

Vulcan successfully completes A\$120 million institutional placement to accelerate development of its Zero Carbon Lithium® Project

Highlights

- Vulcan has received firm commitments to raise A\$120 million (before costs) through a strongly supported placement at A\$6.50 per share to a suite of ESG-focused institutions. Goldman Sachs and Canaccord Genuity acted as Joint Lead Managers.
- Proceeds from the Placement will support Vulcan through to final investment decision at its Zero Carbon Lithium® Project, with funds being applied to:
 - Project development, feasibility study costs and permitting
 - Drill site acquisition and preparation
 - Strategic opportunities to accelerate project development
- Upon settlement of the Placement, Vulcan will have a cash balance (before costs of the Placement) of ~A\$125 million

Vulcan Energy Resources Limited (“Vulcan” or the “Company”) is pleased to announce that it has received firm commitments for its A\$120 million placement to sophisticated, professional and institutional investors (“Placement”). The placement was strongly supported by international and domestic ESG-focused institutions.

The cornerstone investment was provided by Hancock Prospecting Pty Ltd, one of the most successful private companies in Australian history and a leader in the resources industry, which is led by Executive Chair Mrs. Gina Rinehart.

Significant investment was provided by the BNP Energy Transition Fund, a European ESG-focused institution. Goldman Sachs and Canaccord Genuity acted as Joint Lead Managers. EAS Advisors LLC acted as Co-Manager.

Vulcan’s Managing Director, Dr. Francis Wedin said: *“We received overwhelming support for the Placement from both domestic and international ESG-focused institutional investors. This demonstrates clear support for our strategic plan to develop the world’s first Zero Carbon Lithium® project. Proceeds from the Placement provide us with a runway to final investment decision and enables Vulcan to accelerate project development, including targeted delivery of a DFS by Q2 2022. The Board and management would like to thank existing shareholders for their continued support and also welcome a number of new, high quality ESG-focused institutions to the share register, including the BNP Energy Transition Fund, in what is the beginning of an exciting journey for Vulcan. We would also like to extend a special welcome to Hancock Prospecting Pty. Ltd. who joins our register as a substantial shareholder, and we look forward to working with them.”*

Highlights

Aiming to be the world’s first Zero Carbon Lithium® producer.

Large, lithium-rich geothermal brine project, in the Upper Rhine Valley of Germany.

Europe’s largest JORC-compliant lithium resource.

Located at the heart of the EU Li-ion battery industry.

Fast-track development of project under way towards production.

Corporate Directory

Managing Director
Dr Francis Wedin

Chairman
Gavin Rezos

Executive Director
Dr Horst Kreuter

Non-Executive Director
Ranya Alkadamani

CFO-Company Secretary
Robert Ierace

Fast Facts


Issued Capital: 89,041,179
Market Cap (@\$7.84):
\$698m

Contact

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The Placement provides funding to Vulcan to support it through to final investment decision at its Zero Carbon Lithium® Project, with proceeds being applied to:

- Project development, permitting, feasibility study costs and overheads:
 - Definitive feasibility study due mid-2022 which includes the acquisition of exploration data, the permitting of the Zero Carbon Lithium® Project and completion of studies towards permitting and development;
 - Extensive lithium test work and development of pilot plants in Germany; and
 - Corporate overheads and working capital to support significant increase in headcount in Germany in order to accelerate on-the-ground development.
- Drill site acquisition and preparation:
 - Land access costs (acquisition or leasing) and the purchase of long lead drilling items in Germany.
- Strategic opportunities to accelerate project development:
 - Vulcan is assessing options to acquire existing infrastructure in Germany to accelerate development.

Placement Details

The Placement will comprise the issue of 18,461,538 new fully paid ordinary shares (“**New Shares**”) at an issue price of A\$6.50 per share, which represents a:

- 17.1% discount to the last closing price of A\$7.84 on 1 February 2021;
- 17.8% discount to the 5-day volume weighted average price (“**VWAP**”) of A\$7.90 as at 1 February 2021; and
- 14.7% discount to the 30-day VWAP of A\$7.62 as at 1 February 2021.

New Shares will be issued pursuant to the Company’s placement capacity under ASX Listing Rule 7.1 (12,896,177 New Shares) and 7.1A (5,526,900 New Shares), and rank pari passu with fully paid ordinary shares in Vulcan. Accordingly, no shareholder approval will be required for the issue of ASX Listing Rule 7.1 and 7.1A New shares.

Chairman, Gavin Rezos, intends to participate in the Placement for \$250,000 (38,461 New Shares), which will be subject to shareholder approval to be sought at an upcoming extraordinary general meeting (“**EGM**”).

The Company confirms that the issue price of \$6.50 per share satisfies the requirements of Listing Rule 7.1A.

Canaccord Genuity (Australia) Limited and Goldman Sachs Australia Pty Ltd acted as Joint Lead Managers and Bookrunners to the Placement. EAS Advisors LLC acted as Co-Manager.

Timetable

The indicative key dates for the Placement are outlined below:

Event	Time (AEDT) / Date
Announce completion of the Placement bookbuild and trading halt lifted	10:00am on Thursday, 4 February 2021
Settlement of the Placement	Wednesday, 10 February 2021
Allotment and quotation of New Shares issued under the Placement	Thursday, 11 February 2021
EGM to approve Chairman's participation in the Placement	March 2021

Note: The above dates are indicative only and are subject to change, subject to compliance with the ASX Listing Rules and Corporations Act.

For and on behalf of the Board

Robert Ierace

Chief Financial Officer – Company Secretary

For further information visit www.v-er.com

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This announcement may not be released or distributed in the United States.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer or solicitation would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (“**U.S. Securities Act**”) or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the New Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

This announcement contains certain “forward-looking statements”, including but not limited to the timing, outcome and intended use of proceeds of the Placement. Forward-looking statements can generally be identified by the use of forward-looking words such as ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’, ‘outlook’, ‘guidance’, ‘potential’ and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the impact of the Placement, the future performance and financial position of the Company, estimated synergies, the outcome and effects of the Placement and the use of proceeds. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

The forward-looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, its directors and management, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to the Company as at the date of this announcement. To the maximum extent permitted by law, the Company and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligations or undertakings to release any updates or revisions to the information to reflect any changes in expectations or assumptions.

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