



Quarterly Activities Report – Quarter Ended 30 June 2016

Volt Resources Limited (ASX: VRC, **Company** or **VRC**) is pleased to provide the following update on activities undertaken for the quarter ended 30 June 2016, which includes activities up until the date of reporting.

HIGHLIGHTS

- **Completion of three Memorandum of Understandings with major graphite end-users totalling 100,000 tonnes per annum**
- **Updated Namangale Project JORC Resource Estimate to 214.4Mt @ 5.1% Graphitic Carbon (62.6Mt Indicated, 151.8Mt Inferred)**
- **Completion of metallurgical testwork results with market leading distribution in the Super Jumbo and Jumbo categories**
- **Up to 81.3% in the Super Jumbo, Jumbo and Large flake size categories**
- **Excellent flotation results with up to 99.3% Total Graphitic Carbon in the Super Jumbo fraction**
- **Raising of \$4.0m through the placement of ordinary shares to a strategic institutional investor**
- **Appointed EAS Advisors LLC (EAS) as North American Corporate Advisor**
- **Mozambi Resources Limited changed the company name to Volt Resources Limited**

Offtake Memorandum of Understandings (MOU)

The Company signed three non binding MOUs with high quality Chinese offtake partners Optimum Nano, Huzhou Chuangya and Shenzhen Sinuo who all operate in the high tech lithium-ion battery market¹. The combined total of graphite off-take stated in the non binding MOU covers an annual production of 100,000 per annum. The MOUs signal the intent of the parties to enter into detailed product testwork, with the objective of converting the MOUs into binding off-take agreements.

¹ ASX Announcement dated 16 June 2016, entitled “Off-take MOUs signed with leading end-user groups; \$4 million placement to strategic institutional investor”.

OPERATIONS

Namangale Updated JORC Resource Estimate

The Company upgraded the Namangale 1 deposit to 196Mt @ 5.1% TGC, with 62.6Mt @ 5.1% TGC in the Indicated Resource category. The global Namangale deposit JORC Resource has now increased to 214.4Mt @ 5.1% TGC.

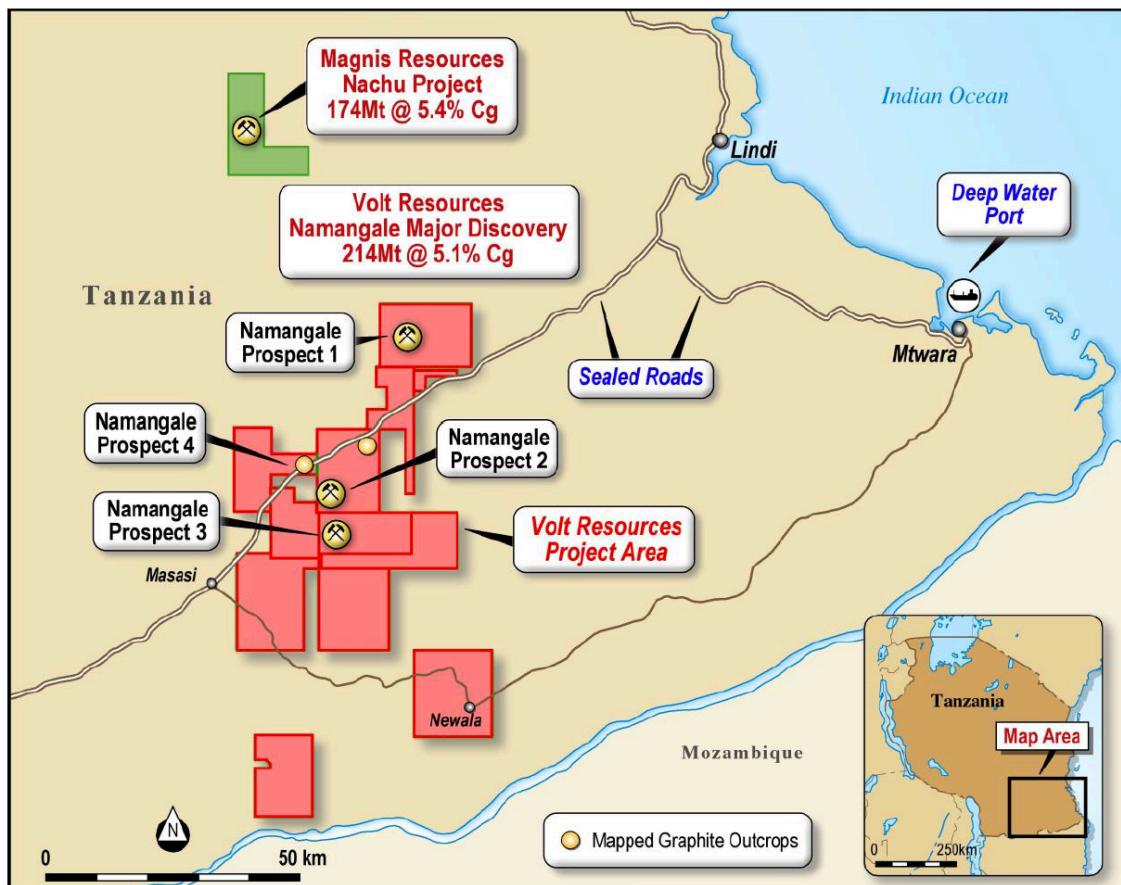


Figure 1 Location of the Namangale Project Tenements²

The Namangale 1 resource is based on 61 reverse circulation (RC) holes and 4 diamond holes. The global resource covers all three Namangale deposits where a total of 82 RC holes and 9 diamond holes drilled to a maximum depth of 100m. The breakdown is summarised in Table 1.

² Volt JORC Resource 151.8Mt Inferred, 62.6Mt Indicated; Magnis JORC Resource 63.5Mt Measured, 61Mt Indicated, 49.6Mt Inferred; Magnis Resources Nachu project area identified in ASX media release 31 March 2016. Please see Tenement Schedule attached for more details..

Table 1 Mineral Resource Estimate - Namangale Project, Tanzania

Deposit	Bulk Density (t/m ³)	TGC Cut Off (% TGC)	Grade (% TGC)	Gross Tonnage (MT)
INDICATED				
Namangale 1	2.64	3.5	5.1	62.6
INFERRED				
Namangale 1	2.64	3.5	5.1	133.4
Namangale 2	2.65	3.0	5.4	16.8
Namangale 3	2.65	3.0	5.3	1.6
Total	2.64	3.0 – 3.5%	5.1	214.4

Namangale Metallurgical Testwork

During the reporting period, the Company progressed the testwork on the Namangale graphite for concentrate purity and flake size distribution as part of the Pre-Feasibility study.

The graphite concentrates produced from Namangale returned concentrate grades of up to 99.3% TGC within the +500 micron category (refer to Table 2).

Table 2 Graphite Concentrate and Flake Distribution Results

Size (µm)	Test 49 Oxide		Test 47 Oxide	
	Weight (%)	TGC (%)	Weight (%)	TGC (%)
500	21.4	96.5	3.6	96.8
300	35.8	97.8	16.7	94.6
180	24.1	97.6	26.4	92.6
150	5.6	96.9	10.8	92.0
106	5.2	96.3	14.4	91.8
75	2.9	94.4	11.3	91.3
25	2.8	87.2	11.5	86.2
-25	2.1	81.7	5.2	69.7

Size (µm)	Test 28		Test 30		Test 34	
	Weight (%)	TGC (%)	Weight (%)	TGC (%)	Weight (%)	TGC (%)
500	10.2	98.6	5.9	99.3	10.3	99.1
300	30.5	98.0	28.1	98.8	29.7	98.8
180	27.0	96.6	30.3	97.8	27.1	98.1
150	8.1	95.6	8.4	97.3	8.0	97.5
106	10.0	95.0	10.1	96.9	8.8	97.3
75	5.9	94.4	7.6	96.7	6.6	96.9
25	6.2	92.7	7.3	95.7	6.6	95.9
-25	2.2	87.5	2.2	91.6	2.9	92.4

Volt Resources Limited

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The latest results show exceptional flake size distributions with up to 81.3% in the Super Jumbo, Jumbo and Large flake size categories compared with 67.7% previously reported in June 2016, which were achieved from diamond core composites. Drilling down, the result for the +500 micron category was outstanding at up to 21.4% versus 10.3% previously. The Total Graphite Carbon ("TGC") returned from previous and new samples were up to 99.3% and 99.0% respectively³.

The testwork has demonstrated that graphite from the Namangale Project can be concentrated through a straightforward crushing and flotation process and, importantly, without the use of industrial chemicals to remove the impurities. This potentially delivers the Namangale project a material comparative cost advantage relative to its peers.

The results achieved during the reporting period demonstrate that a premium quality concentrate can be produced from the Namangale ore. Further optimisation of the flotation parameters and flowsheet are ongoing and will be included in the PFS.

Namangale Pre-Feasibility Study (PFS)

The Pre-Feasibility study remains on track for completion by Q4 2016.

2016 Exploration Program

The 2016 drilling program is underway with the drilling program now well advanced. The first round of assays are expected in the near future.

A bulk sampling program was completed on all three Namangale deposits, which has provided additional feedstock for advanced metallurgical testwork and in order to provide additional samples for potential offtake and end user partners.

The primary objective of the 2016 exploration program is to upgrade a higher proportion of the Inferred JORC Resource to Indicated and Measured Resource categories. An additional objective will be the sterilization drilling under the proposed waste dump and tailings dam locations, geo technical diamond drill holes and the construction of water bore holes.

CORPORATE

In April 2016, following shareholder approval, Mozambi Resources Limited changed the company name to Volt Resources Limited. The ASX code has subsequently changed its issuer code from 'MOZ' to 'VRC'.

VRC announced the appointment of Mr. Alwyn Vorster as an independent non-executive director, effective on 1 April 2015.

³ ASX Announcement dated 29 July 2016, entitled "Unprecedented graphite flake size distribution confirmed in super jumbo and jumbo categories at Namangale".

On the 16th of June, the Company announced a placement of 40 million ordinary shares at 10 cents (\$0.10) per share to a strategic institutional investor to raise \$4.0 million before associated costs. The placement will fund the further development of the Company's flagship Namangale Graphite Project in Tanzania and working capital requirements. The placement price represented a 29.6% and 12% premium to the 30 and 15-day trading VWAP respectively. The quotation of the new shares was on 21 June 2016.

The Company appointed EAS Advisors LLC (EAS) as North American Corporate Advisor. EAS are a New York based boutique investment advisory firm providing a unique service to small and mid cap companies.

The corporate presentation was also updated in June in connection with a Hong Kong based roadshow.

For and on behalf of Volt Resources Limited



Stephen Hunt

Volt Resources Limited

Executive Chairman

Competent Person Statement

The Resources in the report to which part of this announcement that relate to Mineral Resources is based on information compiled by Matt Bull and Mark Biggs, a competent Person who is a Member of the Australian Institute of mining and Metallurgy. Mark Biggs is employed by ROM Resources Pty. Ltd.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Matt Bull, a Competent Person who is a member of Australian Institute of Geoscientists. Mr Bull is a consultant to Volt Resources. Mr Bull has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Matt Bull consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mark Biggs has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mark Biggs consents to the inclusion of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Further details of the Resource Reporting and supporting information can be found in the following ASX Releases made by the Company;

Release Date	Announcement Title
1 April 2016	Change of Company Name and ASX Issuer Code
13 May 2016	High quality concentrates produced and JORC Resource update at the Namangale Project
19 May 2016	Volt Resources appoints New York based EAS Advisors LLC as north American Advisor
31 May 2016	Namangale graphite testwork produces exception quality concentrate
16 June 2016	Off-Take MOUs signed with leading end user groups; \$4 million placement to strategic institutional investor
23 June 2016	Market leading Graphite flake distribution at Namangale; Exceptional purity concentrate up to 99.3%

Mining tenements held at 30 June 2016:

Tanzania

Project	Location	Tenement Number	Status	Beneficial interest
Tanzania graphite	Tanzania, Africa	PL10642, PL10643, PL10644, PL10665, PL10666, PL10667, PL10668, PL10716, PL10717, PL10718, PL10719	Exploration licence (prefix: "PL")	100%

Beneficial interests held in farm-in or farm-out agreements at the end of the quarter

Farm-in agreements

The Company owns a 70% interest in Dugal Resources Lda, a Mozambican entity which holds a 100% interest in the following licences:

Licence	Owner	Location	Commodities	Area (ha)
3245L	Camal & Companhia Lda	Tete province	Copper, Zinc, Lead	18,240
3246L	Camal & Companhia Lda	Tete province	Base Metals	20,240

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Volt Resources Limited

ABN

28 106 353 253

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(673) - - (398)	(3,049) - - (1,159)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	16	24
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(1,055)	(4,184)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments - Nachi Resources Limited (Tanzania) (c) other fixed assets	- - - -	(36) (342) - -
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - - -	- - - -
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - deposits	-	(22)
Net investing cash flows		-	(400)
1.13	Total operating and investing cash flows (carried forward)	(1,055)	(4,584)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,055)	(4,584)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. *	7,743	12,041
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(100)	(366)
	Net financing cash flows	7,643	11,675
	Net increase (decrease) in cash held	6,588	7,091
1.20	Cash at beginning of quarter/year to date	1,032	554
1.21	Exchange rate adjustments to item 1.20	(2)	(27)
1.22	Cash at end of quarter	7,618	7,618

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	152
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	<p>Payment of directors' fees and consulting services from related parties.</p>

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter:

120,000,000 shares were issued for consideration to the vendors of the Tanzanian graphite tenements following satisfaction of certain milestones and variations thereto.

13,404,529 shares were issued in lieu of payment of corporate advisory costs and consulting services.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	900
4.2 Development	-
4.3 Production	-
4.4 Administration	350
Total	1,250

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,614	1,028
5.2 Deposits at call	4	4
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,618	1,032

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	906,180,471	906,180,471		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	133,404,529 6,000,000 107,893,938 40,000,000 15,010,732	133,404,529 6,000,000 107,893,938 40,000,000 15,010,732	nil nil 3.3 10.0 2.0	nil nil 3.3 10.0 2.0
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options	475,000 2,200,000 289,668,649 12,000,000 4,200,000 4,200,000 4,200,000 4,200,000	289,668,649	Exercise price 25.0 25.0 2.0 2.0 6.0 8.0 10.0 12.0	Expiry date 02/08/16 30/11/16 31/12/17 31/12/17 30/4/19 30/4/19 30/4/19 30/4/19
Performance Rights	2,500,000 2,500,000 2,500,000 2,500,000	-	nil nil nil nil	30/3/17 30/6/17 30/9/17 30/3/19

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

7.8	Options Issued during quarter	8,500,000 4,200,000 4,200,000 4,200,000 4,200,000	-	2.0	31/12/17 30/4/19 30/4/19 30/4/19 30/4/19
	Performance Rights Issued during quarter	2,500,000 2,500,000 2,500,000 2,500,000	-	nil	30/3/17 30/6/17 30/9/17 30/3/19
7.9	Options Exercised during quarter	15,010,732	13,510,732	2.0	31/12/17
	Performance Rights achieved during quarter	6,000,000	-		
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (delete one) give a true and fair view of the matters disclosed.

Sign here: Date: 29 July 2016
 Chairman

Print name: Stephen Hunt

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

+ See chapter 19 for defined terms.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, **AASB 6: Exploration for and Evaluation of Mineral Resources** and **AASB 107: Statement of Cash Flows** apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.