

**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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Kewdale WA 6105

**REGISTERED OFFICE**

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**CONTACT**

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## ASX ANNOUNCEMENT

1 February 2022

### Volt Power – Q4 FY21 Operational Activity Update

Q4 HIGHLIGHTS
<b>Record FY21 annual ordinary revenue of \$3.2 million received</b>
<b>Record Quarterly Cash from Operating Activities of ~\$0.9 million</b>
<b>Wescone business achieves new quarterly &amp; annual revenue record</b>
<b>EcoQuip Mobile Solar Light Tower (MSLT) new customer enquiry increasing</b>
<b>New EcoQuip MSLT fleet (10x) manufacture underway to supply increase in MSLT demand</b>
<b>Multiple resource sector MSLT demonstration arrangements to commence in Q1 FY22</b>
<b>~\$0.47 million in R&amp;D Tax Rebate funding received</b>
<b>Tier 1 formal Price Enquiry request completed for installation of Volt's zero emission ATEN Waste Heat to Power technology at two power stations – positive feedback received</b>

#### *ATEN Waste Heat to Power (100% owned) – Momentum & Progress*

- The Company completed a comprehensive formal Price Enquiry response for the installation of two zero emission, baseload ATEN Waste Heat to Power systems with ~35MW combined electricity generation capacity at two existing Australian domiciled power stations (Volt Price Enquiry Response);
- The Volt Price Enquiry Response was a significant undertaking and was only possible due to the significant 4-year strategic investment the Company has made in the development of its proprietary ATEN Waste Heat to Power technology secured by Australian Innovation Patent (AIP# 2020101347).
- As previously reported, this opportunity stems from ~3 years of technical and business development activity with a significant resource sector power station owner (Owner). The Company has now completed the following milestone activities for the Owner:
  - 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 based on the WA ATEN Project;
  - A comprehensive EoI Request response (together with an EPC

- Contractor and several salient OEM equipment suppliers); and
- Completion & submission of the Volt Price Enquiry Response for the installation of two ATEN waste heat to power systems with a total zero emission, baseload generation capacity of ~35MW at two existing WA domiciled power stations.
- The Company understands the Volt Price Enquiry Response (submitted on 18 November 2021) is the foundation of an internal Owner feasibility study scheduled for completion in early February 2022 (Owner Study). The Owner Study results are the subject of strict confidentiality and information use arrangements, however the Company confirms that the technical and cost benefits are significant when compared against an equivalent annual generation Solar / BESS system. The salient cost and technical competitive advantage features of the ATEN Waste Heat to Power technology Vs Solar / BESS systems are detailed in the 'About Volt' section below.
- The Company understands the Owner will make the next stage investment decision on installation of ATEN Waste Heat to Power over the coming months.
- As previously reported, 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 to resource, power generation and gas pipeline operators.

### ***HYTEN – Waste Heat to Hydrogen (100% owned) – Exciting New Technology***

- As previously reported, the Company advanced the flowsheet development of a combined ATEN Waste Heat to Power system with a proven, high efficiency alkaline electrolyser solution for production of zero emission hydrogen fuel. The combined ATEN / electrolyser system is called, HYTEN. A HYTEN patent application has been submitted and the related initial patent search due diligence completed.
- The initial HYTEN preliminary feasibility study activities have been completed as an Addendum to the Stage 1 ATEN Feasibility Study noted above and the results are highly encouraging. The preliminary engineering activities have confirmed that HYTEN has numerous cost and technical competitive advantages relative to an equivalent annual electricity supply Solar to Hydrogen system. These include:
  - A 50% lower LCOE\* for zero emission electricity supply to the electrolyser;
  - ~300% greater electrolyser utilization performance; and
  - ~50% lower electrolyser CAPEX.
- The completion of the Volt Price Enquiry Response during the Quarter delayed the HYTEN preliminary feasibility study results peer review, however the review process has now recommenced. The Company plans to update shareholders on the specific cost and technical advantages of the HYTEN system once the preliminary feasibility study result has been peer reviewed and secured final Board approval.

### ***EcoQuip (~70% owned) – New Demonstration Enquiry & Step-Change Growth Potential***

- EcoQuip is the developer and owner of a new “next generation” Mobile Solar Light & Communications Tower solution incorporating a proprietary, high efficiency Solar / Battery Energy Storage System (BESS) capable of up to ~40% enhanced performance efficiency compared to similar industry standard Solar LED / BESS systems.
- EcoQuip has created a sophisticated power management system with remote control / telemetry capability and unique high efficiency LED luminaire technology with its US aero-space, supplier and software partners to achieve a “step change” in Mobile Solar Light Tower solutions (MSLT).
- EcoQuip has submitted two international patent applications in relation to salient capabilities of this technology.
- The EcoQuip 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 October 2021, EcoQuip completed the deployment of 25x new Mobile Solar Light Towers (MSLT) at the Chevron operated Gorgon natural gas facility located on Barrow Island, Western Australia (First Chevron Deployment). This deployment was the first pursuant to a 5-year master dry hire agreement (Hire Agreement) signed in late July 2021.
- The First Chevron Deployment has operated with 100% performance reliability and detailed discussions for a significant increase in the size of the MSLT fleet deployed at Barrow Island are advanced, however remain incomplete at the time of preparation of this report.
- EcoQuip's 65x Mobile Solar Light Tower (MSLT) and Mobile Solar Comms Tower (MSCT) fleet has maintained fleet utilization at ~70% during the Quarter. The EcoQuip business continues to generate surplus operating cashflow.
- A significant increase in enquiry from both oil & gas and hard rock mining companies after the positive MSLT validation associated with the First Chevron Deployment has occurred. EcoQuip is currently advancing multiple demonstration agreement arrangements, however at the time of writing this report these were incomplete and subject to final approvals by all parties.
- As previously reported, EcoQuip and BHP Iron Ore engaged on the opportunity to agree specific MSLT design changes to ensure the EcoQuip MSLT satisfied BHP standards including HSE & engineering quality and capability requirements. The purpose of these design modifications is to facilitate the performance of a second trial of the EcoQuip MSLT by BHP Iron Ore. A 15-month initial trial of a single MSLT was completed in early 2021. A Demonstration Trial Agreement is under negotiation, however remains incomplete and subject to BHP final approval.
- EcoQuip (together with its technology partners) has now completed a proof-of-concept prototype (POC) Autonomous Communications Sentinel (ACS) solution. The development was initiated after discussion with Defence, resource sector exploration and drilling personnel confirming a material market opportunity.
- The ACS is a live situational awareness security and communications solution with live satellite uplink capability. The ACS is capable of long term, unmanned remote deployment and low-cost connectivity in locations with or without 4G, Wi-Fi and fixed cable internet infrastructure.
- The POC ACS will incorporate a high-resolution camera, vehicle and facial recognition Ai, live video & data streaming and event notification capability in a security situational aware capacity. The Company believes 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 although significant new technology procurement decisions by tier 1 businesses endure extended evaluation time frames, the Company remains excited about the near-term revenue growth of the business.
- EcoQuip has advanced the manufacture of 10x new MSLT units with all components required to assemble these units on route from the USA and other locations.

## ***Wescone (100% owned) – Record Sales & Service Activity***

- Wescone is the Original Equipment Manufacturer (OEM) of the proprietary W300 sample crusher extensively utilized in the global iron ore and assay laboratory industries. The Wescone OEM 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, Wescone achieved a record \$2.7 million in revenue receipts. This was an exceptional result from the Wescone business and exceeded budget revenues for 2021 by ~70%.
- The business supplied 19 new Wescone W300 Series 3 & 4 crushers to significant resource companies operating in the WA Pilbara region, Queensland and Canada during 2021. These included Tier 1 mining houses including BHP, Rio Tinto, FMG, Roy Hill and Glencore predominantly for use in operating port loading, ore blending and assay laboratory infrastructure. The Wescone business also completed multiple crusher refurbishments and service exchange transaction activity for its high-quality client base.
- The Wescone African Distributor, Solid Process Automation (Pty) Ltd (SPA) continued to apply significant business development resource to the establish a market footprint on the African continent with both resource project owners and third-party laboratory assay service providers. Wescone views Africa as a significant market opportunity and continues to support all the positive market initiatives of SPA.

## ***Appendix 4C – Salient December Quarter Financial & Other Information***

- The Company generated positive operating cashflow during the period of approximately \$0.9 million for the Quarter.
- The Company held a cash balance of ~\$1.90 million at 31 December 2021 and a cash balance of ~\$2.10 million at the date of this report. Ordinary revenue receipts totaled ~\$1.22 million for the Quarter. This represents revenue receipt growth of ~7% compared to Q3 FY21.
- The Company also received total R&D Tax Rebate funding of ~\$0.47 million during the Quarter reflecting a cash rebate on research and development expenditure by the Volt Group to 30 June 2021.
- Cash payments for the December Quarter totaled ~\$1.1 million comprising:
  - Research & Development and Intellectual Property - \$0.14 million
  - Staff Costs - \$0.23 million
  - Manufacturing Costs - \$0.54 million
  - Admin & Other Costs (net) - \$0.14 million
- Related Party payments for Non-Executive Director and CEO & Managing Director services for the period totaled \$119,572 representing ~3 months of 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) compatible with Solar Hybrid systems with high penetration;
- Levelised Cost of Electricity (LCOE)\* up to ~50% 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 fueled generation (where relevant) and the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including ACCUs (\$30/ACCU) and RECs (\$30/REC) as applicable.