

**ASX CODE:** VPR

**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**

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**REGISTERED OFFICE**

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## ASX ANNOUNCEMENT

1 November 2021

### Volt Power – Q3 FY21 Operational Activity Update

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

#### *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**

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**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.