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Vulcan launches EUR 66m (A\$109m)¹ Placement to progress its integrated renewable energy and lithium project execution strategy

Highlights

- **Vulcan launches fully underwritten single tranche placement to sophisticated, experienced, professional and institutional investors to raise gross proceeds of EUR 66m (A\$109m)¹**
- **Net proceeds from the Placement intended to be applied for the purchase of long lead items for its project execution strategy as well as for general working capital and corporate purposes**
- **Proceeds from the Placement, together with existing cash, intended to be applied to:**
 - **Ordering of long lead items for construction of Phase One Lithium Plant**
 - **Ordering of long lead items for construction of Phase One Geothermal Renewable Energy Plant**
 - **Other Phase One project execution CAPEX**
 - **Phase 2 project development**
 - **Corporate costs and general working capital**
- **Funding to support Vulcan's goal of becoming the world's first lithium producer with net zero carbon footprint and zero fossil fuels used in production, with Phase One production targeted for end of CY2025**
- **Positions Vulcan to continue delivering the Zero Carbon Lithium™ Project as targeted, and intends to provide sufficient capital to allow the Company to arrange debt financing and strategic equity commitments**

Vulcan Energy Resources Limited (ASX: VUL, FSE: VUL, "Vulcan", "the Company"), is pleased to announce the launch of an underwritten single tranche placement to sophisticated, experienced, professional and institutional investors to raise EUR 66m (A\$109m)¹ ("Placement").

Proceeds from the Placement, together with existing cash, will be used to progress Vulcan's integrated renewable energy and lithium project execution strategy, with proceeds being applied to:

¹ Based on an Australian dollar offer price of A\$5.10 per New Share, and a EUR offer price of 3.08 per New Share.

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1) Ordering of long lead CAPEX items for Phase One Lithium Plant

- Ion exchange system
- Eluate & desalination reverse osmosis
- Direct Lithium Sorption package
- Evaporator and crystalliser system

2) Ordering of long lead items for Phase One Renewable Energy Plant

- Organic Rankine Cycle (ORC) type geothermal renewable energy plant for Phase One development

3) Other Phase One project execution CAPEX

- Drilling of initial new production/re-injection wells in Phase One area near current production wells, to increase current brine flow
- Acquisition of land for Lithium Extraction Plant and brine production sites
- VULSORB™ in-house lithium extraction sorbent co-investment for local commercial production, onshoring supply chain in Europe, away from China/Russia
- Engineering costs associated with Phase One execution including EPCM and bridge engineering

4) Phase Two project development

- 3D Seismic acquisition for Phase 2 development

5) General working capital, overhead, corporate costs and costs of the Placement

- General working capital required to support on-the-ground execution, and transaction costs associated with the Placement

Placement Details

The Placement will comprise the issue of 21.4 million new fully paid ordinary shares ("**New Shares**") at a:

- Fixed Australian dollar price of A\$5.10 per New Share, which represents a:
 - 17.2% discount to the last traded price on ASX of A\$6.16
 - 14.7% discount to the 5-day volume weighted average price ("**VWAP**") of A\$5.98; and
 - 14.1% discount to the 10-day VWAP on ASX of A\$5.93; or
- Fixed Euro offer price of EUR 3.08 per New Share, which represents a:
 - 18.0% discount to the last traded price on FSE of EUR 3.755
 - 14.3% discount to the 5-day VWAP on FSE of EUR 3.59; and
 - 13.5% discount to the 10-day VWAP on FSE of EUR 3.56.

The discounts set out above are current as at the close of trading on 3 May 2023.

New Shares will be issued under the Placement pursuant to the Company's available capacity under ASX Listing Rule 7.1, and rank *pari passu* with existing fully paid ordinary shares in Vulcan. The Placement is fully underwritten.

Please refer to the presentation and international offering circular lodged on ASX today for further information.

Canaccord Genuity (Australia) Limited and Merrill Lynch Equities (Australia) Limited are acting as Joint Lead Managers, Underwriters and Bookrunners to the Placement. Canaccord Genuity (Australia) Limited is acting as Global Co-ordinator to the Placement.

Timetable

The indicative key dates for the Placement are outlined below:

Event	Time (AEST) / Date ¹
Trading halt	9.30am, Thursday 4 May 2023
Launch of Placement	9.30am, Thursday 4 May 2023
Trading halt lifted and recommencement of trading on ASX	10.00am, Friday 5 May 2023
Settlement of New Shares	11 May 2023
Allotment of New Shares	12 May 2023
Quotation and Commencement of Normal Trading of New Shares on ASX and FSE	15 May 2023

Note 1: The Placement timetable is indicative only and subject to variation. The Company reserves the right to alter the timetable at its discretion and without notice, subject to ASX Listing Rules and the Corporations Act and other applicable law.

Ashurst are Vulcan's Australian, German and US legal advisers in respect of the Placement.

About Vulcan

Founded in 2018, Vulcan's unique Zero Carbon Lithium™ Project aims to decarbonise lithium production, through developing the world's first net carbon neutral business, with the co-production of renewable geothermal energy on a mass scale. By adapting existing technologies to efficiently extract lithium from geothermal brine, Vulcan aims to deliver a local source of sustainable lithium for Europe, built around a net zero carbon strategy with strict exclusion of fossil fuels. Already an operational renewable energy producer, Vulcan will also provide renewable electricity and heat to local communities.

Vulcan's combined geothermal energy and lithium resource is the largest in Europe², with license areas focused on the Upper Rhine Valley, Germany. Strategically placed in the heart of the European electric vehicle market to decarbonise the supply chain, Vulcan is rapidly advancing the Zero Carbon Lithium™ Project to target timely market entry, with the ability to expand to meet the unprecedented demand that is building in the European markets.

Guided by our Values of Integrity, Leadership, Future-focused and Sustainability, and united by a passion for environmentalism and leveraging scientific solutions, Vulcan has a unique, world-leading scientific and commercial team in the fields of lithium chemicals and geothermal renewable energy. Vulcan is committed to partnering with organisations that share its decarbonisation ambitions and has binding lithium offtake agreements with some of the largest cathode, battery, and automakers in the world. As a motivated disruptor, Vulcan aims to leverage its multidisciplinary expert team, leading geothermal technology and position in the European EV supply chain to be a global leader in producing zero fossil fuel, net carbon neutral lithium while being nature positive. Vulcan aims to be the largest, most preferred, strategic supplier of lithium chemicals and renewable power and heating from Europe, for Europe; to empower a net zero carbon future.



² According to public, JORC-compliant data. See Phase One DFS announcement, 13 February 2023.

Corporate Directory

Managing Director and CEO	Dr. Francis Wedin
Deputy CEO	Cris Moreno
Chairman	Gavin Rezos
Non-Executive Director	Ranya Alkadamani
Non-Executive Director	Annie Liu
Non-Executive Director	Dr. Heidi Grön
Non-Executive Director	Josephine Bush
Non-Executive Director	Dr. Günter Hilken
Non-Executive Director	Mark Skelton
Executive Director, Germany	Dr. Horst Kreuter
Company Secretary	Daniel Tydde

For and on behalf of the Board

Daniel Tydde | Company Secretary

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Please contact Vulcan's Legal Counsel Germany, Dr Meinhard Grodde, for matters relating to the Frankfurt Stock Exchange listing on mgrodde@v-er.eu.

Reporting calendar

29 May 2023	Annual General meeting
28 July 2023	June Quarterly
15 September 2023	Half Year Report
27 October 2023	September Quarterly

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Not an Offer

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This Announcement may contain certain forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "target", "propose", "anticipate", "continue", "forecasts", "outlook" and "guidance", or other similar words (or the negative thereof). These forward-looking statements included all matters that are not historical facts. Such forward-looking statements may include, but are not limited to, statements regarding: the proposed use of proceeds from the Placement; the outcome and effects of the Placement; estimated mineral resources and ore reserves; forecast financial information (including revenue and EBITDA); permits and approvals; forecast lithium prices; expected future demand for lithium products; planned production and operating costs; planned capital requirements; planned strategies and corporate objectives; and expected construction and production commencement dates.

By their nature, forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated, including those generally associated with the lithium industry and/or resources exploration companies, including but not limited to the risk factors contained in the International Offering Circular released to the ASX on 4 May 2023.

These factors may include, but are not limited to, changes in commodity and renewable energy prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development (including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves), political and social risks, changes to the regulatory framework within which Vulcan operates or may in the future operate, environmental conditions including climate change and extreme weather conditions, geological and geotechnical events, environmental issues, the recruitment and retention of key personnel, industrial relations issues and litigation.

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