Volt Resources Ltd. Graphite Testwork Produces Exceptional Quality Concentrate

31.05.2016 | ABN Newswire

Melbourne - Volt Resources Ltd. (ASX:VRC) is pleased to announce that Namangale Pre-Feasibility Study (PFS) testwork has produced an exceptional graphite concentrate product for the Lithium-ion battery market. Excellent metallurgical results from both the Namangale 1 and 2 deposits that make up the majority of the JORC Resource at the Namangale Project have been received. The concentrates were produced from diamond core composite samples collected from the 2015 drilling program and were achieved through a conventional circuit of milling and flotation that was carried out at ALS in Perth. No industrial chemicals were used to achieve these results. The flotation flow sheet optimisation remains ongoing with the aim of further improving the purity and recovery of our graphite concentrate product offering.

Highlights:

- Excellent metallurgical flotation results with concentrates up to 98.3% Total Graphitic Carbon (TGC) in the +300 and +500 micron flake categories

- Excellent purity achieved without the use of chemicals

- Potential Namangale processing route offers significant cost advantage compared to synthetic graphite

- Further optimisation of the flotation flow sheet is ongoing to further improve purity

- Volt is very well placed to meet unprecedented demand from the Lithium-ion battery markets and provide a premium graphite product to market

- Discussions with potential off take partners and end-user groups in the US, Europe and Asia are progressing well

RESULTS SUMMARY

The graphite concentrate produced from Namangale 2 returned concentrate grade of up to 98.3% TGC with +300 and +500 micron flake and the graphite concentrate from Namangale 1 returned concentrate grades of up to 97.7% with +300 micron flake. Further test work is continuing to improve purity of the final concentrate product. Numerous samples returned have now demonstrated that the Namangale deposit can consistently provide clean, high-grade TGC graphite suitable for commercial applications mainly within the Lithium-ion battery market.

Executive Chairman, Stephen Hunt commented, "The results from this round of testwork are exceptionally good. We have been delighted with the repeatability of the results meaning these are not a once-off, and with more work from our very large resource, we are confident the results can even improve further. The quality of our product will be extremely attractive to potential off-take partners, and will also provide us with a high basket price. This is a tremendous outcome for the project - one which is rapidly shaping up to be world class on every level."

CLEAN GRAPHITE CONCENTRATE PRODUCED

The Company has demonstrated that it can achieve excellent purity results without the use of chemicals. Volt Resources has been able to demonstrate substantial cost of processing advantage compared to synthetic graphite and other graphite containing trace elements. The Namangale graphite concentrate is separated through a straightforward crushing and flotation process and importantly without the use of industrial chemicals. Clearly this processing advantage provides an enormous benefit to the underlying capital and operating costs associated with mining graphite.

RESULTS EXCEED STAGE 1 PFS MODELLING ESTIMATES

Metallurgical results received post stage 1 of the PFS has exceeded estimates, which were used in the earlier BatteryLimits models. Commenting on the results to date Phil Hearse from BatteryLimits, who are

managing the metallurgy and the PFS for Volt said, "Achieving these high grade coarse concentrates for Namangale is very encouraging given that there is still a lot of opportunity for further optimisation of the test work program. BatteryLimits looks forward to working closely with Volt to develop these quality ore bodies".

Figure 1 (see link below) shows the location of the Namangale Project tenements and the main graphite prospects that have been identified to date. These lay within the 2,000km2 of the Company's tenement package. Volt has continued to build on its dominant tenement position in this extremely well located, high quality graphite area of Tanzania.

JUMBO FLAKE GRAPHITE DEMAND FORECAST TO INCREASE

Most independent forecasts confirm that demand for coarse flake graphite will increase in coming years driven by consumer and business demand from the Lithium-ion battery market, the emergence of the expandable graphite market and other high-tech industries.

Benchmark Mineral Intelligence forecasts estimate demand for graphite (carbon) used as anode material in lithium ion batteries is set to increase by over 200% in the next four years as global cell production surges on the back of maturing pure electric vehicle demand and the inception of the utility storage market. New price data from Benchmark has started to show rising prices for uncoated spherical graphite, 99.95% C, 15 micron in size, FOB China. Price ranges in the market have risen from $2,500 to $3,000/tonne in Q4 2015, to $2,800 to $3,200/tonne in Q2 2016.

CORPORATE UPDATE

Discussions with potential off-take partners and end-user groups in the US, Europe and Asia is progressing well. Volt's Executive Chairman Stephen Hunt is overseeing these discussions/negotiations and is currently reviewing numerous approaches received from potential off-take partners and end user groups.

CONCLUSION

The Board of Volt Resources considers the results to date continue to indicate that the Namangale Prospect is rapidly emerging as a world-class graphite deposit. The drilling program for the 2016 year has now commenced with the objective of upgrading a significant portion of the Inferred Resource into Indicated and Measured categories. Volt is committed to fast tracking current PFS towards a bankable Feasibility Study, followed by an investment decision towards production and capturing a meaningful portion of the unprecedented market demand for Super Jumbo and Jumbo flake graphite.

To view tables and figures, please visit:
http://abnnewswire.net/lnk/NFYH4Y48

About Volt Resources Ltd:

Volt Resources Ltd. (ASX:VRC) is a graphite exploration company listed on the Australian Stock Exchange under the ASX code VRC. The Company is focused on the exploration and development of the Jumbo Flake Namangale graphite project in Tanzania which has the potential to add to value for shareholders.

The Namangale Project is one of the largest graphite deposit in Tanzania containing a JORC compliant Inferred Resource of 179Mt @ 5.1% TGC. The project is exceptionally well located in South Eastern Tanzania being 140km from a deep-water port and 10km from sealed roads. Mineralisation at the three drilled deposits, occurs from surface and remains open in all directions. After the completion of this the recent capital raising the Company is now fully funded to complete the Pre-Feasibility Study into commencing production of high quality flake graphite targeting the rapidly expanding lithium-ion battery market. Volt has established a dominant tenement position in this extremely well located graphite rich part of Tanzania.

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