for an offence.

3.5 I/We* undertake to promptly notify the Issuer of any change in the information and / or details submitted in this application.

3.6 I/We further understand and agree that interest payments, redemption and / or maturity proceeds of the Notes shall be credited as per prevailing instructions on my CDS account.

3.7 I/We* understand that if a CDS account number is not specified in paragraph 2.2 above or if the corresponding CDS statement is not attached to this application, by signing this application form, I/We* am/are* expressly authorising the SEM Authorised Representative to open a CDS Account on my behalf in my/our* name. I/We* undertake to provide any other documentation as may be requested by the SEM Authorised Representative.

3.8 I/We* declare that all statements and declarations made in this application and any related documents submitted are true, correct and complete.

3.9 I/We* acknowledge and agree that all notices to be sent by the Issuer to the Notes holders will be sent to the email address provided here above. The email and mailing address provided herein shall supersede all previous addresses provided by me/us* in respect of any securities issued on or before the date hereof.

3.10 I/We* hereby declare that I/We* am/are* an eligible investor and have read, understood and accepted the terms and conditions of this application form and I/We* hereby make a binding offer to subscribe to Note(s) issued by the Issuer, upon such terms and conditions as set out in the Admission Document.

3.11 I/We* hereby declare that I/We* have sought legal and/or professional advice prior to signing this application form with full knowledge of its intent and purpose.

Signature		
Name		
Capacity		
Date		

(*) strike out as applicable.

NOTES TO THE APPLICATION FORM FOR SUBSCRIPTION

Application for subscription

1. The application will be deemed to have been made jointly if more than one applicant has signed.
2. Please ensure the form is fully completed and, in the case of a corporate entity, please sign in accordance with the authorised signatory list.
3. In case of joint application, the joint applicants will be required by the Issuer to sign jointly to be entitled to exercise all rights attached to their notes including the right to transfer the same.
4. When subscription requests are received without complete documents or funds are not cleared on the bank account of the Issuer, these will be carried forward until complete documents are received and funds cleared.
5. Any application may be rejected in whole or in part by the Issuer without it having to assign any reason for the rejection.
6. A statement of holdings will be mailed to investor on a monthly basis and upon request made to the Issuer.

   To ensure compliance with legislation, applicants are required to provide certain information to the Issuer which is included in this application form.

Annexure 1: Volt Graphite Tanzania Plc – Audited Financial Statements for the Year Ended 30 June 2018 in Tanzanian Shillings.

VOLT GRAPHITE TANZANIA LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

October 2018

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TABLE OF CONTENTS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

LIST OF ABBREVIATIONS

ASX	Australian Securities Exchange
FS	Feasibility Study
DH	Diamond Hole
DSE	Dar es Salaam Stock Exchange
DSRA	Debt Service Reserve Account
EM	Electromagnetic
IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
ISA	International Standards in Auditing
NBAA	National Board of Accountants and Auditors
PFS	Pre-Feasibility Study
PL	Prospecting Licence
RC	Reverse Circulation
TFRS	Tanzania Financial Reporting Standards
TZS	Tanzanian Shillings
US$	United States Dollars
NPV	Net present Value
IRR	Internal rate of Return
CMSA	Capital Market and Security Association
IM	Information Memorandum
ESIS	Environment and Social Impact Statement
RAP	Resettlement Action Plan
FOB	Free on Board

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

COMPANY INFORMATION

Principal Officers	Mr. Matt Bull – Director (Resigned 9th July 2018) Mr. Asimwe Kabunga – Director Mr. Trevor Mathews – Director
Registered Office	Volt Graphite Tanzania Limited Plot No. 1826/17 Golden Heights Building, Level 1 Chole Road, Masaki P. O. Box 80003 Dar es Salaam
Management in Tanzania	Afrika Kazi Ltd Golden Heights 1st Floor, Wing B, Unit 1/B/102 Chole Road PO Box 80003 Dar es Salaam Tanzania Email: kineneko@afrikakazi.com Web: www.afrikakazi.com
Auditors	INNOVEX Auditors Certified Public Accountants 8 Kilimani Road PO Box 75297 Dar es Salaam Tanzania Email: info@innovexdc.com Web: www.innovexdc.com
Principal Banker	CRDB Bank Plc Lumumba Branch PO Box 268 Dar es Salaam Tanzania
Company Secretary	Ms. Leticia Herman Kabunga PO Box 35061 Dar es Salaam Tanzania

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

1. INTRODUCTION

The Directors of Volt Graphite Tanzania Limited submit their report and financial statements which disclose the state of affairs of the company for the year ended 30 June 2018. This Report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1, *Directors Report*.

2. VOLT GRAPHITE TANZANIA LIMITED COMPANY PROFILE

Volt Graphite Tanzania Limited is a company registered under the Companies Act, 2002 with a registration certificate no.117231 dated 13th May 2015 issued by BRELA. The company was initially registered as Nachi Resources Limited but on 18th April 2017, it changed its name to Volt Graphite Tanzania Limited. Volt Graphite Tanzania Limited is owned by Volt Resources Limited, an Australian company which directly and indirectly holds 100% of the total issued shares.

The Company's main activity is to develop and carry out mining activities and is currently exploring mining of graphite in the Lindi and Mtwara region of Southern Tanzania.

Vision statement

Volt Graphite Tanzania Limited's vision is to be in the top 3 global suppliers of flake graphite by 2020. The company has a strong policy of using local staff and contractors wherever possible and an active program of community development to ensure that the community benefits from the development of a mining operating in the region.

3. PRINCIPAL ACTIVITIES OF VOLT GRAPHITE TANZANIA LIMITED

The company's main activity is to develop and carry out mining activities. Currently, Volt Graphite Tanzania Limited is focused on the exploration and development of graphite at the Bunyu Graphite Project located in Lindi and Mtwara, Tanzania. As at 30 June 2018, the company had been granted seven (7) prospecting licences by the Ministry of Minerals to conduct exploration activities in various parts of Lindi and Mtwara.

4. RESULTS AND DIVIDENDS

The net loss for the year is TZS 2,778,538,613 (2017: TZS 2,625,336,600). The directors do not recommend the declaration of a dividend for the year.

5. COMPOSITION OF THE VOLT GRAPHITE RESOURCES LIMITED BOARD OF DIRECTORS

The company had three (03) members of the board in the year under review. Members who served during the year are:

S/n	Name	Position	Age	Qualification	Nationality	Date of appointment
1.	Mr. Matthew Bull	Member	38	B.Sc. Geology and Geophysics	Australian	22-Nov-2015 (Resigned 9th July 2018)
2.	Mr. Asimwe Kabunga	Member	48	BSc. Mathematics and Physics	Australian	13-May-2015
3.	Mr. Trevor Matthews	Member	59	PGD Applied Finance and Investment	Australian	22-May-2017

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

6. MANAGEMENT

Volt Resources Limited has entered into a professional service agreement with Afrika Kazi Limited for certain management services for Volt Graphite Tanzania Limited in Tanzania. As per this agreement, Afrika Kazi Limited is responsible for:

- Provision of accounting and taxation services including but not limited to:
  - Keeping financial records and preparation of financial statements in accordance with International Financial Reporting Standards (IFRS);
  - Following up matters arising with the Tanzanian government and its regulatory authorities
  - Processing payments to suppliers
- Management of human resources and provision of candidates for employment

7. CORPORATE GOVERNANCE

Volt Graphite Tanzania Limited is committed to the principles of effective corporate governance and the Board is of the opinion that the company currently complies with principles of good corporate governance.

The Board of Directors

The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters and reviewing the performance of management against budgets and business plans. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative for compliance with sound corporate governance principles.

The Board is confident that its members have the knowledge, talent and experience to lead the company. The Board is required to meet and oversee the management of the business. The table below summarizes the participation of Board members in the meetings held during the period.

S/n	Name of Board member	Position	Meeting held on 15/02/2017	Meeting held on 10/06/2017	Meeting held on 08/03/2018
1	Mr. Matthew Bull	Director	√	√	√
2	Mr. Asimwe Kabunga	Director	√	√	√
3	Mr. Trevor Matthews	Director	N/A	N/A	√

√ - Attended
X – Absent with apology
N/A – Was not yet a Board member when meeting was held

Board committees

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

8. CAPITAL STRUCTURE AND SHAREHOLDING OF THE COMPANY

The capital structure is made up of 2,000 ordinary shares of TZS 1,000 each. Below is the analysis of authorised and fully paid share capital as at 30 June 2018.

	TZS
Authorised	**2,000,000**
2,000 ordinary shares of TZS 1,000 each	
Issued and fully paid	**100,000**
100 ordinary shares of TZS 1,000 each	

Volt Resources Limited in Australia is the majority shareholder of Volt Graphite Tanzania Limited. As at 30 June 2018, the shareholding structure was as follows:

S/n	Shareholder	No. of shares	Percentage of ownership
1.	Volt Resources Limited	99	99%
2.	Mozambi Graphite Pty Limited	1	1%
		100	**100%**

**Mozambi Graphite Pty Ltd is 100% owned by Volt Resources Limited in Australia.*

9. DIRECTORS INTEREST

The directors who served during the year under review have no interest in the issued and paid up shares of the company.

10. SOLVENCY

The Directors are satisfied that the Company is a solvent going concern within the meaning described by the Companies Act No. 12 of 2002 of the laws of Tanzania and International Financial Reporting Standards (IFRSs).

11. GOING CONCERN ASSUMPTION

The Directors confirm that the applicable International Financial Reporting Standards have been followed and that the financial statements have been prepared on a going concern basis. The Directors have reasonable expectation that Volt Graphite Tanzania Limited has adequate resources to continue its operational existence in the foreseeable future. Volt Resources Limited the ultimate parent company which is listed on the Australian Securities Exchange (ASX) has confirmed to the Directors of Volt Graphite Tanzania Limited in a letter of comfort that it will continue to finance Volt Graphite Tanzania Limited for at least the following twelve months or until such time as Volt Graphite Tanzania Limited can support itself financially, which is anticipated through the planned bond issue.

12. RISK MANAGEMENT AND INTERNAL CONTROLS

The board of directors accepts final responsibility for the risk management and internal control systems of Volt Graphite Tanzania Limited. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of company's assets;
- Compliance with applicable laws and regulations;

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

12. RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

- The reliability of the accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is depended on the strict observance of prescribed measures, however there is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the year and is of the opinion that they met the accepted criteria.

13. PRINCIPAL RISKS AND UNCERTAINITIES

Volt Graphite Tanzania Limited has defined a graphite deposit large enough to underpin a large scale long life mining operation. The principal risk facing Volt Graphite Tanzania Limited is the risk of being unable to obtain finance to develop the mine to economic levels of production, risk of not obtaining development approvals from the Tanzanian government and the potential for adverse regulatory changes to the mining laws in Tanzania to impact the ability of the company to produce graphite at an acceptable cost.

14. ACHIEVEMENTS OF THE PERIOD UNDER REVIEW

Key operational highlights during the year included:

Feasibility Study (FS) for the Stage 1 Bunyu Graphite Project was substantially completed and the results announced on 31 July 2018 as follows:

- Positive Stage 1 FS based on annual throughput rate of 400,000 tonnes of ore to produce on average 23,700 tonnes per annum of graphite products over a 7 year project period:
  - Pre-tax NPV at 10% discount rate of US$18.6 million, after tax US$14.7 million;
  - Pre-tax IRR of 21%
  - Payback period of 4.4 years
  - Start-up Capital cost estimate of US$31.8 million
  - FOB operating costs averaging US$664 per tonne
  - Average annual EBITDA of US$13.1 million over 7 years, US$96.3 million in total
- Key objective of Stage 1 development is to establish infrastructure and market position in support of the development of the significantly larger Stage 2 expansion project;
- Stage 1 development incorporates a significant amount of infrastructure, utilities and mine development work that will benefit the Stage 2 expansion;

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

14. ACHIEVEMENTS OF THE PERIOD UNDER REVIEW (Continued)

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

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

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

14. ACHIEVEMENTS OF THE PERIOD UNDER REVIEW (Continued)

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

15. FINANCIAL PERFOMANCE

Financial position
The Company's assets mainly comprise of exploration and evaluation assets reported at TZS 18.3 billion (2017: TZS 12.5 billion) forming 99% of total assets. The increase in exploration and evaluation assets was mainly attributed by increased level of exploration activities, drilling and sample testing that increased significantly during the year. These costs have been funded by the parent company i.e. Volt Resources in Australia hence the liability due to related parties which increased to TZS 25.2 billion as at the reporting date (2017: TZS 16.1 billion).

Financial results
During the year ended 30 June 2018, the Company made a loss of TZS 3.1 billion compared to TZS 2.6 billion reported in the previous period. Volt Graphite Tanzania Limited is still in exploration stage and has not begun trading; no revenue was recorded during the year. The loss reported during the year was mainly attributed by increased costs in legal fee - Domestic from TZS 100,000 to TZS 162 million relating to preparation of the information memorandum for the listing of notes on the Dar es Salaam Stock Exchange. Volt Graphite Tanzania Limited obtained financing from the parent company i.e. Volt Resources in Australia to cover the said expenses.

16. GENDER PARITY
As at 30 June 2018, Volt Graphite Tanzania Limited did not have staff employed directly by the company. All human resource is vested under the agency i.e. Afrika Kazi Limited.

17. RELATED PARTY TRANSACTIONS AND BALANCES
All related party transactions and balances are disclosed in Note 15.

18. EMPLOYEES WELFARE
As at 30 June 2018, Volt Graphite Tanzania Limited did have not staff employed directly by the company. All human resource is vested under the agency i.e. Afrika Kazi Limited.

19. ACCOUNTING POLICIES
A summary of key accounting policies is in Note 2 to the financial statements and were consistently applied during the year under review.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

20. ENVIRONMENT
Volt Graphite Tanzania Limited has been taking measures to strengthen preparedness for natural and occupational disasters and protection of the environment and it continues to observe environmental requirements in all implemented projects. On 23 January 2018 the Company lodged its Environmental and Social Impact Study with the National Environment Management Council to progress the environmental approval for the Bunyu project development. The Environmental Certificate and Environmental Conditions were received on 3 September 2018.

21. COMPLIANCE WITH LAWS AND REGULATIONS
Volt Graphite Tanzania Limited is in compliance with statutory laws and regulations. There are no known incidences of breach of law that resulted to fines or penalties in the period under review.

22. POLITICAL AND CHARITABLE DONATIONS
Volt Graphite Tanzania Limited did not make any political donations during the year under review. The Company made a number of donations to the communities it operates in under its Corporate Social Responsibility program.

23. PREJUDICIAL ISSUES
In the opinion of the directors, there are no serious unfavourable matters that can adversely affect Volt Graphite Tanzania Limited.

24. CORPORATE SOCIAL RESPONSIBILITIES
From July 2017 to June 2018, the Company employed casual laborers from the local communities with over one hundred and twenty temporary jobs created in one quarter of the 2017/18 financial year. In addition, the Company funded Nursery School teacher salaries, repairs to storm damaged class room and teachers office, sponsored the SIDO exhibition in the Lindi region, funded the development of the local village land use plan, funded substantial local road repairs, purchased desks for the Utimbula Nursery School and contributed funding for the Nation Torch Rally for the Masasi and Lindi districts.

The Company continues to support small businesses in the project areas, including the purchase of food for exploration staff, fuel from local fuel suppliers. The company employee's stay at the local guest houses in Ndanda which has provided valuable income since the Company commenced exploration activities in the region.

During the financial year the Company's Community Relations Manager and two Community Liaison Officers continued the engagement with the community and local government providing information on the Company's activities and seeking feedback from the community on any issues or concerns.

25. FIDUCIARY RESPONSIBILITY
Members of the Board of Directors as stewards of public trust always acted for the good of the Company rather than for the benefit of themselves throughout the period. Reasonable care was exercised in all decisions taken by the Company without placing the Company under unnecessary risks.

26. FUTURE DEVELOPMENT PLANS

A Feasibility Study for the Stage 1 development of the Bunyu Graphite project was substantially completed by the end of the financial year. The results were announced on 31 July 2018 and supported the Company's stated strategy of developing a Stage 1 starter project followed by a Stage 2 expansion project. Following the recent receipt of the Bunyu Projects environmental approval, the focus for the Company is to obtain the Mining Licences and development funding to construct and commission the Stage 1 Bunyu project.

27. EVENTS AFTER THE REPORTING DATE

- The Stage 1 Bunyu Graphite Project Feasibility Study was completed and the results were publicly released on 31 July 2018.
- Mr Matthew Bull resigned as a Non-executive director of the Company effective 9 July 2018.
- On 1 August 2018, a second binding offtake was signed with Qingdao Tiangshengda Graphite for 9,000 tonnes per annum of Bunyu Graphite product, which represents approximately 40% of forecast annual production from the Stage 1 project. In addition a Co-operation agreement was signed with Haida Graphite in late August 2018.
- The Environmental Certificate and Environmental Conditions were received from the NEMC on 3 September 2018.
- A revised Prospectus (IM) was lodged with the Tanzanian regulators on 17 August 2018 and updated on 28th September 2018 for approval of the US$30 to US$40 million Note issue to be listed on the Dar es Salaam Stock Exchange.
- On 17 October 2018, the Bunyu mining licences were granted by the Tanzania Ministry of Minerals, Mining Commission covering the respective stage 1 and stage 2 developments of the Bunyu Graphite Project with reference numbers ML 00648/2018 and ML 00649/2018 respectively.

28. AUDITORS

INNOVEX Auditors was appointed as the company's auditor for the year ended 30 June 2018 and has expressed its willingness to continue in office in accordance with Section 159 (2) of the Tanzanian Companies Act 2002.

By order of the Board

Mr. Trevor Matthews
Director

30.10.18
Date

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required under the Tanzanian Companies Act, 2002, to prepare financial statements that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the statement of income and expenditure of the company for the period.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Tanzanian Companies Act, 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Mr. Trevor Matthews	30.10.18
Director	**Date**

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DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditor (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statements rests with the Board of Directors under the Statement of Director's responsibility on an earlier page.

I, Amani L.Sam .... on behalf of Afrika Kazi Limited being management consultants who supervised preparation of financial statements of Volt Graphite Tanzania Limited, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2018 have been prepared in compliance with applicable standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Volt Graphite Tanzania Limited as on that date and they have been prepared based on properly maintained financial records.

Signed by: ....

Position: Accountant

NBAA Membership No.: GA-8057

Date: 30.10.2018

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INNOVEX

INNOVEX Auditors
8 Kilimani Road
Ada Estate (Near the French Embassy)
P.O. Box 75297
Dar es Salaam, Tanzania
Mobile: +255 715 540 949
Landline: +255 22 2664099
Fax: +255 22 2664098
Email: admin@innovexdc.com
Website: www.innovexdc.com

Volt Graphite Tanzania Limited
Plot No. 431, Mahando Street
Msasani Peninsula
PO Box 105589
Dar es Salaam

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF VOLT GRAPHITE TANZANIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Volt Graphite Tanzania Limited, set out on pages 15 up to 46 which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Republic of Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of matter

1. **Significant contingent liability**

We draw attention to Note 18.2 of the financial statements, which describes the existence of a significant contingent liability related to withholding tax amounting to TZS 1,168,468,816. Volt Graphite Tanzania Limited did not withhold and remit income tax for payments that were made to foreign and domestic service providers. Our opinion is not modified in respect of this matter.

2. **Material Uncertainty Related to Going Concern**

We draw attention to Note 4 in the financial statements, which indicates that the Company has not started mining activities and is still in the exploration phase and therefore did not record any revenues for the year under review. As a result, the Company since its incorporation relies on funding from the Parent Company to meet its administrative and exploration costs. During the year under review, it reported a net loss from operations of TZS 3,133,084,032 (2017: TZS 2,625,336,600) and as at that date, had negative equity of TZS 6,683,107,242 (2017: TZS 3,550,023,211). If the Parent Company for any reason stops providing funding for its administrative and operational needs, these events or conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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 Other Legal and Regulatory Requirements
This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act No. 12 of 2002, we are also required to report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding Directors' remuneration and transaction with the company is not disclosed.

In respect of the foregoing requirements, we have no other matter to report.

The engagement partner on the audit resulting in this independent auditor's report is CPA Christopher Mageka.

INNOVEX Auditors
Certified Public Accountants
Dar es Salaam
Per Christopher Mageka, CPA-PP

Date........2/11/........ 2018

INNOVEX AUDITORS
INNOVEX
P. O. BOX 75297
DAR ES SALAAM
CERTIFIED PUBLIC ACCOUNTANTS

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION

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

	Notes	2018 TZS	2017 TZS
Income	5	-	-
Expenses			
Administrative expenses	6	2,773,082,060	2,155,301,609
Loss on foreign exchange		360,001,972	470,034,991
Total expenditure		3,133,084,032	2,625,336,600
Loss before tax		(3,133,084,032)	(2,625,336,600)
Taxation	14	-	-
Loss for the year		(3,133,084,032)	(2,625,336,600)

The notes on pages 19 to 46 form an integral part of these financial statements. The Financial Statements on pages 15 to 18 were approved by the board of directors and authorised for issue on...30...10...:. 2018 and were signed on its behalf by:

....
Mr. Trevor Matthews
Director

....
Mr. Asimwe Kabunga
Director

Report of the independent auditors - page 11 to 14

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION - UPANGA

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 TZS	2017 TZS
ASSETS			
Non-current assets			
Exploration and evaluation assets	7	18,273,571,141	12,481,787,660
Furniture and equipment	8	31,017,110	23,524,916
		18,304,588,251	12,505,312,576
Current assets			
Trade and other receivables	9	281,718,731	24,550,684
Cash and cash equivalents	10	13,824,335	70,286,754
		295,543,066	94,837,438
TOTAL ASSETS		18,600,131,317	12,600,150,014
EQUITY AND LIABILITIES			
Equity			
Share capital	11	100,000	100,000
Accumulated losses		(6,683,207,242)	(3,550,123,211)
Total equity		(6,683,107,242)	(3,550,023,211)
Liabilities			
Non-current liabilities			
Liability due to parent company	12	25,218,193,456	16,099,401,003
Current liabilities			
Trade and other payables	13	65,045,103	50,772,222
Total liabilities		25,283,238,559	16,150,173,225
TOTAL EQUITY AND LIABILITIES		18,600,131,317	12,600,150,014

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Mr. Trevor Matthews
Director

Mr. Asimwe Kabunga
Director

Report of the independent auditors - page 11 to 14

REGIONAL MANAGER
09 NOV 2018
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ILALA TAX REGION - TRA

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Year ended 30 June 2017	Share capital TZS	Accumulated losses TZS	Total TZS
Paid up capital	100,000	(924,786,611)	(924,686,611)
Loss for the year	-	(2,625,336,600)	(2,625,336,600)
	100,000	(3,550,123,211)	(3,550,023,211)
Year ended 30 June 2018			
At the start of the year	**100,000**	**(3,550,123,210)**	**(3,550,023,210)**
Loss for the year	**-**	**(3,133,084,032)**	**(3,133,084,032)**
	100,000	**(6,683,207,242)**	**(6,683,107,242)**

The notes on pages 19 to 46 form an integral part of these financial statements. The Financial Statements on pages 15 to 18 were approved by the board of directors and authorised for issue on....30 - 10 -..... 2018 and were signed on its behalf by:

....	....
Mr. Trevor Matthews	**Mr. Asimwe Kabunga**
Director	**Director**

Report of the independent auditors - page 11 to 14

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 TZS	2017 TZS
OPERATING ACTIVITIES			
Loss for the year		(3,133,084,032)	(2,625,336,600)
Adjustment for:			
Depreciation for the year		5,914,586	285,372
Changing in working capital			
Increase in trade and other receivables		(257,168,047)	(13,422,570)
Increase in trade and other payables		14,272,881	11,940,360
Net Cash flow used in operating activities		(3,370,064,612)	(2,626,533,438)
INVESTING ACTIVITIES			
Exploration and evaluation assets	7	(5,791,783,481)	(8,143,924,926)
Office furniture	8	(13,406,780)	(23,810,288)
Net Cash flow used in investing activities		(5,805,190,261)	(8,167,735,214)
FINANCING ACTIVITIES			
Loan from parent company	12	9,118,792,454	10,852,528,099
Net Cash from financing activities		9,118,792,454	10,852,528,099
Net increase in cash and cash equivalents		(56,462,419)	58,259,447
Cash and cash equivalents at the start of the year		70,286,754	12,027,307
Cash and cash equivalents at the end of the year	10	13,824,335	70,286,754

The notes on pages 19 to 46 form an integral part of these financial statements. The Financial Statements on pages 15 to 18 were approved by the board of directors and authorised for issue on....30....10......... 2018 and were signed on its behalf by:

Mr. Trevor Matthews
Director

Mr. Asimwe Kabunga
Director

Report of the independent auditors - page 11 to 14

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. GENERAL INFORMATION

Volt Graphite Tanzania Limited is a company registered under the Companies Act, 2002 with a registration certificate no.117231 dated 13th May 2015 issued by BRELA. The company was initially registered as Nachi Resources Limited but on 18th April 2017, it changed its name to Volt Graphite Tanzania Limited. Volt Graphite Tanzania Limited is owned by Volt Resources Limited, an Australian company which directly holds 100% of the total issued shares.

Directors of Volt Graphite Tanzania Limited reside in Australia and have vested management of activities and financial reporting in Tanzania to Afrika Kazi Limited at the below address:

Afrika Kazi Ltd
Golden Heights
1st Floor, Wing B, Unit 1/B/102
Chole Road
PO Box 80003
Dar es Salaam
Tanzania

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Tanzania Shillings (TZS). The financial statements comprise a statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and explanatory notes.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the accounting policies adopted by the company. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The judgments and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving the judgments of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Improvements to IFRSs

i. New and revised IFRSs mandatorily effective at the end of the reporting period with no material effect on the reported amounts and disclosures in the current or prior year

The following new or revised IFRSs were mandatorily effective and adopted by Volt Graphite Tanzania Limited as at the end of the reporting period but did not have a material effect on the current or previously reported financial performance or financial position.

Name of standard	Changes made to the standard
IAS 1 Disclosure Initiative – Amendments to IAS 1	**Key requirements** The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify: • The materiality requirements in IAS 1 • That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated • That entities have flexibility as to the order in which they present the notes to financial statements • That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. **Impact** These amendments are intended to assist entities in applying judgement when meeting the presentation and disclosure requirements in IFRS, and do not affect recognition and measurement. Although these amendments clarify existing requirements of IAS 1, the clarifications may facilitate enhanced disclosure effectiveness. Effective for annual periods beginning on or after 1 January 2018.
IFRS 15 Revenue from contracts with Customers	**Key requirements** IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Name of standard	Changes made to the standard
	Customers and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as IAS 17. Its requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets, including property, equipment and intangible assets. Effective for annual periods beginning on or after 1 January 2018. **Impact** IFRS 15 is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive. The standard will affect entities across all industries. Adoption will be a significant undertaking for most entities with potential changes to their current accounting, systems and processes.
IFRS 9 Financial Instruments	**Key requirements** *Classification and measurement of financial assets* All financial assets are measured at fair value on initial recognition, adjusted for transaction costs, if the instrument is not accounted for at fair value through profit or loss (FVTPL). *Classification and measurement of financial liabilities* For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. *Impairment* The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IAS 17 *Leases*.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Name of standard	Changes made to the standard
	Hedge accounting Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, will often be qualitative. Effective for annual periods beginning on or after 1 January 2018. **Impact** The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and the business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.
IFRS 2 Classification and Measurement of Share-based Payment Transactions -- Amendments to IFRS 2	**Key requirements** The IASB issued amendments to IFRS 2 *Share-based Payment* in relation to the classification and measurement of share-based payment transactions. The amendments address three main areas: • *The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction.* The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. • *The classification of a share-based payment transaction with net settlement features for withholding tax obligations.* This amendment adds an exception to address the narrow situation where the net settlement arrangement is designed to meet an entity's obligation under tax laws or regulations to withhold a certain amount in order to meet the employee's tax obligation associated with the share-based payment. This amount is then transferred, normally in cash, to the tax authorities on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement may permit or require the entity to withhold the number of equity instruments that are equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon exercise (or vesting) of the share-based payment ('net share settlement feature'). Where transactions meet the

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Name of standard	Changes made to the standard
	criteria, they are not divided into two components but are classified in their entirety as equity-settled share-based payment transactions, if they would have been so classified in the absence of the net share settlement feature. • *The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity settled.* The amendment clarifies that, if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. Any difference (whether a debit or a credit) between the carrying amount of the liability derecognised and the amount recognised in equity on the modification date is recognised immediately in profit or loss. **Transition** On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application is permitted. **Impact** The amendments are intended to eliminate diversity in practice but are narrow in scope and address specific areas of classification and measurement. Effective for annual periods beginning on or after 1 January 2018.
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4	Key requirements The amendments address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board is developing to replace IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. *Temporary exemption from IFRS 9* The optional temporary exemption from IFRS 9 is available to entities whose activities are predominantly connected with insurance. The temporary exemption permits such entities to

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Name of standard	Changes made to the standard
	continue to apply IAS *39 Financial Instruments: Recognition and Measurement* while they defer the application of IFRS 9 until 1 January 2021 at the latest. Predominance must be initially assessed at the annual reporting date that immediately precedes 1 April 2016 and before IFRS 9 is implemented. Also, the evaluation of predominance can only be reassessed in rare cases. Entities applying the temporary exemption will be required to make additional disclosures. *The overlay approaches* The overlay approach is an option for entities that adopt IFRS 9 and issue insurance contracts, to adjust profit or loss for eligible financial assets; effectively resulting in IAS 39 accounting for those designated financial assets. The adjustment eliminates accounting volatility that may arise from applying IFRS 9 without the new insurance contracts standard. Under this approach, an entity is permitted to reclassify amounts between profit or loss and other comprehensive income (OCI) for designated financial assets. An entity must present a separate line item for the amount of the overlay adjustment in profit or loss, as well as a separate line item for the corresponding adjustment in OCI. **Transition** The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on transition to IFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying IFRS 9. **Impact** The overlay approach requires an entity to remove from profit or loss additional volatility that may arise if IFRS 9 is applied with IFRS 4. When applying the temporary exemption, entities must still provide extensive disclosure that require the application of some aspects of IFRS 9. Effective for annual periods beginning on or after 1 January 2018
Transfers of Investment Property (Amendments to IAS 40)	**Key requirements** The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Name of standard	Changes made to the standard
	meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. **Transition** Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight. Early application of the amendments is permitted and must be disclosed. **Impact** The amendments will eliminate diversity in practice. Effective for annual periods beginning on or after 1 January 2018.

ii. Standards and interpretations in issue but not yet effective

At the reporting date, the following new and/or revised accounting standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements. Volt Graphite Tanzania Limited has not yet assessed the impact of these changes on their financial statements when they become effective:

Name of standard	Changes made to the standard
IFRS 17 Insurance Contracts	In May 2017, the IASB issued IFRS 17 which establishes principles for the recognition, measurement, presentation and disclosure for insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features issued. Effective for annual periods beginning on or after 1 January 2021. Early adoption is permitted.
IFRS 16 Leases	**Key requirements** The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Name of standard	Changes made to the standard
	under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. **Transition** A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies IFRS 15. **Impact** The lease expense recognition pattern for lessees will generally be accelerated as compared to today. Key balance sheet metrics such as leverage and finance ratios, debt covenants and income statement metrics, such as earnings before interest, taxes, depreciation and amortization (EBITDA), could be impacted. Also, the cash flow statement for lessees could be affected as payments for the principal portion of the lease liability will be presented within financing activities. Lessor accounting will result in little change compared to today's lessor accounting. The standard requires lessees and lessors to make more extensive disclosures than under IAS 17 Effective for annual periods beginning on or after 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Improvements to IFRSs

iii. Early adoption of standards

The company did not early-adopt any new or amended standards or interpretations during the financial period under review.

2.4 Current versus non-current classification

The company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Exploration and evaluation assets

The company's exploration and evaluation assets comprise of exploration and evaluation expenditures capitalized in respect of projects that are at the exploration and pre-development stage. These assets are transferred to mine development assets, after testing for impairment, upon the commencement of mine development. Exploration and evaluation expenditure in the relevant area of interest comprises costs which are directly attributable to;

- Acquisition;
- Surveying, geological, geochemical and geophysical;
- Exploratory drilling;
- Land maintenance;
- Sampling; and
- Assessing technical feasibility and commercial viability.

Capitalized exploration and evaluation expenditure related to an area of interest where the company has tenure are recorded at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Exploration and evaluation assets (Continued)

No amortization charge is recognized in respect of exploration and evaluation assets.

Impairment
Exploration and evaluation assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. In determining whether the assets are impaired, management assesses several factors including the intention to continue to developing the areas of interest.

2.7 Furniture and equipment

i. Recognition
Furniture and equipment are initially recorded at cost. Cost comprises of the expenditure that is directly attributable to the acquisition (purchase or construction) of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Volt Graphite Tanzania Limited and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

ii. Measurement after recognition
After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Property and equipment of the Volt Graphite Tanzania Limited are stated at cost less accumulated depreciation and accumulated impairment loses. Replacement or major repair cost are capitalized when incurred and if it is probable that future benefits associated to with the item will flow to the group and the cost of the item can be measured reliably.

Depreciation is calculated on a straight-line method so as to allocate the cost to their residual values over their estimated useful lives from the time the asset is brought into use to the time of its de-recognition as follows:

Category of noncurrent asset	Useful lives
Furniture and fittings	8 years
Computers	3 years

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Furniture and equipment (Continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

An item of property and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is de-recognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Translation of foreign currencies

Functional currencies

Items included in the financial statements of the company are measured using the currency of primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Tanzania Shilling which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

2.9 Financial instruments

The company classifies its financial instruments into the following categories:

i. **Financial assets and financial liabilities at fair value through profit or loss,** which comprise financial assets and financial liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term or to generate short-term profit;
ii. **Loans and receivables,** which comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and exclude assets which the entity intends to sell immediately or in the near term or those which the entity upon initial recognition designates as at fair value through profit or loss.
iii. **Financial liabilities,** which comprise all financial liabilities except financial liabilities at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial Instruments (continued)

2.9.1 Financial assets

Financial assets comprise of loans and other receivables. Loan and receivables are non-derivatives financial assets with fixed determinable payments that are not quoted in the active market. All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

Financial assets carried at fair value through profit or losses are initially recognised at fair value and the transaction costs are expensed in the profit and loss account. All other categories of financial assets are recorded at the fair value of the consideration given plus the transaction cost.

The company assesses at each year end whether there is objective evidence that a financial asset is impaired. If any such evidence exists, an impairment loss is recognised. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

2.9.2 Financial liabilities

All financial liabilities are recognised initially at fair value of the consideration given plus the transaction cost with the exception of financial liabilities carried at fair value through profit or loss, which are initially recognised at fair value and the transaction costs are expensed in the profit and loss account.

All financial liabilities are classified as non-current except financial liabilities at fair value through profit or loss, those expected to be settled in the company's normal operating cycle, those payable or expected to be paid within 12 months of the year ended and those which the company does not have an unconditional right to defer settlement for at least 12 months after the year end.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expire.

2.10 Trade and other receivable

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables), are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2.11 Impairment of financial assets

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of financial assets (Continued)

For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

Changes in the carrying amount of the allowance account are recognised in profit or loss. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 De-recognition of financial assets

Volt Graphite Tanzania Limited derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company has substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

2.13 Provisions

Provisions are recognized when Volt Graphite Tanzania Limited has a present legal or constructive obligation as a result of past events; when it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where the company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and short-term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Cash and cash equivalents are carried at cost which, due to their short-term nature, approximates their fair value

2.15 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to Volt Graphite Tanzania Limited.

2.16 Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognized in the statement of profit or loss and other comprehensive income account

Current tax:
Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Tanzanian Income Tax Act Cap 332 as revised from time to time.

Deferred income tax:
Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit nor loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Value Added Tax
Revenues, expenses and assets are recognized net of the amount of Value Added Tax except where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the Value Added Tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and the net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities as well as the disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability affect in future period.

In the process of applying the company's accounting policies, management has used its judgments and made estimates in determining the amount recognized in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual result ultimately may differ from these estimates. The most significant use of judgments and estimates are follows:

3.1 Income taxes

The company is subject to various government taxes under the Tanzanian tax laws. Significant estimates and judgments are required in determining the provision for income taxes on certain transactions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

3.1 Income taxes (Continued)
Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2 Exploration and evaluation expenditure
The company's accounting policy for exploration and evaluation expenditure results in the capitalization of the exploration expenditure. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. The company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves, the ability of the company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

4. GOING CONCERN
Volt Graphite Tanzania Limited is still conducting exploration activities and have not yet commenced trading activities and therefore do not have any income. The Parent Company has been providing financial support to meet the costs for administration and exploration activities. During the year ended 30 June 2018, the Company made a loss from operations of TZS 3,133,084,032 (2017: TZS 2,625,336,600) and as at that date, had negative equity of TZS 6,683,107,242 (2017: TZS 3,550,023,211). Significant doubt on the going concern status of the Company may be cast if the Parent Company, for any reason, stops providing funding for its administrative and operational needs. These conditions indicate that the ability of the Company to continue as a going concern largely depends on continued availability of financial support from its Parent Company to meet its administrative and exploration costs.

The Company's parent company (Volt Resources Limited), a company incorporated in Australia, has confirmed its commitment to continue providing it with financial support to meet its maturing obligations in a letter of support dated 10th July 2018. This commitment to provide financial support will remain in place until the Company finishes the exploration phase and commences revenue generating mining activities and attain profitable operations that will enable it to meet its maturing obligations without the assistance of the Parent Company. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

5. REVENUE
No revenue was earned year ended 30 June 2018. Volt Graphite Tanzania Limited is still in the exploration phase and thus did not conduct activities that generated income in the period under review.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018 TZS	2017 TZS
6. Administrative expenses		
Travel and accommodation	251,532,581	205,771,031
Accounting fees	107,896,601	29,584,091
Audit fees	16,955,592	31,207,026
Bank fees	11,413,999	9,163,396
Casual labour	25,205,600	97,968,628
Application fees	-	1,981,910
Cleaning and hygiene	130,000	-
Community consultation groups	6,764,500	16,214,000
Company secretarial fees	52,117,491	31,546,199
Compensation fees	-	2,915,000
Legal fees-international	3,434,132	-
Consumable small tolls & equipment	5,853,442	-
DD-consumables	1,689,032	-
Depreciation	5,914,587	285,372
Directors fees	81,476,004	-
Donations/sponsorships	12,500,661	-
Filling/statutory fees	79,000	-
Financial modelling	35,841,297	-
Flights-domestic (Tanzania)	26,281,723	146,099,960
Food staff accommodation	1,262,214	-
Fuel	35,510,080	72,279,721
Funeral	-	21,153,027
Generator maintenance	10,000	-
Insurance on public liability	4,532,000	-
Internet (hosting, subscriptions Etc.)	1,348,000	896,369
Immigration	-	1,187,271
IT repairs and maintenance	1,294,085	-
IT Software subscriptions and licenses	635,673	-
Legal fees-domestic	162,296,082	100,000
Licenses	30,000	715,000
Labour hire	1,091,327,280	1,105,813,504
Maintenance	2,109,853	4,267,196
Maintenance - planned renovations	567,000	-
Maintenance -spares	489,000	-
Meals and entertainment	23,609,236	-
Medical	208,700	794,179
Memberships	11,241,200	-
Notification of traffic offences	-	30,000
Office supplies	756,300	31,328,498
Parking	110,290	46,100
Personal protection equipment	2,023,746	-
Petrol	630,237	-

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION - UPANGA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018 TZS	2017 TZS
6. Administrative expenses (Continued)		
Exports	-	32,889,040
Postage and couriers	100,432,867	236,307
Rent and outgoings	69,429,262	17,121,131
Road shows	64,926,951	-
Royalty	-	780,100
Share registry	110,000,016	-
Stationary and printing	4,299,335	2,022,900
Stamp duty	-	581,591
Taxis Etc.	6,193,820	200,979
Telephones-mobiles	7,519,302	9,501,780
Tenement rents	248,794,124	280,016,301
Training	11,600,000	-
Visitors visas	110,000	-
Water and electricity	1,104,717	604,000
Consultancy (Australia)	163,594,448	-
	2,773,082,060	2,155,301,608

7. Exploration and evaluation assets		
Exploration Cost of Bunyu Project:		
Beginning balance	12,481,787,660	4,337,862,735
Costs incurred during the period:		
ARD test work	125,917,580	-
Assays -diamond core Incl SG	2,568,589	-
Assays-RC Sample	92,403,091	1,691,967,181
Bench scale test work -	247,722,805	-
Consultants general	181,733,387	35,167,326
Consumable -Diamond	9,110,297	-
Consumable -RC	21,078,616	-
Corporate advisory	45,692,678	-
Drilling	516,551,729	1,927,323,785
Design studies	6,200,000	-
Downhole survey	16,207,310	-
Earthmoving & roads (rentals etc.)	21,455,966	74,859,000
ESIA and EIA studies-mine	424,718,340	414,951,147
Approval & licensing costs	147,604,400	-
Geological information systems	34,224,882	-
Geologists	1,632,595	-
Geographical survey	-	-

REGIONAL MANAGER
09 NOV 2018
RECEIVED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018 TZS	2017 TZS
7. Exploration and evaluation assets (Continued)		
Geophysical survey		26,968,724
Geophysics (consultants)	-	3,257,351,368
Geotechnical	52,817,822	-
Graphite	175,363,547	-
Human resources	19,878,750	-
Hydrogeological assessment	299,212,823	-
Indirect consultants (support)	61,978,149	-
Infrastructure studies	475,269,696	
Lowbed hiring	-	6,830,000
Materials handling -ore	-	20,007,000
Mine planning & ore reserve	272,961,236	-
PMC-feasibility study management	2,045,130,258	-
Risk assessments	102,530,140	-
Survey control	16,830,400	222,065,643
Vehicles rental	374,988,395	466,433,751
	18,273,571,141	12,481,787,660

Capitalized exploration expenditure represents the accumulated cost of the holding and exploration of the Bunyu Project in Mtwara. Ultimate recovery of these costs is dependent on the successful development and commercial exploitation of the project and its areas of interest.

8. FURNITURE AND EQUIPMENT

2018	Office furniture TZS	Computers TZS	Total TZS
Cost			
As at 1st July	18,938,330	4,871,958	23,810,288
Addition during the year	-	13,406,780	13,406,780
	18,938,330	18,278,738	37,217,068
Accumulated depreciation			
As at 1st July	(285,372)	-	(285,372)
Charge for the year	(2,331,621)	(3,582,965)	(5,914,586)
	(2,616,993)	(3,582,965)	(6,199,958)
As at 30th June	16,321,337	14,695,773	31,017,110

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. FURNITURE AND EQUIPMENT (Continued)

	Office furniture TZS	Computers TZS	Total TZS
2017			
Cost			
As at 1st July	-	-	-
Addition during the year	18,938,330	4,871,958	23,810,288
	18,938,330	4,871,958	23,810,288
Accumulated depreciation			
As at 1st July	-	-	-
Charge for the year	285,372	-	285,372
	285,372	-	285,372
As at 30th June 2017	18,652,958	4,871,958	23,524,916

	2018 TZS	2017 TZS
9. TRADE AND OTHER RECEIVABLES		
Deposits	**19,749,202**	21,960,100
Sundry debtors	**21,728,347**	2,590,584
VAT receivables	**240,241,182**	-
	281,718,731	24,550,684
10. CASH AND CASH EQUIVALENTS		
Bank balance	**13,824,335**	70,286,754
11. SHARE CAPITAL		
Authorised		
2,000 ordinary shares of TZS 1,000 each	**2,000,000**	2,000,000
Issued and fully paid		
Called up and fully paid		
100 ordinary shares of TZS 1,000 each	**100,000**	100,000

As at 30 June 2018, Volt Resources Limited held 99 ordinary shares of the company while Mozambi Graphite Pty Limited held 1 ordinary share.

	2018 TZS	2017 TZS
12. LIABILITY DUE TO RELATED PARTIES		
Volt Resources Limited (Note 15)	**25,218,193,456**	16,099,401,003

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION - UPANGA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. LIABILITY DUE TO RELATED PARTIES (Continued)

Volt Resources Limited, a company incorporated in Australia owns Mozambi Graphite Pty Limited. The balance due refers to funds that Volt Resources Limited has advanced Volt Graphite Tanzania Limited in execution of its activities. Repayment of the liability is dependent on the discovery of economic reserves including the ability of the company to raise sufficient finances. The balance do not carry any interest and none of the company's assets are pledged against this balance.

13. TRADE AND OTHER PAYABLES	2018 TZS	2017 TZS
Accommodation -domestic	2,679,000	-
HR & Acc payables	1,078,015	-
Audit fee payable	20,397,955	31,207,026
Company secretarial fee	5,382,795	-
Director services fee	5,551,463	-
Legal fee	14,318,235	-
Sundry creditors	-	1,078,015
Withholding tax payable	5,970,141	15,242,730
Other payables	9,667,499	3,244,451
	65,045,103	50,772,222

14. TAXATION

a. Income tax expense

The company is still under exploration stage and has not started commercial mining activities and did not record any income. As a result, it reported a loss for the year under review. Corporate tax is not charged in lieu of the loss made by the company during the reporting period. However, the company's tax affairs are subject to assessment and agreement with the Tanzania Revenue Authority.

b. Deferred tax

Directors have not recognized deferred tax asset or liability since there are no expectations to recover differed taxes in the near future.

15. RELATED PARTY TRANSACTIONS AND BALANCES

Identification of related parties

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over the party in making financial and operating decisions.

The company's related parties consist of holding companies and key management personnel. Key management personnel, as defined by IAS 24, *Related Party Disclosures*, are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

	2018 TZS	2017 TZS
Transactions		
Transactions with Volt Resources Limited		
Direct expenses paid on behalf	**5,063,360,045**	8,007,194,609
Financing received during the period	**4,055,432,409**	2,845,333,489
	9,118,792,454	10,852,528,099

Remuneration to key management personnel:
Key management personnel of the company comprise of its directors. During the year ended 30 June 2018, directors did not receive any financial or non-financial benefit from the company, apart from Directors fee paid to Asimwe Kabunga, as detailed in note 6.

	2018 TZS	2017 TZS
Balances		
Liability due to Volt Resources Limited		
Opening balance	**16,099,401,002**	5,246,872,904
Additions during the year	**9,118,792,454**	10,852,528,099
As at 30 June	**25,218,193,456**	16,099,401,003

16. FINANCIAL ASSETS AND LIABILITIES

16.1 Fair value of financial instruments

Set out below is a comparison by class of the carrying amounts and fair values of the company's financial instruments.

	2018 TZS	2017 TZS	2018 TZS	2017 TZS
Financial assets				
Trade and other receivables	**281,718,731**	24,550,684	**281,718,731**	24,550,684
Cash and cash equivalents	**13,824,335**	70,286,754	**13,824,335**	70,286,754
	295,543,066	94,837,438	**295,543,066**	94,837,438

	2018 TZS	2017 TZS	2018 TZS	2017 TZS
Financial liabilities				
Trade and other payables	**65,045,103**	50,772,222	**65,045,103**	50,772,222
Liability due to related parties	**25,218,193,456**	16,099,401,001	**25,218,193,456**	16,099,401,001
	25,283,238,559	16,150,173,223	**25,283,238,559**	16,150,173,223

Carrying values of the financial instruments approximates the fair values no adjustments needed.

REGIONAL MANAGER
09 NOV 2018
RECEIVED
ILALA TAX REGION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. FINANCIAL ASSETS AND LIABILITIES (Continued)

16.2 Financial instruments by category

	Loans and receivables	
Financial assets	**2018 TZS**	2017 TZS
Trade and other receivables	**281,718,731**	24,550,684
Cash and cash equivalents	**13,824,335**	70,286,754
	295,543,066	94,837,438

	Financial liabilities at amortized cost	
Financial liabilities	**2018 TZS**	2017 TZS
Trade and other payables	**65,045,103**	50,772,222
Liability due to related parties	**25,218,193,456**	16,099,401,001
	25,283,238,559	16,150,173,223

The table below shows an analysis of the financial instruments at a fair value by level of the fair value hierarchy. The financial instruments are grouped into levels 1 to 3 based on the degree to which fair value is observable.

(i) Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active in active markets for identical assets or liabilities.
(ii) Level 2: Fair value measurements are those derived from inputs other than quoted price included within level 1 that are observable for the assets or liabilities, either directly (i.e.as a price) or indirectly (i.e. derived from prices); and
(iii) Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are based on observable market data (unobservable inputs)

The table below shows an analysis of the financial instruments at a fair value by level of the fair value hierarchy. The financial instruments are grouped into levels 1 to 3 based on the degree to which fair value is observable.

16.3 Fair value hierarchy of financial instruments

	Level 1 TZS	Level 2 TZS	Level 3 TZS	Total TZS
2018				
Financial assets				
Trade and other receivables	-	281,718,731	-	281,718,731
Cash and cash equivalents	-	13,824,335	-	13,824,335
	-	295,543,066	-	295,543,066

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. FINANCIAL ASSETS AND LIABILITIES (Continued)

16.3 Fair value hierarchy of financial instruments (Continued)

	Level 1 TZS	Level 2 TZS	Level 3 TZS	Total TZS
2018 (Continued)				
Financial liabilities				
Trade and other payables	-	**65,045,103**	-	**65,045,103**
Liability due to related parties	-	**25,218,193,456**	-	**25,218,193,456**
	-	**25,283,238,559**	-	**25,283,238,559**
2017				
Financial assets				
Trade and other receivables	-	24,550,684	-	24,550,684
Cash and cash equivalents	-	70,286,754	-	70,286,754
	-	94,837,438	-	94,837,438
Financial liabilities				
Trade and other payables	-	50,772,222	-	50,772,222
Liability due to related parties	-	16,099,401,003	-	16,099,401,003
	-	16,150,173,225	-	16,150,173,225

17. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The main risks arising from the company's financial instruments are credit risk, foreign exchange risk and liquidity risk. Information about the company's exposure to each of these risks, its objectives, policies and processes for measuring and managing the risks is summarized below:

(i) Credit risk

Credit risk is the risk of financial loss to the company in an event where a counterparty to a financial instrument fails to meet its contractual obligations, the risk arises principally from trade and other receivables. As the company does not have any sales yet, this risk is limited.

The company's financial assets comprise of cash and cash equivalents as well as other receivables. The credit risk on cash and cash equivalents is limited because the company banks with reputable banks that have high credit-ratings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

(i) Foreign exchange risk

The company undertakes certain transactions denominated in foreign currencies and exposures to exchange rate fluctuations therefore arise. The currency changes can result in unpredictable gains or losses to the company. Volt Graphite Tanzania Limited does not hedge against foreign currency risks as management holds most of its cash in a stable currency which is US$. As at the reporting date the company had a foreign currency exposure resulting mainly from the liability due to related parties and audit fee payable which are denominated in US$. The net foreign monetary liability stood at US$ 11,126,835 (2017: US$ 7,183,256); an equivalent of TZS 25,218,192,650 (2017: TZS 16,124,083,128) as translated at an exchange rate of TZS 2,266.43/US$ (2017: TZS 2241.24/US$) which was ruling as at reporting date.

If Tanzanian Shillings strengthened or weakened by 5% the reported gain or loss on foreign exchange would be higher or lower by TZS 1,260,459,191 (2017: TZS 803,319,919) as seen below:

	2018		2017	
	TZS	**US$**	TZS	US$
Exchange rate		**2,266.43**		2,241.24
Assets				
Cash and cash equivalents	**9,009,626**	**3,975**	64,209,285	28,649
Liabilities				
Trade and other payables		**-**	31,207,026	13,924
Liability due to related parties	**25,218,193,456**	**11,126,835**	16,099,401,003	7,183,256
	25,218,193,456	**11,126,835**	16,130,608,029	7,197,180
Net foreign denominated monetary liability	**(25,209,183,830)**	**(11,122,860)**	(16,066,398,385)	(7,168,531)
Gain or loss when TZS strengthens or weakness by 5%	**1,260,459,191**		803,319,919	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

(iii) Liquidity risk

Liquidity is the capacity to meet cash and collateral obligations without incurring unacceptable losses. Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Liquidity is further managed by monitoring cash flows forecast to ensure that the company has adequate cash resources to meet its short-term commitments.

The table below is an undiscounted cash flow analysis for both financial assets and financial liabilities that are presented in the statements of financial position according to their contractual maturities at the statement of financial position date.

	Contractual cash flows					
	0-1 months TZS	1-2 months TZS	3-6 months TZS	6-12 months TZS	Above 12 months TZS	Carrying amounts TZS
2018						
Assets						
Trade and other receivables	**21,728,347**	-	-	-	**259,990,384**	**281,718,731**
Cash and bank balances	**13,824,335**	-	-	-	-	**13,824,335**
	35,552,682	-	-	-	**259,990,384**	**295,543,066**
Liabilities						
Trade and other payables	**65,045,103**	-	-	-	-	**65,045,103**
Liability due to related parties	-	-	-	-	**25,218,193,456**	**25,218,193,456**
	65,045,103	-	-	-	**25,218,193,456**	**25,283,238,559**
Liquidity risk gap	**(29,492,421)**	-	-	-	**(24,958,203,072)**	**(24,987,695,493)**
2017						
Assets						
Trade and other receivables	2,590,584	-	21,960,100	-	-	24,550,684
Cash and bank balances	70,286,754	-	-	-	-	70,286,754
	72,877,338	-	21,960,100	-	-	94,837,438
Liabilities						
Trade and other payables	50,772,222	-	-	-	-	50,772,222
Liability due to related parties	-	-	-	-	16,099,401,003	16,099,401,003
	50,772,222	-	-	-	16,099,401,003	16,150,173,225
Liquidity risk gap	22,105,116	-	21,960,100	-	(16,099,401,003)	(16,055,335,787)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. COMMITMENTS AND CONTINGENT LIABILITIES

18.1 Capital commitments

There were no capital commitments as at the reporting date (2017: Nil)

18.2 Contingent liabilities

As at the reporting date, Volt Graphite Tanzania Limited had contingent liabilities relating to withholding tax amounting to TZS 1,156,273,754 (2017: TZS 591,876,591). Appropriate withholding taxes were deducted and paid to the Tanzania Revenue Authority for all payments made by the Company out of the Company's bank accounts, in accordance with Section 82(1) of the Income Tax Act 2004 (Revised Edition 2007). The parent company in Australia made payments to both domestic and foreign service providers (outside of Tanzania), primarily to consultants completing the pre-feasibility and feasibility study evaluations on the Bunyu Graphite project, from bank accounts in the parent company's name held in Australia. The parent company did not withhold and remit income taxes in Tanzania. The parent company has allocated expenditure to the Company through the "Liability due to related parties account". No provision for withholding tax has been raised in the Company's books. The tax affairs of the company are subject to assessment by the Tanzania Revenue Authority. When the relevant expenditure is paid by the Company to the parent company outside of Tanzania, withholding taxes in the order of the amounts noted above, will likely become payable to the Tanzania Revenue Authority.

19. OPERATING LEASE

Operating lease arise as the company leases its office space. In the period under review, Volt Graphite Tanzania Limited entered a one year operating lease agreement for rent of office space at US$ 2,184 (VAT inclusive) per month effective from 1 April 2018. As at 30 June 2018, management had the following outstanding lease commitment

	2018 TZS	2017 TZS
Within 1 year	**14,913,171**	-

As at 30 June 2018, directors were committed to payment of annual rents for prospecting licences as follows:

	2018 TZS	2017 TZS
Within 1 year	**252,129,473**	249,407,428
More than 1 year but less than 5 years	-	26,310,082
	252,129,473	275,717,510

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. EVENTS AFTER REPORTING PERIOD

- Completion of the Stage 1 Bunyu Graphite Project Feasibility Study with the results publicly released 31 July 2018.
- Mr. Matthew Bull resigned as a Non-executive director of the Company effective 9 July 2018.
- On 1 August 2018, a second binding offtake was signed with Qingdao Tiangshengda Graphite for 9,000 tonnes per annum of Bunyu Graphite product, which represents approximately 40% of forecast annual production from the Stage 1 project. In addition a Co-operation agreement was signed with Haida Graphite in late August 2018.
- The Environmental Certificate and Environmental Conditions were received from the NEMC on 3 September 2018.
- A revised Prospectus (IM) was lodged with the Tanzanian regulators on 17 August 2018 for approval of the US$30 to US$40 million Note issue to be listed on the Dar es Salaam Stock Exchange.
- On 17 October 2018, the Bunyu mining licences were granted by the Tanzania Ministry of Minerals, Mining Commission covering the respective stage 1 and stage 2 developments of the Bunyu Graphite Project with reference numbers ML 00648/2018 and ML 00649/2018 respectively.

Apart from events disclosed above there are no other significant subsequent events that have occurred which are either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

20. COMPERATIVE FIGURES

Whenever necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Annexure 2: Competent Persons' Report

Competent Persons' Report[1] Incorporating Stage 1 Feasibility Study Information for the Bunyu Graphite Project, Tanzania

November 2019

[1] Prepared In accordance with Schedule 10 of the DEM Listing Rules

12 November 2019

The Board of Directors
Volt Graphite Tanzania Plc
Dar es Salaam
Tanzania

Dear Sirs

BUNYU PROJECT – COMPETENT PERSONS' REPORT INCORPORATING STAGE 1 FEASIBILITY STUDY INFORMATION

The Bunyu Project in the Lindi Region, South East Tanzania, is currently 100% owned by Volt Graphite Tanzania Plc (Volt). Volt holds two mineral licences which provide the rights to mine and produce graphite from an area of approximately 18 km^2 in the project location described as Bunyu 1.

In 2017, Volt commissioned a Feasibility Study (FS) into the development of a small-scale Stage 1 Project. The FS is based on a mining and processing project to produce flake graphite from the Bunyu Stage 1 Graphite Project (the Project) and was completed on 31 July 2018.

The Competent Persons' Report (the Report) incorporating Stage 1 Feasibility Study Information includes information that complies with the Development and Enterprise Market (DEM) rules, specifically Schedule 10 sections 4.2 and 4.3. The Report has been completed in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code). A FS is defined in the JORC Code as a comprehensive technical and economic study of the selected development option for a mineral project. On this basis, the Report, which includes the Stage 1 FS information, exceeds the reporting requirements under the DEM rules.

The Report includes Mineral Resources which have been classified and reported in accordance with the guidelines of the JORC Code. In addition to the exploration, geological information and Mineral Resources definition contained in the Report, Annexure 2 sections 1, 2 and 3 summarise the assessment and reporting criteria used for the 2018 Bunyu 1 resource model.

The Mineral Resource estimates were prepared by Mrs Christine Standing. Mrs Standing, Principal of Optiro and Member of the Australasian Institute of Mining and Metallurgy, fulfils the requirements of a Competent Person as defined in the JORC Code and accepts responsibility for the Mineral Resource estimate in the form and context in which it appears in the Competent Persons' report. Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects in a range of commodities worldwide.

The estimation and reporting of the Bunyu Stage 1 FS Ore Reserve is in accordance with both the guidelines of the JORC Code and the requirements for a FS to be underpinned by an Ore Reserve. The Report contains the mining study and associated information including the Ore Reserve. Annexure 2 section 4 summarises the assessment and reporting criteria used for the Bunyu Stage 1 FS Ore Reserve.

The Ore Reserve estimate has been compiled by Mr Ross Cheyne, Director of Orelogy Mine Consulting and Member of the Australasian Institute of Mining and Metallurgy. Mr Ross Cheyne fulfils the requirement of a Competent Person as defined in the JORC Code and accepts responsibility for the Ore Reserve estimate in the form and context in which it appears in the Competent Persons' report. Orelogy is an independent consulting services provider with a skilled team of mine planning professionals experienced across a wide range of commodities, locations and project types. The principal office of Orelogy is at 162 Colin Street, West Perth, Western Australia.

Yours faithfully

Optiro Pty Ltd	**Orelogy Mine Consulting**
Christine Standing	Ross Cheyne
Principal Consultant	**Director**

Contents

Introduction

Volt Graphite Tanzania Plc (Volt) is a graphite development company based in Dar es Salaam, Tanzania. Its strategy is to develop a graphite mining and processing project to produce flake graphite from the Bunyu Graphite Project (the Project). Based on a two-stage development strategy, the aim is for Volt to become one of the three largest flake graphite producers in the world. The Bunyu Project is 100% owned by Volt, which in turn is 100% owned by Volt Resources Limited (VRC) an Australian company listed on the Australian Securities Exchange (ASX).

The Project is located on two mining licences in the South-East of the United Republic of Tanzania (Tanzania) in Eastern Africa, close to existing transport infrastructure including sealed roads and a deep-water port.

Volt completed a Prefeasibility Study (PFS) in December 2016, for a project with a total JORC Resource of 461 Mt at 4.9% Total Graphitic Carbon (TGC), a 22-year mine life and Net Present Value (NPV) before tax of US$1,310M with a payback period of 1.4 years. Refer Australian Securities Exchange announcement ASX:VRC dated 15 December 2016 titled "Pre- Feasibility Study Completed".

Subsequently, as a strategy for de-risking the development of the full-scale project, Volt investigated a two-stage approach to project development starting with a smaller scale Stage 1 start-up project. As well as establishing local relationships, project development and logistics paths, this will provide commercial quantities of graphite products for product marketing, developing downstream processing options and will assist the negotiation of offtake contracts for the main Stage 2 development.

This Competent Person Report (the Report including the annexures) has been prepared in accordance with the Development and Enterprise market (DEM) listing rules, in particular Schedule 10. The Report has been completed in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code).

The Company has prepared a Feasibility Study for Stage 1 which was completed on 31 July 2019. The Stage 1 Feasibility Study results and information has been included in this Report to present a comprehensive technical and economic summary of Volt's development ready Stage 1 Bunyu project.

Feasibility Study Key Outcomes and Highlights

The Bunyu Stage 1 Feasibility Study (FS) was based on a mining and processing plant annual throughput rate of 400,000 tonnes to produce on average 23,700tpa of graphite products. The FS financial analysis showed favourable NPV and IRR over a payback period of 4.4 years. The capital and operating cost estimates used for the FS have been prepared to an accuracy of ±15%.

The 2018 mineral resource models were used to determine the Stage 1 FS Ore Reserve. 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 Ore Reserve reported within the pits comprises 46% Proven and 54% Probable Ore Reserves.

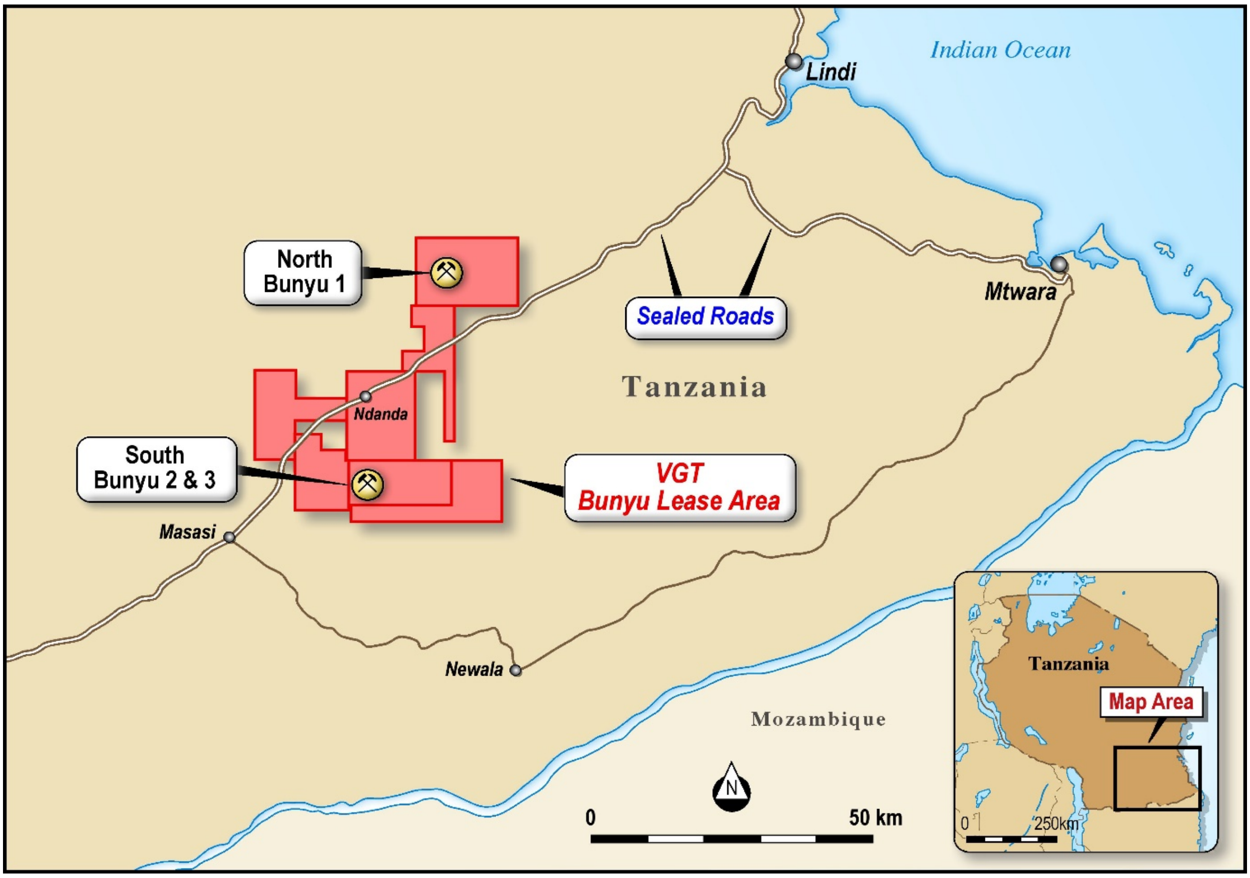

Figure 1: Overall location map for the Bunyu Graphite Project

Figure 2 shows the planned layouts of the Bunyu 1 area. As well as the Bunyu 1 Stage 1 mine, the operation includes the processing plant and associated infrastructure. The planned location of the Stage 2 plant and infrastructure is also identified in **Figure 2**.

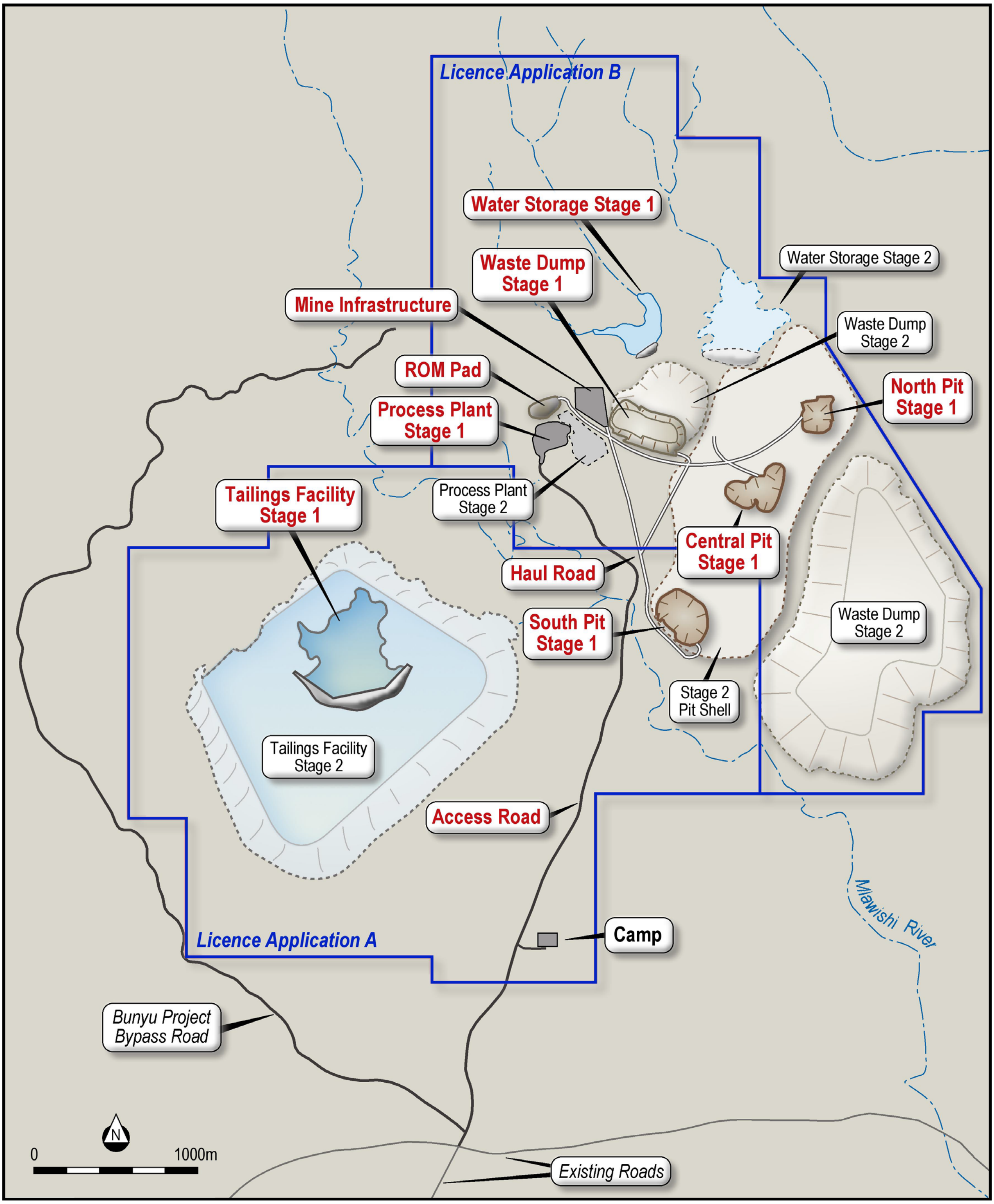

Figure 2: Bunyu 1 - Project Layout

Financial Outcomes

Based on the technical, operating and financial parameters used for the Stage 1 Feasibility Study, the following key financial metrics are derived per Table 1 below:

Table 1: Bunyu Stage 1 FS - Financial Performance Summary

Stage 1 Project		Financial Performance
Project Period - from first ore	years	7.1
Total Net Revenue	US$ M, real	268.6
Total EBITDA	US$ M, real	93.6
IRR - before tax	%, real	21.0
IRR – after tax*	%, real	19.3
NPV @ 10.0% - before tax	US$ M, real	18.6
NPV @ 10.0% - after tax*	US$ M, real	14.7
Capital Cost (year 0)	US$ M, real	31.8
Payback Period - after tax - from first ore	years	4.4
* Tanzanian corporate income tax rate of 30% has been applied to the project plus minimum tax (MTA) of 0.5% of sales revenue in loss years. Payments of corporate tax on profits are estimated to commence from year 5 of production, after utilising the benefits of carried forward income tax losses.		

Sensitivity analysis was undertaken for five key economic drivers being graphite prices, feed grade, mineral recovery, capital expenditure and operating expenditure as shown in Table 2 and Figure 3 below. The sensitivity range used is +/- 30% movement from the FS estimate for each of the drivers. Revenue factors have the largest impact on project economics with graphite prices having the largest impact on NPV. Expenditure sensitivity analysis highlights the Bunyu Stage 1 FS has relatively low sensitivity to capital expenditure outcomes with operating expenditure movements providing a larger impact on project NPV.

Table 2: Bunyu Stage 1 FS NPV Sensitivity Analysis (Disc. Rate @ 10%, US$M, real, before tax)

Key Economic Driver	Sensitivity Variation						
	70%	80%	90%	100%	110%	120%	130%
Capital Expenditure	30.6	26.6	22.6	18.6	14.6	10.6	6.6
Operating Expenditure	49.9	39.5	29.0	18.6	8.2	-2.3	-12.7
Grade	-17.0	-5.1	6.7	18.6	30.4	42.3	54.1
Recovery	-17.0	-5.1	6.7	18.6	30.4	42.3	54.1
Price	-30.3	-14.0	2.3	18.6	34.9	51.2	67.5

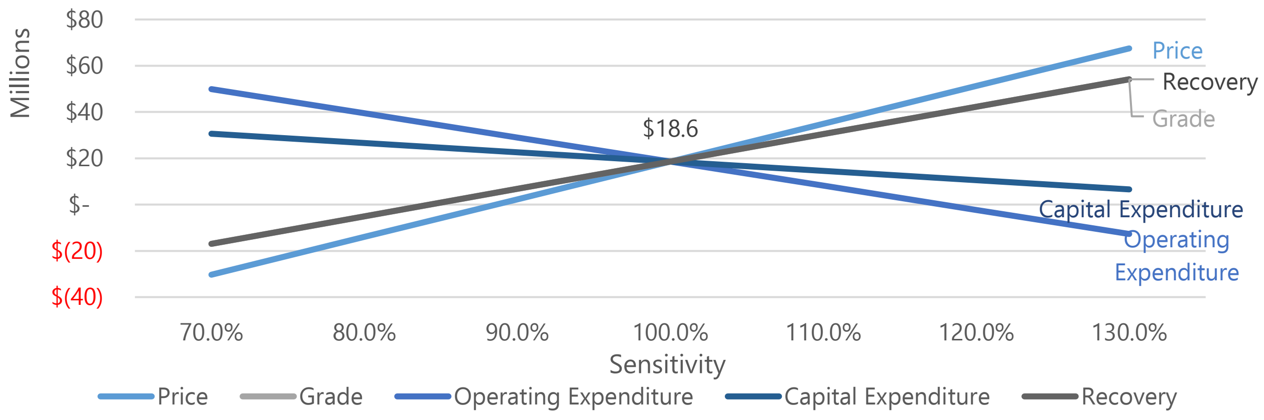

Figure 3: Bunyu Stage 1 FS NPV Sensitivity Analysis (Disc. Rate @ 10%, US$, real, before tax)

Income tax:

Tanzanian corporate income tax rate of 30% has been applied to the project plus minimum tax (MTA) of 0.5% of sales revenue in loss years. Payments of corporate tax on profits are estimated to commence from year 5 of production, after utilising the benefits of carried forward income tax losses.

Exploration and Mineral Resource Definition

Exploration within the Bunyu Project area was undertaken using a staged approach for target identification and progression through to the definition of Mineral Resources. The initial phase of drilling was between October and November 2015 (at a nominal spacing of 200m across strike on section lines spaced at 400m along strike). A second programme during 2016 (infilled areas to a nominal spacing of 100m across strike on section lines spaced at 200m along strike) and the Mineral Resources at Bunyu 1, 2 and 3 were updated by ROM Resources Pty Ltd leading to the resource update as part of the PFS announcement in December 2016.

An outcome from the PFS for the Bunyu 1, Bunyu 2 and 3 deposits was that additional drilling was required to increase the resource size and to infill the existing drilling density, with both RC and diamond drilling, to increase the resource confidence at all three deposits. In late 2017, an infill drilling programme was conducted within the upper, central zone of Bunyu 1 at a spacing of approximately 40m to 40m, targeting the higher grade, near surface mineralisation. A summary of the Bunyu 1 drilling programmes is provided in Table 3.

Table 3: Drilling programmes at Bunyu 1

Year	Hole type	Number of drillholes	Metres drilled	Number of TGC assays
2015	DD	4	321.20	468
	RC	61	3,293.00	2,692
2016	DD	15	1,387.15	1,797
	RC	15	1,777.00	1,599
2017	DD	16	463.30	462
	RC	56	1,452.00	1,452
Total	DD	35	2,171.65	2,727
	RC	132	6,522.00	5,743
Total		**167**	**8,693.65**	**8,470**

The geological model developed by Volt was reviewed in conjunction with Optiro and determined to be sound and representative of the Bunyu 1 area. Volt's sectional interpretations were modified to interpret the higher grade mineralisation using a nominal cut-off grade of 3.5% TGC and to produce consistent layers of higher grade mineralisation along strike. In April 2018 the mineralisation interpretation was adjusted to include assay results from the 2017 drilling.

This interpretation was used to develop a wireframe model of the top four interpreted layers of higher grade graphitic mineralisation north of the interpreted fault zone, which are intersected by the Stage 1 north pit, and the top main layer south of the interpreted fault zone, that is intersected by the Stage 1 central and south pits. A layer of mineralisation that is to the south of the fault zone and above the main layer of mineralisation was also included. This model forms the basis of the 2018 Mineral Resource estimated for the Stage 1 development.

The geological interpretation is illustrated in the cross-section Figures 4-6 which show the continuity of the graphite bearing stratigraphic units between drill holes and the three pits planned for the mining inventory: north, central and south pits respectively.

The 2018 resource model was developed for investigation of the Stage 1 pit designs. The global Mineral Resource for Bunyu 1 reported with the December 2016 PFS has not been re-estimated. The 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.

The Mineral Resources have been reported for the 2018 model above a 2.93% TGC cut-off grade and are included in Table 4. This cut-off grade was determined from technical and economic assessment of the mineralisation within the Stage 1 FS pits by Orelogy Consulting Pty Ltd. **This resource tabulation is not a resource statement for the entire Bunyu 1 project and is presented for validation of the 2018 resource model which has been used as the basis of the 2018 Stage 1 FS pit designs.** Geological interpretation has identified additional mineralised layers: seven within the northern area, eight within the southern area and two within the eastern area.

Table 4: **Bunyu 1 - Mineral Resources within the 2018 resource model**

(restricted above the base of model surface and above 240 mRL) reported above a cut-off grade of 2.93% TGC

Classification	Million Tonnes	TGC %
Measured	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

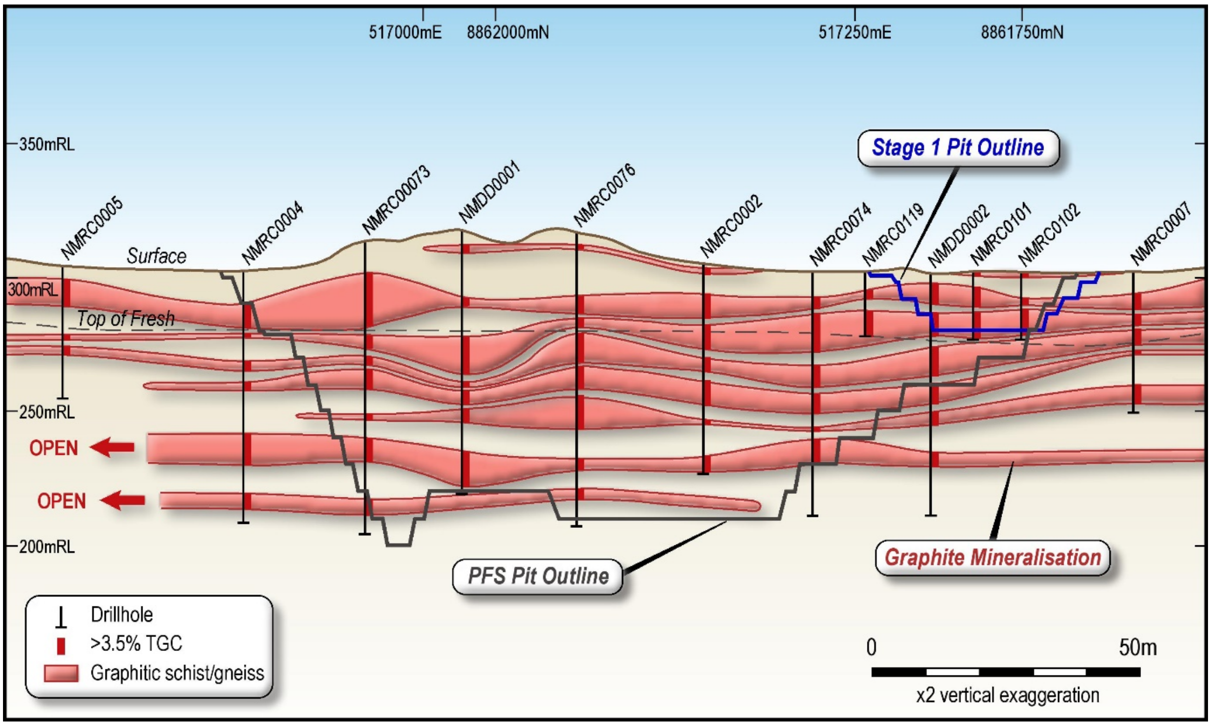

Figure 4: Bunyu 1 Stage 1 North pit cross section showing mineralised units and general topography

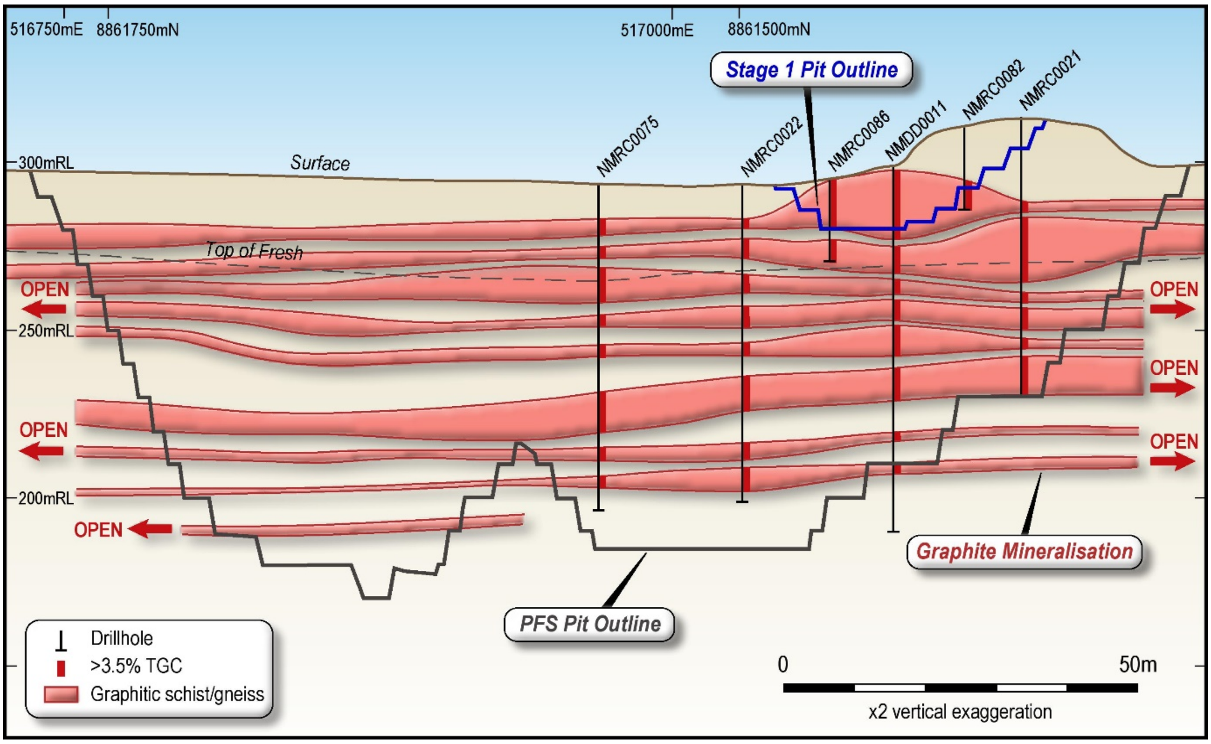

Figure 5: Bunyu 1 Stage 1 Central pit cross section showing mineralised units and general topography

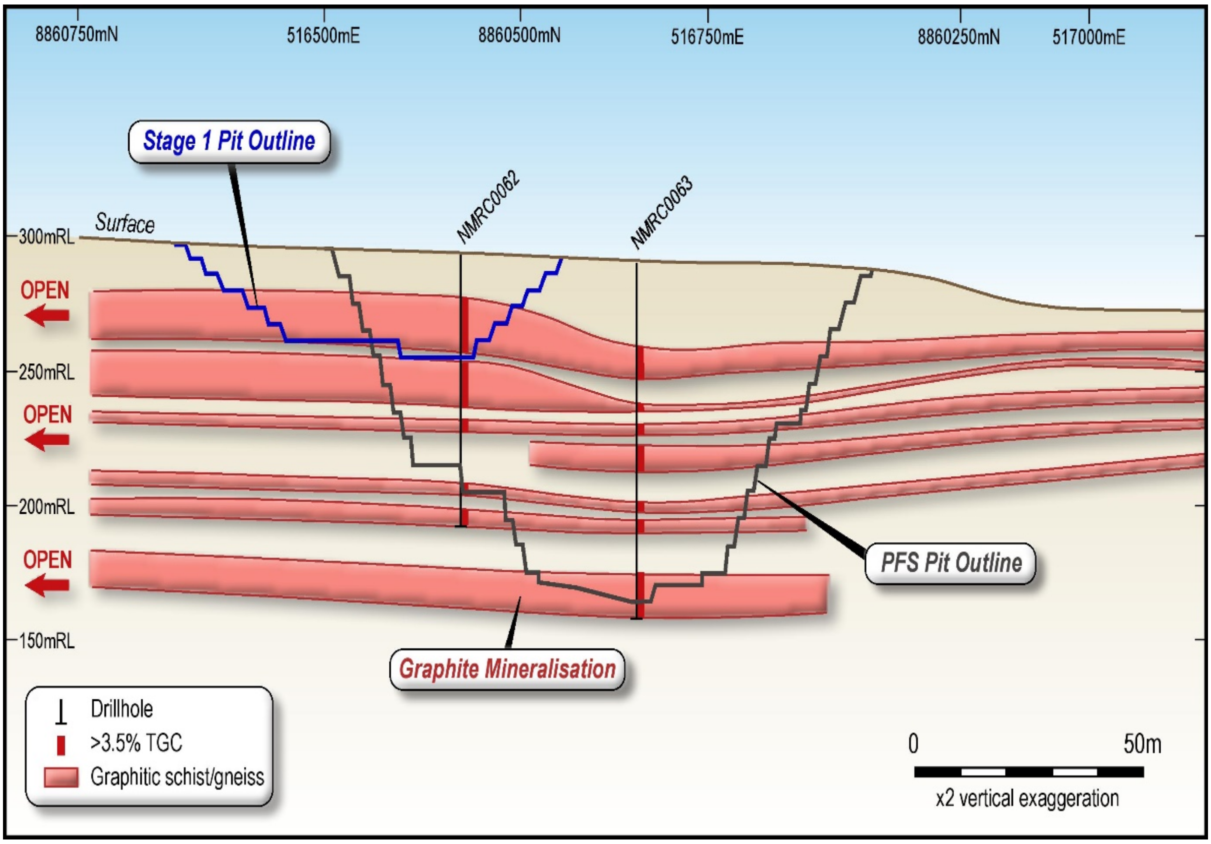

Figure 6: Bunyu 1 Stage 1 South pit cross section showing mineralised units and general topography

Mining and Ore Reserve

Volt's strategy for the Bunyu 1 Stage 1 Graphite Project is based on a plant throughput rate of 400,000 tonne of ore per annum and a nominal mine life of approximately 7 years. Figure 7 graphically shows the activities involved across the project to bring the proposed product to market.

The Stage 1 FS mining study including pit optimisation, pit, waste rock dump and stockpile designs, dewatering, AMD ore and waste consideration and global mining schedule, grade, ore and waste tonnage and estimated mining operating costs and site establishment capital cost at Bunyu 1, has been undertaken by the Mining Consultant (Orelogy Mine Consulting Pty Ltd).

The 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.

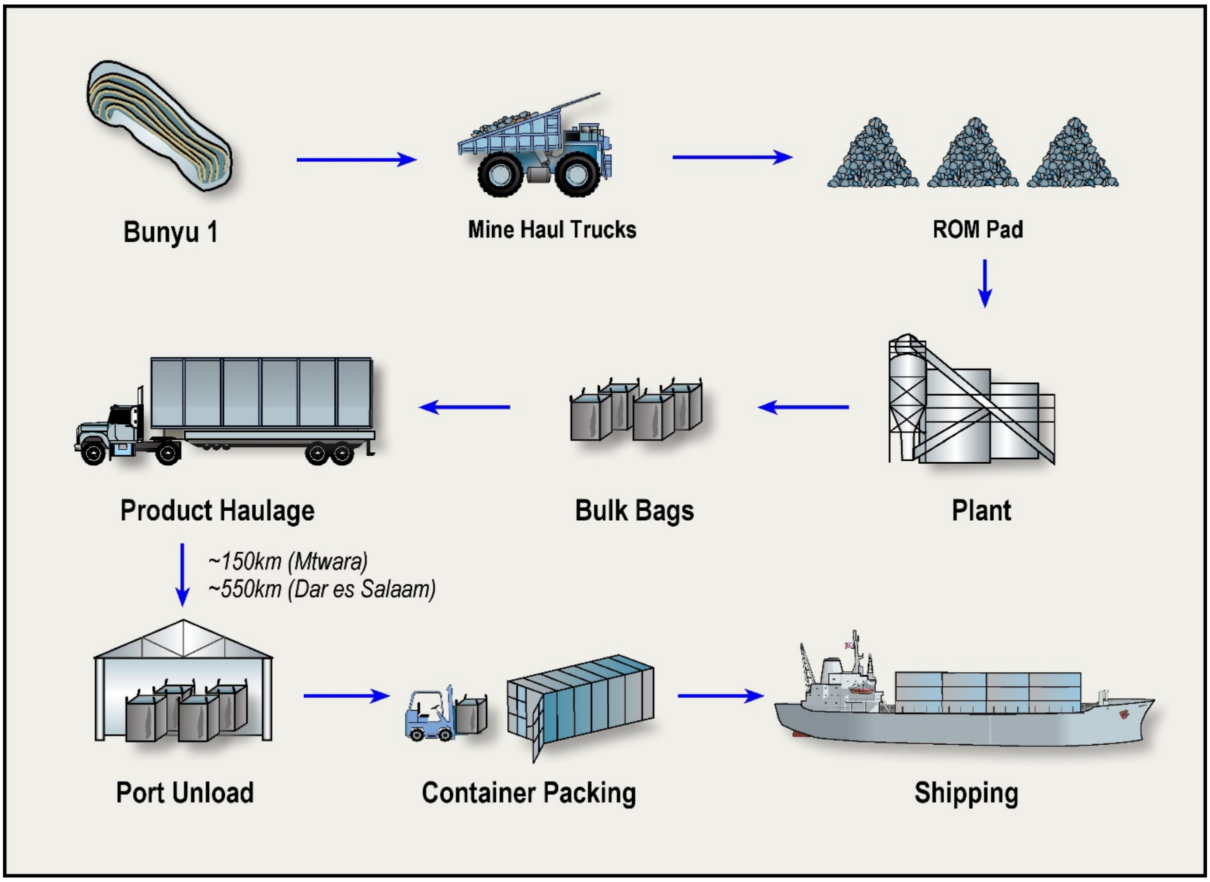

Figure 7: Outline of ore movement from pit to market

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 on 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.

Table 5 below details the Stage 1 Ore Reserve for Bunyu 1.

Table 5: Bunyu 1 Stage 1 Ore Reserve (cut-off grade 2.93% TGC)

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%**			

Material		Ore		Waste	Total	Strip Ratio
Location	Classification	kt	TGC %	kt	kt	
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 the guidelines of the JORC Code (2012). The Bunyu Stage 1 FS Ore Reserve is a subset of the 2018 Mineral Resource estimate and all Inferred Mineral Resource has been treated as waste.

The Bunyu Stage 1 FS mine plan and associated Ore Reserve were developed by Orelogy Consulting Pty Ltd. A site geotechnical assessment for the Bunyu Stage 1 FS open pits was carried out by specialist consultants Pells Sullivan Meynink. A total of four holes were drilled specifically to collect geotechnical data. Geotechnical logging of drill core was completed along with geotechnical testing of selected drill core. Geotechnical slope criteria were provided for the four different modelled weathering domains. The Bunyu Stage 1 pits are shallow, extending no more than approximately 40m below the surface. The pits do not extend into fresh material.

Specialist consultant AQ2 undertook a site hydrological and hydrogeological appraisal as part of the Bunyu Stage 1 FS and the management of surface and groundwater has been based on the outcomes of their assessment. Groundwater inflows are expected to be minimal due to the low permeability of the predominantly oxide material and the drawdown of the water table from surrounding bores to supply water to the process plant.

The proposed mining method is a conventional, drill, blast, load and haul, open pit with waste material stacked in waste dumps. Mining is to be undertaken by a contractor under the control and management of VGT personnel and will likely be operated on a 12 hour 365 day per year basis as required. A bench height of 6 m has been selected, excavated in three lifts or flitches of 2 m height. This is considered appropriate for both the orebody and the equipment proposed by mining contractors.

An open pit optimisation was undertaken where only Measured and Indicated Mineral Resources were considered ore material, while all other material was reported as waste. The optimisation utilised the following modifying parameters.

- Dilution and ore loss – dilution has been modelled by re-blocking the resource model, which uses a 0.5 m block height, to a 2 m block height to reflect the selectivity of the 2 m flitch. The model was then re-reported and any material diluted below the cut-off grade was treated as waste. All Ore Reserves are based on this diluted mining model.
- Pit wall slopes – based on initial design recommendation from Pells Sullivan Meynink, which were confirmed prior to completion of the Ore Reserve estimate.
- Mining costs – based on an initial Orelogy estimate of approximately $6.30US/tonne compiled from information collated from budget price submissions from prospective shortlisted mining contractors. This is in-line with the final cost estimate.
- Processing parameters – the proposed ore treatment process involves crushing followed by grinding and graphite flotation. The final graphite product will be filtered, dried and bagged for transport and subsequent loading onto ships in sea containers. An initial estimate for processing cost of US$24.25/tonne was developed by BatteryLimits and Orelogy, which included allowances for processing

fixed and variable costs, grade control and sustaining capital. A TGC recovery of 91% and average product grade of 93.5% were also provided by BatteryLimits and based on metallurgical testwork.

- A net price inclusive of US$859.40/tonne TGC was supplied by Volt, which included allowances for government and vendor royalties, transport to port, port charges, shipping and insurance.
- An initial project capital was not applied.

On the basis of the above parameters a breakeven cut-off grade of 2.93% TGC was determined. This calculation did not include an allowance for dilution as the regularised model used to develop the Ore Reserve (described above) already allowed for dilution.

The open pit optimisation process was utilised to determine the extent of the highest value pits that provide the required inventory for the Stage 1 project (approximately 2.8Mt). As such small shells were selected to achieve this target that lay well within any final economic limit for Bunyu 1. Consequently, the optimisation parameters were only critical in terms of generating shells of different relative size and value, not in confirming an ultimate economic pit limit.

The optimisation shells selected indicated that pits were developed in three areas; nominally North, Central and South. Pit development will be staged with the North and then Central pits contributing to the initial plant feed with the South pit development commencing from Year 3. Ore feed is transitional with varying states of oxidation; the top of fresh rock is below the Stage 1 pit limits.

The Bunyu Stage 1 FS mining schedule was designed to generate a minimum 400,000tpa of plant feed annually, resulting in an average feed grade of 6.26% TGC. The schedule summary is shown in Table 6 below. Approximately 223kt of surficial waste material within the South pit are utilised as bulk fill material in the construction of the Tailings Storage Facility and Water Storage Dam. This material is removed during the plant construction phase and therefore the Bunyu Stage 1 Ore Reserve waste tonnes are depleted by this amount prior to scheduling. Consequently the schedule comprises a reduced waste tonnage of 2,044kt for the same amount of ore (2,815kt) mined over a 7.1 year periods at a lower strip ratio of 0.73. No Inferred Mineral Resource has been included as ore in the Bunyu Stage 1 FS Mining Schedule. The schedule was generated in monthly periods for the first two (2) years and the quarterly thereafter. Table 6 provides an annual summary of the schedule, which shows that Proved Ore Reserves constitute 82% of the plant feed for the first three (3) years of operation.

Table 6: Bunyu Stage 1 FS Mining Schedule – Summary

Item		Units	Total	Year								
				-1	1	2	3	4	5	6	7	8
Ore	Tonnage	kt	2,815		440	446	416	340	342	399	400	32
	TGC	%	6.26		6.04	6.05	6.06	6.03	6.16	6.61	6.96	5.36
	Proportion Proved Ore Reserve	%	46%		83%	82%	81%	55%	14%			
Waste		kt	2,044		311	316	149	541	543	184	0	1
Total		kt	4,859		750	762	565	881	884	583	401	33
SR		t:t	0.73		0.71	0.71	0.36	1.59	1.59	0.46	0.00	0.02

Mining costs have been based on budget price submissions from mining contractors, with additional allowances for rehandle, overhaul and AMD management included by Orelogy as required. Site infrastructure requirements and costs have been developed by BatteryLimits, but the mining infrastructure and mining fleet will be supplied by the contractor.

Product will be transported by truck to either Mtwara or Dar es Salaam ports for on-shipping to the customer. Some upgrade of the road from site to the main B5 highway will be required and this has been allowed for in the FS estimation.

The current status of the environmental and regulatory requirements for the project are detailed below.

Metallurgical Testwork

During the feasibility and prior to the diamond drill core from the 2017 drill programme becoming available, an optimisation testwork program was conducted on remnant material from the 2016 bulk trench samples to investigate:

- use of an all in one reagent, to potentially reduce the number of onsite reagents
- effects of increasing primary grind size
- rougher concentrate regrinding methods
- effects of grinding media size
- screening of intermediate cleaner concentrates to preserve coarse flakes.

The outcomes were incorporated into the variability and composite metallurgical testwork undertaken on diamond drill core samples totalling 960kg for the Stage 1 planned development.

Testwork was undertaken at ALS Balcatta with composite details below.

Table 7: Bunyu 1 FS Composite Details

Composite ID	Drill Hole ID	Depth (m)	
		Initial	Final
NMDD0021	NMDD0021	6	24.3
NMDD0022	NMDD0022	8	24.5
NMDD0024	NMDD0024	7	24.9
NMDD0025	NMDD0025	0	24.1
NMDD0026	NMDD0026	0	24.4
Upper Composite	All FS Drill Holes	0	12
Lower Composite	All FS Drill Holes	12	EOH
Master Composite	All FS Drill Holes	0	EOH

Some comminution testwork was undertaken to complement the PFS range of testwork, the primary focus was grinding and flotation testwork on both a composite and variability samples showing overall the results indicate the variability in the area is low.

Table 8: Final Master Composite Flotation Results

Combined Cleaner Concentrate						
Final PSD P_{80} (µm)	Overall TGC		TGC +150µm		TGC-150µm	
	% Grade	% Rec.	% Grade	% Dist'n.	% Grade	% Dist'n
282	92.8	94.1	92.4	56.1	93.4	43.9

Table 9: Summary of Variability Flotation Results

Test # ID	Composite ID	Combined Cleaner Concentrate						
		Final PSD P_{80} (µm)	Overall TGC		TGC +150µm		TGC-150µm	
			% Grade	% Rec.	% Grade	% Dist'n.	% Grade	% Dist'n
BF1114	NMDD0021	278	94.1	93.2	89.2	53.2	93.6	46.8
BF1115	NMDD0022	281	92.3	95.4	91.1	55.4	92.6	44.6
BF1116	NMDD0024	293	91.5	94.7	90.3	57.7	92.6	42.3
BF1117	NMDD0025	277	92.6	94.9	91.7	54.6	93.5	45.4
BF1118	NMDD0026	279	92.7	94.4	92.1	53.1	92.7	46.9
BF1120	Upper Composite	285	92.9	91.4	91.2	52.9	93.1	47.1
BF1119	Lower Composite	275	92.8	94.1	91.9	51.9	93.0	48.1

The above results were used in determining FS estimates including metallurgical performance, reagent consumption and graphite product mix for marketing discussions and price assumptions.

Processing, Infrastructure and Logistics

Processing will be by well-proven crushing, grinding and flotation methods. For Stage 1, ore will be fed to the processing plant, located at Bunyu 1, at a nominal rate of 400,000tpa to produce a nominal 20-24,000tpa graphite product averaging 92-96% TGC at a nominal 93% recovery. This is based on metallurgical testwork programs managed by Battery Limits and undertaken at ALS Laboratory (ALS) Perth assessing the ore from the diamond drill core's amenability to beneficiation by froth flotation through a range of testwork programs.

The proposed processing flowsheet consists of the following primary activities.

- ROM Bin with grizzly and Apron Feeder
- Two-stage Crushing Circuit – a primary jaw crusher and secondary cone crusher
- Grinding – rod mill in closed circuit with a vibrating screen
- Flotation consisting of roughing and five stages of cleaners with inter-stage attrition regrinding
- Secondary cleaner screening to remove coarse flake graphite to minimise overgrinding potential
- Filtration and product drying
- Screening of final product graphite
- Bagging of sized fractions of graphite product
- Tailings will be stored in a tailings storage facility on the mining lease.

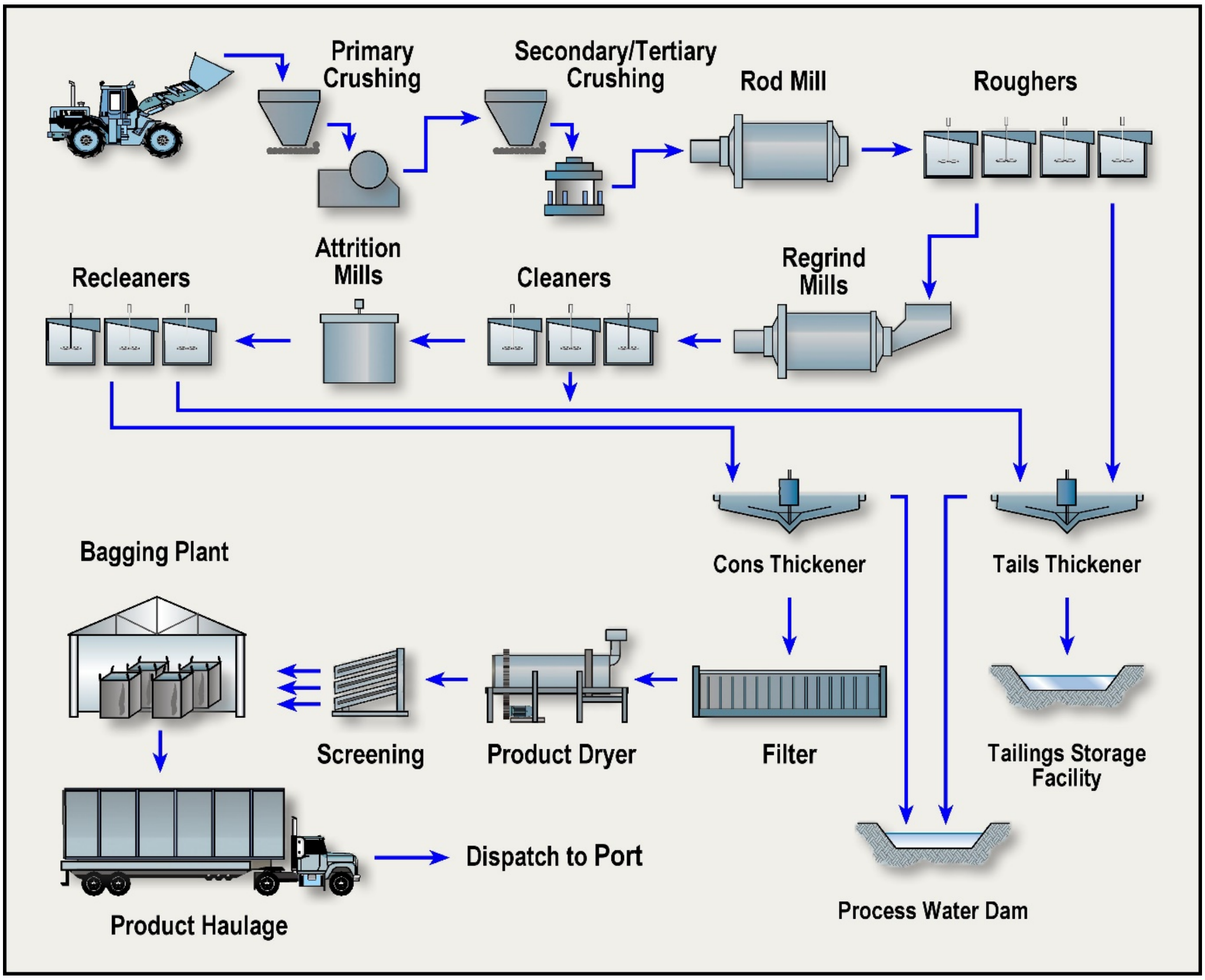

Figure 7: Outline of ore processing to produce final graphite product

The bagged graphite product will be then trucked approximately 550 km to the port at Dar es Salaam (DAR) in eastern Tanzania where the bags will be loaded into 20' or 40' sea containers in preparation for shipping to customers. The feasibility study investigations have recommended DAR as the lower cost port option for Stage 1. This is due to the modest Stage 1 product tonnages and current absence of coastal shipping in Tanzania. Discussions and investigations are ongoing for a Mtwara based shipping solution for Stage 1 that is cost competitive and robust.

VGT will operate the processing and power plant, and manage a mining contractor, graphite product fleet transport and logistics functions.

Additional infrastructure to support the processing plant will include:

- Bores and water storage reservoir for water supply
- Office and workshop facilities
- Generators for process plant and ancillary power
- Access roads within the plant and the Project site
- Camp facilities.
- A 3 MW generator plant using diesel fuel will supply power to the plant.

Water recovery will be utilised to minimise the process water requirement.

Regulatory and Environment

Regulatory

The Bunyu Prospecting Licences for the Project were granted in 2015/16 and remain valid until 2019/20. Under the Tanzanian Mining Act (2010), administered by the Ministry of Minerals, a Mining Licence (ML) or Special Mining Licence (SML) may be issued after the applicant has submitted various documents and plans including the following items:

- Feasibility report (PFS provided by Volt)
- Environmental certificate after approval of an Environmental and Social Impact Assessment (ESIA)
- Environmental Management Plan (EMP)
- Employment and Training Program
- Procurement Plan
- Resettlement Action Plan (RAP)
- Program of Mining Operations
- Infrastructure Requirements Report
- Local Content Plan.

VGT lodged applications for two Mining Licence ("ML") applications covering the 18km^2 footprint for Stage 1 and the Stage 2 expansion. The recent appointment of the Mining Commission has resulted in a large number of licence applications being approved. Once the environmental approval is obtained, the Company expects the mining licences to be approved soon thereafter.

Regulatory changes in July 2017 have been assessed by Volt and it is believed these changes will not prevent Volt from progressing with the current business strategy and plans for development of the Bunyu Project.

A summary of these legislative changes, which were enacted by the Tanzanian Parliament effective 1 July 2017 over the legal framework governing the natural resources sector in Tanzania, and their expected impact on Volt, was contained in the Company's ASX announcement of the 7 July 2017.

The key impacts of those regulatory changes on Volt were summarised as follows:

- The Tanzanian Government will have a 16% non-dilutable free carried interest in Volt's Tanzanian subsidiary which increases from a current interest of nil.
- There are a number of reporting and compliance related provisions in the new legislation that could cause some increased costs, but they are not materially more than Volt currently plans to monitor and report against. Therefore, these changes are seen as having negligible impact on the project.
- The royalty rate remains at 3% for industrial mineral products which includes graphite products.
- The introduction of beneficiation of minerals, metallic and precious minerals warehouses, concentrate liens and related provisions are not expected to have a material impact on Volt's Bunyu project.

- Volt has no material agreements with the Tanzanian Government and, therefore, is not impacted by the Review and Re-Negotiation of Unconscionable Terms Act.

Based on the information currently available, Volt remains of the view that the above legislative changes will not cause or prevent Volt from progressing with its current business strategy and plans for development of the Bunyu projects.

All financial outcomes presented in this study represent 100% of the Bunyu Stage 1 Project held by Volt's Tanzanian subsidiary.

Environment, Social and Community

During the first quarter of 2018, VGT lodged its Environmental and Social Impact Study (ESIS) with the National Environmental Management Council (NEMC). The lodgement of the ESIS follows the completion of a significant body of work including flora and fauna surveys, heritage surveys, and stakeholder identification, including public consultation and the development of environmental and social monitoring and management plans.

The ESIS covers the area required for the Stage 1 and Stage 2 expansion projects at Bunyu 1. The ESIS forms a key component of Volt's near-term development plans for Bunyu 1 and following assessment by NEMC, will be lodged with the Environment Minister for approval. Once approved, Volt will be issued with its Environmental Certificate for the Bunyu project.

Following the issue of the Environmental Certificate, the ML applications can be progressed, and other secondary approvals obtained.

The Resettlement Action Plan has been completed and all approvals for the compensation arrangements for approximately 1,100 people either farming and/or living within the mining licences area. This is an important milestone as without the compensation arrangements being approved, the Bunyu Project would not be able to proceed to development. The footprint that the compensation area covers incorporates the Stage 1 development and Stage 2 expansion project.

Implementation Schedule

The two-stage approach to project development starting with a smaller-scale Stage 1 start-up project will enable establishing local relationships, project development and logistics paths. This will provide commercial quantities for marketing of larger annual flake graphite production, developing downstream processing options and enhance the ability to fund the subsequent Stage 2 development. The DFS for Stage 2 is planned to proceed concurrent with Stage 1 project development.

A high-level project schedule for stage 1 has been developed in Figure 8. The projected timeline from the approval of funding to first ore is just over one year with first shipment of product assumed during the commissioning period, assuming environmental and mining licence approvals and a number of secondary permits and licences are secured in a timely manner.

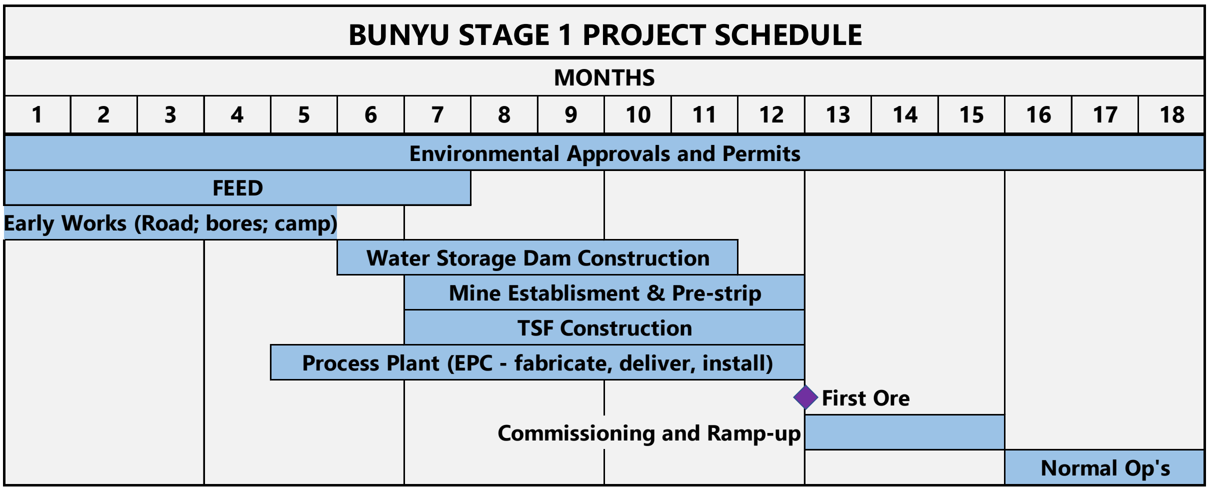

Figure 8: Project implementation schedule

The most likely contracting strategy will be an EPC contract for the main plant, and a range of contracting strategies will be utilised in the construction of the infrastructure for the Project that are fit for purpose. Operating contracts for mining, a range of services and operating support contracts will be required to support the Stage 1 operation

Capital and Operating Cost Estimate

The capital and operating cost estimates have been prepared to an accuracy of ±15%. The capital cost estimate summary is shown in Table 10. The capital cost estimate is US$31.8 M.

Table 10: Capital cost estimate summary

Description	Capital Cost (US$'000)	% of TOTAL
Process Plant		
Plant facility	7,587	24
Process Plant - Infrastructure	2,669	8
Total Process Plant	10,256	32
Project Infrastructure		
Infrastructure	8,827	28
Mine site establishment	747	2
Total Infrastructure	9,574	30
Indirect costs		
Mobilisation costs, temp facilities, construction expenses, commissioning	2,001	6
Engineering, procurement, construction management	2,738	9
Pre-strip	749	2
Pre-production Labour	1,229	4
Owners' costs	2,246	7
Contingency	2,978	9
Total Indirect Costs	11,941	37
GRAND TOTAL	31,771	100

The operating cost estimate is US$664/t graphite product (FOB) average for Stage 1, with a summary shown in Table 11. The equivalent CIF operating cost is estimated at US$678/t.

Table 11: Operating cost estimate summary

Annual Operating Costs	Av. Total (US$k/y)	Total Cost (%)	Feed (US$/t)	Product (US$/t)
Technical Services & Mining	3,092	19	7.80	125
Processing	6,770	41	17.09	273
Maintenance	591	4	1.49	24
General & Administration	2,987	18	7.54	120
Product Logistics (FOB)	3,022	18	7.63	122
Total	16,462	100	41.55	664

Human Resources

The operating strategy for the Stage 1 FS is based on mining by contractor with management, processing, and administration by VGT. The Tanzanian government require local content plans and the progressive upskilling and empowering of local people and local businesses for a range of businesses including mining. A comprehensive local content plan has been submitted as part of the mining licence application process. There will be a training program that ensures on-the-job training and employment opportunities for Tanzanian citizens. VGT has engaged local HR experts P5 HR Consulting Ltd to support the feasibility study and the project development and implementation.

VGT intends to maximise local employment as per our commitment to be a responsible employer to offset the impacts of potential physical and economic displacement. Expatriate labour will be employed only where suitable skills cannot be sourced locally or within country and expatriate staff will require to be fully trained and certified with relevant mining experience. Working permits will be valid for 24 months with possible renewals of a further 36 months, or longer under certain circumstances. A localisation program will be developed to ensure a smooth transition to local employment. The Stage 1 operations workforce is estimated at 61 people with up to 60 additional contractors.

Marketing and Sales

Currently natural and synthetic graphite production is around 2.5 million tonnes per annum. However, two industries that use natural and synthetic graphite have the potential to more than double global demand over the next five years - lithium-ion batteries and fire-retardant building materials. Industrial Minerals forecast growth in flake graphite is shown in Figure 9.

For the growth sectors of lithium-ion batteries and fire-retardant building materials, it is expected most new supply will be naturally-sourced graphite, which is materially beneficial to the Bunyu Project. It is the view of Volt's Board and Senior Management that demand for flake graphite from the expandable applications sector (including fire-retardant building materials) will continue to increase ahead of industry forecasts, representing a significant opportunity for the Company over the short to medium term.

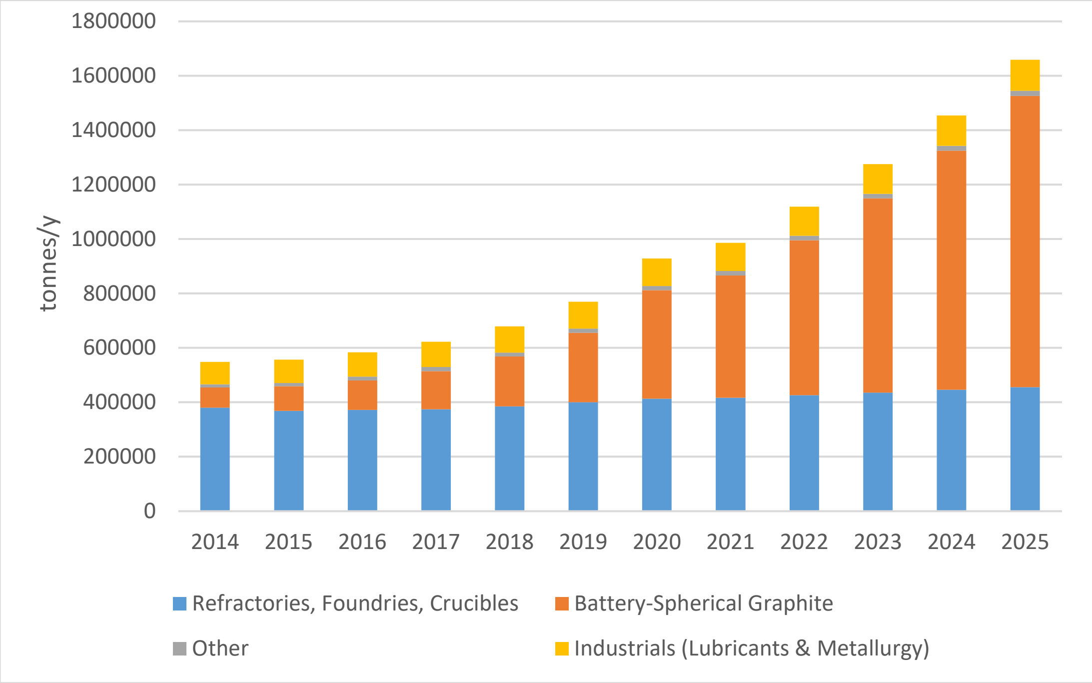

Figure 9: Industrial Minerals: Flake Graphite Demand Forecast 2014-2025

Volt has had dialogue with end users, traders and intermediaries across China, Japan, Korea, Europe and North America. Due to the size of the Chinese graphite market, China has been identified as a target market for Volt's product from Stage 1. Anecdotal evidence implies that China has ample small/medium flake graphite reserves in the ground. However, it has limited reserves of coarse flake sizes. Product size above 100# is classified as coarse flake and generally suitable for supplying the expandable graphite market.
With this market background Volt signed non-binding Cooperation Agreements and Term Sheets with leading end-user groups in China in mid 2017as follows.

CNBM General Technologies (previously CNBMGM) – Cooperation Agreement
SOE - largest building materials group in China with net assets exceeding US$80 B
10,000-15,000 t/y for 5 years with a further 5 years mutual option to extend.

AOYU – Cooperation Agreement
One of China's leading Graphite miners and processors
10-20,000 t/y off-take for 5 years with a further 5 years mutual option to extend.

Qingdao Tianshengda Graphite Co. Ltd. (Tianshengda) – Term Sheet
Major graphite processor and distributor, specialising in expandables
10,000 t/y off-take for 5 years with a further 5 years mutual option to extend.

Qingdao Guangxing Electronics Material Co. Ltd. (GEM) – Term Sheet
Major graphite processor and distributor, specialising in expandables
5,000 t/y off-take for 5 years with a further 5 years mutual option to extend.

Further discussions have been held in April 2018 with CNBMGT, Tianshengda, GEM and other Chinese graphite groups to progress offtake discussions. Volt is now in the process of completing the final binding offtake agreements for substantially all of Stage 1 annual production. These offtake agreements are in addition to the existing binding offtake agreement with US based graphene company, Nano Graphene Incorporated.

Stage 1 will produce on average 23,700tpa of natural flake graphite product up to 96% TGC, with the majority of sales to China being the biggest market for flake graphite. Volt has worked with the customer groups that it is in discussion with to reduce the processing on the +100# product to increase the yield, flake size and target a lower grade (around 92%TGC). This has been confirmed in metallurgical testwork on diamond drill core in 2017 and for the feasibility metallurgical testwork and flowsheet development in the 2018 FS.

A portion of annual flake graphite product tonnage from Stage 1 will allow for sales to potential customer groups that require larger sample shipments to commit to contracts for the Stage 2 development.

Forecast pricing across the relevant flake sizes, purity and product types has been sourced from a combination of bespoke industry reports and material including research bodies, BMI and Industrial Minerals and Canaccord research. Shorter term pricing also reflects current industry reporting and discussions with end users.

Product size, grade distribution and average sales price is shown in Table 12.

Table 12: Graphite product size, grade distribution and average sales price

Size (µm)	Size (#)	% Distribution	% TGC	Price US$/tonnne
+500	+32	1	95	2,530
+300	+50	11	93	1,990
+180	+80	27	92	1,077
+150	+100	15	92	985
-150	-100	46	96	704
	Total	100		**1,195**

Expected average product basket price for Stage 1 based on the TGC grade, product size distribution and pricing is US$1195/t (CIF Qingdao). Prices are based on forecast annual prices for the 7 year life of Stage 1.

By Year 3 the Company plans to develop a third party SPG processing arrangement whereby fines products below 106 micron will be treated to produce uncoated spheroinised and purified (SPG) anode feedstock to market to battery cell manufacturers. It is assumed SPG product recovery of 50% will be achieved with the remaining 50% sold into the recarburizer and other existing and developing micro carbon product markets. The processing cost assumptions have been based on the AOYU cooperation agreement, discussions and site visits in mid-2017. Further discussions with third parties have identified other opportunities for toll processing or SPG joint venture or profit sharing arrangements.

Project Risks and Opportunities (General and Specific)

The staged development strategy provides a pathway to development and reduces a number of risks for the larger scale Bunyu Expansion Project (Stage 2).

Risks relating directly to Stage 1 are limited by the modest size of the investment. Current priority corporate risks are:

- Sovereign Risk
- Development Schedule
- Project Funding
- Operating Cost
- Water Supply: (Stage 1)
- Security of Tenure
- Workforce Skills
- Cost Product Transport
- Theft Critical Items.

Current priority safety risks are:

- Disease and Other Sicknesses/Bites
- General Site Safety

- Road Safety Risk-Volt
- Road Safety Risk – General.

Once proposed treatment actions are implemented, priority corporate risks remaining are safety risks plus:

- Development Schedule
- Project Funding
- Sovereign Risk.

Development schedule remains a risk until the project is being implemented and Volt demonstrates to the graphite industry that it is a market leader and can fulfil offtake contracts. This then places Volt in a strong position to expand its business and become a force in the supply of quality graphite flake.

Project funding risk has reduced with the staged development because of the requirement to fund a significantly smaller starter project but remains a priority for Volt.

Sovereign risk resulting from the changes in Tanzanian regulations in 2017 and needs to be continuously monitored and ensuring compliance.

Project Assets and Liabilities

Volt's significant assets are the project tenement licenses, the Bunyu pre-feasibility study, the Bunyu Stage 1 feasibility study, Bunyu project environmental permitting and the government valuer sign-off of the RAP (Resettlement action plan) to compensate displaced and affected property owners. There are no significant project liabilities until such time as a financial investment decision is made, post development funding, to progress the Bunyu Stage 1 project in which case the RAP compensation payments valued at approximately US$3.4 million will become payable.

Key Study Contributors

The consultants listed in table 13 contributed to the key components of the FS.

Table 13: Contributing Consultants to the FS

Content	Contributor
Key FS Management	BatteryLimits
Geology and Resources	Optiro
Geotechnical	PSM
Hydrology	AQ2
Mining	Orelogy
Metallurgy	BatteryLimits, ALS
Processing	BatteryLimits
Engineering	BatteryLimits
Tailings	ATC Williams
Power, Water, Infrastructure and Logistics	BatteryLimits, AQ2 and Volt
Project Implementation Schedule and Plan	BatteryLimits and Volt
Human Resources	P5 HR Consulting Limited, Volt
Capital Cost Estimates	BatteryLimits
Operating Cost Estimates	BatteryLimits, Orelogy and Volt

Content	Contributor
Marketing	Volt, Industrial Minerals
Financial Assessment	Volt and Modus Capital
Permitting and Environment	TanSHEQ and Volt

Subsequent Events and Next Steps

Following the completion and publication of the Stage 1 Feasibility Study on 31 July 2018, Volt subsequently received the following key development approvals and entered into a further binding offtake agreement.

- On 1 August 2018 a binding graphite offtake agreement was entered into with Qingdao Tianshengda Graphite Co. Ltd. for 9,000 tonnes per annum of Bunyu Graphite Product over five years. The Agreement includes an option for a further five-year term by mutual agreement. The Agreement incorporates the size ranges of products to be produced in both the Stage 1 development and the planned expansion to Stage 2 at Bunyu.
- The Company received the Environmental Impact Assessment (EIA) Certificate from the National Environment Management Council of Tanzania (NEMC) for the Bunyu project development on 3 September 2018. Importantly, the EIA certificate signed by the Honourable Minister of State in Vice President's Office for Union Affairs and Environment Hon. January Makamba, represents the final pre-requisite for the granting of Volt's Mining Licence (ML) and one of the final remaining major milestones in terms of Government permitting for the Bunyu Graphite Project.
  The Bunyu EIA certificate, along with the previously advised approval of the resettlement compensation under the Resettlement Action Plan, covers the area required for the Stage 1 development and Stage 2 Expansion Project.
- On 20 October 2018 the Company received two mining licences ML 591/2018 and ML 592/2018 from the Mining Commission of the Ministry of Minerals of Tanzania. The two Mining Licences (ML's) cover the area required for the respective Stage1 and Stage 2 developments of the Bunyu Graphite Project.
  The two ML's cover a combined area of 17.71km2 and provide Volt with the exclusive right to develop the graphite resources in the ML area. The ML's are effective for a period of 10 years and there is a right of further 10-year renewals under section 53 of the Mining Act.

Once development funding is obtained, the Company will proceed with the Front End Engineering and Design for Stage 1 and place orders for long lead time components.

Concurrent with the Stage 1 development, Volt plans to commence work on the definitive feasibility study for the Stage 2 expansion.

Competent Person Statement

The information in this document 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 the report of a summary based upon her information in the form and context in which it appears.

The information in this document 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 Orelogy 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 the report of a summary based upon his information in the form and context in which it appears.

Annexure One: Summary of JORC Table 1 Sections 1, 2, 3 and 4

Summary of JORC Table 1 Sections 1, 2 and 3:

- Geology and geological interpretation – the graphite mineralisation is hosted within a sequence of gneiss and schists and is generally sub-horizontal. The higher grade graphite mineralisation was interpreted as sub-horizontal layers using a nominal cut-off grade of 3.5% TGC. A fault off-set has been interpreted with the mineralised layers in the south-west displaced downwards relative to the mineralised layers in the north-east. The main zones of mineralisation extend over an area of 3km along strike, 800m to 1.3km across strike and from surface to a drilled depth of approximately 150m below surface.
- Drilling method – the drilling method used is reverse circulation (RC) using 140mm face sampling hammers and Triple Tube HQ diamond core holes (63mm).
- Sampling – one-metre drill chip samples were collected throughout the RC drill programme in sequentially numbered bags. Core samples from diamond drillholes were collected based on geology, varying in thickness from 0.01m to 3.0m intervals. Almost 80% of the samples are from 1m intervals, 20% from <1m intervals and 0.1% from intervals of >1m
- Sub-sampling – RC samples were split to 1.5kg samples for analysis and for the diamond core the quarter core was used for analysis. Pulverising was completed using LM5, 90% passing 75µm in preparation for analysis.
- Sample analysis method – the 2015 and 2017 drill samples were sent to SGS in Mwanza, Tanzania for sample preparation before being sent to SGS in South Africa for analysis for TGC using method GRAP_CSA05V LECO Total Carbon, for sulphur using method CSA06V and for total carbon using method CSA01V. Samples from the 2016 drilling programme were sent to ALS in Mwanza before being sent to ALS in Brisbane, Australia for analysis for TGC using method C-IR18, for sulphur using method S-IR08 and for total carbon using method C-IR07. SGS South Africa (Pty) (Ltd) used ISO and ALS Minerals used established standards and are NATA-registered. Duplicate analysis and analysis of Certified Reference Material (standards) and blanks was completed and no issues identified with sampling or assaying reliability.
- Resource classification – on the basis of confidence in geological and grade continuity using the drilling density, geological model, modelled grade continuity and conditional bias measures (slope of the regression and kriging efficiency) and the distribution of the metallurgical testwork samples as criteria. In general, the areas tested with the 2017 infill drilling (40m by 40m spacing), that have high confidence in the geological interpretation, higher estimation quality are classified as Measured. Areas with lower confidence in the geological interpretation and poorer estimation quality were classified as Indicated. Areas where the drill spacing is generally 200m by 400m are classified as Inferred. In addition, the likelihood of eventual economic extraction was considered in terms of possible open pit mining, metallurgical testwork results, marketing agreements and potentially favourable logistics to the Mtwara Port, which all support the classification, as per Clause 49 (JORC 2012).
- Estimation methodology – resources estimation was undertaken using ordinary kriging. The search ellipse was oriented within the plane of mineralisation.
- Cut-off parameters – the resource model is reported above a 2.93% TGC cut-off grade. This cut-off grade was selected by Volt Resources based on technical and economic assessment of the mineralisation within the Stage 1 FS pits by Orelogy.
- Metallurgical methods – no metallurgical assumptions have been built into the resource models. Metallurgical results related to flake size and sample purity, the continuity of the flake size data, and the available process testwork are considered favourable and BatteryLimits has reported that products produced from the 2018 metallurgical testwork are within the typical saleable size and grade.

Summary of JORC Table 1 Section 4:

- 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 Namangale (now Bunyu) overall Ore Reserve will be updated as part of the Bunyu Stage 2 DFS.
- The Bunyu Stage 1 FS is based around a targeted project production rate over a 7 year period. It does not reflect the ultimate economic extent of the Bunyu 1 project. Hence the sensitivity of the ultimate project limits has not been tested as part of the Bunyu Stage 1 FS. The supporting data around geotechnical and metallurgical parameters are also focused around the Stage 1 area and currently do not support generating an ultimate economic pit for the entire Bunyu 1 deposit at an FS standard. It should be emphasised that this is not a reflection of the level of confidence in the FS, but is due to the limited extent of the Stage 1 project.
- The Bunyu Stage 1 FS Ore Reserve is based entirely on estimated Measured and Indicated Resources and has had all appropriate environmental & economical exclusions applied to it.
- Mining modifying parameters – planned extraction is by open pit mining and appropriate mining factors for dilution and ore loss have been applied to the Mineral Resource model in order to generate the Resources which are proposed to be mined as part of Bunyu Stage 1.
- The Resources which are proposed to be mined as part of Bunyu Stage 1 have been reported at the processing cut-off grade of 2.93%. This is a diluted cut-off grade as dilution has already been accounted for as part of the block model regularisation process.
- Modifying factors related to mining costs are based on budget pricing submissions for African based mining contractors
- Modifying factors related to pit wall design criteria are based on the geotechnical recommendations provided by independent geotechnical consultant Pells Sullivan Meynink.
- Modifying factors related to processing costs and recoveries have been supplied by lead engineering group BatteryLimits
- Modifying factors related to commodity price have been supplied by Volt Resources based on independent market research
- The Bunyu Stage 1 FS mining schedule based on achievable production rates for the specified size of mining fleet
- The presence of significant amounts of potentially acid forming (PAF) mine waste rock has been addressed in the FS, with details around operational management, procedures and controls and appropriate allowances for related costs.

Annexure Two: Table 1 of the JORC Code

The table below summarises the assessment and reporting criteria used for the 2018 Bunyu 1 resource model and reflects the guidelines in Table 1 of *The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code, 2012).

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	**1. Reverse Circulation** • RC drill samples were collected at one-metre intervals. • The full 1m interval was collected before being weighed then riffle spilt into samples weighing approximately 1.5 kg. • All samples were geologically logged by a suitably qualified geologist and mineralised intercepts selected for analysis. • Duplicate and standards analysis were completed and no issues identified with sampling reliability. • Sampling was guided by Volt Resources Limited's protocols and QAQC procedures. **2. Diamond Drilling** • For the diamond core drillholes sampling was carried out by cutting HQ diamond core into quarters. • Composite samples for metallurgical analysis were selected based on lithology intervals as logged by a suitably qualified geologist. • Samples were crushed to 1mm, split into the respective size fractions and sent for flake size analysis. • Mineralised intercepts selected for analysis vary from 0.01 m to 3 m. • Duplicate and standards analysis were completed and no issues identified with sampling reliability. • Sampling was guided by Volt Resources Limited's protocols and QAQC procedures.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling was conducted by JCIL Drill. Bit diameter was 4.5 inches (114 mm) face sampling bit. • Diamond drilling was conducted by JCIL drill using HQ core diameter triple tube (63 mm).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC recovery was recorded by weighing the recovered sample before splitting. Sample size was databased and found to be consistent. • Diamond drill recovery was excellent (>90%) and is therefore not expected to influence grade.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging was carried out on each of the samples including lithology, amount of weathering by a suitably qualified geologist. • 100% of the samples were logged • Data is initially conducted on paper logging sheets and is then transferred to Excel logging sheets. • Logging is semi-quantitative based on visual estimation. • The specific gravity data was collected from drill core using Archimedes principle water displacement methodology. • Core was orientated, marked into 1 m intervals, core recovery and geotechnical data – Rock Quality Designation were recorded. • Core was photographed, both dry and wet.
Sub-sampling techniques and sample preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sampling was guided by Volt Resources Limited's protocols and QAQC procedures. • RC samples were taken at 1 m intervals and then split into 1.5 kg samples with a reference sample also taken. • For the diamond core, the quarter core was used for analysis. • All the samples are marked with unique sequential numbering as a check against sample loss or omission. • Samples were crushed and pulverised using LM5, 90% passing 75 µm in preparation for analysis. • For the 2015 and 2016 drill samples blank, standard and duplicate samples were inserted at a ratio of 1:20. • For the 2017 drill samples duplicates were inserted at a ratio of 1:12 and standards and blanks at a ratio of 1:8 in total. • All sampling was carefully supervised with ticket books containing pre-numbered tickets placed in the sample bag and double checked against the ticket stubs and field sample sheets to guard against a loss of sample integrity.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Analysis for total graphitic carbon (TGC) and sulphur has been carried out by industry accepted and recognised laboratories. SGS South Africa (Pty) (Ltd) used ISO and ALS Minerals used established standards and are NATA-registered. • The 2015 and 2017 drill samples were sent to SGS in Mwanza, Tanzania for sample preparation before being were sent to SGS in South Africa for analysis for TGC using method GRAP_CSA05V LECO Total Carbon,

Criteria	JORC Code explanation	Commentary
		for sulphur using method CSA06V and for total carbon using method CSA01V. • Samples from the 2016 drilling programme were sent to ALS in Mwanza before being sent to ALS in Brisbane, Australia for analysis for TGC using method C-IR18, for sulphur using method S-IR08 and for total carbon using method C-IR07. • For the 2015 and 2016 drill samples blank, standard and duplicate samples were inserted at a ratio of 1:20. • For the 2017 drill samples duplicates were inserted at a ratio of 1:12 and standards and blanks at a ratio of 1:8 in total. • Duplicate analysis was completed and no issues identified with sampling representatively. • Analysis of the QAQC data indicates that the data is suitable for Mineral Resource estimation.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• QAQC protocols were adopted for the drill programmes. • During the site visit the CP for the Mineral Resource reviewed RC chips and DD core against the assay results. • Volt Resources engaged CSA Global to compile and maintain the database. CSA Global validated the assay data as it was received, which included analysis of the QAQC data. All discrepancies in the data were queried with the laboratory and resolved prior to data provision of the MS Access database to Optiro for resource estimation. • There are four DD holes that twinned earlier RC drillholes. • No adjustments have been applied to the results.
Location of data points	• *Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Data for Bunyu 1 has been surveyed in ARC 1960 grid and UTM datum Zone 37 south. • All drillholes were pegged using a hand-held GPS. The drillhole collars were then surveyed using a hand-held DGPS with a horizontal accuracy of 1.5 m. • In 2016 an aerial topographical survey was undertaken by Gleam Company for the Bunyu 1 project area. Corrections were made to this by ROM Resources for the 2016 resource estimate. • The drillhole collars for the 2018 resource model were adjusted to the topographic surface.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is*	• In 2016 the holes were drilled on 200 m to 400 m spaced sections on either a 100 m or 200 m spacing.

Criteria	JORC Code explanation	Commentary
	sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	• Infill drilling during 2017 was on a spacing of 40 m by 40 m. • Geological interpretation and mineralisation continuity analysis indicates that data spacing is sufficient for definition of a Mineral Resource. • All RC samples are taken over intervals of 1 m. • DD core sampling was based on geological boundaries with a general maximum limit of 1 m thickness. • Almost 80% of the samples were taken over an interval of 1 m. • Samples were composite to 1 m down-hole intervals for resource estimation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Interpretation of the relationship between the drilling orientation and the orientation of key mineralised structures indicates that mineralisation is likely to be perpendicular to strike continuity. • The orientation of drilling is not expected to introduce sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• A unique sample number was retained during the whole process. • Samples were placed in sacks that were cable tied. • Transportation is carried out by company staff driving the samples to the preparation laboratory in Mwanza directly from site. • Loss of data by theft, fire or computer virus attack is minimised by ensuring that the updated database, scanned documents and photographs are immediately distributed to the geological team via emails.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling techniques and core mark-up was reviewed during the Mineral Resource CP site visit. • Laboratories have not been audited - QAQC data indicates sample preparation and analysis is to a high standard.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments*	• The Bunyu 1 deposit is within prospecting license PL10718 which was granted on 18 September 2015 for a period of four years for the exploration of graphite. • The Bunyu Project PLs are held by Volt Graphite Tanzania Ltd (formerly Nachi Resources Limited) which in turn is 100% owned by Volt Resources Limited.

Criteria	JORC Code explanation	Commentary
	to obtaining a licence to operate in the area.	• The surface area is administered by the Government as native title. The area is rural, with wilderness areas and subsistence farming. • The tenements are subject to a 3% royalty on production to the previous owners of Nachi Resources, which can be reduced to 1.5% under an agreement with the previous owner. There are no other known issues that may affect the tenure. • On 8 February 2018, Volt Resources announced that it had lodged two Mining Lease applications that cover the Bunyu 1 deposit and surrounding areas.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There is no written record of previous exploration available for this area that is known to Volt Resources. • The location of some graphite outcrops within the Bunyu Project area was known by the previous owners.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The graphite mineralisation occurs in Archean basement rocks of the Mozambique Belt system which principally comprise metamorphic rocks ranging from schist to gneisses including marbles, amphibolite, graphitic schist, mica and kyanite schist, acid gneisses, hornblende, biotite and garnet gneisses, quartzite, granulite, and pegmatite veins. • Exploration has focused on areas where there is no or minimal overlying younger sedimentary sequences remaining (mostly Cretaceous sandstones and conglomerates).

Drillhole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*
	  • easting and northing of the drillhole collar
	  • elevation or RL (elevation above sea level in metres) of the drillhole collar
	  • dip and azimuth of the hole
	  • down hole length and interception depth
	  • hole length.
		• Exploration results are not being reported for the Mineral Resources area.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Exploration results are not being reported for the Mineral Resources area. • Metal equivalent values have not been used. • A nominal 3.5% total graphitic carbon lower cut-off has been applied in the determination of significant higher grade intercepts.
Relationship between mineralisation	• *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* • *If it is not known and only the down hole*	• Drillholes intersected mineralisation at near perpendicular to the strike orientation of the host lithologies.

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	*lengths are reported, there should be a clear statement to this effect.*	• Drill lines are planned to be as close as possible to right angles to the mapped mineralisation. • Exploration results are not being reported for the Mineral Resources area.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	• Relevant diagrams have been included within this report. • Exploration results are not being reported for the Mineral Resources area.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration results are not being reported for the Mineral Resources area.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Exploration results are not being reported for the Mineral Resources area. • Previous results from the Bunyu Project include Ground EM surveys, mapping, trenching, rock chip sampling. All of the results of this work were previously reported.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Follow-up drill RC and diamond core drill testing to further confirm extensions of graphite mineralisation and to extend the Measured and Indicated Mineral Resources.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data used for the resource model is sourced from an export out of the Microsoft Access Database that was compiled and maintained by CSA Global, on behalf of Volt Resources • Relevant tables from the database are exported to MS Excel format and converted to csv format for import into Datamine software for use in the resource model. • Validation of the data import includes, amongst others, checks for drillhole collar discrepancy against topography, overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars.

Criteria	JORC Code explanation	Commentary
		• Additional data validation, by Optiro, included checking for out of range assay data and overlapping or missing intervals.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• A site visit to the Bunyu 1 deposit was undertaken by Mrs Christine Standing (Principal Consultant, and CP for the resource model) during December 2017. • During the site visit drill sites were inspected, drillhole sampling and logging procedures, density measurement procedures were reviewed, sample packing and dispatch was inspected and the geological model was reviewed. • There were no negative outcomes from any of the above items, and samples and geological data were deemed fit for use in the preparation of the resource model.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Confidence in the geological interpretation of the deposit is high in areas of close spaced drilling and moderate elsewhere. • The geological confidence has been considered for classification of the resource. • Mineralisation is hosted within a sequence of gneiss and schists. • The mineralisation is generally sub-horizontal. A fault off-set has been interpreted with the mineralised layers in the south-west displaced downwards relative to the mineralised layers in the north-east. • Geological interpretation was completed on a sectional basis, from which six mineralised layers (four to the north of the fault off-set and two to the south of the fault off-set) were identified that are intersected by the Stage 1 pit designs at Bunyu 1 or above the main layer of mineralisation within the southern area. • There are additional mineralised layers at depth and to the east of the main mineralisation. Geological interpretation has identified additional mineralised layers: seven within the northern area, eight within the south area and two within the eastern area. These were not included in the resource model. • No alternative interpretations were considered. The sectional interpretation was developed by Volt Resources following extensive logging of the infill drillhole data. The assay results, obtained after the sectional interpretation was completed, supported this interpretation. • The mineralisation domains were defined

Criteria	JORC Code explanation	Commentary
		using grade constraints. A nominal cut-off grade of 3.5% TGC was used to define boundaries between higher grade mineralised domains and the lower grade and the weakly or non-mineralised domains. • Weathering domains representing colluvium, oxidised, transitional and fresh were modelled and were used to assign different density values and for TGC and sulphur grade estimation outside of the higher grade mineralised domains.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The main zones of mineralisation extend over an area of 3 km along strike, 800 m to 1.3 km across strike and from surface to a drilled depth of approximately 150 m below surface. • The Bunyu 1 mineralisation remains open to the north-east (where it is under a thick sedimentary sequence), to the south-west and at depth.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	• Drillhole sample data was flagged from the interpretations of the mineralised domains. • Sample data was composited to a 1 m downhole length. • Data has a low coefficient of variation. Two outlier values were top-cut to 16% TGC. • The global Mineral Resource was estimated and reported in December 2016 by ROM Resources. This resource model extended at depth and laterally compared to the 2018, model which was restricted to resource estimation within the mineralised layers intersected by the Stage 1 pit designs and included the mineralisation above the main mineralised layer in the southern area. • TGC mineralisation continuity was interpreted from variogram analyses to have a horizontal range of 190 m to 275 m along strike and 100 m to 155 m across strike, • The majority of the Bunyu 1 deposit was tested by the 2015 drilling programme that was at a nominal spacing of 200 m across strike on section lines spaced at 400 m along strike. The 2016 drilling programme infilled areas to a nominal spacing of 100 m across strike on section lines spaced at 200 m along strike. In 2017, an infill drilling programme was conducted within the upper, central zone of Bunyu 1 at a spacing of approximately 40 m to 40 m.

Criteria	JORC Code explanation	Commentary
		• A twin drilling programme confirmed the RC drillholes could be used with the diamond core samples for grade estimation. • The maximum extrapolation distance is 75 m along strike. The interpretation is constrained by drilling in the across strike direction and thee interpretation is extended to half the drill spacing. • Grade estimation was into parent blocks of 30 mE by 30 mN on 2 m benches. Block size was selected based on kriging neighbourhood analysis. • No selective mining units were assumed in the model. • Estimation of TGC and sulphur was carried out using ordinary kriging at the parent block scale and using Datamine software. • Sulphur is not correlated with TGC and both variables were modelled independently. • The search ellipses were oriented within the plane of the mineralisation. • Three estimation passes were used; the first search was based upon the variogram ranges in the three principal directions; the second search was two times the initial search and the third search was up to six times the initial search, with reduced sample numbers required for estimation. • Around 65% of the TGC block grades were estimated in the first pass, 30% in the second pass and the remaining 5% in the third search pass. • The estimated TGC block model grades were visually validated against the input drillhole data, comparisons were carried out against the drillhole data and by northing, easting and elevation slices. • The non-grade element estimated is sulphur (S%). Sulphur may impact on metallurgical processing and is considered a deleterious element in some graphite deposits • Maximum continuity ranges for the flake size are 380 m along strike (055°) and 200 m across-strike (325°). • No mining has taken place; therefore, no reconciliation data is available.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnes have been estimated on a dry basis. • Moisture content has not been tested.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The resource model is reported above a 2.93% TGC cut-off grade. This cut-off

Criteria	JORC Code explanation	Commentary
		grade was selected by Volt Resources based on technical and economic assessment of the mineralisation within the Stage 1 FS pits by Orelogy.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous.*	• Planned extraction is by open pit mining involving standard truck and haul mining techniques. • The geometry of the deposit will make it amenable to mining methods currently employed in many surface operations in similar deposits around the world. • Mining factors such as dilution and ore loss have not been applied.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous.*	• No metallurgical assumptions have been built into the resource models. • The results from metallurgical testwork have been considered for Mineral Resource classification. • Results to date demonstrate that products produced by conventional processing techniques are within the typical saleable size and grade. • 2018 testwork results indicate that recoveries of TGC of 91% to 96.5% can be achieved from the rougher concentrate. • For three of the four samples 25 to 33% of the flakes are ≥180 µm. The flake size within the concentrate developed from fresh material is finer (with 20% ≥180 µm and 30% ≥150 µm). • Some 1 m samples from 11 randomly selected drillholes were tested for a comprehensive suite of trace elements. Vanadium ranged from 135 to 937 ppm.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation.*	• No assumptions have been made regarding waste and process residue. • Environmental studies are being undertaken as part of the Feasibility Study
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of*	• Bulk density was measured for 730 core samples from diamond holes using Archimedes and caliper measurements. • The density data has a range of 1.25 to 3.73 t/m3. • Analysis of this data indicated that there is a relationship with oxidation. • A bulk density of 1.92 t/m3 was assigned to colluvium, 2.07 t/m3 was assigned to the oxidised material, 2.50 t/m3 was assigned to the transitional material and 2.64 t/m3 was assigned to the fresh material.

Criteria	JORC Code explanation	Commentary
	the different materials.	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources have been classified on the basis of confidence in geological and grade continuity using the drilling density, geological model, modelled grade continuity and conditional bias measures (slope of the regression and kriging efficiency) and the distribution of the metallurgical testwork samples as criteria. • In general, the areas tested with the 2017 infill drilling (40 m by 40 m spacing), that have high confidence in the geological interpretation and higher estimation quality are classified as Measured. • Areas with lower confidence in the geological interpretation and poorer estimation quality were classified as Indicated. • Areas where the drill spacing is generally 200 m by 400 m and mineralised domains at depth that are classified as Inferred. • The available process testwork indicates that likely product quality is considered favourable for eventual economic extraction. • In addition, the likelihood of eventual economic extraction was considered in terms of possible open pit mining, and potentially favourable logistics to the Mtwara Port. • Based on this, and taking into consideration the thickness, grades and depth of the deposit, it is considered that the Bunyu 1 deposit has a reasonable prospect of eventually being mined. • Metallurgical results related to flake size and sample purity, the continuity of the flake size data, project location and marketing agreements all support the classification, as per Clause 49 (JORC 2012). • The classification considers all available data and quality of the estimate and reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The resource model has been peer reviewed by Optiro staff.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation.*	• The assigned classification of Measured, Indicated and Inferred reflects the Competent Person's assessment of the accuracy and confidence levels in the resource model. • The confidence levels reflect production volumes on a quarterly basis.

Section 4: Estimation and Reporting of Ore Reserve for the Bunyu Stage 1 FS

The table below summarises the assessment and reporting criteria used for the Bunyu Stage 1 FS Ore Reserve and reflects both the guidelines in Table 1 of *The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code, 2012) and the requirements for a feasibility study to be underpinned by an Ore Reserve. The Bunyu Stage 1 Ore Reserve is considered a subset of the 2016 Namangale 1 Ore Reserve released by Volt Resources 15 December 2016 as part of the Pre-Feasibility Study. It therefore does not replace or update this reserve and is for the purposes of underpinning the Stage 1 FS. The Namangale (now Bunyu) overall Ore Reserve will be updated as part of the Bunyu Stage 2 DFS.

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserve	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserve.*	• The Mineral Resource Estimate used to develop the 2018 Bunyu 1 Mineral Resource Estimate is classified a JORC 2012 Mineral Resource statement by Volt Resources. The 2018 Bunyu 1 Mineral Resource Estimate was completed by Christine Standing (the Competent Person) of Optiro Pty Ltd. • The 2018 Mineral Resources are reported inclusive of the Bunyu Stage 1 FS Ore Reserve. The Ore Reserve does not include Inferred Mineral Resources. • The 2018 Bunyu 1 Mineral Resource Estimate contains no allowances for mining related ore dilution or ore losses • The Bunyu Stage 1 FS only assesses a very small portion of the Bunyu 1 deposit relevant to the feasibility area. The entire Bunyu deposit will be assessed as part of a subsequent Stage 2 assessment and an updated Bunyu Ore Reserve will be released at this point. Consequently, the Ore Reserve developed as part of the Stage 1 FS is referred to as the Bunyu Stage 1 FS Ore Reserve. • Due to the scale of the Bunyu Stage 1 FS, the Stage 1 Ore Reserve does not define an ultimate economic limit. A considerable proportion of the 2018 Bunyu 1 Mineral Resource has not been assessed for economic viability as part of the Stage 1 FS.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit was undertaken by Mr Ross Cheyne, Director of Orelogy Consulting Pty Ltd and Competent Person for the Bunyu Stage 1 Ore Reserve. The purpose of the visit was to assess the site conditions, layout and inspect drill core as available to confirm the appropriateness of the Ore Reserve • All other key relevant disciplines have undertaken site visits and provided input into both the planned development and the Bunyu Stage 1 FS Ore Reserve.

Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to an Ore Reserve.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The development of the mine plan and associated economic evaluation of the Bunyu Stage 1 FS has been completed to a FS level of accuracy of +/- 15%. • The Ore Reserve was underpinned by a mine plan detailing mining locations, ore and waste quantities; mill feed quantities and mill head grades. Scheduling was undertaken in monthly and quarterly periods. • Mine planning activities included an updated pit optimisation, mine design, scheduling, mining cost estimation and financial analysis in order to confirm the ability to economically mine the Bunyu Stage 1 FS Ore Reserve. • Modifying factors considered during the mine planning process included slope design criteria, mining dilution and ore loss, processing recoveries, processing costs, general and administration costs, product price and royalties, engineering and infrastructure design, land access and permitting. • The financial evaluation carried out as part of the Bunyu Stage 1 FS indicates that the Bunyu Stage 1 Graphite Project is technically achievable and economically viable. Financial modelling indicates it has an NPV of US$18.6M (10% D.R.) and an IRR of 21.0% (pre-tax, US$, real) • The following groups have been utilised by Volt Resources for the FS and provided key inputs into developing the Bunyu Stage 1 FS Ore Reserve: • Geology and Resources – Optiro - Geotechnical – Pells Sullivan Meynink - Hydrology – AQ2 - Mining – Orelogy - Metallurgy – BatteryLimits / ALS - Processing – Battery Limits - Engineering – Battery Limits - Tailings – ATC Williams - Power, Water, Infrastructure and Logistics – BatteryLimits / AQ2 / Volt - Marketing – Volt / Industrial Minerals - Financial Assessment – Volt / Modus Capital
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The cut-off grade used is the processing (or internal) cut-off grade (i.e. material is treated as ore if the recovered revenue exceeds the processing cost). This calculation excludes mining costs as these are treated as sunk when the decision is made to direct material to either the process plant or waste dump. • The Bunyu Stage 1 FS Ore Reserve is based

		on a Net Price which includes selling costs such as transport (trucking and shipping) and government and vendor royalties. • The processing cut-off grade is 2.93% TGC for Stage 1 FS Ore Reserve.
Mining factors or assumptions	*The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre- production drilling.* *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* *The mining dilution and mining recovery factors used.* *Any minimum mining widths used.* *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* *The infrastructure requirements of the selected mining methods.*	• Open pit optimisation proprietary software was utilised to determine the extent of the highest value pits that provide the required inventory for the Stage 1 project (approx. 2.8Mt). The optimisation process used initial estimates of the various modifying factors. However as the Stage 1 pits lay well within any final economic limit for Bunyu 1, the optimisation parameters were only critical in terms of generating shells of different relative size and value, not in confirming an ultimate economic pit limit. • The mining method is conventional truck and shovel open pit mining. • Bunyu 1 is suited to conventional open pit mining methods as: - The deposit outcrops with limited initial overburden, - The deposit is generally flat lying with the pit designs which allows for selective mining with the small equipment proposed - There are several sub-parallel lenses that fall within the pit boundary resulting in a relatively low stripping ratio (0.73 waste : 1 ore). • Suitable waste material from within the South Pit area will be utilised as bulk fill for construction of the Tailings Storage Facility and Water Storage Dam prior to mining commencing. Consequently, the mine production schedule generated for the FS consists of the Ore Reserve with an allowance for depletion of this volume of waste material. • The deposit will be mined on 6m high benches for blasting, but excavated in 3 x 2m high flitches to manage dilution. • Dilution and ore loss were applied by reblocking the 7.5mX x 7.5mY x 0.5mZ Resource block model to 7.5mX x 7.5mY x 2mZ Mining block model to reflect a minimum selective mining unit (i.e. 2m flitch height). The Bunyu Stage 1 FS Ore Reserve was then reported based on the diluted grade of the larger block. The resource model had been estimated on a domain boundary grade of 3.5% TGC, which is considerably higher than the calculated cut-off grade of 2.93%. Optiro had also estimate TGC into the domains outside of

		the 3.5%TGC boundaries. Orelogy treated these grades outside of the "ore" domains as a background diluent grade. • A minimum mining width of 20m was used for all pit designs. • Mine designs have been undertaken using the geotechnical recommendation provided by Pells Sullivan Meynink, independent geotechnical consultant appointed by Volt Resources who undertook a site geotechnical assessment. PSM provided specific berm, batter and inter-ramp angle recommendations for four (4) distinct weathering zones that were modelled in the Mineral Resource. PSM also undertook a review of the final pit designs to confirm they adhered to the design recommendations. The geotechnical investigation was focused on the area of the North and Central pits and was extrapolated to include the South Pit. The risk around any geotechnical uncertainty in the South Pit is mitigated by: - The pits are relatively shallow, being a maximum of 45m below surface. - The South Pit is not commenced until Year 4, allowing more than enough time to undertake a suitable geotechnical assessment. - The pit in general has flatter slopes than the design recommendations. • The mine schedule is based on achievable production rates for the specified size of mining fleet with only a single shift per day required at peak. • No inferred mineral resources have been used in the determination of the Bunyu Stage 1 FS Ore Reserve. • The proposed mining method requires the conventional mining infrastructure including but not limited to mining equipment workshop, fuel & oil storage facilities, wash bay, offices, lunch and ablution facilities and a first aid room. These are to be supplied by the mining contractor. Volt Resources have defined a mining infrastructure area and will supply water to this location, with power supplied by the contractor. • Due to the low mining production rates it is envisaged limited explosives will be stored on site. Explosives will be trucked to site as required and an explosives magazine area has been demarcated by Volt Resources.

Metallurgical factors or assumptions	*The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* *Whether the metallurgical process is well-tested technology or novel in nature.* *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* *Any assumptions or allowances made for deleterious elements.* *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The processing plant is designed to recover graphite concentrate by froth flotation. Ore will be crushed followed by grinding and graphite flotation. The final graphite product will be filtered, dried and bagged for transport and subsequent loading onto ships in sea containers. • A key objective of the plant design is to produce a marketable high-grade graphite product at the largest possible graphite flake size to maximise the value of the products produced. • The proposed flowsheet has been developed based on the metallurgical testwork undertaken to date and derived Process Design Criteria. The process plant design is based on a metallurgical flowsheet with unit operations that are conventional and well proven and aligned with current graphite industry practice. • The metallurgical testwork program conducted on Bunyu 1 used composite samples produced from drill core. Prior to the diamond drill core from the 2017 drill program becoming available an optimisation testwork program was conducted on remnant material from the 2016 bulk trench samples to investigate options for optimising the processing approach. • The outcomes were incorporated into the testwork undertaken on 2017 diamond drill core samples for the Stage 1 planned development. Testwork focused on grinding and flotation using both a composite and variability samples and was undertaken at ALS in Western Australia. Some comminution testwork was also undertaken. • The results from the recent testwork were similar to results from previous 2016 testwork and demonstrated saleable graphite products can be readily produced. Overall the results indicate the variability in the Bunyu 1 project area is low. • Metallurgical testwork had not identified any deleterious elements.
Environmental	*The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• An Environmental and Social Impact Study (ESIS) for the Bunyu Stage 1 FS has been completed and lodged. The ESIS is based on a significant body of work including flora and fauna surveys, heritage surveys, and stakeholder identification, including public consultation and the development of environmental and social monitoring and management plans. • The ESIS has been reviewed by the NEMC

		and Technical Advisory Committee which has included a site visit and technical review meetings and is now in the final stage prior to forwarding to the Minister for Environment for approval. • The key issue related to mining activities is the presence of potentially acid forming (PAF) material as part of the mine waste rock. It is possible that most of waste rock generated by the open pits will be acid forming to some degree. Procedures for the construction of the waste rock dump (WRD) and the management of any run-off from these facilities has been developed as part of the Bunyu Stage 1 FS. This includes (without limitation) base impermeability requirements, construction methodology, drainage control, capping and rehabilitation. Allowance has been made for cost related to the management and control of AMD • The approach for final mine closure will be assessed and managed as part of the Stage 2 process. A detailed AMD management plan will be developed as part of the post-feasibility FEED phase to be included in the operating protocols for the mining contract tender. The effectiveness of the proposed strategies for operational management and post-closure minimisation of AMD risk will be tested by numerical modelling, and validated by in situ monitoring and field trials. This will be scheduled well in advance of closure to confirm their effective performance.
Infrastructure	*The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• No significant infrastructure currently exists at the project site. The infrastructure required has been designed and costed by BatteryLimits Pty Ltd as part of the FS. • Access to both Mtwara and Dar es Salaam is via the national highway B5 which lies approx. 12 km to the south of the Bunyu Stage 1 project area. The FS includes a design and cost estimate for upgrading the road from the Bunyu North turnoff on the B5 to site. • Power at site will be provided via diesel generator. • A Local Content Plan has been developed as part of the FS and the requirements of this plan will be key selection criteria for all service providers, including the mining contractor. • Accommodation for the Stage 1 workforce will be provisioned via a combination of locally sourced labour and a camp

		constructed at the site which has been allowed for in the FS cost estimate.
Costs	*The derivation of, or assumptions made, regarding projected capital costs in the study.* *The methodology used to estimate operating costs.* *Allowances made for the content of deleterious elements.* *The source of exchange rates used in the study.* *Derivation of transportation charges.* *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* *The allowances made for royalties payable, both Government and private.*	• Mining costs have been calculated based on the submissions received for a Request for Budget Pricing (RFPB) sent to a range of African based mining contractors. The submission has been adjusted to allow for the differences in the FS mine plan from the one presented in the RFBP. This includes: - Overhaul rates for longer haulage distances - Additional site preparation requirements for dumps and stockpiles to cater for AMD - Ongoing AMD management - Dayworks • The diesel fuel price was supplied by Volt Resources based on typical in country pricing. • The capital cost estimate has been compiled by BatteryLimits based on the design, supply, fabrication, construction and commissioning of a new graphite plant in Tanzania and includes supporting infrastructure and indirect costs. Mine establishment and infrastructure costs are included, but the cost of the mining fleet and associated infrastructure is financed by the mining contractor and covered by operating expenses (Opex). • The estimate for the process plant is based on the process design as documented in Process Design Criteria, process flowsheet, equipment list and plant layout plan. The plant estimate has been based upon budget price quotations for major equipment, in-house data from recent projects, preliminary MTO estimates for steel and concrete, and industry standard estimating factors for ancillary equipment and other installation costs. • The estimate incorporates direct costs and indirect costs but does <u>not</u> include allowances for: - pre-implementation studies - financing - taxation - land access - mining rights • Rehabilitation and closure have been assessed on the basis that the Stage 1 project is superseded by the Stage 2 project within the life of Stage 1. • The operating cost estimate for the project includes all costs associated with mining, processing, infrastructure and site-based

		general and administration costs. The operating costs have been developed in US$ unless otherwise stated and unit rates and prices included have a base date of Q1 2018 with no allowance for escalation or inflation. • The operating costs have been compiled from a variety of sources, including: - Budget quotations received from vendors and/or contractors - "Operating cost database" of the consultants - Wages and salaries developed from P5HR, a Tanzanian HR consultant - Estimates based on industry standards from similar operations - First principle estimates based on typical operating data • Most equipment costs were quoted in South African Rand or US$, and infrastructure costs were most commonly in US$. All costs were converted to US$ based on the exchange rates below. - US$1.00 = A$1.29 - US$1.00 = 2,273 TZS (Tanzanian Shilling), - US$1.00 =13 ZAR (South African Rand), - US$1.00 = € 0.84 A 3% government royalty and 3% vendor royalty has been allowed for in the financial evaluation.
Revenue factors	*The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s)* *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Forecast pricing across the relevant flake sizes, purity and product types has been sourced from a combination of bespoke industry reports and material including research bodies, BMI and Industrial Minerals and Canaccord research. Shorter term pricing also reflects current industry reporting and discussions with end users. • An average basket price has been calculated for the Bunyu 1 deposit from the metallurgical testwork on size distribution, product quality and the assumed product revenues. • Sensitivity analysis was undertaken for five key economic drivers being graphite prices, feed grade, mineral recovery, capital expenditure and operating expenditure. • The sensitivity range used was +/- 30% and the revenue driver (price/grade/recovery) were seen to have the largest impact on project economics. Bunyu Stage 1 has relatively low sensitivity to capital expenditure, more so to operating expenditure.
Market assessment	*The demand, supply and stock situation for the particular commodity, consumption trends and*	• Market research by BMI, Industrial Minerals and Canaccord research. These indicate a steady appreciation in graphite prices over

	factors likely to affect supply and demand into the future. *A customer and competitor analysis along with the identification of likely market windows for the product.* *Price and volume forecasts and the basis for these forecasts.* *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	the next five years as demand for spherical graphite increases. • Volt Resources anticipate that most battery manufacturers will prefer naturally sourced graphite flake product as it is less costly and more environmentally friendly than synthetic graphite. • Securing offtake agreements has been viewed as a key requirement to development of the Project. Volt Resources has signed non-binding Cooperation Agreements and Term Sheets with leading end-user groups in China as follows: - ***CNBM General Technologies*** (previously CNBMGM) 10,000-15,000 t/y for 5 years with a further 5 years mutual option to extend - ***AOYU*** 10-20,000 t/y off-take for 5 years with a further 5 years mutual option to extend. - ***Qingdao Tianshengda Graphite Co. Ltd.*** (Tianshengda) 5,000 t/y off-take for 5 years with a further 5 years mutual option to extend ***Qingdao Guangxing Electronics Material Co. Ltd.*** (GEM) 5,000 t/y off-take for 5 years with a further 5 years mutual option to extend • Volt Resources is now in the process of completing the final binding offtake agreements for substantially all of Stage 1 annual production. These offtake agreements are in addition to the existing binding offtake agreement with US based graphene company, Nano Graphene Incorporated which is in respect to a small tonnage of product in the graphene market.
Economic	*The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The Bunyu Stage 1 FS schedule has been evaluated by Modulus Capital Pty Ltd using a detailed financial model. This demonstrates the Ore Reserve and associated Stage 1 FS schedule generates positive cash flows and acceptable return on investment over and above the capital and operating costs of the project. • The assumptions used in the Ore Reserve analysis are as follows: - All Inferred material assigned zero value - 10% discount real - Variable price over life of project • Sensitivity analysis has been undertaken which shows the project remains economic over an appropriate range of input parameters, given the accuracy of the study on which this is based
Social	*The status of agreements with key*	• Stakeholder consultations began in 2016 and the engagement process has continued

	stakeholders and matters leading to social licence to operate.	during the subsequent ESIA process, and is ongoing. Overall the reception to mining in the area has been positive. • A Resettlement Action Plan has been completed and all approvals for the compensation arrangements for approximately 1,100 people either farming and/or living within the mining licences area. The footprint of the compensation area incorporates the Stage 1 development and Stage 2 expansion project.
Other	*To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserve:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• No identifiable naturally occurring risks have been identified to impact the Bunyu Stage 1 FS Ore Reserve. • Volt Resources has an existing binding offtake agreement with US based graphene company, Nano Graphene Incorporated. In addition, Volt Resources have three signed Cooperation Agreements and / or Term Sheets with leading end-user groups in China. These demonstrate that sales of the products can be commercially achieved. • Volt Resources has lodged two Mining Licence ("ML") applications covering the 18km^2 footprint for Stage 1 and the Stage 2 expansion. The recent appointment of the Mining Commission has resulted in a large number of licence applications being approved. Once the environmental approval is obtained, Volt Resources expects the mining licences to be approved soon thereafter.
Classification	*The basis for the classification of the Ore Reserve into varying confidence categories.* *Whether the result appropriately reflects the Competent Person's view of the deposit.* *The proportion of Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The Bunyu Stage 1 FS Ore Reserves comprise Measured Mineral Resource material converted to "Proved" reserves and Indicated Mineral Resource material converted to "Probable" reserves. • In line with JORC 2012 guidelines, Inferred Mineral Resource material has not been included. • Approx. 46% of the Bunyu Stage 1 FS Ore Reserve is Proved Reserves, with the remainder being in the Probable Reserve category.
Audits or reviews	*The results of any audits or reviews*	• No external audits or reviews have been carried out to date
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.*	• As there is no current mining at Bunyu, reconciliation of the Bunyu Stage 1 FS Ore Reserve with production data cannot be undertaken. • The Bunyu Stage 1 FS Ore Reserve is an outcome of a feasibility level study, the confidence of which is accepted to be +/- 15% globally. • The Bunyu Stage 1 FS Ore Reserve is based around a targeted project production rate over a 7 year period. It does not reflect the

	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	ultimate economic extent of the Bunyu 1 project. Hence the sensitivity of the ultimate project limits has not been tested as part of the Stage 1 FS. The supporting data around geotechnical and metallurgical parameters are also focused around the Stage 1 area and currently do not support generating an ultimate economic pit for the entire Bunyu 1 deposit at an FS standard. The Namangale 1 (now Bunyu 1) Ore Reserve announced on 15 December 2016 remains valid and will be updated as part of the Stage 2 DFS.

Competent Persons Short Biography

Christine Standing [BSc Hons (Geology), MSc (Mineral Economics), MAIG, MAusIMM] is a geologist with over 35 years' worldwide experience in the mining industry. She has six years' experience as an exploration geologist in Western Australia and over 30 years' experience as a consultant specialising in resource estimation, reconciliation, project management and statutory and competent persons' reporting on worldwide projects for a range of commodities. She has acted as a Qualified Person and Competent Person for gold, graphite, silver, copper, mineral sands, nickel, chromium, lithium and PGEs. She is a Principal of Optiro Pty Ltd and is involved in resource estimation, independent technical reviews, audits and valuations of exploration assets. She also has significant experience in preparing independent competent person's reports, due diligence reviews and mineral asset valuations and has prepared reports in accordance with the guidelines of the JORC and VALMIN Codes, and NI43-101 requirements.

Ross Cheyne [Bachelor of Engineering (Mining) Hons, FAusIMM] has been employed professionally as a mining engineer since 1990, and has extensive operational and planning experience. This includes working in Australia, Ghana, Malaysia, Myanmar and Ireland. He began his consulting career in 2001 with CSA in Ireland, then with Snowden Consultants in Perth before co-founding ORELOGY with Steve Craig in 2005. As a Director and Principal Consultant with ORELOGY, Ross has managed work on numerous projects in a range of commodities, scales and locations across the globe. He has undertaken all aspects of the mine planning cycle with an emphasis on costing and financial modelling. He has assumed Competent Person responsibilities for a range of project in Australia and Africa in gold, iron ore, graphite, copper and uranium. As such Ross is suitably qualified and experienced to fulfil the role of Competent Person for the Bunyu Graphite Project.

VOLT GRAPHITE TANZANIA PLC

Plot No 1826/17 Chole Road

Golden Heights Building

Msasani Peninsula, Masaki

PO Box 80003,

Dar es Salaam