Emerging natural graphite supplier to global markets

Investor Presentation – March 2017
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ASX: VRC

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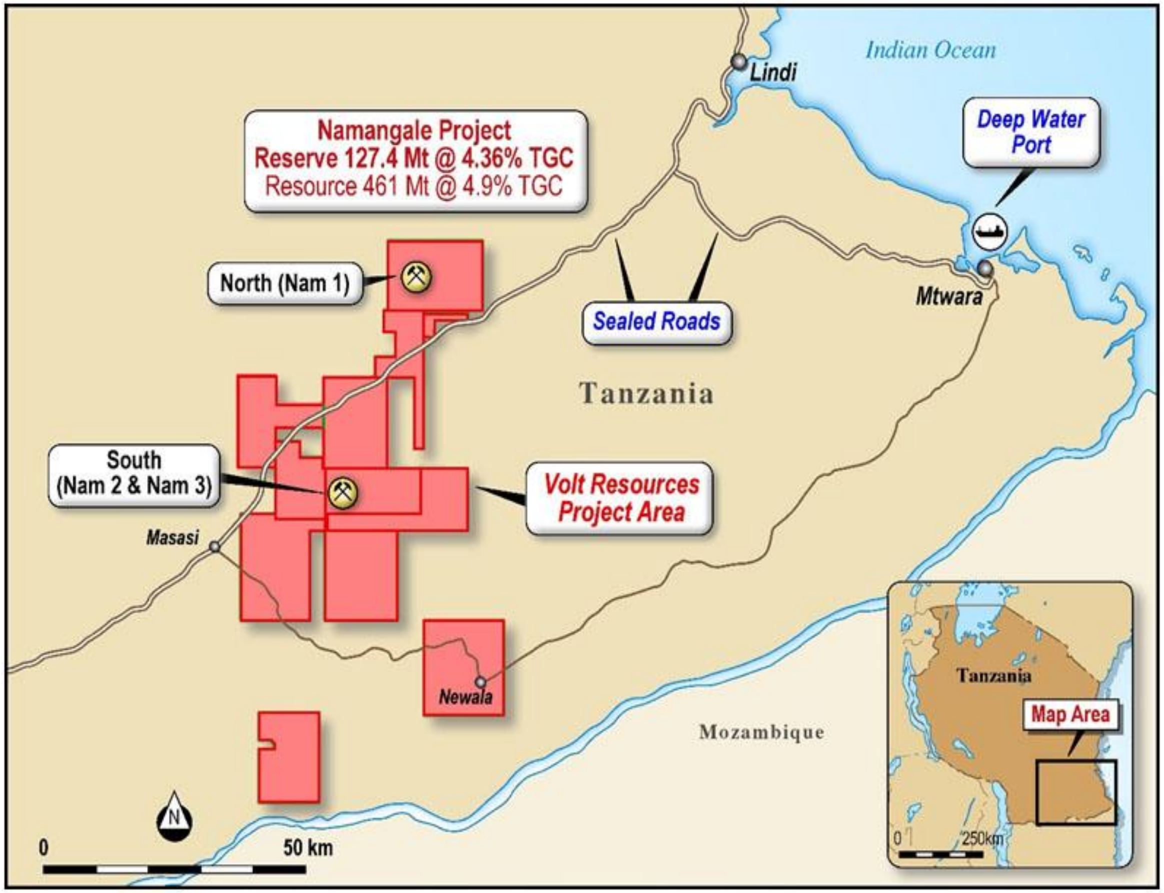
Volt Resources: Snapshot

Transitioning to producer	• Volt starts small-scale mining/processing in 1Q2018, post signing a binding offtake agreement with US-based NanoGraphene
High-grade graphite concentrate product	• High TGC content, flake distribution >60% in large to super jumbo sizes, excellent conductivity/ expandability and no deleterious elements
Suitable product for key target markets	• Primary target markets are spherical and expandable graphite, then graphene/graphite composites and traditional uses (refractories, recarburisers)
PFS complete; DFS underway	• Largest resource in Tanzania: 461Mt @ 4.9% TGC; pre-tax NPV US$1.3B with 170kt/y @ blended price of US$1,684/t
Key project milestones	• Following excellent stakeholder meetings, next milestones are securing environmental certificate then special mining license, completing DFS and closing project finance
Global marketing team priorities	• Follow through on Chinese MOUs (100ktpa); penetrate China's rapidly growing expandable graphite market; secure incremental US/European MOUs.

The Namangale project (100%-owned)

- The Namangale project is a graphite development located in south-east Tanzania now moving into small scale mining and processing from early 2018



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Corporate overview

Capital Structure

Shares on Issue	976,784,137
Options and Rights	236,314,983
Share Price (10 Mar 2017)	A$0.036
52 week high / low	A$0.145 / 0.011
FD Market Cap	A$44m
Cash (31 Dec 2016)	A$3m
Avg daily volume (shares)	4m (3 mths)

Substantial Shareholders

Kabunga Holdings (vendor)	15.1%
Board & Management	2.6%
HSBC Custody Nominees	2.0%
CS Fourth Nominees	1.3%
Citicorp Nominees	1.3%

VRC Share Price Chart (12-months)

Board and executive management

Stephen Hunt ***Non-Executive Chairman*** B Bus (Marketing) AICD	○ Minerals marketing specialist with 25 years experience in global roles: 15 yrs at BHP and 10 years as Director of ASX listed companies. ○ Ex-founding director at graphite focused Magnis Resources.
Trevor Matthews ***Chief Executive Officer*** B Comm GDipAppFinInv AICD	○ Finance and accounting background with 30 years experience in the resources industry including roles with North and WMC Resources in executive-level positions. ○ Ex-MD for MZI Resources (2012-16) and Murchison Metals (2005-11), gaining considerable experience managing nascent resource projects through to production.
Alwyn Vorster ***Non-Executive Director*** B Sc (Geology) MBA M Sc (Mineral Economics) AICD	○ Experienced mining industry professional with 25 years in senior roles covering the total resources supply chain. Expertise in project development, complex corporate transactions and risk mitigation.
Matt Bull ***Non-Executive Director*** B Sc (Hons) (Geology /Geophysics)	○ Chief Geologist with a decade's experience in gold, iron ore and graphite mining / exploration. Ex-CEO & Chief Geologist at Baru Resources.

VOLT RESOURCES

Volt's two primary target markets: A) spherical graphite…

Spherical graphite for use in lithium-ion batteries, driven by:

- Accelerating demand for EVs – reaching 7m in 2020F (vs c. 800k in 2015)
- Growing renewable energy take-up driving stationary power storage market

Resulting in:

- Huge capacity expansions by >12 global giga factories that could deliver a 500% increase in natural graphite demand by 2020 (refer Appendix A)

	2015	**2020F**
Global lithium-ion battery installed capacity (GWh)	66	402
Implied flake graphite required (kt)	210	1,300

+500%

Assumptions:

1) Benchmark Minerals Intelligence (BMI) – estimates Tesla will require 112.5 kt/y flake graphite for it's 35 GWh giga factory to produce spherical graphite for anodes in lithium-ion batteries

2) This implies 3,215 t flake graphite per 1 GWh

Source: Volt Resources estimates

…which has an attractive value chain

Increasing value

US$700-1,700/t*

Volt graphite concentrate average @ 95% TGC

- Mine graphite flakes
- Crushing & flotation
- Drying & bagging

US$3,000-5,000/t

Uncoated spherical graphite

- Milling (40-60% yield)
- Spheronisation
- Chemical purification (acid)

^ Mostly undertaken in China

US$7,000-12,000/t

Coated spherical graphite

- Coating

^ Undertaken in China, Korea, Japan and Taiwan

Graphite anodes for use in lithium-ion batteries

^ Undertaken globally

* Volt could command premium prices, given its distribution is skewed towards large to super jumbo flakes

..and B) expandable graphite

Expandable graphite for use in core applications:

- ➢ Flame retardant polystyrene insulation foam (combined with building materials)

- ▪ *“Stricter building regulations in China / Europe, could propel demand to rival the battery sector”*

- ➢ Graphite foil (used in electronic products like tablets) and paper/sheets (sealing gaskets, tapes, packing)

Volt’s emerging target markets: graphene and graphite composites

Graphite composites for use in a wide array applications:

- Well known consumer products that use carbon include golf clubs and racing bikes
- Hi-tech applications are parts in fighter jets that travel at extreme speeds

Graphene which potentially has multiple applications:

- At one extreme graphene could replace plastic once scalable quantities can be produced and technology identifies more applications
- Current commercial products are sporting goods, resins, adhesives, lacquers and as conductive material in lithium-ion batteries

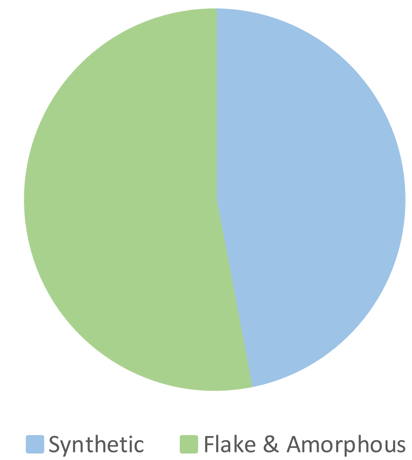
VOLT RESOURCES

Exploiting substitution opportunities in traditional markets

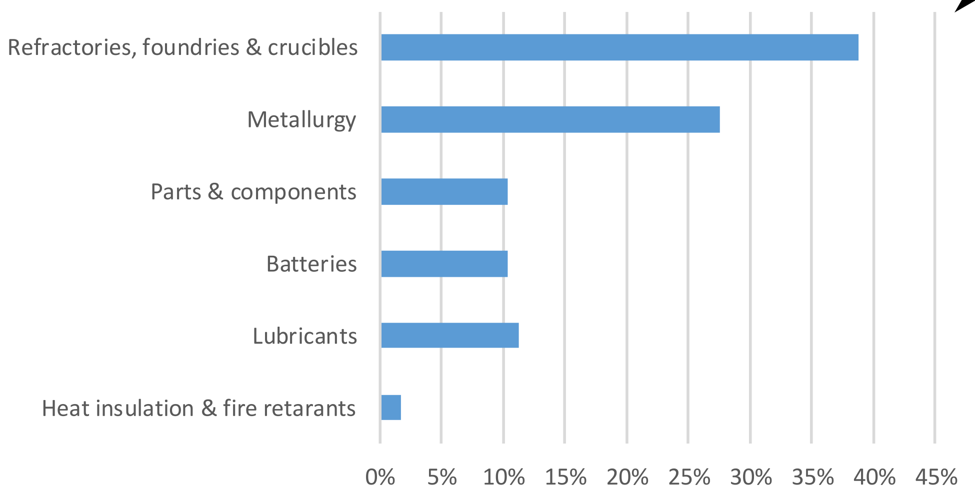
- In 2016, c. 2.2Mt of graphite was produced; synthetic graphite accounted for 47%

- Traditional heavy industries remained the dominant natural graphite consumers in 2016

Global supply of graphite 2016E



Natural graphite usage by sector 2016E



- Volt's main opportunity is synthetic graphite substitution in traditional markets:
  - Equal quality product but natural graphite has a materially lower price point; and
  - This dynamic is already happening in China according to industry sources

Global marketing strategy delivers first binding off-take

- Inaugural binding off-take agreement for 5,000 tonnes over 5-years with US-based graphene producer, Nano Graphene Inc (NGI), commencing 1Q2018

- Volt won the mandate to supply its premium graphite concentrate because it:
  - has exceptionally high conductivity with and no deleterious elements; and
  - exfoliated graphite easily, facilitating lower graphene production costs
- Delivery will commence from 1Q2018 and management is reviewing production options, which include using third party processors

IMPLICATIONS: Transition to producer status earlier then planned

- The NGI agreement transforms Volt's status to producer well ahead of budget
- From 1Q2018, cashflow starts from small scale mining and processing
- Several key benefits Volt can leverage from this binding agreement comprise:
  - Demonstrable evidence to prospective customers (especially in US/Europe) that Namangale concentrate meets strict technical standards;
  - Door opener to broaden the prospective global client network; and
  - Factor it into discussions with project finance institutions, particularly as it's the first US-based off-take deal for an east African graphite explorer
- ,

The Namangale project's status: PFS completed; DFS underway

- PFS concludes Namangale project is financially attractive to progress – US$1.3B pre-tax NPV and 1.4 year payback period
- Based on 3.8Mt ore processed annually @ 4.7% TGC with 1.4:1 strip ratio to deliver 170kt/y graphite over 22-year mine life
- DFS now underway with focus on finalising off-take agreements and project finance

Parameter	Units	Metric
IRR - before tax	(%, real)	86.9%
IRR - after tax	(%, real)	66.5%
NPV @ 10.0% - before tax	(US$ M, real)	1,310
NPV @ 10.0% - after tax	(US$ M, real)	890
Payback period	(years)	1.4
Mine life	y	22
Nominal ore feed tonnes	Mt	83.4
Average grade TGC	%	4.7
Oxide ore	%	40
Fresh and transition ore	%	60
Nominal strip ratio	Waste : Ore	1.4
Process throughput	Mt/y	3.8
Recovery	%	93
Concentrate grade TGC (average)	%	95
Average graphite production	kt/y	170

*** As described in ASX Announcement "Pre-Feasibility Study Completed dated 15 December 2016*

VOLT RESOURCES

Largest graphite Mineral Resource in Tanzania

- JORC compliant Mineral Resource Estimate is 461Mt @ 4.9% TGC

Namangale Project	Tonnes (millions)	TGC %
Inferred		
North	264	5.0
South	23	3.6
Total Inferred	**286**	**4.9**
Indicated		
North	122	5.2
South	33	4.3
Total Indicated	**155**	**5.0**
Measured		
North	20	5.3
Total Resource	**461**	**4.9**
Note: Namangale North previously Nam 1 and Namangale South previously Nam 2 & 3		

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VOLT RESOURCES

Maiden Ore Reserve largest of all development projects

- Maiden JORC Ore Reserve is 127Mt @ 4.4% TGC

Ore Reserve Classification	Ore (Mt)	TGC (%)	Contained Graphite (Mt)
Proved			
Namangale 1 (North)	19.3	4.32	0.8
Namangale 2 (South)	-	-	-
Namangale 3 (South)	-	-	-
Subtotal – Proved	**19.3**	**4.32**	**0.8**
Probable			
Namangale 1 (North)	95.8	4.40	4.2
Namangale 2 (South)	6.4	5.11	0.3
Namangale 3 (South)	5.8	3.05	0.2
Subtotal - Probable	**108.1**	**4.37**	**4.7**
Total Ore Reserve	**127.4**	**4.36**	**5.6**
Note: Namangale North previously Nam 1 and Namangale South previously Nam 2 & 3			

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Blended basket price based on two products

- Volt will produce two natural flake graphite concentrates, with Namangale South producing a premium quality larger flake product (as >60% flake distribution in large to super jumbo category)
- The blended basket price has been calculated at US$1,684/t based on the weighted average of Namangale North and South

Size		Namangale 1 (North)		Namangale 2 (South)		Namangale 3 (South)	
		Weight	Price	Weight	Price	Weight	Price
(µm)	Label	(%)	US$/tonne	%	US$/t	(%)	US$/tonne
+500	Super Jumbo	1	3,968	9	3,968	5	3,968
300	Jumbo	13	3,220	29	3,220	26	3,220
180	Large	29	2,070	29	2,070	30	2,070
150	Medium	12	1,389	8	1,389	10	1,389
75	Small	27	1077	16	1077	19	1077
-75	Fine	18	403	9	403	11	403
Total			**1,594**		**2,205**		**2,032**

*** As described in ASX Announcement "Pre-Feasibility Study Completed" dated 15 December 2016*

Attractive margins based on relatively low CAPEX and OPEX

OPEX

- Annual OPEX US$93M (US$536/t FOB Mtwara) which delivers US$195M EBITDA

CAPEX

- Initial CAPEX US$173M to build a fully integrated processing plant – this is relatively low due to Namangale's close proximity to existing infrastructure

- Sustaining CAPEX circa US$4-5M/y

Operating cost estimate summary

Annual Operating Costs	Total (US$M/y)	Product (US$/t)
Technical Services and Mining	42.1	243
Processing	31.5	182
Total General & Administration	6.0	34
Product Logistics	13.3	77
Total	**92.9**	**536**

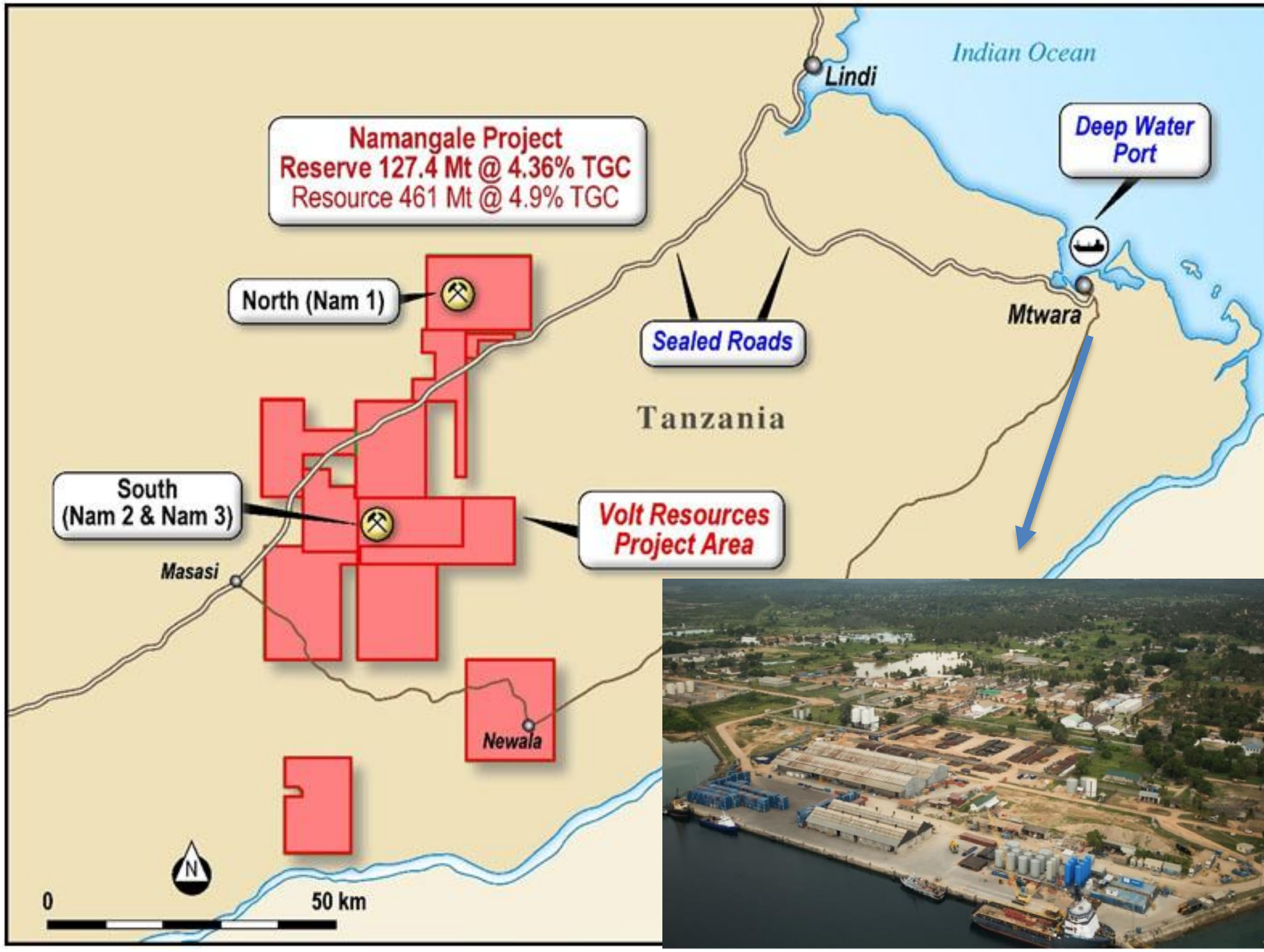
Capital cost estimate summary

Description	Capital Cost (US$M)
Process Plant	65
Site Infrastructure	54
Indirect Costs	53
TOTAL	**173**

VOLT RESOURCES

The project’s material comparative advantages

- Sealed roads through project
- Deep water port at Mtwara is 140km by sealed road from the Project and under-utilised
- Port land available for product storage
- Benefits concentrate product exports and imports of supplies, parts and equipment for construction and operations



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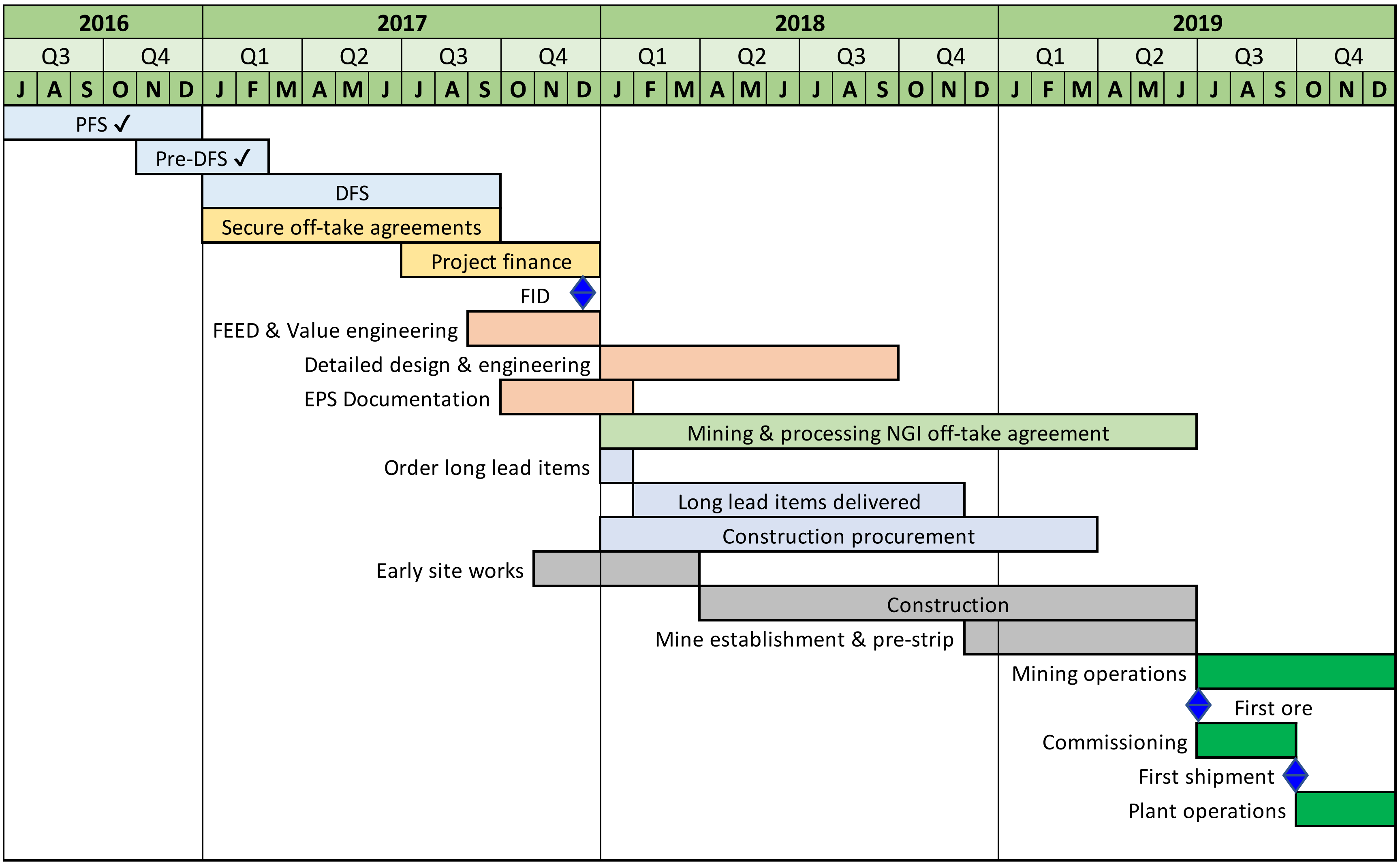
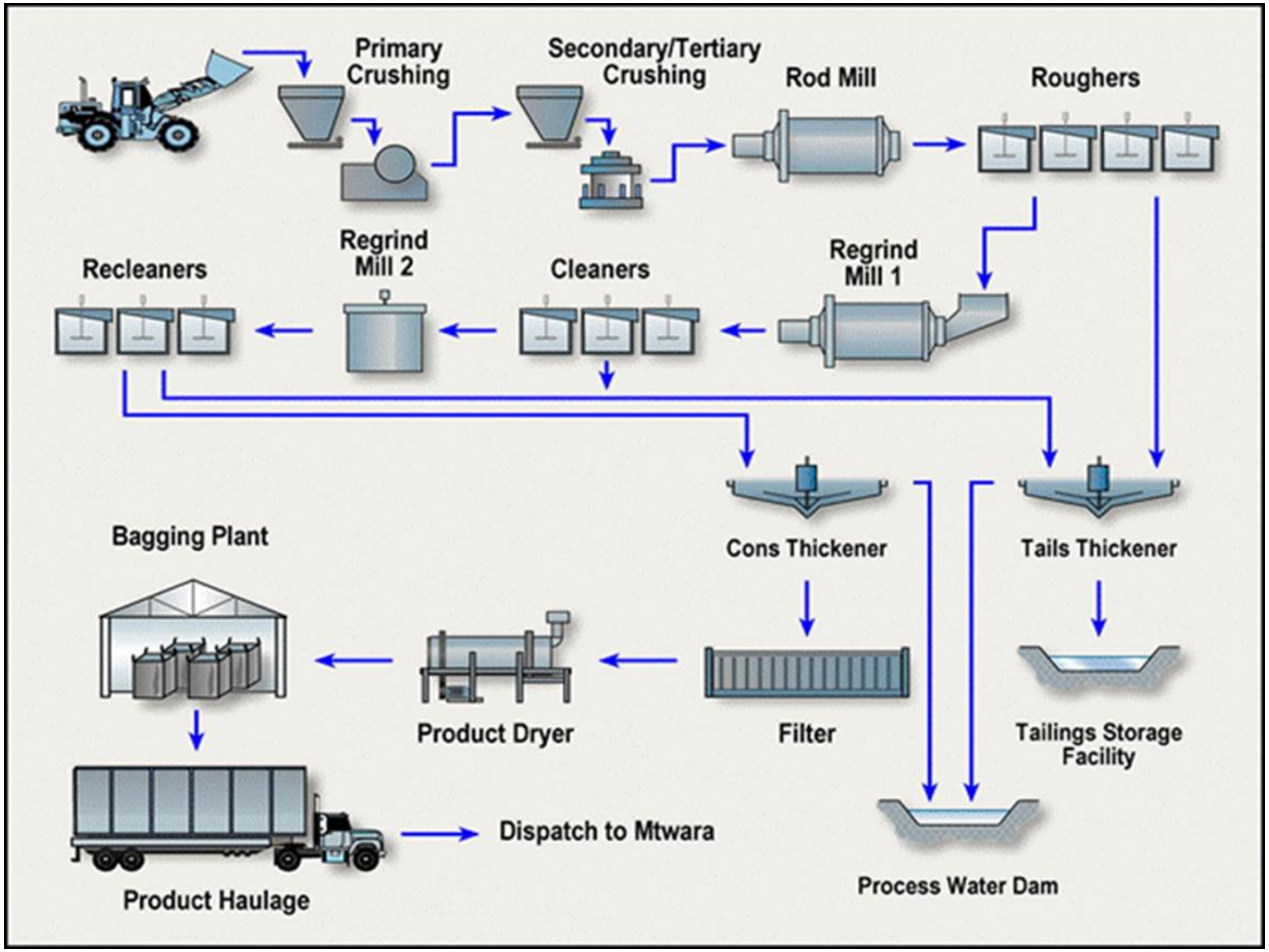
2017-19 action plan



Processing and logistics plans taking shape

- Further work on optimising the mine schedule based on the Project's large reserve and resource base
- Review of mining methods to take advantage of the relatively shallow and continuous ore body
- Processing flow sheet design and equipment selection will be further developed during the DFS
- Optimise already strong logistics chain



VOLT RESOURCES

Process for securing environmental certificate progressing

➢ The first phase is completing the Environmental and Social Impact Assessment (ESIA) process which Volt's team and consultant in Tanzania are progressing

Terms of reference

- Volt has advised the National Environmental Management Council (NEMC) of its plans and produced a scoping report
- NEMC has agreed terms of reference for a Environmental Impact Assessment

Finalising submission

- Volt preparing draft Environmental Impact Statement (EIS) for lodgment with NEMC (includes stakeholder meetings)
- Upon receipt, NEMC will meet all stakeholders (government agencies, Volt's consultants, etc.) to prepare final EIS

Approval

- Finalised EIS is lodged with Minister of Environment
- If approved, the Minister issues an environmental certificate

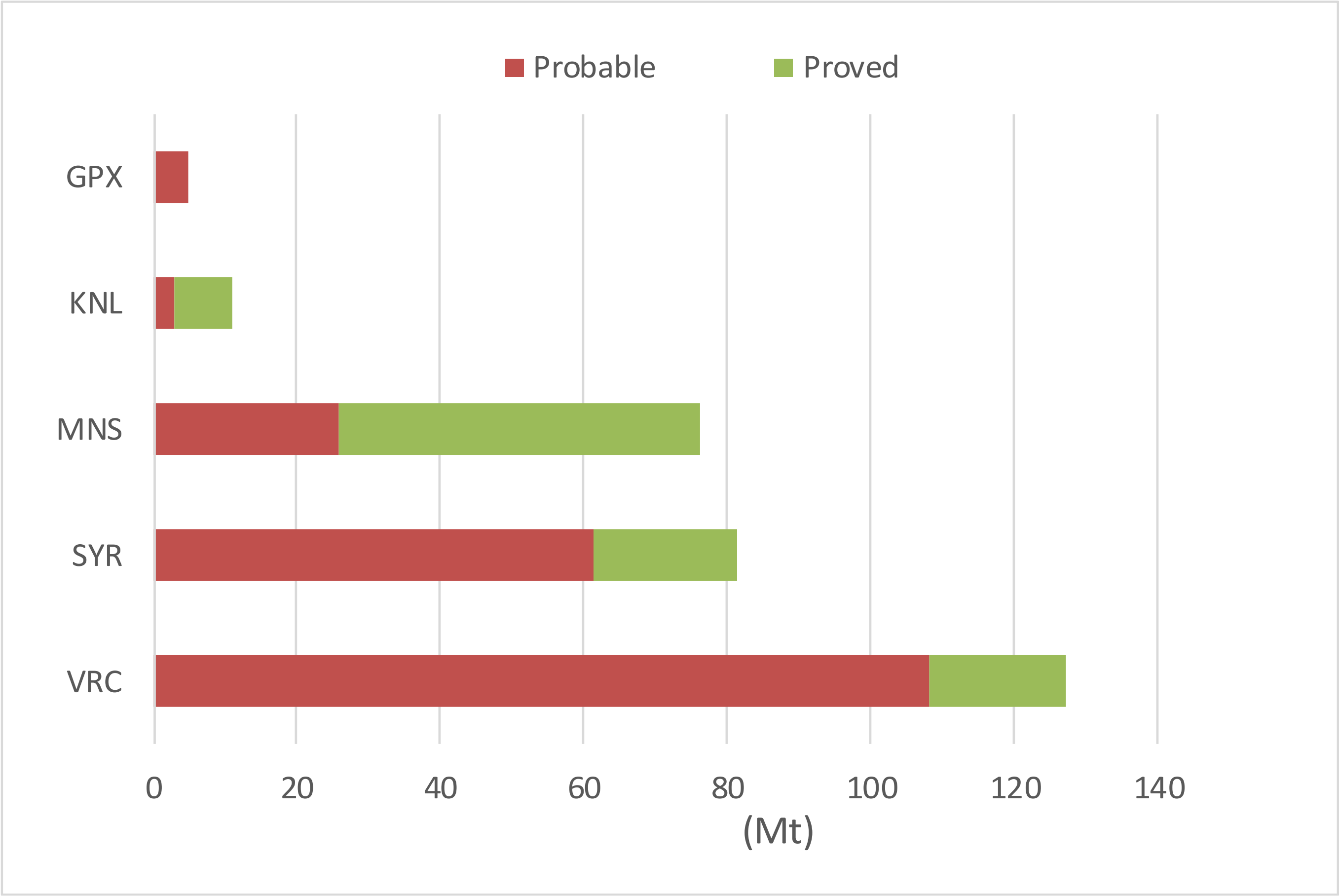
Successful stakeholder meetings – integral part of the ESIA process

- Volt's CEO, Trevor Matthews was in Tanzania in late January to meet with officials from three levels of government and promote the Namangale project
- In addition, he participated in a stakeholder workshop and gained support for the project from key participants including villagers and their leadership
- Further meetings underway with regional government, community and landowners to advance the Relocation Action Plan to ensure Project land access

VOLT RESOURCES

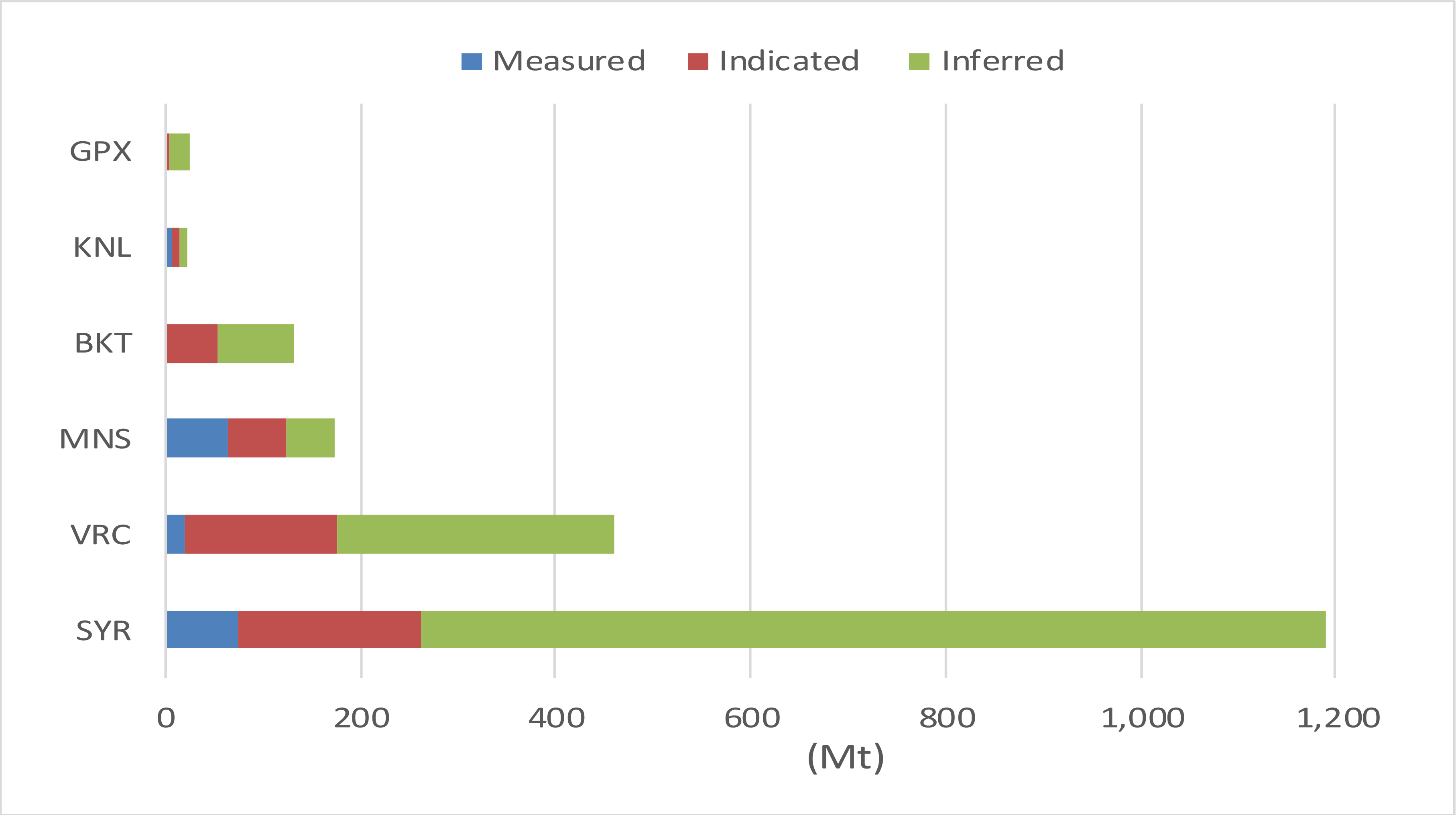
Compared with peers, VRC has the largest Reserve…

- VRC has ample Reserves to scale up and meet the material projected jump in demand for spherical and expandable graphite over the next decade



Source: Company data (Note: BKT has not released its PFS yet)

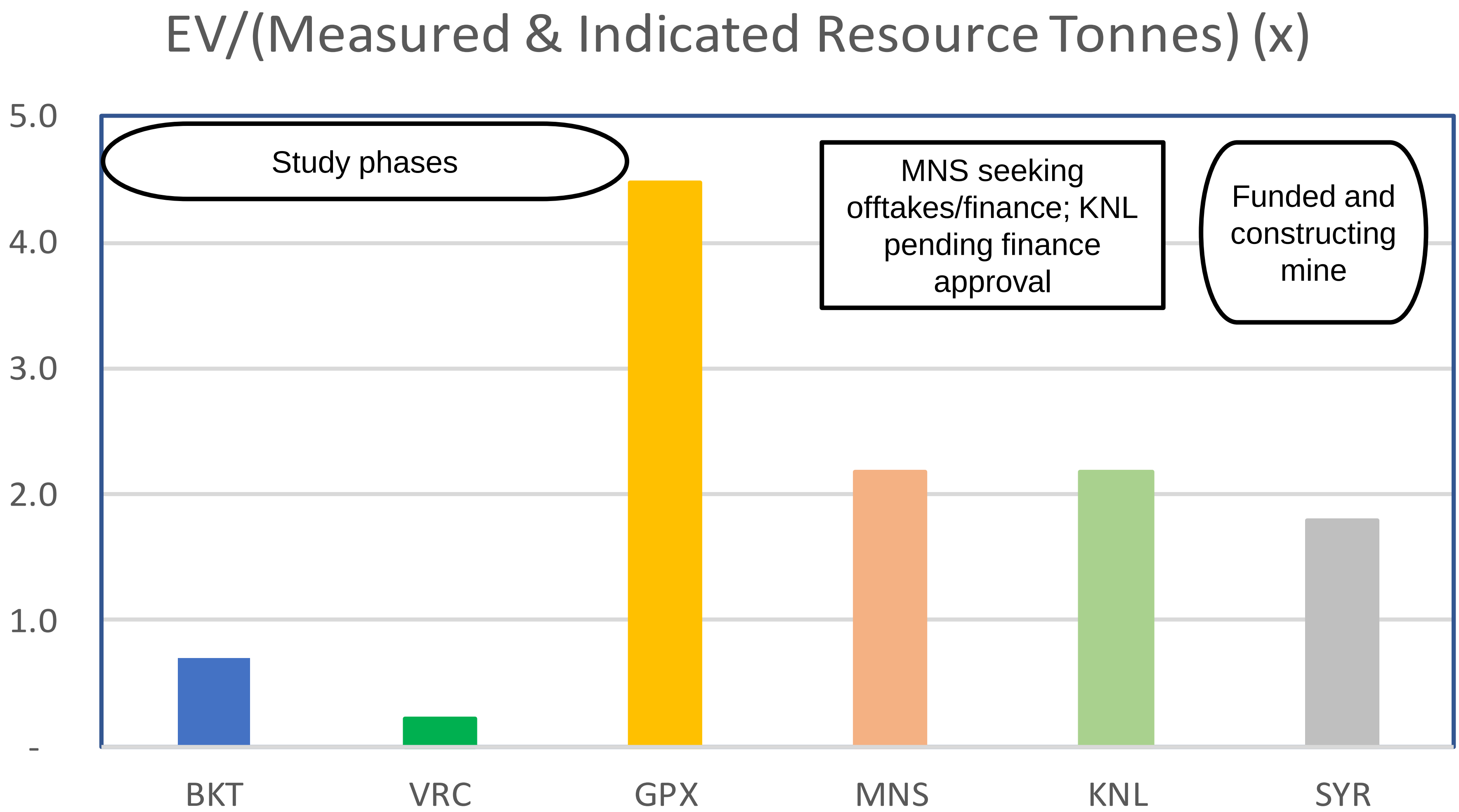
… second largest Resource



Source: Company data

…but, trades at lowest EV/(M&I Resource) multiple

- Highlights material upside as Namangale project is continually de-risked



Competitive advantages facilitate value creation

- Securing the binding agreement with US-based NanoGraphene transitions Volt to producer status much earlier than expected; provides considerable leverage with other prospective customers

- Three MOUs with leading Chinese battery and anode material producers equating to 100kt per year which management are targeting to convert to binding offtakes whilst progressing a diversified global marketing strategy

- PSF confirms high proportion of large to super jumbo flake graphite (>60%), large JORC compliant resource (461Mt @ 4.9%) and 170kt/y production

- Namangale graphite is high-quality with excellent conductivity and expandability, no deleterious elements and meets technical specifications for most applications

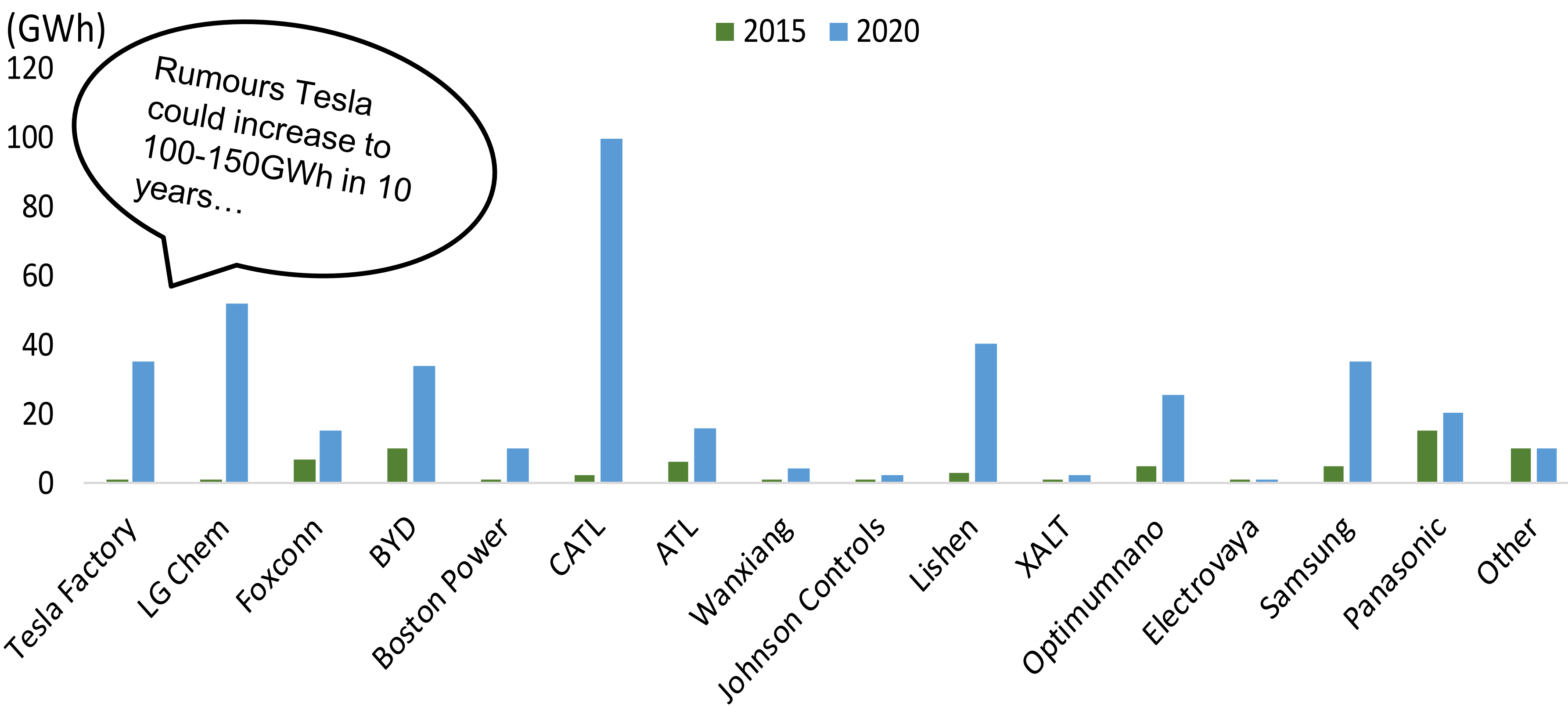
- Potential to earn high EBITDA margins given relatively low production costs due to low strip ratio and project's close proximity and access to transport infrastructure and high basket price

- High calibre management team with hands on graphite sector, project funding and development experience

APPENDICES

Appendix A: Global lithium-ion battery capacity by group

- Huge ramp up from 66GWh in 2015 and driven by >12 ‘gigawatt’ facilities, costing >US$20bn, coming on stream to meet projected lithium-ion battery demand



Source: Company reports and Volt Resources estimates

Appendix B: The opportunity for natural graphite suppliers

- BMI stated China, which is the world's largest supplier at circa 800kt/annum, has hit 'peak natural graphite'…
  - Unlikely to meet internal spherical graphite needs, let alone global
  - Supply bottlenecks apparent for expandable graphite
  - Inadequate reserves of large, super and super jumbo sized flake
  - End users substituting natural graphite for synthetic graphite
- Significant opportunity for high quality natural graphite suppliers to enter the market relatively easily

Emerging trend: Naturally sourced graphite preferred feedstock

- BMI’s analysis suggests most end-users prefer natural graphite over synthetic:
  - Lower impact on the environment and lower cost to produce
  - Higher energy density and power output (applicable for EVs)

- Caveats:
  - Graphite product must have high purity
  - Preference for larger flake sizes
  - Supply must be consistent, reliable and scalable

Appendix C: Tanzania has a well establish mining and service industry

PESTEL analysis: Political stable and enjoying solid economic performance

Politics	➢ Relatively stable democracy since 1960s & English speaking ➢ Strong and successful purge against corruption (IMF Apr 2016)
Economics	➢ Economic performance (GDP +7% 2015) impressive (IMF Apr 2016) ➢ Top sectors construction, communication, finance and transportation
Social	➢ Harmonious and respectful society with strong cultural traditions
Technological	➢ Undergoing a rapid change due to rise in GDP
Environmental	➢ Framework in place for environmental laws
Legal	➢ Common law system

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