

BOARD

Simon Higgins
Non-Executive Chairman

Adam Boyd
CEO & Managing Director

Peter Torre
Non-Executive Director

ISSUED CAPITAL

9,345M Ordinary Shares
680M Unlisted Options

PRINCIPAL OFFICE

6 Bradford Street
Kewdale WA 6105

REGISTERED OFFICE

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Subiaco WA 6008

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ASX ANNOUNCEMENT

1 November 2021

Volt Power – Q3 FY21 Operational Activity Update

Q3 HIGHLIGHTS
Group revenue & earnings growth forecast to continue
Wescone achieves quarterly record crusher sales & revenue
EcoQuip completes Chevron Mobile Solar Light Tower Hire Fleet deployment
ATEN Zero Emission Waste Heat to Power commercialization continues positive momentum

ATEN Waste Heat to Power (100% owned) – Positive Momentum

- The Company received a comprehensive formal Price Enquiry for the installation of two zero emission ~14MW ATEN Waste Heat to Power systems at two existing Australian domiciled power stations during the Quarter;
- The formal Price Enquiry stems from ~2.5 years of business development activity communicating the significant benefits of the Company's zero emission, baseload ATEN Waste Heat to Power technology to the resource sector owner of these two power stations. As previously reported, the Company has completed the following precursor activities prior to receipt of the Price Enquiry:
 - Stage 1 ATEN Feasibility Study – 14MW ATEN installation at an existing Western Australian located power station (WA ATEN Project);
 - Limited scope engineering standards compliance study; and
 - Comprehensive EoI Request response (together with our EPC Contract delivery partner, GenusPlus Group Limited (Genus) and OEM equipment suppliers, together the ATEN Alliance Consortium.
- The Company understands the ATEN Alliance Consortium Price Enquiry response will form part of an internal feasibility study by the power station owner. Further, that the study will include all costs associated with the installation of the potential WA ATEN Project(s) including site services, HV/LV electrical interconnection, site placement, civil works, regulatory approvals and standard compliance.
- The Price Enquiry response is scheduled for submission on 11 November 2021. The Company's ATEN Waste Heat to Power system secured Australian Innovation Patent certification in December 2020. The salient Waste Heat to Power system attributes include:
 - Zero emission, baseload incremental power generation displacing existing fossil fueled generation delivering Scope 1 Emission reduction;

- Levelised Cost of Electricity (LCOE*) up to ~50% lower than an annual zero emission generation equivalent Solar / Battery Energy Storage System (Solar / BESS) solution;
 - LCOE* up to ~40% lower than gas and ~80% lower than diesel generation;
 - CAPEX ~60% lower than Solar / BESS that supplies the same annual electricity generation;
 - Hydrogen co-firing compatibility (zero incremental cost);
 - Carbon Credit (CFI) Act 2011 Offset Project / ACCU eligibility;
 - Zero water & operational personnel requirement.
- The Company remains highly optimistic about the near-term commercialization potential of the Volt ATEN Waste Heat to Power solution and continues to prosecute a committed business development activity effort.
 - The Company advanced the development of an ATEN system compatible with a high efficiency electrolyser solution for production of zero emission hydrogen during the Quarter. The combined ATEN / electrolyser system is called, HYTEN. A HYTEN patent application has been submitted and related patent search due diligence completed. A HYTEN preliminary feasibility study activities have been completed as an Addendum to the Stage 1 ATEN Feasibility Study and the results are currently under review.

EcoQuip (~70% owned) – Technology Commercialisation Roll-out Underway

- EcoQuip is the developer and owner of a new Mobile Solar Light & Communications Tower solution incorporating a proprietary, high efficiency Solar / Battery Energy Storage System (BESS) and LED illumination capable of up to ~40% enhanced performance efficiency compared to similar industry standard Solar LED / BESS systems. EcoQuip has submitted two international patent applications in relation to salient capabilities of this technology.
- The EcoQuip Mobile Solar Light Tower (MSLT) is a zero emission, zero maintenance and zero OPEX mobile light tower with the illumination capability and power budget performance to disrupt traditional diesel fueled light tower alternatives extensively deployed in the global resources and construction sectors. The MSLT is 50% cheaper to hire and operate compared to diesel fueled alternatives. The zero-lifecycle, maintenance and OPEX capability improves safety and reduces the need for site based skilled labour. Each MSLT can be remotely controlled and integrated with centralized operating systems.
- In late July 2021, EcoQuip secured a new 5-year dry hire agreement for the deployment of EcoQuip's Mobile Solar Light Towers (MSLT) at the Chevron operated Gorgon natural gas facility located on Barrow Island, Western Australia (Hire Agreement). This Hire Agreement is an outstanding product validation milestone for EcoQuip.
- EcoQuip received the first purchase order under the Hire Agreement for 25x MSLTs in late August. These 25x MSLTs were sourced from EcoQuip's MSLT existing fleet and have now been 100% deployed. (Initial Chevron Fleet). The Initial Chevron Fleet was 100% equity funded by EcoQuip and assembled in Volt's new workshop facility.
- The Initial Chevron Fleet deployment has increased the utilization of EcoQuip's 65x Mobile Solar Light Tower (MSLT) and Mobile Solar Comms Tower (MSCT) fleet to ~70% and increased EcoQuip's annual revenue run-rate to ~\$1 million from November 2021. The EcoQuip business now generates surplus operating cashflow. Discussions with Chevron to secure a second tranche of MSLT fleet deployment at the Gorgon natural gas facility on Barrow Island are ongoing. The Company remains highly encouraged by our positive engagement with Chevron and the 100% reliability performance of the Initial Chevron Fleet.
- EcoQuip deployed 3x new Mobile Solar Communications Towers (MSCT) to support autonomous drilling

and dozing systems operated by Thiess Contracting. EcoQuip now has a total of 9x MSCT & MSLT units deployed at Thiess' contract mining operations. EcoQuip also secured additional MSLT road work & construction market deployments during the Quarter.

- In August 2021, BHP re-engaged EcoQuip to discuss the 15-month MSLT trial concluded in early 2021. EcoQuip agreed certain specific MSLT modifications to satisfy BHP's internal operational and safety standards. BHP has confirmed that the proposed EcoQuip design modifications are acceptable for a second trial deployment at BHP Pilbara iron ore operations. A proposed Demonstration Trial Agreement is under consideration, however remains incomplete and subject to BHP final approval.
- EcoQuip also advanced the development of an Autonomous Communications Sentinel (ACS) based on our MSCT solution after discussions with potential customers (inc. Australian Defence Force). The ACS is a live situational awareness security solution capable of long term, unmanned remote deployment. The ACS will incorporate a high-resolution camera, vehicle and facial recognition Ai, live video & data streaming and event notification capability. We believe the ACS will have wide application in mission critical live security and remote area resource sector communications.
- EcoQuip's competitively advantaged MSLT & MSCT technology is compelling positive procurement decisions and driving revenue growth for our EcoQuip business. Since the completion of the Chevron Hire Agreement, EcoQuip has fielded a significant increase in potential customer engagement.

Wescone (100% owned) – Record Crusher Sales

- Wescone is the owner of the proprietary and unique W300 sample crusher extensively utilized in the global iron ore and assay laboratory industries. The Wescone offering comprises two sample crushing equipment solutions with alternative dimensional feed acceptance capabilities - the W300 Series 3 crusher and W300 Series 4 crusher.
- During 2021, YTD Wescone has achieved record revenues and surplus cashflow. The business supplied 2x Wescone W300 Series 4 crushers for installation in the site sampling systems at FMG's Iron Bridge Magnetite Project located in the Pilbara region of Western Australia and completed crusher refurbishments and service exchange activity for BHP, Rio Tinto, Mount Isa Mines.
- During the period, Wescone's African Distributor, Solid Process Automation (Pty) Ltd successfully supported a Thyssen Krupp tender submission for the supply of a new iron ore sampling system solution to Anglo American subsidiary, Kumba Iron Ore for installation at the Sishen Iron Ore mine in South Africa. The new sampling system includes 2x new Wescone W300 crushers. This is a terrific result by Wescone's new and highly competent African partner.
- Wescone continued to supply BHP new Wescone W300 Series 4 crushers under the 5-Year Purchase Service Exchange/Repair Contract executed in August 2020. The BHP Contract provides for the replacement of ~20 existing installed crushers on change-out requirement and 4 inventory crushers at BHP's Pilbara iron ore operations with new Wescone W300 Series 4 crushers and the provision of ongoing repair / service exchange related services.
- The Wescone financial forecast for the twelve-month period to 31 December 2021 estimates that Wescone will generate revenues exceeding \$1.6 million and an EBITDA of ~\$1.0 million.

Appendix 4C – Salient September Quarter Financial & Other Information

- The Company generated positive operating cashflow during the period of approximately \$0.30 million (excluding the final \$0.3 million payment relating to the settlement of a legal dispute).
- The Company held a cash balance of ~\$1.25 million at 30 September 2021. Ordinary revenue receipts totaled ~\$1.14 million for the Quarter. This represents revenue growth of ~69% compared to Q2 FY21.
- Cash payments for the September Quarter totaled ~\$0.96 million comprising:
 - Research & Development and Intellectual Property - \$0.15 million

- Staff Costs - \$0.20 million
 - Manufacturing Costs - \$0.16 million
 - Admin & Other Costs (net) - \$0.45 million
- Related Party payments for Non-Executive Director and CEO & Managing Director services for the period totaled \$198,228 representing ~6 months of historically deferred director fees.

End

Issued by: Volt Power Group Limited (ACN 009 423 189)
Authorised by: The Board of Volt Power Group Limited

About Volt

Volt Power Group Limited (ASX: VPR) is a power generation and infrastructure asset / equipment developer and owner. The Company's businesses commercialise innovative proprietary equipment delivering "step change" client productivity and cost benefits achieving annuity earnings for the Company.

Business Activity Summary

These activities of our businesses include:

- **ATEN (100%)** – ATEN is a zero-emission waste heat to electricity generation equipment solution. The ATEN is at an advanced stage of initial commercialisation. ATEN enjoys Australian Innovation Patent certification. Refer below;
- **Wescone (100%)** – the proprietary owner of the globally unique Wescone W300 sample crusher predominantly deployed throughout the global iron ore sector. Wescone has a successful 25+ year operating track record and recently developed a new crusher with larger dimensional acceptance, reduction ratio and durability specifications;
- **EcoQuip (~70%)** – developer and owner of a 'best in class' Mobile Solar Lighting & Communications Tower equipment solution incorporating robust design attributes including US military spec design & build quality, solar / lithium (LFP) battery and storage solution and advanced power management, data telemetry & control system capable of LED lighting, LTE Wi-Fi mesh repeater, point to point microwave, environmental monitoring and CCTV technology retro-fit; and
- **Acquisition / Development Strategy** – The Company actively pursues opportunities to expand its broader renewable / low emission power generation and contract services, infrastructure asset & innovative equipment footprint.

About the ATEN Technology: The ATEN comprises a modular, power generation equipment package capable of harvesting 'low' grade industrial waste heat to generate zero emission baseload electricity.

ATEN generated electricity is expected to significantly reduce 'energy intensive' industry operating costs via the displacement of grid sourced electricity or fossil fuel usage associated with electricity generation. The global industrial complex vents a significant quantity of 'low' grade waste heat to atmosphere. This quantity of unexploited waste heat presents an outstanding opportunity for the commercial roll-out of the ATEN Technology.

The ATEN's simple, high efficiency design and modular configuration - developed to maximise its integration capability - provides a low capex, uniquely compatible and scalable solution for the exploitation of 'low grade' industrial waste heat from existing multiple sources. Volt's priority target markets for the commercialization of the ATEN Technology include the resources and industrial processing sectors.

The salient ATEN Waste Heat to Power technology benefits that resonate with power station owners include:

- Baseload, zero emission incremental power generation (Scope 1 Emission reduction);
- Levelised Cost of Electricity (LCOE)* up to ~40% lower than gas and ~80% lower than diesel generation;
- LCOE* ~50% lower than an equivalent annual generation Solar/ Battery Energy Storage System (BESS);
- CAPEX ~60% lower than Solar / BESS based on identical annual generation and zero emission performance;
- Hydrogen co-firing capability;
- Carbon Credits (CFI) Act 2011 Offset Project / ACCU eligibility; and
- Zero water & operational personnel requirements

* Levelised Cost of Energy (LCOE) is based on new zero emission capacity and variable costs of fuelled generation (where relevant) and the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including ACCUs (\$13/ACCU) and RECs (\$30/REC) as applicable.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Volt Power Group Limited

ABN

62 009 423 189

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,136	1,993
1.2 Payments for		
(a) research and development	(111)	(208)
(b) product manufacturing and operating costs	(96)	(288)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(198)	(456)
(f) administration and corporate costs	(425)	(1,062)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(9)
1.6 Income taxes refunded/(paid)	-	26
1.7 Government grants and tax incentives	-	288
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	304	284

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(67)	(545)
	(d) investments	-	-
	(e) intellectual property	(36)	(311)
	(f) other non-current assets	-	(116)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	35
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	303	1,303
2.6	Net cash from / (used in) investing activities	200	366

Note to support item 2.5

As announced on 15 February 2021, the Company advised that it had reached a commercial settlement of all outstanding claims alleged in the Proceedings in connection with the 2018 acquisition of Volt's Wescone business with all vendor parties (Wescone Vendor) without admission of liability by either party.

The settlement terms are confidential but provide for the payment to Volt of \$1.3 million in two instalments (Settlement Sum).

The first instalment in the amount of \$1 million was paid to Volt on 16 February 2021. The second and final instalment of \$0.303 million was paid to Volt on 17 August 2021.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(23)	(68)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(23)	(68)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	767	666
4.2	Net cash from / (used in) operating activities (item 1.9 above)	304	284
4.3	Net cash from / (used in) investing activities (item 2.6 above)	200	366
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23)	(68)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,248	1,248

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,248	767
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,248	767

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	198
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Payments totalling \$25,000 (excl. GST) were paid to Isapia Pty Ltd, a company related to Mr Simon Higgins, for non-executive directors' fees.

Payments totalling \$21,978 (incl. GST) were paid to Torre Corporate, a trust related to Mr Peter Torre, for non-executive directors' fees.

The above payments represent six (6) months directors' fees, which had previously been deferred by the directors.

Payments totalling \$151,250 (incl. GST) were paid to Renewable Initiative Pty Ltd, a company related to Mr Adam Boyd for executive director's fees. This payment represents approximately five (5) months' directors fees which had previously been deferred by the directors.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	50
7.4	Total financing facilities	-	50
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Other financing facilities include hire purchase facilities, which are secured against EcoQuip equipment fleet, from Macquarie Leasing, TL Rentals, Capital Finance and Selfco. There are various interest rates ranging from 5.2% to 13.5%.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	304
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,248
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,248
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 1 November 2021

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.