



**Breakaway
Research**

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Company Information

ASX Code	VTM
Share Price	A\$0.069
Ord Shares	206.6m
Market Cap A\$	A\$14.2m
Cash (June 14)	A\$1.6m
Total Debt	A\$0m
Enterprise Value	A\$12.6m

Directors & Management

Non-Exec Chairman	George Lazarou
Managing Director	David Sumich
Non-Executive Director	John Hancock
Non-Executive Director	Peter Smith

Substantial Share Holders

Gains Advisors Limited	9.9%
Bull Resources Pty Ltd	6.6%
Shah Nominees Pty Ltd	4.7%
Top 20	51.5%

Company Details

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1 Year Price Chart



Volta Mining (VTM)

*Drilling highly prospective iron ore targets
in the Pilbara*

Recommendation: Speculative BUY

Key Points

- **Stage 1 drilling completed at highly prospective 'Sirius Extension' prospect**
- **Significant intercepts of high grade iron ore including 126m @ 60.28% from 2m**
- **'Sirius Extension' considered to be a north-west extension of Brockman Mining's adjacent 124Mt @ 60.3% Fe**
- **Haul Road Agreement provides potential for early cash flow should a mining reserve be defined**
- **Nearby Kalgan prospect represents a high priority follow up target**
- **John Hancock of 'Hancock Prospecting' joins highly capable board**

Volta Mining has a quality iron ore exploration portfolio located within highly prospective regions of the Pilbara, WA. A recently completed 'stage-1' RC drill program has identified significant widths of DSO quality iron ore mineralisation from surface and up to 128m vertical depth, interpreted to be an extension of the neighbouring 124Mt @ 60.3% Fe Sirius deposit which abuts the licence boundary.

Company Overview

Volta Mining (ASX: VTM) has a 100% interest in four licences prospective for iron ore, located in the Pilbara region of WA and a further two licences also prospective for iron ore, located in Gabon.

The most advanced project and the priority for the Company is the Hancock Ranges iron ore project which hosts three nearby exploration licences, all of which are surrounded by iron ore 'heavyweights'. Immediately east of Volta's licence, Brockman Mining (ASK: BCK) has delineated a 124Mt Resource of high grade, DSO type, haematite mineralisation. Interpretation of the local geology suggests the Boolgeeda Formation (which hosts the iron mineralisation) continues to the north-west into Volta's exploration licence. A 'stage 1' drill program has recently been completed which identified significant widths of DSO mineralisation from surface (and up to 128m vertical depth) with assays intersections in the range of 60-64% Fe.

Volta Mining has a very capable board with a proven track record in iron ore exploration and development; however, the prospectivity and strategic location of Volta's licences also make the Company a potential takeover target. With an EV of A\$12.6M, significant opportunity exists for further valuation upside.



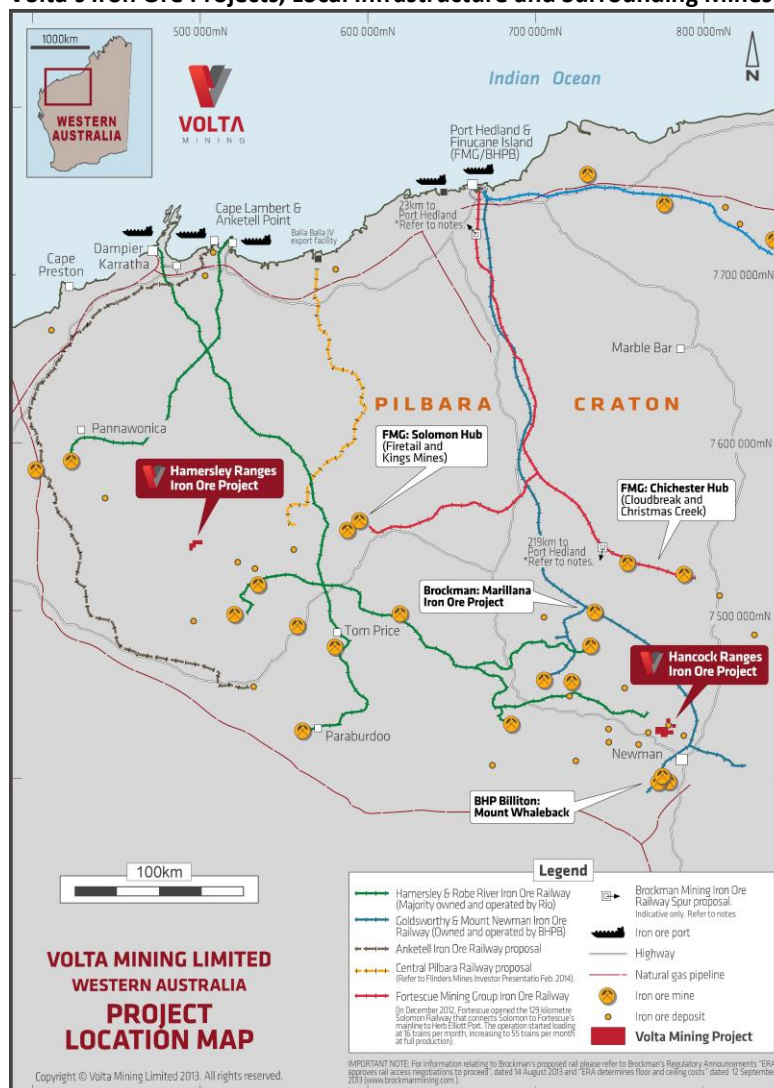
Investment Thesis

Volta Mining acquired Pilbara Commodities Pty Ltd in early 2014, allowing the Company to switch focus from West African iron ore exploration (in Gabon) to high quality, low risk iron ore exploration in the world renowned Pilbara region of Western Australia.

Volta switches focus to iron ore exploration in the Pilbara

This change in focus has already significantly enhanced the Company's valuation (from a low of ~A\$1.2M to in late 2013 to ~A\$12.6 currently) - however, substantial opportunity still exists for further re-ratings as exploration advances on two high priority projects at the Hancock Ranges and the Hamersley Ranges.

Volta's Iron Ore Projects, Local Infrastructure and Surrounding Mines



Licences located close to significant iron ore operations

Source: Volta Mining

Hancock Ranges

The immediate focus for the company is the Hancock Ranges iron ore project which presents a low risk opportunity to define meaningful tonnages of DSO quality haematite-goethite mineralisation in an area which is surrounded by iron ore majors. A four hole RC drilling program has been recently completed which confirmed the north-west extension of the neighbouring 'Sirius Deposit' (which hosts JORC Resource of 124Mt @ 60.3% Fe).

Sirius ore body open to the north west – trending into Volta Mining's ground



Assays indicate high grade iron mineralisation was present in all four holes, occurring from surface to a vertical depth of up to 128m:

Significant widths of high grade iron mineralisation

- 14m @ 60.93% Fe from surface (Hole ID 14SERC001)
- 126m @ 60.28% Fe from 2m (Hole ID 14SERC002)
- 30m @ 60.28% Fe from surface (Hole ID 14SERC003)
- 54m @ 60.25% Fe from surface (14SERC004)

These highly encouraging results provide the company with the confidence to continue drilling along strike, which should lead to the definition of a meaningful JORC resource in due course.

Kalgan

In close proximity to the 'Sirius Extension' prospect and within the same exploration licence, Volta Mining have a second quality prospect called 'Kalgan' where multiple high grade rock chip samples (+68%) have been found over a ~200m x 4km area. The mineralisation is similar in style to that of the Sirius Extension prospect (i.e. haematite-goethite, low phosphorous, DSO 'type' mineralisation). Volta expect to continue mapping the area in the near term ahead of drill testing the prospect later in the year.

Infrastructure

The previous image shows the location of the Volta's projects relative to major infrastructure and defined iron ore deposits within the region. Volta recently entered into an agreement with a 3rd party regarding access to a possible future haul road envisaged to run through Volta's project area and connect to the Great Northern Highway.

'Haul Road Agreement' provides potential for early cash flow

If constructed, Volta will have access to the haul road initially as an access road (at no capital cost to Volta) and subsequently as a haul road, if necessary. Should Volta use the road for haulage, it will then be responsible for its respective share of maintenance costs.

While it is too early to speculate on whether an iron ore reserve will be defined at the Hancock Ranges project, the 'haul road agreement' provides a cost effective opportunity for the Company to unlock early value from the project by potentially 'short hauling' ore to neighbouring infrastructure or via mine gate sales.

Hamersley Ranges

BHP defines high priority exploration target

Volta Mining also has exposure to a second iron ore exploration project in the west Pilbara called 'Hamersley Ranges' via the right to acquire a 100% interest in project from Epienergy Pty Ltd (Epienergy). Limited exploration has been carried out within the licence area, however, historical work carried out by BHP defined a highly anomalous zone (called 'BHP Deposit 20') of high grade iron mineralisation from surface rock chip samples. Volta intend to conduct further mapping and rock chip surveys in the near term so as to better define drill targets.



Breakaway's View

Prospectivity and strategic location of Hancock Ranges under-appreciated by the market

Volta's move to acquire Pilbara Commodities (terms of the acquisition outlined below) and focus exploration on the Pilbara region of WA has been a prudent one as evidenced by the recent increase in the Company valuation. The Company has also now demonstrated the prospectivity of its Hancock Ranges exploration ground, which should provide further impetus for share price appreciation as the market begins to appreciate the potential of the project.

Potential takeover target

As exploration progresses and iron ore resources are defined, numerous corporate opportunities are also likely to present themselves. Given the strategic location of the licence (surrounded by the established producers) Volta could easily find itself the subject of a takeover. Breakaway also places particular credence to the potential for Volta to make further acquisitions in the area, supported by a highly capable board. Of particular note is MD, David Sumich who was the founder and Managing Director of iron ore explorer 'DMC Mining' when it was subject to an 'on market takeover' valuing the company at ~A\$50M.

John Hancock provides a valuable contact base for potential corporate actions

John Hancock (Non-Executive Director) also brings significant weight to the board with his extensive experience in the iron ore sector, financial markets, public relations, litigation and capital raising. Of particular note, Mr Hancock gained operational and managerial experience at Iscor Iron Ore (South Africa), Rio Tinto Iron Ore and Hancock Prospecting where he served as Director. Mr Hancock's knowledge of the Pilbara and experience in working with some of the Pilbara's major players is particularly encouraging, potentially providing a platform for negotiations in due course. Breakaway is also encouraged by Mr Hancock's support for the Company, opting for a share/option package in lieu of a salary.

Short term positive news flow likely to increase company valuation

Following the success of the initial four hole RC drill program, Volta are likely to continue with mapping and drill programs, designed to establish a resource along the Sirius Extension prospect. A maiden drill program at the nearby Kaglan prospect also provides opportunity for short term positive news flow. As at June 30 2014, Volta had a cash balance of A\$1.6M which is adequate funding for the near term however, further capital raisings are likely as exploration advances. Breakaway notes that future capital raisings are likely to be achieved at higher share prices on the back of exploration milestones.



Terms of Pilbara Commodities Acquisition and Current Capital Structure:

Volta Mining acquired privately owned 'Pilbara Commodities Pty Ltd' in early 2014 in an all scrip transaction. The terms of the transaction are summarised below:

Consideration:

Pilbara Commodities acquired in an all scrip transaction

- Pilbara Commodities shareholders received 45M shares @ A\$0.03/share (valuing the transaction at A\$ 1.35M). **COMPLETED**
- 17.5M options to acquire Volta Mining shares @ A\$0.20/share with an expiry of 10th November 2016. **COMPLETED**
- 1M options to acquire Volta Mining shares @ A\$0.30/ share with an expiry of 10th November 2016. **COMPLETED**

Deferred Consideration:

- A number of shares which has a total value equal to A\$1.5M (based on a 30 day VWAP) once Volta Mining has completed a drilling program of more than 1,000m and intersected iron ore over a continuous 50m section grading+55% Fe. **PENDING**
- A number of shares which has a total value of \$1.2M (based on a 30 day VWAP or A\$0.03 (whichever is higher) on completion of a transaction with a company with a MCAP of +A\$100M in respect of the Pilbara tenements. **PENDING**

A total of 7.5M VTM shares were also paid to parties in respect of Corporate Advisory services and associated fees **COMPLETED**.

Capital Structure

Volta Mining's current share structure and outstanding options are listed in the following tables:

EV of A\$12.6M

ASX Code	VTM
Share Price A\$	0.069
Shares on Issue	206,578,785
Un-listed Options	63,750,000
Market Cap. A\$	14,253,936
Cash (June 30) A\$	1,616,000
Debt A\$	-
EV A\$	12,637,936

Options would raise A\$12.8M if exercised

Number of Options	Exercise Price	Expiry Date	Amount raised if exercised A\$	Notes
22,750,000	A\$ 0.20	10-Nov-16	A\$ 4,550,000	Pilbara Commodities acquisition + fees
1,000,000	A\$ 0.30	10-Nov-16	A\$ 300,000	Pilbara Commodities acquisition
20,000,000	A\$ 0.15	30-May-15	A\$ 3,000,000	John Hancock option package in lieu of salary
20,000,000	A\$ 0.25	30-Apr-16	A\$ 5,000,000	John Hancock option package in lieu of salary
63,750,000			A\$ 12,850,000	

Source: Company Announcements



Project Review

Hancock Ranges Iron Ore Project (VTM 100%)

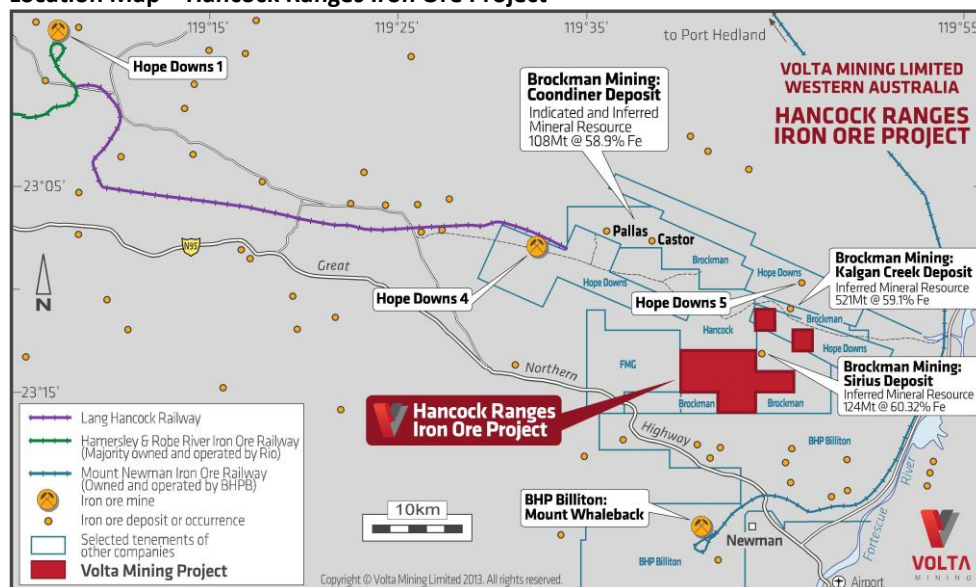
Hancock Ranges incorporates 3 exploration licences

The Hancock Ranges iron ore project is located approximately 20km from the town of Newman, within the Pilbara district of WA, a world renowned iron ore producing region. The project incorporates three nearby exploration leases (E47/2606, E47/2607 and E47/2608) which border leases held by iron ore heavyweights of Fortescue Metals Group, BHP Billiton, Hancock Prospecting, Hope Downs and Brockman Mining. All three leases are considered highly prospective for 'Bedded Iron Deposit' (BED) style iron mineralisation.

Surrounded by iron ore heavyweights

Located 20km from Hope Downs 4

Location Map – Hancock Ranges Iron Ore Project



Source: Volta Mining

Reconnaissance mapping and surface rock chip sampling, carried out by previous operators 'Pilbara Commodities', identified two areas with significant potential for hosting high grade iron ore mineralisation: the 'Sirius Extension' prospect and the 'Kalgan' prospect.

Sirius Extension Prospect

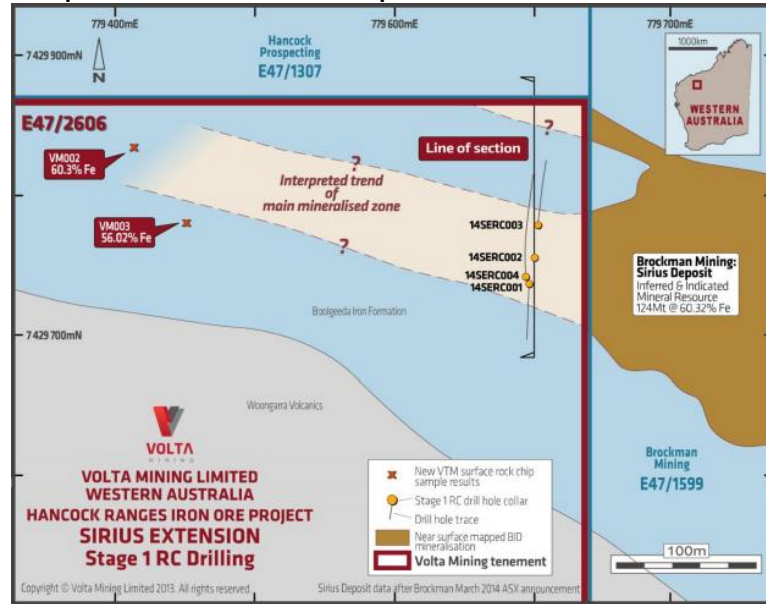
'Sirius Extension' located along strike from already defined 'Sirius' Deposit

The 'Sirius Extension' prospect is located towards the north-east of E47/2606 and lies adjacent to Brockman Mining's Sirius Deposit which hosts a JORC Resource of 124Mt @ 60.3% Fe (with 105Mt in the Indicated category).

A reconnaissance program (consisting of mapping and rock chip samples) has indicated the presence of high grade iron mineralisation (+55% Fe) over an area ~200m x 500m, interpreted to be from the Boolgeeda Iron Formation, the same formation which hosts the adjacent Sirius Deposit. The implications of this are significant as it suggests the Sirius Deposit continues north-west, into the Hancock Ranges Iron Ore Project.



Interpreted trend of the Sirius Deposit



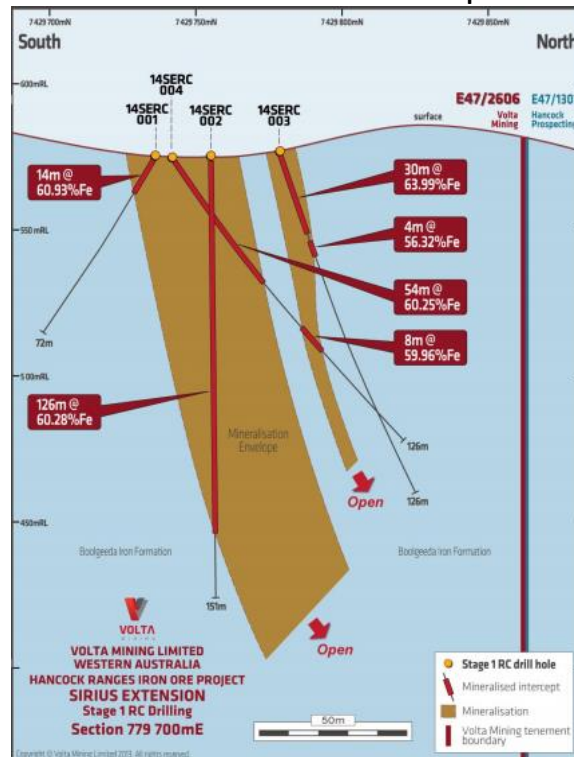
Source: Volta Mining

Mineralisation interpreted to extend ~500m west into Volta's licence

Stage 1 Drilling Completed

The 'Stage 1' drilling campaign, consisting of a four hole RC program designed to test the interpreted trend of the Boodgeda Iron Formation, as well as the thickness, grade and continuity of the mineralisation, has now been completed. Encouragingly, all four holes identified high grade DSO 'type' mineralisation:

Serious Extension Cross Section and Interpreted Geology



Source: Volta Mining

High grade DSO 'type' mineralisation

Drilling confirms mineralisation extends into licence area

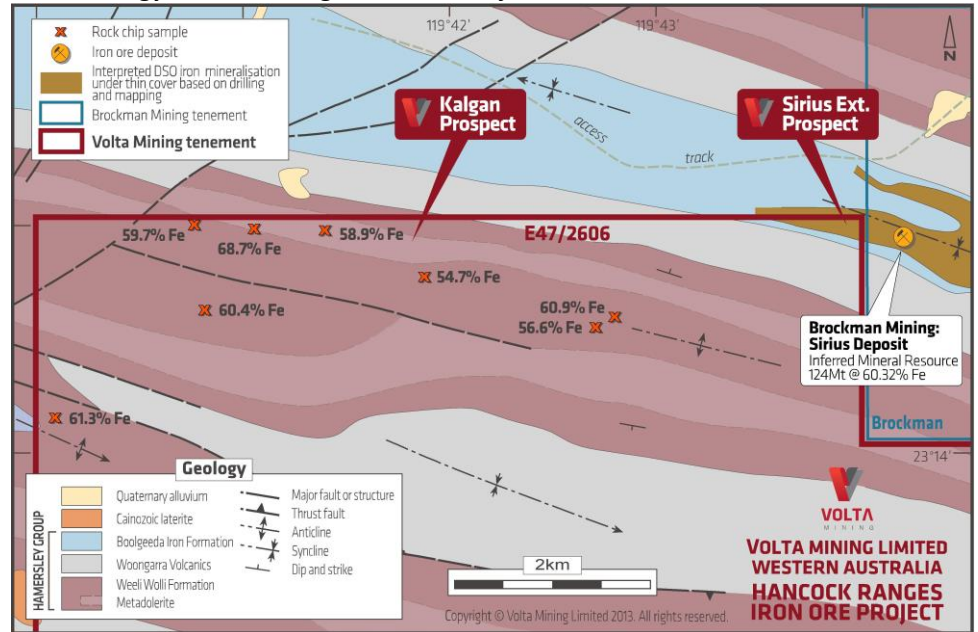
These assay results (highlighted in the above image) are significant as they confirm Volta's geological model that the adjacent Sirius deposit (owned by Brockman Mining) extends into Volta's exploration licence.



Volta's four drill holes were completed in a roughly north-south orientation. The company is yet to drill test the interpreted western extension of the prospect, however, the rock chip sample campaign and the completion of initial 'stage-1' drill campaign provide Breakaway with confidence that similar grades and widths of mineralisation will be identified ~500m to the west.

Highly prospective area with multiple rock chips samples indicating +55% Fe mineralisation

Local Geology: Hancock Ranges Iron Ore Project



Source: Volta Mining

Kalgan Prospect

As indicated in the 'Local Geology' map above, highly encouraging rock chip samples have also been recovered from the Kalgan prospect, the highest of which assayed at 68.7% Fe. The mineralisation has hematite-geothite characteristics and has been interpreted to extend over an area ~200m x 4km, outcropping in many areas, within the Weeli Wolli formation.

High grade rock chips identified at nearby Kalgan prospect

Rock Chip Surface Sample (A166416) – Assayed at 68.7% Fe



Source: Volta Mining

~200m x 4km anomalous zone

Upcoming Drilling

Volta Mining are currently planning a drill program for the later part of the year. With rock chip assays as high as those already recovered, there is a high probability the area is mineralised, however, it is the potential depth extensions of which provide significant scale opportunity.

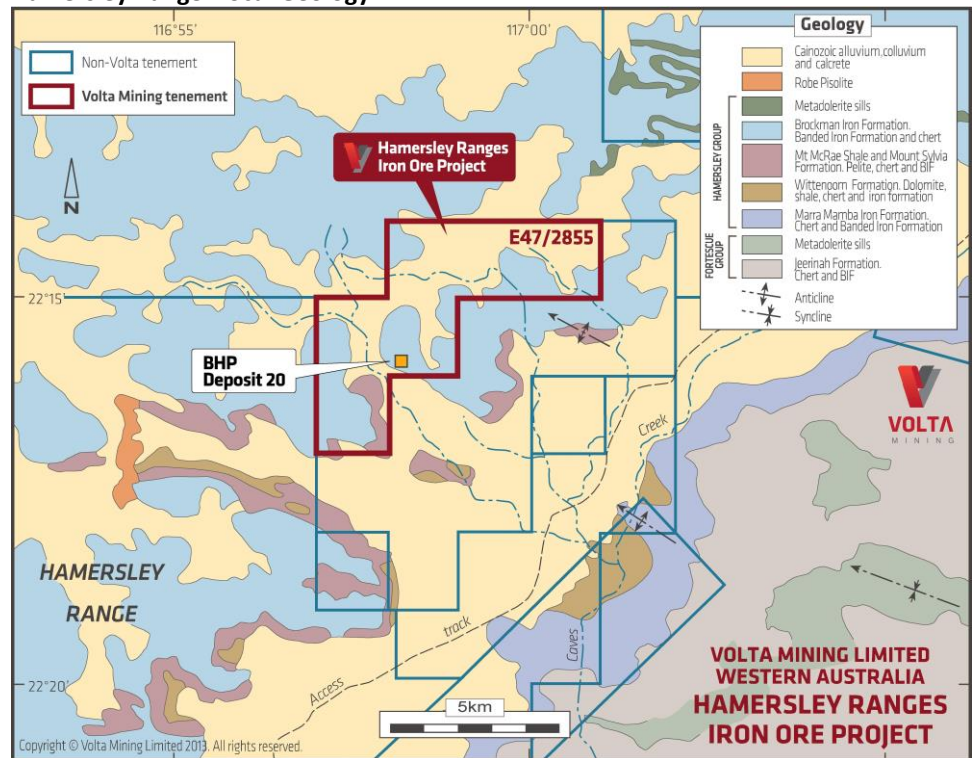
Hamersley Ranges

The Hamersley Ranges Iron Ore Project is located ~95km north-west of the Tom Price township within the west Pilbara and consists of one exploration licence (E47/2855) covering a total area of 19.1km². In early 2014, Epienergy Pty Ltd won the licence by ballot, however, Volta Mining's recently acquired subsidiary, Pilbara Commodities, has an agreement to acquire Epienergy's 100% interest in the licence. Epienergy already received the consideration from Pilbara Commodities (500,000 shares) prior to the takeover, thus Volta has no more to pay and transfer of the licence is a formality.

Historical exploration has been carried out in the area by numerous companies including BHP Billiton, Rio Tinto and Robe River Mining, which primarily consisted of aerial photography, mapping, rock chip sampling, limited drilling campaigns and geochemical analysis. The most useful exploration was carried out by BHP between 1970 and 1978 where the company recorded several iron ore (haematite-geothite) occurrences. In 1972, the company mapped the 'BHP Deposit 20' prospect, however, the prospect was never drill tested.

Hamersley Range: Local Geology

BHP historically define a highly anomalous zone – yet to be drill tested



Source: Volta Mining

Opportunity also exists below shallow cover

While the 'BHP Deposit 20' prospect is clearly an obvious target for follow up exploration, much of the licence area is masked by quaternary alluvium, highlighting the potential for bedded iron deposits and channel/detrital iron deposits to exist at relatively shallow depths below this cover.

Upon formal granting of the licence, Volta Mining anticipate undertaking a reconnaissance mapping and geochemical sampling campaign to better understand the geology and the potential scale of the targets, with particular attention on the 'BHP Deposit 20' prospect.



Additional Projects

Mbombo Iron Ore Project, Gabon

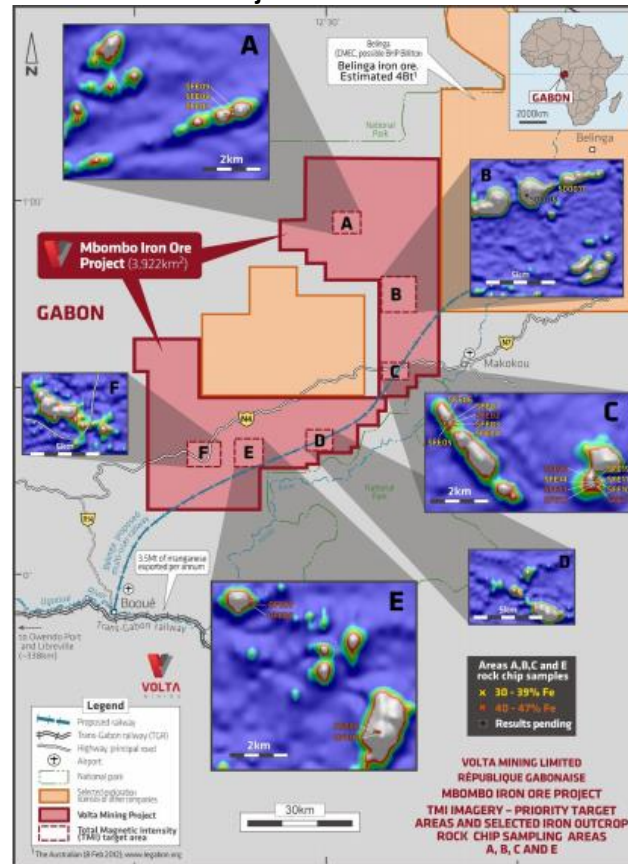
The Mbombo iron ore covers a licence area of 3,922km² and is located adjacent to the 4Bt Belinga iron ore project, located in north-east Gabon.

Mbombo project in Gabon in a holding pattern

In 2013, Volta Mining announced an exploration target of 385-640Mt @ 30-42% Fe for five of nine magnetic anomalies identified by the Company. The estimate was made using a combination of surface mapping of the iron mineralisation and their aeromagnetic signature. With only five of the nine prospects mapped, opportunity still exists for the exploration target to be upgraded in due course.

Exploration is at a relatively early stage and given the prospectivity of the Pilbara projects, the Gabon licences are essentially in a holding pattern.

Mbombo Iron Ore Project



Source: Volta Mining



Directors

Non-Executive Chairman

George Lazarou

George Lazarou is a qualified Chartered Accountant with over 20 years' experience, including five years as a partner of Bentleys, specialising in the areas of audit, advisory and corporate services. Mr Lazarou also brings with him a high level of commercial skills having worked closely with publicly listed companies in the mining, building, engineering, environmental and construction industries. He is currently the Managing Director of corporate advisory firm, Citadel Capital; and an Executive Director of United Uranium Limited.

Managing Director

David Sumich

David Sumich has over 17 years' experience in the capital raising, financing and management of public resource companies both in Australia and overseas. He was Managing Director (and founder) of West African iron ore company, DMC Mining Limited from 2007 through June 2010 when it was the subject of an on-market cash takeover valuing it at approximately A\$50M. Mr Sumich was responsible for overseeing the acquisition of the Mayoko Iron Ore Project; and the subsequent capital raisings, drilling programmes, JORC statement and rail and port agreements with the Government of the Republic of Congo. From 2005 until August 2011, Mr Sumich was Non-Executive Director (and co-founder) of the rare element and rare earth company Globe Metals & Mining Limited, which has projects in Malawi and Mozambique.

Non-Executive Director

John Hancock

John Hancock has over 20 years' combined experience in the resources industry (iron ore), financial markets, public relations, litigation and capital raising. During the course of his career, he has gained operational and managerial experience at Iscor Iron Ore (South Africa), Rio Tinto Iron Ore, and Hancock Prospecting Pty Ltd (Director).

During his tenure with Hancock Prospecting, Mr Hancock introduced the Hope Downs Iron Ore Project to the world stage at the Global Iron Ore and Steel Conference in Berlin, in 1997. He was also involved in Joint Venture discussions between Hancock Prospecting and its original Joint Venture partner in the Hope Downs Iron Ore Project – Iscor Mining, which was later acquired by Anglo American. Upon formation of the Hope Downs Joint Venture, Mr Hancock was seconded for two years to Iscor's Sishen Iron Ore mine and Vanderbijlpark steel works.

Non-Executive Director

Peter Smith

Peter Smith is a geophysicist with 25 years' experience in mineral exploration. Over the course of his career, Peter has worked for Normandy, Pasminco, BHP Billiton, and Cliffs Natural Resources; and was the founder of Intierra. Peter has also held exploration management positions at MM Mining, NGM Resources and Cliffs Natural Resources.



Analyst Verification

We, Grant Craighhead and Andrew McLeod, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

Disclosure

Breakaway Investment Group (AFSL 290093) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of Volta Mining and may hold direct and indirect shares in the company. It has also received a commission on the preparation of this research note.

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