# VULCAN ENERGY

Equity Raising Presentation

ASX/FSE: VUL

# DETERMINED FOR A BETTER TOMORROW

Not for release to US wire services or distribution in the United States

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- fully underwritten single tranche placement of new fully paid ordinary shares ("New Shares") to be made to certain eligible institutional investors under section 708A of the Corporations Act 2001 (Cth) ("Corporations Act")as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("Placement"); and
- offer to eligible Vulcan shareholders to apply for New Shares pursuant to a share purchase plan under section 708A of the Corporations Act as modified by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 ("SPP"), as further described in this Presentation.

Together, the Placement and SPP are referred to as the "Offer".

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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 (refer to the "Risk factors" section of this Presentation in Appendix 2).

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.

Any such forward-looking statements, opinions and estimates in this Presentation (including any statements about market and industry trends) are based on assumptions and contingencies, all of which are subject to change without notice, and may ultimately prove to be materially incorrect. Accordingly, prospective investors should consider any forward-looking statements in this Presentation in light of those disclosures, and not place undue reliance on any forward-looking statements (particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the COVID-19 pandemic, the Israel-Palestine conflict and the Russian invasion of Ukraine). Forward-looking statements are provided as a general guide only and should not be relied upon as, and are not, an indication or guarantee of future performance. All forward-looking statements involve significant elements of subjective judgement, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors – many of which are outside the control of Vulcan.

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As noted above, an investment in Vulcan (including New Shares) is subject to both known and unknown risks, some of which are beyond the control of Vulcan. Vulcan does not guarantee any particular rate of return or its performance, nor does it guarantee any particular tax treatment. Prospective investors should have regard to the risks outlined in this Presentation, including the "Risk factors" section of this Presentation in Appendix 2, when making their investment decision, and should make their own enquires and investigations regarding all information in this Presentation, including, but not limited to, the assumptions, uncertainties and contingencies that may affect Vulcan's future operations, and the impact that different future outcomes may have on Vulcan. There is no guarantee that any investment in Vulcan (including an investment in New Shares) will make a return on the capital invested, that dividends will be paid on any New Shares, or that there will be an increase in the value of Vulcan or the New Shares in the future. Accordingly, an investment in Vulcan (including an investment in New Shares) should be considered highly speculative, and potential investors should consult their professional advisers before deciding whether to invest in Vulcan (including any subscription for New Shares).

Ore Reserves and Mineral Resources Reporting

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) subpart 1300 of Regulation S-K under the US Securities Act of 1933, as amended (the "Securities Act"), which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission ("SEC").

Information contained in this Presentation describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. On 31 October 2018, the SEC adopted amendments to its disclosure rules to modernise the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the US Exchange Act of 1934, as amended (the "Exchange Act"). These amendments became effective 25 February 2019, with compliance required for the first fiscal year beginning on or after 1 January 2021. Under these amendments, the historical property disclosure requirements for mining registrants included in Industry Guide 7 under the Securities Act were rescinded and replaced with disclosure requirements in subpart 1300 of Regulation S-K. As a result of the adoption of subpart 1300 of Regulation S-K, the SEC's standards for mining property disclosures are now more closely aligned to the JORC Code's requirements. For example, the SEC now recognises estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding standards under the JORC Code. However, despite these similarities, SEC standards are still not identical to the JORC Code. Accordingly, investors are cautioned that there can be no assurance that the reserves and resources reported by the Company under the JORC Code would be the same had it prepared its reserve or resource estimates under the standards adopted under subpart 1300 of Regulation S-K.

Time

All references to time in this Presentation are to Australian Eastern Standard Time, unless otherwise indicated.

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Prospective investors should note that past performance, including past Share price performance and any pro forma historical information in this Presentation, is given for illustrative purposes only, and cannot be relied upon as an indicator of (and provides no guidance, assurance or guarantee as to) Vulcan's future performance, including future Share price performance. The pro forma historical information is not represented as being indicative of Vulcan's views – or any Limited Party's views –on Vulcan's future financial condition and/or performance.

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Certain market and industry data used in connection with or referenced in this Presentation may have been obtained from public filings, research, surveys or studies made or conducted by third parties, including as published in industry-specific or general publications. Third party industry publications, studies and surveys generally state that the data contained therein has been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Neither Vulcan nor its advisers, nor their respective representatives, have independently verified any such market or industry data. To the maximum extent permitted by law, each of these persons expressly disclaims any responsibility or liability in connection with such data.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

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Financial data

All monetary values expressed as "$" or "A$" in this Presentation are in Australian dollars, unless stated otherwise. All monetary values expressed as EUR or € in this Presentation are in Euros, unless stated otherwise. All monetary values expressed as "US$" in this Presentation are in US dollars, unless stated otherwise. The assumed exchange rate to convert Euros into Australian dollars or US dollars (as applicable) is shown in the footnote to each respective slide.

The pro forma financial information included in this Presentation is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

In addition, prospective investors should be aware that financial data in this Presentation includes "non-IFRS financial information" under ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Among other things, the disclosure of such non-GAAP financial measures in the manner included in this Presentation would not be permissible in a registration statement under the U.S. Securities Act.

The non-IFRS financial measures do not have standardised meanings prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although Vulcan believes the non-IFRS financial information (and non-IFRS financial measures) provide useful information to readers of this Presentation, readers are cautioned not to place undue reliance on any non-IFRS financial information (or non-IFRS financial measures).

Similarly, non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards or International Financial Reporting Standards and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards or International Financial Reporting Standards. Although Vulcan believes that these non-GAAP financial measures provide useful information to readers of this Presentation, readers are cautioned not to place undue reliance on any such measures.

Technical information

Vulcan has carried out a definitive feasibility study ("DFS") and a bridging engineering study ("Bridging Study") for its Phase One Project (the results of which were announced to the ASX in the announcement "Vulcan Zero Carbon Lithium Phase 1 DFS Results" dated 13 February 2023 and the announcement "Positive Zero Carbon Lithium Project Bridging Study Results" dated 16 November 2023 ("Bridging Study Announcement"), respectively). This Presentation may include certain information relating to the DFS and the Bridging Study Vulcan confirms that all of the material technical assumptions underpinning the forecast financial information set out in this Presentation are as set out in the Bridging Study Announcement and that such assumptions continue to apply and have not materially changed. Updated forecast financial figures using a revised lithium price forecast, are shown. The DFS and Bridging Study are based on the material assumptions and parameters outlined in their respective announcements. While Vulcan considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Bridging Study or DFS will be achieved. This Presentation may also include certain information relating to Phase Two of its Project, Vulcan has not yet carried out a definitive feasibility study for Phase Two of its Project.

Funding Strategy

To achieve the range of outcomes indicated in the DFS and Bridging Study, additional funding will be required. Investors should note that is no certainty that Vulcan will be able to raise the amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Vulcan's existing shares. It is also possible that Vulcan could pursue other financing strategies such as a partial sale or joint venture of the Project. If it does, this could materially reduce Vulcan's proportionate ownership of the Project. Refer to ASX announcement titled "Vulcan launches AUD 164m Placement and Share Purchase Plan" dated 11 December 2024 and section 7.1.3.5 of the ASX announcement titled "Information Memorandum" dated 11 December 2024 for further details regarding the Company's financing strategy for its Phase One Project. See also risk factors in Appendix 2 of this Presentation, including paragraph 3.1 in relation to the future funding requirements.

Disclosure

Each Joint Lead Manager, together with its respective affiliates and related bodies corporate, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. Each Joint Lead Manager (and/or its respective affiliates and related bodies corporate) have performed, and may perform, other financial or advisory services for Vulcan, and/or may have other interests in or relationships with Vulcan, and its related entities or other entities mentioned in this Presentation for which they have received or may receive customary fees and expenses.

In the ordinary course of its various business activities, each Joint Lead Manager (and/or its respective affiliates and related bodies corporate) may purchase, sell or hold a broad array of investments and actively trade or effect transactions in equity, debt and other securities, derivatives, loans, commodities, currencies, credit default swaps and/or other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/ or instruments of Vulcan, its related entities and/or persons and entities with relationships with Vulcan and/or its related entities. Each Joint Lead Manager and/or its respective affiliates and related bodies corporate, or their respective officers, employees, consultants or agents may, from time to time, have long or short positions in, buy or sell (on a principal basis or otherwise), and may act as market makers in, the securities or derivatives, or serve as a director of any entities mentioned in this Presentation. Each Joint Lead Manager (and/or its respective affiliates and related bodies corporate) currently hold, and may continue to hold, equity, debt and/or related derivative securities of Vulcan and/or its related entities.

In connection with the Placement, one or more investors may elect to acquire an economic interest in the New Shares ("Economic Interest"), instead of subscribing for or acquiring the legal or beneficial interest in those shares. The Joint Lead Managers (or their respective affiliates) may, for their own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire shares in Vulcan in connection with the writing of such derivative transactions in the Placement and/or the secondary market. As a result of such transactions, the Joint Lead Managers (or their respective affiliates) may be allocated, subscribe for or acquire New Shares or shares of Vulcan in the Placement and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such shares. These transactions may, together with other shares in Vulcan acquired by the Joint Lead Managers or their respective affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Managers or their respective affiliates disclosing a substantial holding and earning fees.

Acknowledgement and agreement

By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out in this "Disclaimer" section of the Presentation and in the "International offer restrictions" section of this Presentation in Appendix 1.

Competent Person Statement

The information in this Presentation that relates to estimates of Mineral Resources and Ore Reserves is extracted from the Competent Person Report included as Annexure section 17 "Annex: Competent Person Report" to the ASX announcement titled "Information Memorandum" released on 11 December 2024 .

The above announcement is available to view on Vulcan's website at www.v-er.eu.

Vulcan confirms that:

- in respect of estimates of Mineral Resources and Ore Reserves included in this Presentation:
    - it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed; and
    - the form and context in which the Competent Persons' findings are presented in this Presentation have not been materially modified from the original market announcement; and
- all material assumptions underpinning the production targets (and the forecast financial information derived from such production targets) included in this Presentation continue to apply and have not materially changed.

# INVESTMENT HIGHLIGHTS

| | |
|---|---|
| **Tier-one, first quartile, fully integrated lithium project[1]** | • **Tier-one, renewably heated lithium brine asset:** 30-year Phase One project life and Reserves, largest resource in EU[2], which is scalable and globally significant<br>• **Fully integrated, including renewable heat:** Integrated production of renewable heat and lithium reduces waste and lowers costs. Excess heat can be sold<br>• **Lowest quartile target OPEX:** Only est. €4,030/t LHM, driven by A-DLE technology, combined with favourable brine and leveraging waste heat in process<br>• **Decarbonising the supply chain:** ~10 MtCO2e to be avoided over Phase One alone. First metals and mining project to be labelled as "Dark Green" by S&P Global<br>• **High quality resource:** Upper Rhine Valley brine has low impurities and requires zero chemical pre-treatment before lithium extraction<br>• **Optimal location in Germany:** Compact supply chain drives cost and carbon benefits – only 130 km from wellsite to battery ready product |
| **Established customers driving pricing stability coupled with robust market fundamentals** | • **Strong customer relationships:** Offtake agreements with Stellantis, Renault, LG, Umicore and Volkswagen: high quality European counterparties covering majority of first 10yrs of production[3]<br>• **Attractive, resilient target financials**: Offtake agreements, combined with low OPEX, create increased stability during volatile lithium spot prices. Majority of volume fixed or floor pricing during initial years of production<br>• **EU market chronically under-supplied, strong demand:** First fully integrated lithium hydroxide produced domestically in Europe in November 2024 by Vulcan from its qualification plants |
| **Demonstrated support from government and strategics in the battery chemicals and energy industries** | • **Government backing:** Recently awarded €100m (A$164m)[4] of Federal grant funding, for renewable heat part of the Project. Further funding applications in progress on lithium side, including from German Critical Raw Materials Fund and TCTF<br>• **Large financial leads in debt process**: Up to €500m lending envelope indicated from European Investment Bank ("**EIB**") (including up to €250m direct lending) plus ECAs from four countries leading the process. Credit committee-approved debt commitment letters targeted for December 2024. Export Finance Australia conditional approval already received for €120m[5]<br>• **Strong corporate partnerships support future phase pipeline:** Agreement to jointly develop a project to supply Ludwigshafen with BASF |
| **Technological edge and experienced management team** | • **Advanced project:** Over A$500 raised to date and invested in infrastructure, plant and equipment, technology, and engineering<br>• **Rare in-house Adsorption-type DLE expertise:** One of only a handful of companies globally with proprietary A-DLE knowhow – VULSORB®<br>• **Large project execution and operational expertise:** Leading team of ca. 350 - expertise from O&G, chemicals and geothermal industries |
| **Fully underwritten institutional placement to fund commencement of project execution[6]** | • **Fully underwritten Institutional Placement:** Fully underwritten institutional placement and concurrent strategic placement to raise up to €100m (A$164m)[4] to fund the commencement of critical path project execution workstreams, commence new well execution, and long-lead capital expenditure associated with Phase One. A €12m (A$20m)[4] Share Purchase Plan is also being undertaken, which is not underwritten[7]<br>• **Commencing project execution to keep protect schedule whilst finalising Project funding package:** Equity raising, together with existing cash of €20m (A$33m)[4], provides sufficient working capital to begin execution of Vulcan's Project Lionheart whilst progressing associated funding initiatives, including finalising both the strategic equity and debt funding components of the Project financing package expected to be completed in the first half of 2025 |

*Note(s): 1. There are a number of risks and uncertainties (known and unknown) that are associated with resources exploration and development, including those that are included in the risk factors contained in Appendix 2 of this Presentation. 2. On a lithium carbonate equivalent (LCE) basis, according to public information, as estimated and reported in accordance with the JORC Code 2012. See the Bridging Engineering Study (BES) announcement 16 November 2023 and Appendix 4 of this presentation for further information. 3. Refer to section 7.16.3 of the Information Memorandum released to ASX on 11 December 2024 for further information regarding the terms of the Company's offtake agreements, including conditions precedent and termination rights and the date for commencement of commercial delivery. 4. Converted at € 0.61/A$1.00. 5. Refer to slide 8 for further details 6. Refer to the Company's ASX announcement titled "Information Memorandum" and slide 28 of this Presentation, for future information regarding the Company's funding strategy for its Phase One Project and its future funding requirements, as well as the risk factors in Appendix 2 of this Presentation. 7. Refer to the Equity Raising Slides for further information.*

# INTEGRATED RENEWABLE ENERGY & LITHIUM[1]

## Phase One: Lionheart

**Integrated** renewable energy, lithium salts and lithium hydroxide production from sub-surface brines in the Rhine Valley. Targeting **24,000 tonnes p.a[2].** LHM production: enough for 500,000 electric vehicles every year

Targeting **560 GWh renewable heat production** capacity: enough for 90,000 homes.[4]
Targeting **275 GWh** renewable power production capacity. Net generator of energy

**First quartile target lithium production costs:** integrated heat and power, compact supply chain, drive low Li production costs. **€4,030/t** LHM

**Pricing stability**: offtakes with tier-one customers. Lionheart offers compelling Project economics, which are summarised on the following page

**Product pre-qualification capability:** optimisation plants now in production

**Advanced and execution-ready:** specialised in-house expertise and strong execution team. Over €360m raised to date and shovel-ready

**Decarbonising the EV supply chain:** unique offering. Targeting **10Mt $CO_2$** avoided in Phase One alone[5]

*Note(s): 1. All figures from Bridging Engineering Study (BES) announcement 16 November 2023. Vulcan confirms that all the material technical assumptions underpinning the forecast financial information in the Bridging Study Announcement continue to apply and have not materially changed; 2. Refer to the Competent Person Statement within the Disclaimer slides 3. Converted at €0.61/A$1.00. 4. Based on official feed-in numbers from grid operator and calculated with the latest local electricity mix emission factor; 5. Minviro and Vulcan internal estimates; 6. Based on the Phase One production target capacity of 24ktpa from Bridging Engineering Study (BES) Announcement 16th November 2023 and Vulcan internal estimated average EV battery size and chemistry in Europe. Refer to the Competent Person Statement within the Disclaimer slides*

# PROJECT ECONOMICS ROBUST UNDER VARIABLE MARKET CONDITIONS[1,2]

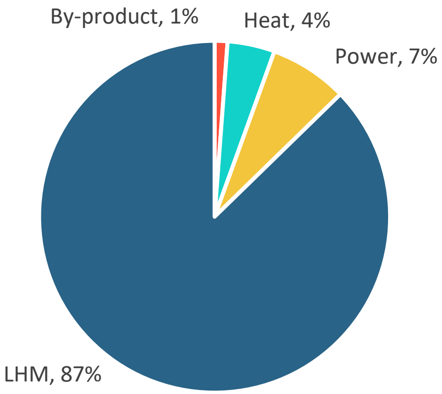
| | BES #1 | BES #2 | BES #3 | EOV |
|---|---|---|---|---|
| | **Original, unadjusted BES** | **Inflation adjusted BES** | **Inflation adjusted BES with updated LHM price forecast average applied to offtakes** | **End of validation with updated LHM price forecast average applied to offtakes** |
| Average Revenue[3] | €705m p.a. | €932m p.a. | €721m p.a. | €756m p.a. |
| Average EBITDA[3] | €521m p.a. | €781m p.a. | €573m p.a. | €582m p.a. |
| Average EBITDA%[3] | 74% | 84% | 79% | 77% |
| Capex | €1,399m | €1,399m | €1,399m | €1,431m |
| Opex (C1)[4] | €4,022/t LHM | €4,022/t LHM | €4,022/t LHM | €4,030/t LHM |
| $NPV_8$ pre-tax | €3,906m | €5,339m | €3,677m | €3,467m |
| $NPV_8$ post-tax | €2,566m | €3,563m | €2,404m | €2,173m |
| IRR pre-tax % | 27.8% unlevered | 30.3% unlevered | 24.6% unlevered | 21.7% unlevered<br>26.2% levered |
| IRR post-tax % | 22.5% unlevered | 24.7% unlevered | 20.4% unlevered | 17.8% unlevered<br>20.7% levered |

As part of the BNPP led strategic equity process, Vulcan has taken the Bridging Engineering Study (**BES)** figures as previously announced (**BES #1**) and adjusted these to include inflation on the forecast LHM pricing, thereby showing inflation adjusted economics at **BES #2**. The latest LHM pricing forecasts – an average "basket" of forecasts from Wood Mackenzie, Fastmarkets and Benchmark (applied to Vulcan's lithium offtake pricing mechanisms) – has also been applied against the inflation adjusted BES model, as a sensitivity, resulting in the economics shown at **BES #3**, showing the Project is resilient under variable market conditions.

The latest estimated Project economics at the end of validation ("**EOV**") are shown in the last column. The latest modelling assumptions include non-material updates to CAPEX, OPEX, and other adjustments from the BES model (including updates to the inflation rate and EUR/USD exchange rate for changes to consensus economics).

Average **€756Mpa** total forecast revenues

*(average over Project's life)*




*Note(s) 1. The ability of the Company to realise the target project economics is subject to a number of risks and uncertainty (refer to Appendix 2 (Risk Factors) of this Presentation for further information including, but not limited to, the technical, business and funding risks identified) and to the Company securing sufficient financing to fund the required project costs which, as of the date of this Presentation, has not yet been finalised. 2. Vulcan confirms that all the material technical assumptions underpinning the forecast financial information in the Bridging Study Announcement continue to apply and have not materially changed 3. Average over the Project's life. 4. C1 costs comprise of power, maintenance, labour, materials, reagents, sorbent, utilities, logistics, and other fixed costs, excluding inflation.*

# ENVISAGED FINANCING ARRANGEMENTS[1]

**Total Phase One Funding**

- In addition to the €1,831m total funding requirement for Phase One, as outlined in the Bridging Engineering Study ("**BES**"), an additional €153m in financing costs, owner's costs, DSRA and ramp-up costs has been budgeted
- Based on the envisaged debt financing outlined below, additional contingency and standby facilities of €241m are expected to be required by financiers

**Envisaged Debt Financing**

- Targeted debt financing of €1.5 – 1.6b comprising of:
  - Up to €500m lending envelope indicated from European Investment Bank (including up to €250m direct lending);
  - Direct loan from Export Finance Australia[2] and Export Development Canada; and
  - Lending commitments from a number of commercial institutions (including portion to be guaranteed by Bpifrance and SACE);

**Other Funding**

- Other funding required of €625 – 725m is targeted to be funded by:
  - Proceeds from the Placement and Share Purchase Plan;
  - Further Government funding; and
  - Strategic equity and/or asset level investment and additional public equity funding.

| Phase One Funding Requirement | (€m) |
|---|---|
| Phase One Capital Expenditure | 1,431 |
| Other Funding Requirements for Phase One (financing costs, owner's costs, DSRA and ramp-up costs) | 400 |
| **Total Funding Required per BES** | **1,831** |
| Additional financing costs, owner's costs, DSRA and ramp-up costs | 153 |
| **Total Funding Required (ex additional contingency and standby facilities required by financiers)** | **1,984** |
| Additional contingency and standby facilities required by financiers | 241 |
| **Total Funding Required** | **2,225** |

*Note(s) 1. Refer to ASX announcement titled "Vulcan Launches AUD164m Placement and Share Purchase Plan" dated 11 December 2024 and section 7.1.3.5 of the ASX announcement titled "Information Memorandum" dated 11 December 2024 for further details regarding the Company's financing strategy for its Phase One Project. See also risk factors in Appendix 2 of this Presentation, including paragraph 3.1 in relation to the future funding requirements. As at the date of the Presentation, the Company has not yet entered into binding agreements for all of its required debt and equity financing for its Phase One Project, and accordingly there is no certainty as to the availability of terms of such financing 2. As per ASX announcement "EFA conditionally approves $196m commitment" released on 9 December 2024*

# EMPOWERING A CARBON NEUTRAL FUTURE

## High quality strategic shareholders

ASX/FSE *Prime Standard* / **VUL**

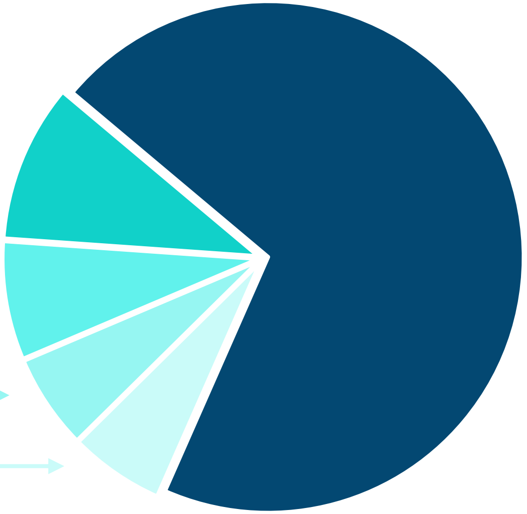
Shares on issue / **~188m**

Market Capitalisation[1] / **ca. €762m (A$1.25bn)**[2]

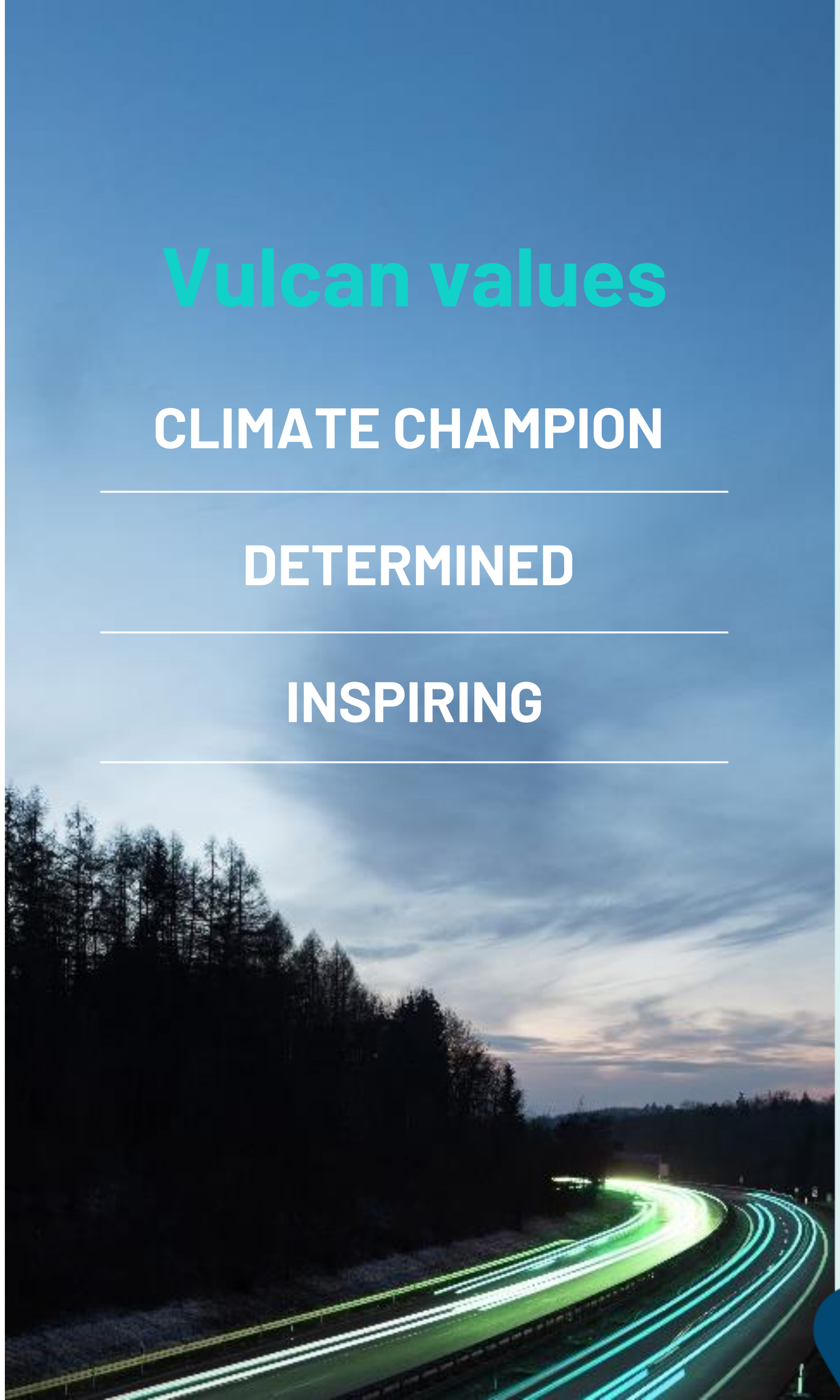
Cash[3] / **€20m (~A$33m)**

**High quality strategic shareholders**

| | |
|---|---|
| **~9%** | Dr Francis Wedin |
| **~7.5%** | Hancock Prospecting Pty Ltd |
| **~6%** | CIMIC Group |
| **~6%** | Stellantis |



*Note(s): 1. As at 10 December 2024, ASX closing price A$6.64/sh, 2. Converted at €0.61/A$1.00. 3. Cash at 30 November 2024*




VULCAN
ENERGY
Equity Raising

# EQUITY RAISING OVERVIEW

## Placement to raise €100m (A$164m)[1] and €12m (A$20m) Share Purchase Plan

| | |
|---|---|
| **Structure & Size[1]** | • Fully underwritten institutional placement and concurrent strategic placement to raise up to €100m (A$164m)[2] ("**Placement**").<br>• The Placement comprises a fully underwritten institutional placement to raise €74m (A$121m)[2] and a non-underwritten strategic placement to raise up to €26m (A$43m)[2].<br>• In addition to the Placement, the Company intends to undertake a share purchase plan to eligible shareholders (up to A$30,000 per shareholder) to raise up to €12m (A$20m)[2] ("**SPP**").<br>• Approximately 28m new fully paid ordinary shares ("**New Shares**") to be issued under the Placement in a single tranche, utilising the Company's available capacity under ASX Listing Rule 7.1 and up to approximately 3.4m New Shares to be issued under the SPP.<br>• New Shares issued under the Placement and SPP will rank pari passu with existing fully paid ordinary shares in the Company. |
| **Pricing** | • Fixed Australian dollar offer price of A$5.85 per New Share to be issued on ASX, which on 10 December 2024 represents a:<br>  - 11.9% discount to the last traded price on ASX of A$6.64; and<br>  - 8.4% discount to the 30-day volume weighted average price ("**VWAP**") of A$6.39.<br>• Fixed Euro offer price of €3.57 per New Share to be issued to investors who elect to trade those New Shares on the FSE. |
| **Strategic Investors** | • Concurrent placement to strategic investors who have agreed to subscribe for €26m (A$43m). |
| **SPP Details** | • In addition to the Placement, the Company will offer eligible existing shareholders the opportunity to participate in a SPP at the same price as the Placement.<br>• Eligible Vulcan shareholders with a registered address in Australia or New Zealand as at the Record Date of 7:00pm (AEDT) on Tuesday, 10 December 2024 will have the opportunity to apply for up to A$30,000 of New Shares per eligible shareholder under the SPP.<br>• Vulcan retains the right to accept over-subscriptions or to scale back applications ( in whole or in part) at its absolute discretion, that may result in the SPP raising more or less than A$20 million. |

*Note(s) 1. Refer to the "Underwriting Risk" in the Risk Factors in Appendix 2 for more information in relation to the underwriting arrangements. 2. Converted at €0.61/A$1.00.*

# SOURCES AND USES OF FUNDS

Placement proceeds, together with existing cash, will be used to commence execution of critical path scope for Phase One of the Lionheart Project:

**<u>Phase One Capital Expenditure ("CAPEX")</u>**

**1. Commence execution of Field Development Plan ("FDP")**

- Rig mobilization and commencement of execution for first new production well
- Procurement to support FDP execution sequence

**2. Commence EPC contracts**

- EPC for Organic Rankine Cycle geothermal renewable energy plant, cooling tower, 110kV substation and pipeline
- Limited notice to proceed contracts for Lithium Extraction Plant and Central Lithium Plant

**3. Other execution CAPEX**

- Commitment to key supply agreements
- Acquisition of land and site establishment
- Completion of integrated pipeline loop
- Engineering costs
- Completion of acquisition of Geox GmbH upstream Phase One lithium and renewable energy assets[2]

**<u>Phase One Operating Expenditure ("OPEX")</u>**

- OPEX to support on-the-ground execution

| Sources of funds | A$m[1] | €m |
|---|---|---|
| Existing cash and cash equivalents (30-Nov-24) | 33 | 20 |
| Placement proceeds | 164 | 100 |
| **Total Sources** | **197** | **120** |

| Uses of funds | A$m[1] | €m |
|---|---|---|
| Commence execution of FDP | 21 | 13 |
| Commence EPC contracts | 49 | 30 |
| Other execution CAPEX | 66 | 40 |
| **Total Phase One CAPEX** | **136** | **83** |
| Phase One OPEX | 39 | 24 |
| **Total Phase One Uses** | **150** | **92** |
| General working capital and corporate costs | 22 | 13 |
| **Total Uses** | **197** | **120** |

The SPP is not underwritten and proceeds raised will be used as additional working capital to support the advancement of the Project and associated funding initiatives.

*Note(s) 1. Converted at €0.61/A$1.00. 2. Should the Company raise over €100m, Vulcan may be required to pay the ~€15m deferred payment consideration for the acquisition of 100% of the shares in Geox GmbH, which may be funded from the Placement/SPP, existing cash reserves, or a combination of both. For further details refer to ASX announcement 'Financing progress update' released on 27 September 2024.*

# INDICATIVE EQUITY RAISING TIMETABLE

| Event | Time (AEDT)/Date[1] |
|---|---|
| Record Date for eligibility to participate in the SPP | 7:00pm, Tuesday, 10 December 2024 |
| Launch of Placement Bookbuild for Northern Hemisphere | 3:30am, Wednesday, 11 December 2024 |
| Trading halt commences on ASX | 9:00am, Wednesday, 11 December 2024 |
| Launch of Placement Bookbuild for Southern Hemisphere | 9:00am, Wednesday, 11 December 2024 |
| Placement Bookbuild closes for all investors | 3:30pm Wednesday, 11 December 2024 |
| Trading halt lifted and recommencement of trading on ASX | Thursday, 12 December 2024 |
| Settlement of New Shares issued under the Placement | Tuesday, 17 December 2024 |
| Allotment of New Shares issued under the Placement[2] | Wednesday, 18 December 2024 |
| Quotation and commencement of trading of New Shares on ASX and FSE | Thursday, 19 December 2024 |
| Dispatch of SPP booklet and SPP offer open date | Friday, 20 December 2024 |
| SPP Closing date | Monday, 20 January 2025 |
| Announcement of SPP results | Thursday, 23 January 2025 |
| Issue of SPP Shares | Tuesday, 28 January 2025 |

*Note(s): 1. The Placement and SPP 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 Corporations Act and other applicable law. (2) €6m of which will be issued on a delayed settlement basis on or around 8 January 2025.*

VULCAN ENERGY

# Vulcan's integrated lithium and energy business

# NEW WAVE OF LITHIUM IS BUILDING

## Defined by low cost, sustainable production from brines using A-DLE

As the lithium market matures into its next phase of growth, major global companies like Rio Tinto and ExxonMobil are entering the lithium brine space[1]

Global lithium market forecast to grow at a Compound Annual Growth Rate of 10% up to 2040[2]

Adsorption-type Direct Lithium Extraction (**A-DLE**) from brines is one of the preferred types of lithium production for large companies, due to its **low cost of production, scalability, product purity and sustainability** credentials

A-DLE market share of lithium production is 10% and expected to grow[3]

*Vulcan's renewable heat and lithium brine-producing wells in Germany*

*Note(s): 1. Source: www.riotinto.com/en/news/releases/2024/rio-tinto-to-acquire-arcadium-lithium, ExxonMobil drilling first lithium well in Arkansas, aims to be a leading supplier for electric vehicles by 2030 | ExxonMobil 2: Source: Benchmark Mineral Intelligence 3: Source: Fastmarkets*

# WHAT MAKES A SUCCESSFUL LITHIUM BUSINESS?

## Vulcan sets the standard: Key factors for the next wave in lithium

1. **Strong tier-one customers:** reduces pricing and market risk

2. **Lithium resource scale:** ability to build large, low cost, scalable production

3. **Low impurities** in the brine. Ability to have no pre-treatment is a large OPEX, CAPEX and $CO_2$ saving

4. **Cheap heat or energy**: A-DLE is driven by heat therefore energy is a key driver of lower OPEX

5. **In-house technological A-DLE expertise:** reduces cost, reduces reliance on offshore supply chains, quickens development time to production

6. **Large project execution and operation expertise:** chemical/ O&G industry experience creates distinct advantages.

# VULCAN'S PHASE ONE PROJECT: LIONHEART

## Low cost, sustainable integrated lithium and energy production from Europe, for Europe


1 *Vulcan's 100% owned Insheim Geothermal Power Plant and wells (operating)*

2 *Operating well site and Lithium Extraction Optimisation Plant*

3 *G-LEP – Option agreement signed to secure site*

4 *Schleidberg – Vulcan's next production well site*

# UNIQUELY POSITIONED

## Vulcan poised to capture the next phase of growth[1]

- ✓ **Strong customer relationships:** Vulcan has offtake agreements with tier-one European counterparties covering majority of first 10 years of production[2]
- ✓ **Tier-one asset:** 30-year project life, large, scalable lithium resource, largest in EU[3] and globally significant
- ✓ **Low impurities** in the brine: Upper Rhine Valley Brine Field (URVBF) brine has very low impurities, and requires zero chemical pre-treatment
- ✓ **Cheap and renewable heat**: URVBF is naturally heated, and excess heat can be sold as power with Feed-in Tariff
- ✓ **In-house technological A-DLE expertise:** Vulcan now the only ASX-listed company with an in-house A-DLE technology division apart from RIO/LTM
- ✓ **Large project execution and operation expertise:** Vulcan has a leading combination of expertise from O&G, chemicals and geothermal industries.

*Note(s) 1. There are a number of risks and uncertainty (known and unknown) that are associated with resources exploration and development , which are included in the risk factors contained in Appendix 2 of this Presentation 2. Refer to section 7.16.3 of the Information Memorandum released to ASX on 11 December 2024 for further information regarding the terms of the Company's offtake agreements 3. On a contained lithium carbonate equivalent (LCE) basis, according to public information, as estimated and reported in accordance with the JORC Code 2012. See the Competent Person Report contained in the Information Memorandum released on the ASX on 11 December 2024 and Appendix 4 of this presentation for further information*

# EUROPEAN MARKET STRUCTURALLY SHORT OF LITHIUM

## Lithium supply in a structurally short market

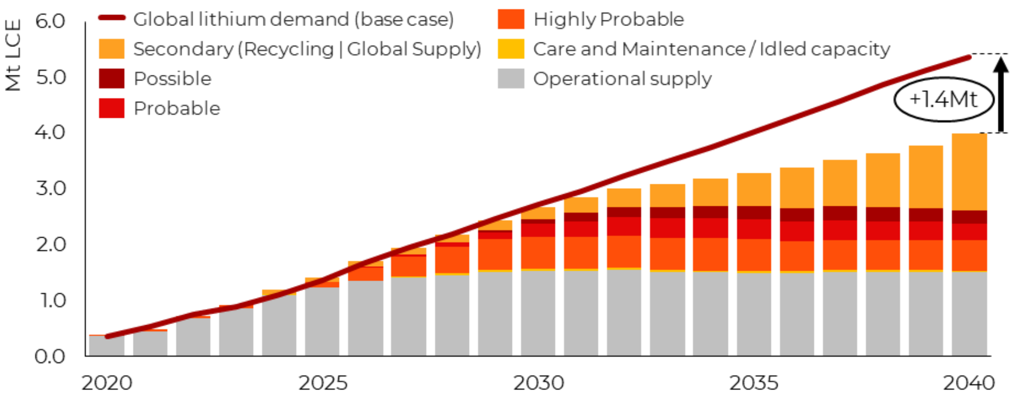
Global supply for LHM looks challenged relative to growth rates in lithium battery production

Supply/demand balance even more acute in Europe, which finds itself **structurally undersupplied**

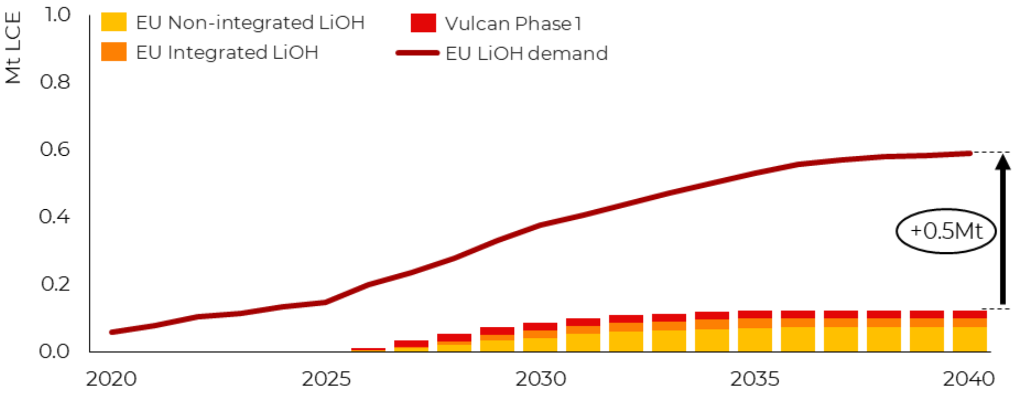
Favourable public policy positioning in Europe, including the newly introduced **Critical Raw Materials Act**

Vulcan is experiencing growing demand for its product from European automakers beyond Phase One.

### Global Supply / Demand Balance




### European LiOH Supply vs. Demand




*Data source(s): Benchmark Mineral Intelligence*

*NB: Supply is weighted by probability (except Vulcan) in both charts*

# OFFTAKE ADVANTAGE: TIER-ONE CUSTOMERS

## Fully contracted lithium production drives pricing stability[1]

**Low counterparty risk:** high quality European-focused offtake partners

**Long term relationships:** all offtake agreements binding, take-or-pay, with agreed pricing mechanisms, 5-10 years in duration

**Pricing stability[2]:** pricing mechanisms are a basket of fixed, floor-ceiling and fully floating prices during payback period

**Aligned interests:** largest offtake partner Stellantis is also Vulcan's fourth largest shareholder through a €50M investment[3].

STELLANTIS

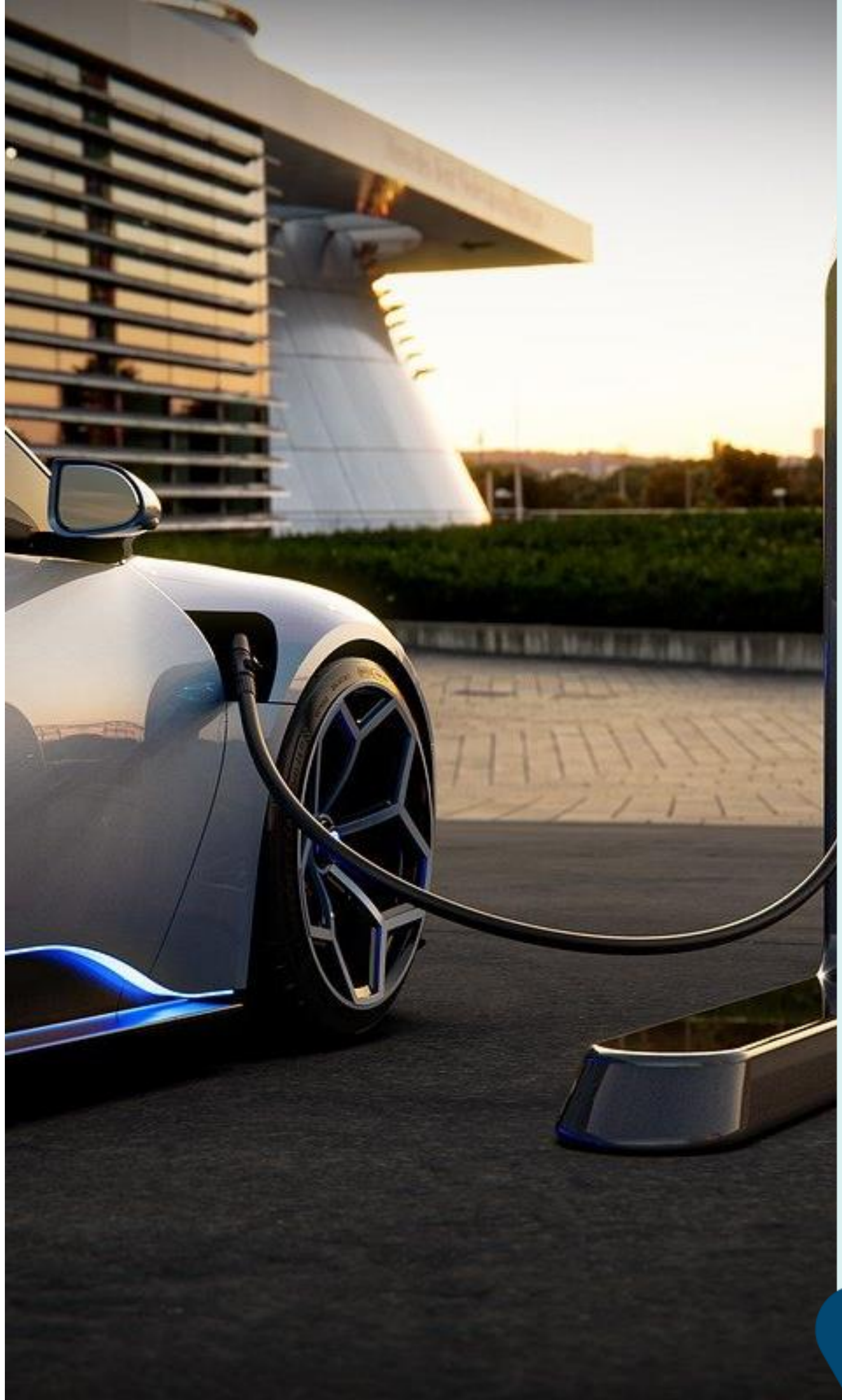
umicore[4]

RENAULT GROUP

LG Energy Solution

VOLKSWAGEN GROUP[5]

*Note(s): 1. Refer to section 7.16.3 of the Information Memorandum released to ASX on 11 December 2024 for further information regarding the terms of the Company's lithium offtake agreements, including conditions precedent and termination rights and the dates for commencement of commercial delivery. 2. Refer ASX announcement 16 November 2023 Bridging Engineering Study (BES). 3. ASX Announcement 31 May 2023 4. Commercial delivery originally scheduled to start in 2026, however Vulcan expects to defer this to align with the targeted start of commercial production as part of planned discussions with Umicore. 5. Commercial delivery originally scheduled to start in 2026, but expected to be deferred to a future phase of production beyond Phase One (with timing yet to be defined).*



# WORLD-CLASS LITHIUM DISTRICT: LIONHEART

## Ability to expand with low cost, sustainable production

**Global tier-one lithium resource, and largest in Europe[1]:** 27.7 Mt LCE estimated in 10 of Vulcan's 17 licences alone, in URVBF[1]

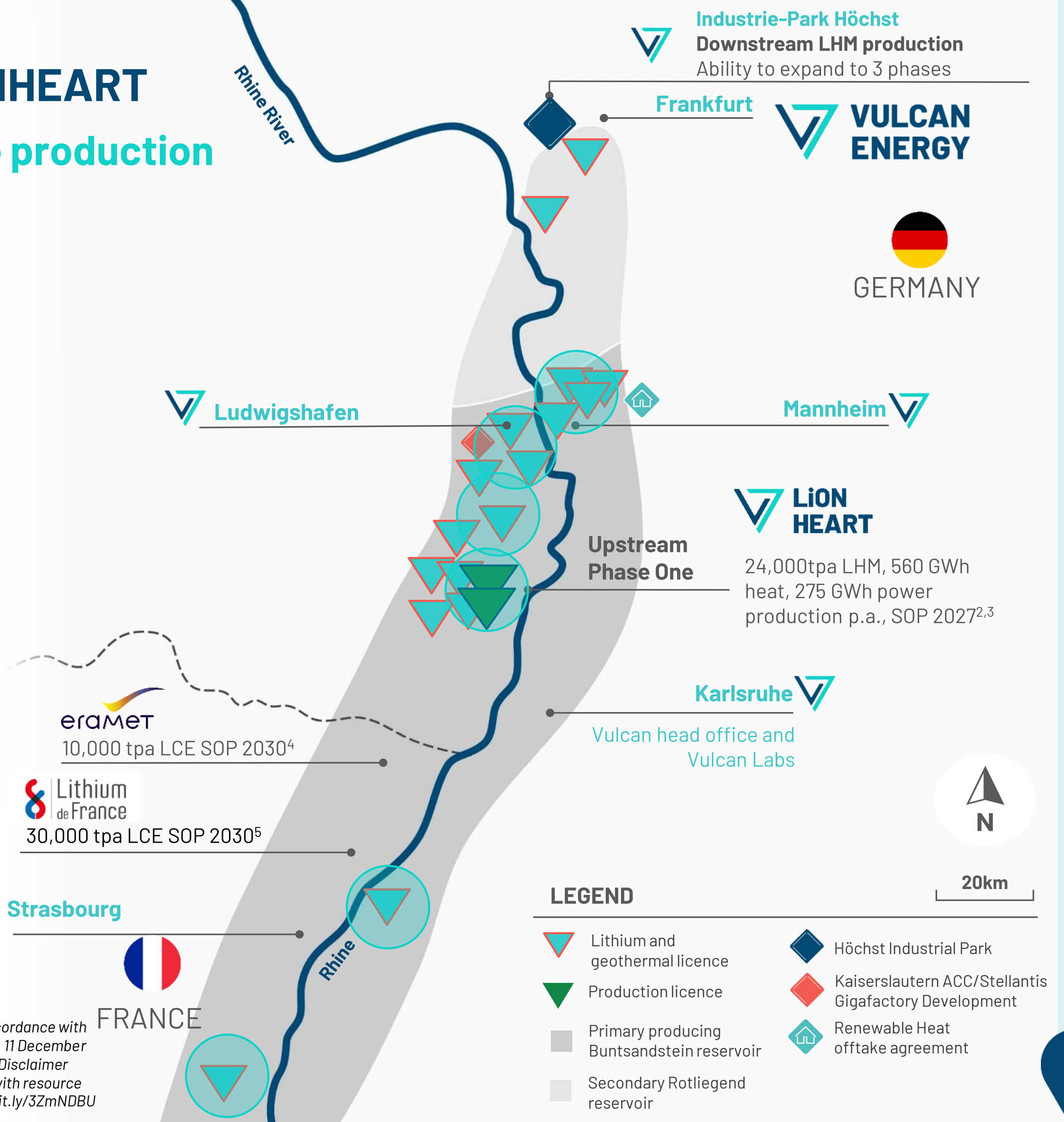
**Low impurity, high quality**, consistent brine composition reduces CAPEX and OPEX

Well supported by infrastructure. Multiple chemical parks, >1,000 existing wells, mature, producing field

Ability to expand with modular plants in the upstream, and add further trains of production to downstream

Leveraging renewable heat co-production to reduce field development cost and provide benefits to local industry and communities

***Strategic location and compact 130km supply chain drive substantial cost/ carbon benefits***




*Note(s) 1. On a lithium carbonate equivalent (LCE) basis, according to public information, as estimated and reported in accordance with the JORC Code 2012. See the Competent Person Report contained in the Information Memorandum released on the ASX on 11 December 2024 and Appendix 4 of this presentation for further information. 2. Refer to the Competent Person Statement within the Disclaimer slides. 3. Please also refer to the risk factors contained in Appendix 2 of this Presentation regarding the risks associated with resource exploration and development projects. 4. https://www.eramet.com/en/activities/ageli-geothermal-lithium/. 5. https://bit.ly/3ZmNDBU*

# COMPETITIVE ADVANTAGE: INTEGRATED BUSINESS

## Main inputs are heat and power

**Fully integrated** renewable energy generation and lithium production

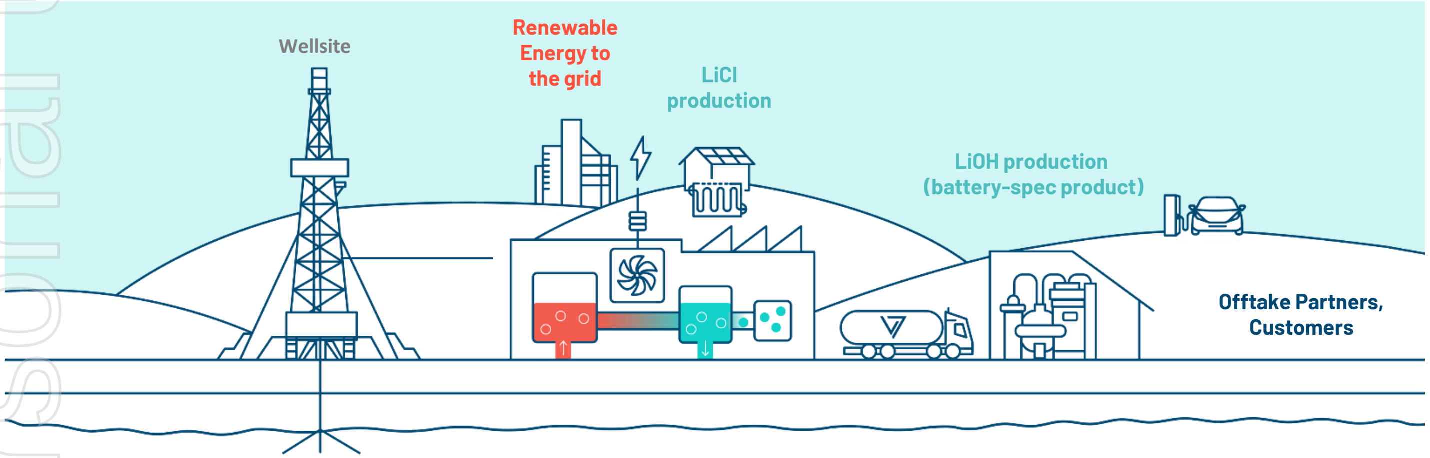
**Simplified** two-stage process from lithium-rich brine to battery-ready product

**Commercially leading** adsorption-type lithium production driven by renewable heat

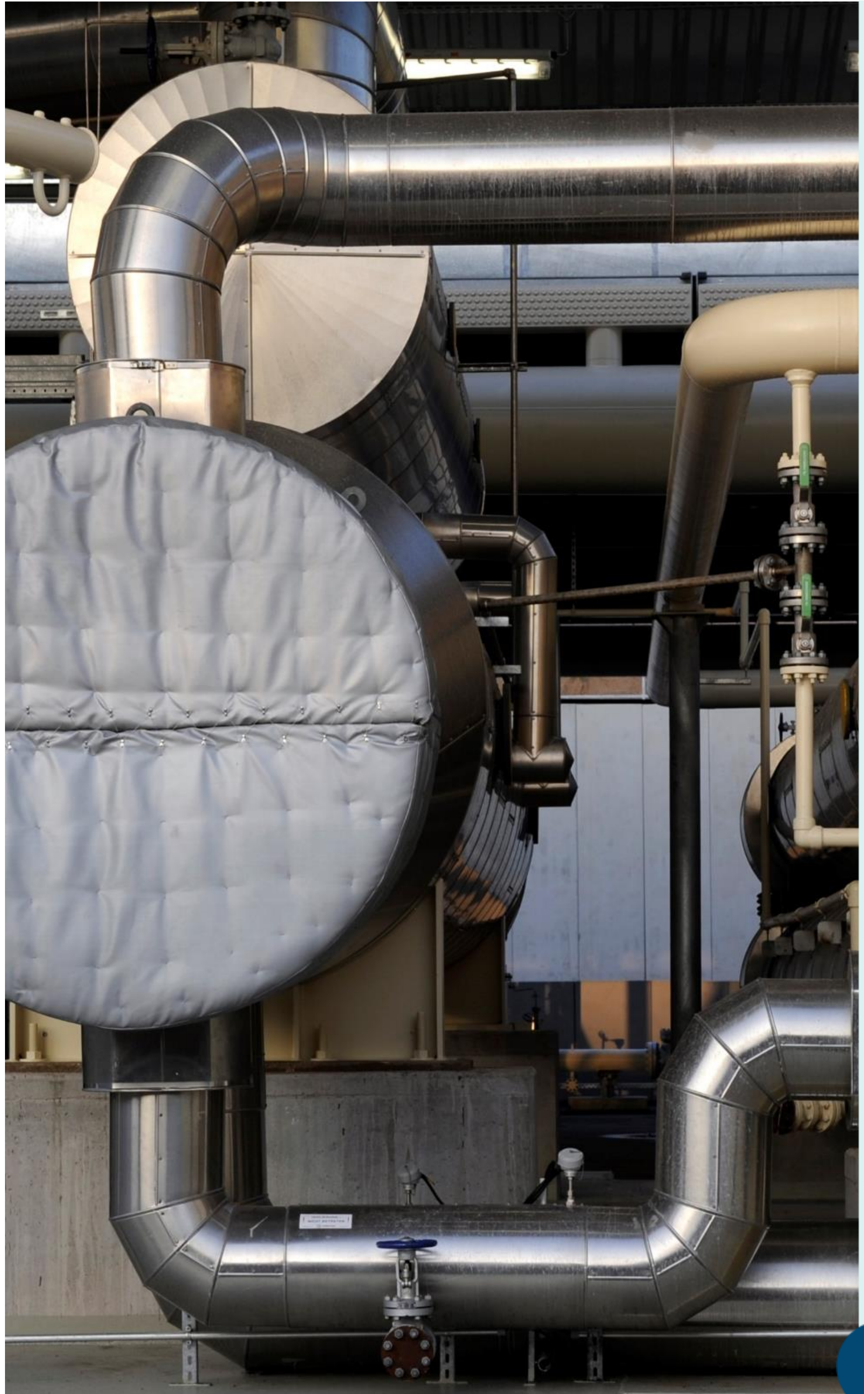
**Renewable** power and heat straight to the grid, lithium straight to offtake partners

**Vulcan's fully integrated Phase One Lionheart Project**

| Upstream | Downstream |
|---|---|




Lithium rich heated brine (Ore Reserves and Mineral Resources)

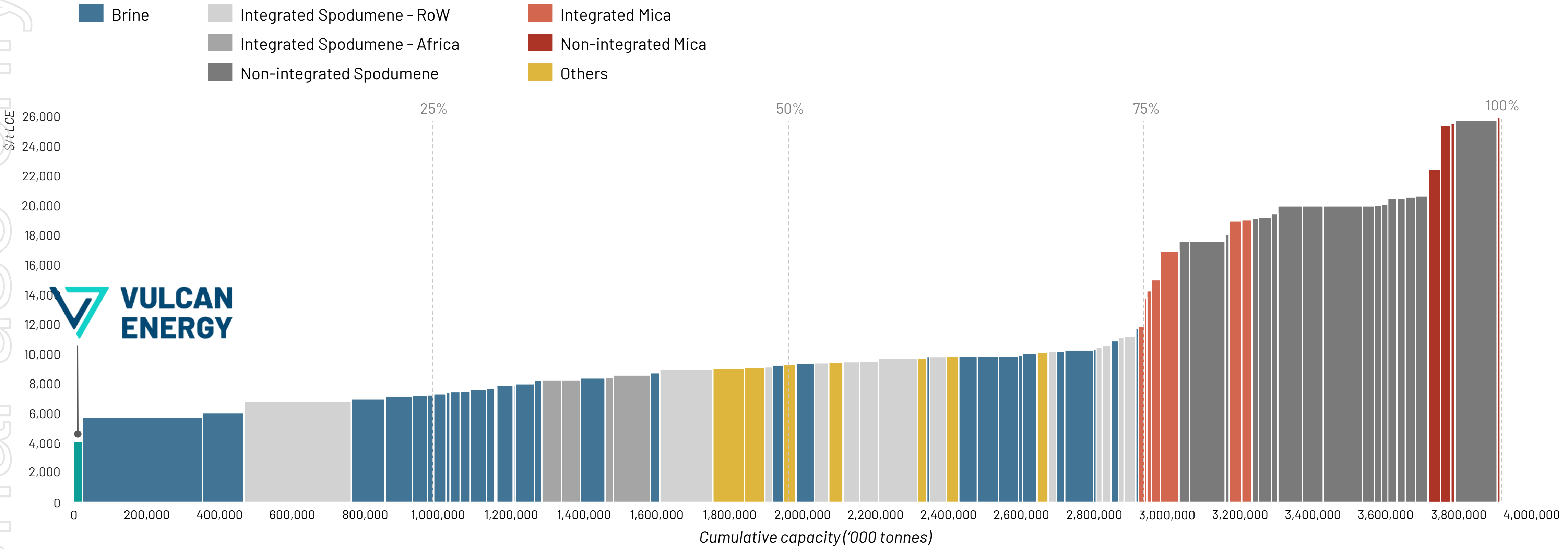


Vulcan's Insheim Geothermal Power Plant

# VULCAN WILL BE TARGETING THE LOWEST QUARTILE OF THE LITHIUM COST CURVE

## Powered by low cost, highly efficient A-DLE production that leverages renewable heat

**Global projected lithium hydroxide C1 cost curve**




Vulcan's C1 costs are estimated at €4,030/t LHM, which sits in the lowest cost quartile for highly competitive supply – driven by A-DLE lithium recoveries and low-cost energy.

Source: Benchmark Mineral Intelligence

# OPTIMISATION AND QUALIFICATION: UPSTREAM

## Europe's first fully-domestic production of lithium chemicals[1]

Production of LiCl began in April 2024, using Adsorption-Type DLE

**Up to 95%** lithium extraction efficiency, already producing to specification using Vulcan's proprietary adsorbent VULSORB®

Operational readiness: LEOP is currently training staff and optimising product in a pre-commercial environment

LEOP is sending upstream product (LiCl concentrate) to the Central Lithium Electrolysis Optimisation Plant (CLEOP) to make battery grade lithium chemicals

**LEOP: Vulcan's operational upstream Lithium Extraction & Optimisation Plant**

Note(s): 1. See ASX Announcement 11 April 2024

# VULSORB®

## Optimised commercially-leading technology

**Adsorption** is increasingly being adopted as the preferred form of lithium production, due to cost and product quality advantages, currently accounting for 10% global market share and growing

**VULSORB®** is an optimised, high-performance adsorbent, highlighting Vulcan's substantial in-house technological capability

Limited field of lithium companies to have high-performance A-DLE expertise in-house: main players are Rio Tinto/ Arcadium and Eramet

**>95%** lithium extraction efficiency

**Lower cost** - lower carbon footprint - lower water footprint – lower land footprint

Significant advantages from having in-house A-DLE expertise

# OPTIMISATION AND QUALIFICATION: DOWNSTREAM

## Operations team training and fast-tracking product qualification

Located in Industrie-Park Höchst, Vulcan’s downstream optimisation plant CLEOP will focus on training and optimisation during the construction of the commercial-sized lithium plant, in the same location

CLEOP will send battery-grade lithium chemicals to offtake partners for pre-qualification testing, ahead of commercial production, potentially accelerating the qualification process

Product from CLEOP is **Europe’s first fully integrated lithium battery chemicals** and produced with a by-product of renewable energy

Start of production of lithium hydroxide at CLEOP in parallel with the official opening of the plant on 8 November 2024.

# EPCM PARTNER VALIDATION EXERCISE COMPLETED

## Much improved scope definition leading to reduced uncertainty and risk during execution, all with no material change to CAPEX

**EPCM/ integrator:** review of scope, cost and schedule, validating the BES, with no material increase in capital requirement allowing finalisation of preparations for EPCM award

**Process technology partnerships:** flowsheet integration and firm offers in place for optimised flowsheet, updated modular execution model, integration of multi-discipline delivery

**ORC delivery partner:** final EPC lump-sum turnkey firm offer received including civils. Further increases cost certainty

**De-risking:** pipelines (ICPP) engineering maturity improved, further cost certainty improvements on well sites, stable well costs

Much improved scope definition since BES, reflected in reduced risk and uncertainty across the Phase One integrated project

*Note(s): 1. See ASX Announcement 17 May 2024*

# PHASE ONE FINANCING[1]

## Strong support from public and private sector

Up to €500m lending envelope from EIB (including up to €250m direct lending)

Vulcan has also applied for significant public grant funding and was awarded €100m (A$162m) from the Federal Ministry of Economics and Climate Protection of Germany in November 2024. The funding will enable transformative measures for decarbonising district heating networks in Landau and surrounding regions in Germany

Vulcan's Green Financing Framework has been rated the highest possible rating - Dark Green - by S&P Global Ratings. The Framework is aligned with International Capital Market Association and Loan Market Association principles and guidance

Updated Environmental and Social Impact Assessment (ESIA) published on 16 September, a pre-requisite for Export Credit Agencies' Credit Committee approval

**Targeting credit committee approval and debt commitment letters in December, conditional commitment received from Export Finance Australia for €120m**

### Structuring Banks

ABN·AMRO

ING

NATIXIS

UniCredit

### Major ECA / EIB Support

Australian Government | export finance australia

bpifrance

EDC Export Development Canada Exportation et développement Canada

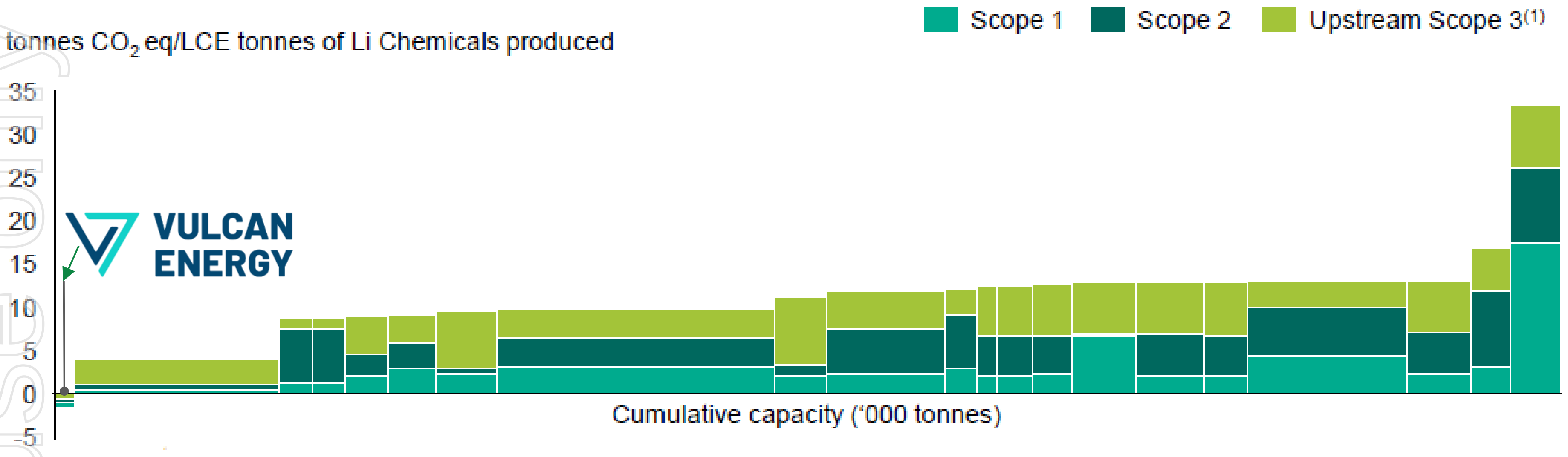
SACE

European Investment Bank

*Note(s): 1. Refer to ASX announcement titled "Vulcan Launches AUD164m Placement and Share Purchase Plan" dated 11 December 2024 and section 7.1.3.5 of the ASX announcement titled "Information Memorandum" dated 11 December 2024 for further details regarding the Company's financing strategy for its Phase One Project. See also risk factors in Appendix 2 of this Presentation, including paragraph 3.1 in relation to the future funding requirements. As at the date of the Presentation, the Company has not yet entered into binding agreements for all of its required debt and equity financing for its Phase One Project, and accordingly there is no certainty as to the availability of terms of such financing.*

# A CLEAR LEADER IN SUSTAINABILITY

## GHG emissions intensity of lithium chemicals production in 2030




**Environmental and Social Impact Assessment (ESIA)** updated and published: confirmed no impact greater than minor post mitigation, and **several positive impacts** to people and planet

Green Financing Framework complete and awarded **Dark Green** status from S&P Global Ratings**, the highest rating ever received by a Metals and Mining company globally**[5]

**Dark green**

Activities that correspond to the long-term vision of a low-carbon climate resilient future.

S&P Global Ratings

**Phase One** targets:

Produce enough lithium for ca. **500,000 electric vehicles p.a.**[2]

**Avoid 10Mt CO2 eq.** through **decarbonising** the lithium supply chain[3]

Targeting **renewable heat** for ca. **90,000 people**[4]

Consume only tiny amounts of water, due to recycling

*Note(s): [1]Benchmark Minerals Intelligence - Upstream Scope 3 emissions include the production and transportation of raw materials, fuels, machinery and equipment, and waste treatment. [2] Based on the Phase One production target capacity of 24ktpa from Bridging Engineering Study (BES) Announcement 16th November 2023 and Vulcan internal estimated average EV battery size and chemistry in Europe. Refer to the Competent Person Statement within the Disclaimer slides, [3] Minviro and internal estimates combined, using Innovation Fund methodology; [4] Based on official feed-in numbers from grid operator and calculated with the latest local electricity mix emission factor; [5]See ASX announcement of 8 October 2024.*

# FOCUS AREAS FOR VALUE CREATION

## Phase One creates base for a leading lithium, renewable energy and technology company

| Division | Li Lithium | Ren Renewable energy | Tech Technology |
|---|---|---|---|
| Phase One | 24,000 tonnes p.a. of sustainable lithium hydroxide[1] for Europe's electric vehicle supply chain | 275GWh p.a. of renewable power and 560 GWh p.a. of renewable heat generated by Phase One to reduce costs and create byproduct revenue | Having shown industry-leading performance in test work, VULSORB will be toll manufactured and used in the Phase One Lithium Extraction Plant |
| Growth Initiatives | Our tier-one, heated lithium brine resource in the URVBF can support multiple future phases of a similar size to Phase One | Partnering with local industry to co-develop Vulcan's geothermal energy resource to decarbonise operations and contribute to European energy security | VULSORB has been successfully tested with multiple brines from Europe and other continents providing basis for global technology licensing opportunities |
| Products | V-LiON™ | VUL POWER, VUL HEAT, VERCANA | VULSORB® |

**DETERMINED** We will use lessons learnt from Phase One to improve future phases

**INSPIRING** We will deliver sustainable products to customers and contribute to the global energy transition

**CLIMATE CHAMPIONS** We will continue to reduce environmental impact while ensuring cost advantage

Note(s): 1.Refer to the Competent Person Statement within the Disclaimer slides.

## A premium industry-leading lithium product for battery electric vehicles

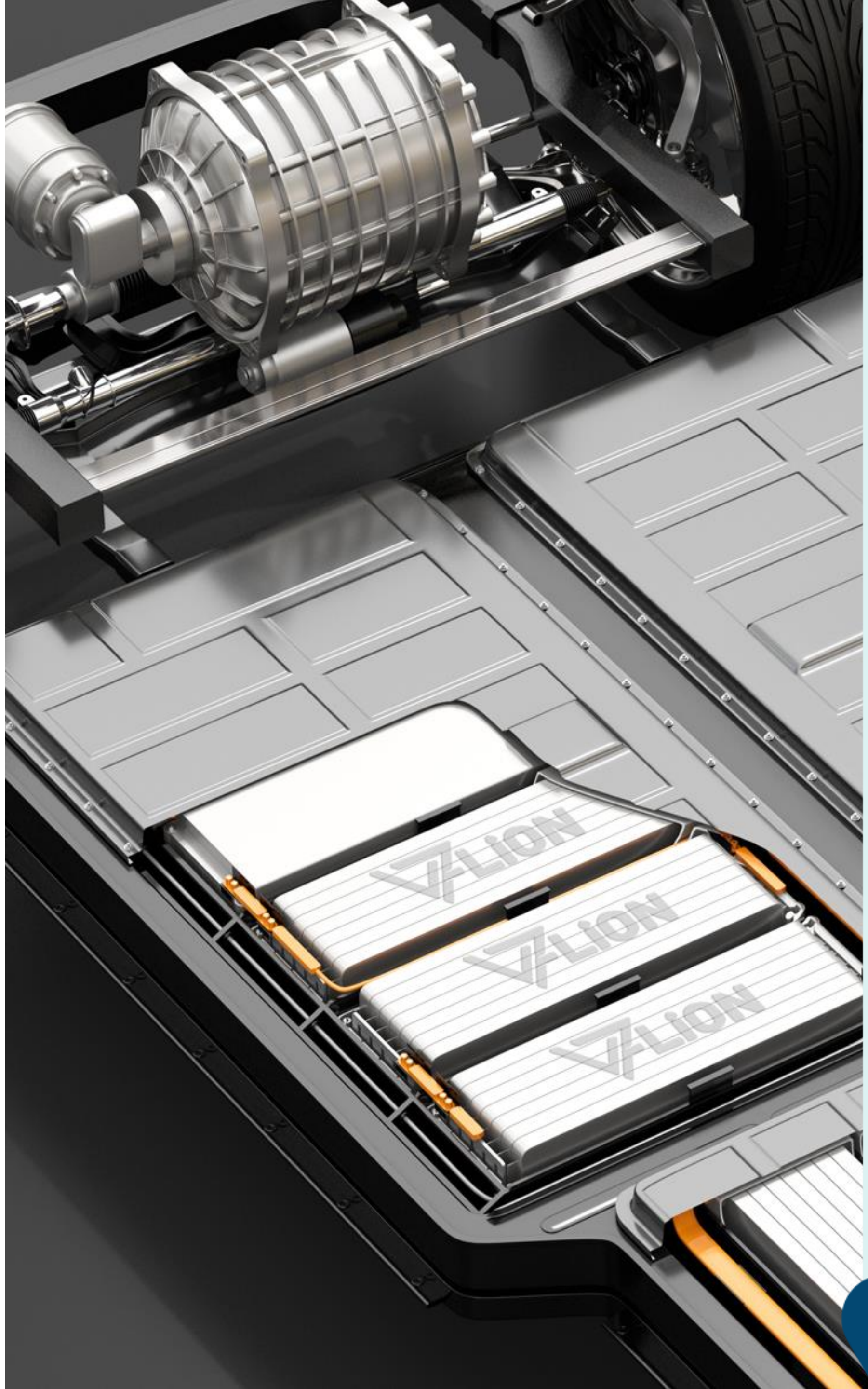
**V** is for Vulcan. We strive to be climate champions.

**Li** is for high purity, sustainable* and versatile, battery-grade lithium products.

**O** is for zero fossil fuels directly used in our onsite process to produce lithium and the co-production of renewable energy for local communities.

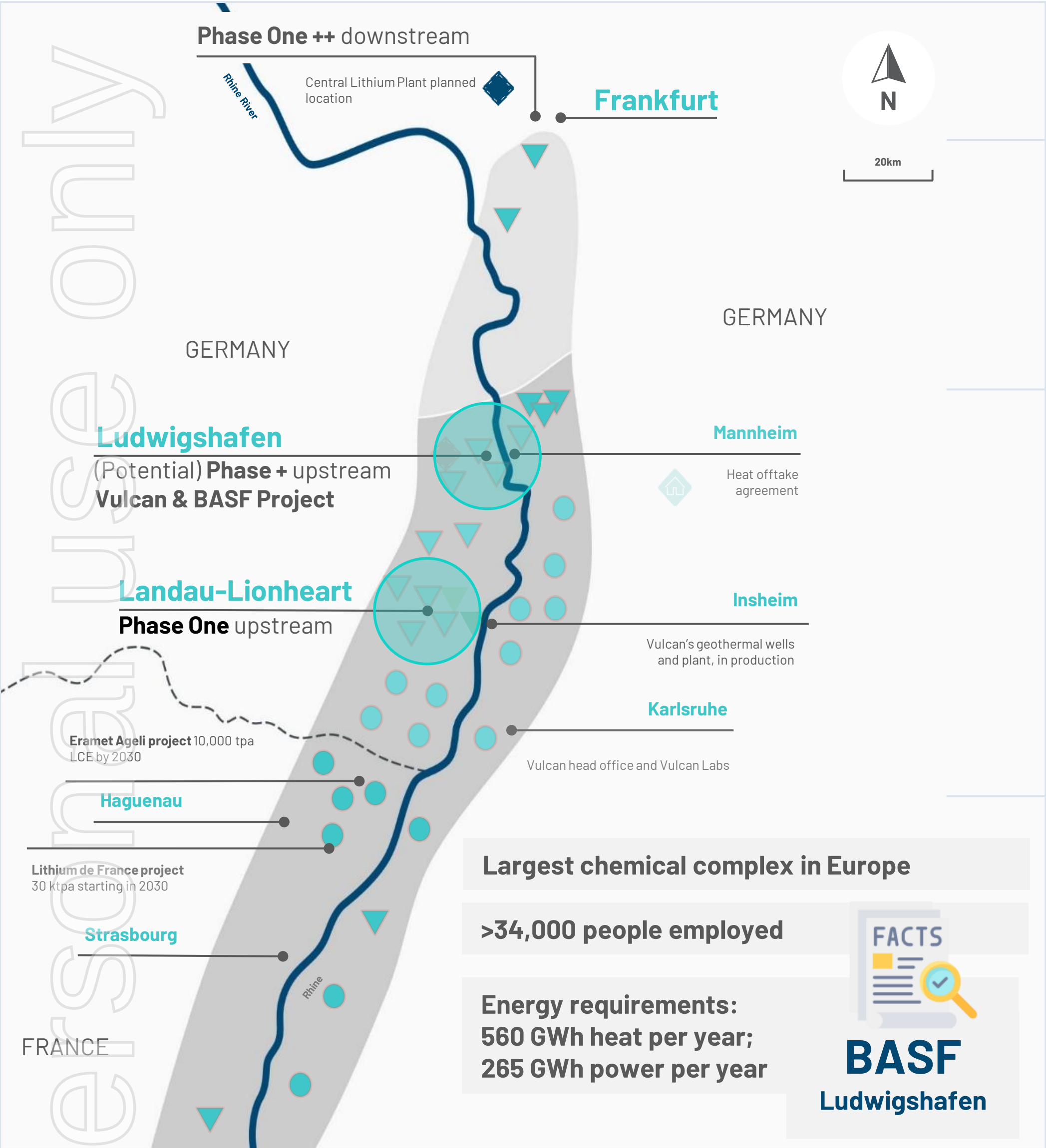
**N** is for no net greenhouse gas emissions across our project life.

*Industry-leading water sustainability credentials.



# PHASE + DECARBONISING THE WORLD'S LARGEST CHEMICAL SITE[1]

## A blueprint for Vulcan's future phase developments to support Europe's energy transition




| VULCAN ENERGY | BASF We create chemistry |
|---|---|
| • Owner of lithium production<br>• Co-develops geothermal project<br>• Operator of integrated heat and lithium facilities | • Future heat offtakerCo-develops geothermal project and provides production site<br>• Local stakeholder engagement |

✓ **Renewable heat project:** Jointly develop geothermal heat system at BASF's Ludwigshafen complex targeting 2,000–2,500 GWh/year

✓ **Lithium plant**: Vulcan to construct and operate a Lithium Extraction Plant at the Ludwigshafen site. Produced lithium then further processed at Vulcan's Central Lithium Plant to produce battery-grade lithium hydroxide

✓ **Community heating:** Opportunity for district heating of nearby communities, including partnerships with local energy providers in Ludwigshafen and Frankenthal

**Next steps:** 2D and 3D seismic surveys (2024–2026) will identify optimal well sites, with BASF funding up to €5m. Subject to positive results and public funding, Vulcan and BASF to drill additional wells to produce heat and lithium, sharing costs.

1. See ASX announcement "Vulcan and BASF announce partnership agreement" dated 21 November 2024 for further information.

# KEY UPCOMING TARGET MILESTONES

## Transformational period for Phase One Lionheart Project

| | | |
|---|---|---|
| COMPLETE | First upstream LiCl production from LEOP | ✓ |
| | Launch final phase of Project funding | ✓ |
| | CLEOP commissioning underway | ✓ |
| | First downstream lithium hydroxide produced from CLEOP | ✓ |
| | Vulcan awarded €100m (A$162m) from the Federal Ministry of Economics and Climate Protection for its HEAT4LANDAU Project | ✓ |
| UPCOMING | Decision(s) on government funding approval processes | |
| | Finalising project financing package[1] | |
| | Awarding/ signing of major contracts | |
| | **Start of commercial construction** | |

Note(s): 1. Refer to page 28 "Phase One Financing" of this presentation for further information.

# HIGHLY EXPERIENCED LEADERSHIP

## Outstanding major project, technical and finance experience at the Executive and Board level

### Vulcan Executive Management

**Dr Francis Wedin**
**Executive Chair, Founder**

**Cris Moreno**
**Managing Director & CEO**

**Felicity Gooding**
**Group Chief Financial Officer**

### Development

**Thorsten Weimann**
Chief Development Officer

**Dr Kerstin Mueller**
Vice President Subsurface

**Dr Stefan Brand**
Chief Technology Officer

### Execution

**Carsten Bachg**
Vice President Project Execution

**Christian Freitag**
Vice President Supply Chain

### Production

**Dr Christian Tragut**
Vice President Production

**Markus Ritzauer**
Chief Financial Officer Germany

**Samantha Langley**
Head of Sustainability

### Vulcan Board

**Gavin Rezos**
**Deputy Chair**

**Ranya Alkadamani**
**Non-Executive Director**

**Josephine Bush**
**Non-Executive Director**

**Dr Günter Hilken**
**Non-Executive Director**

**Dr Heidi Grön**
**Non-Executive Director**

**Angus Barker**
**Non-Executive Director**

Special advisory to the Board

**Dr Horst Kreuter**
**Chief Representative Germany, Co-Founder, Board Advisor**

**Julia Poliscanova**
**Special Advisor**

VULCAN ENERGY

# Appendices

# APPENDIX 1: INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

United States

This document is for informational purposes only and is not an offer of securities for sale in the United States of America, its territories or possessions, any state of the United States or the District of Columbia (collectively, the "United States"). This document is not for use in the United States (other than in presentations to a limited number of "qualified institutional buyers" as defined in Rule 144A under the US Securities Act of 1933, as amended (the "US Securities Act")) and may not be retransmitted, published, released or otherwise redistributed in or into the United States by any recipient hereof. The securities referred to herein have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in or into the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the securities referred to herein in the United States.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2 of the EU Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

# APPENDIX 1: INTERNATIONAL OFFER RESTRICTIONS

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

# APPENDIX 2: KEY RISKS

There are various risks associated with an investment in New Shares or Vulcan generally, as with any securities market investment. This section summarises those key risks.

Potential investors should consider whether an investment in New Shares or Vulcan generally is a suitable investment, having regard to their own personal investment objectives and financial circumstances, and the key risk factors set out below. Vulcan believes that it has implemented appropriate strategies, actions, systems and safeguards for known risks; however, some risks are outside of Vulcan's control. Investors should read this entire Presentation and review announcements made by Vulcan to ASX (at www.asx.com.au, ASX:VUL) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

It is not feasible to produce an exhaustive list of potential risk factors that Vulcan is exposed to or that are associated with the Offer. Potential investors should consult their professional advisers before making any investment decisions. The selection of risks in this Presentation has been based on an assessment of both the probability of the risk occurring and the impact of the risk if it did occur. That assessment is based on the knowledge of Vulcan's directors as at the date of this Presentation; so that assessment may result in a different selection in the future, and none of Vulcan or its directors provide any guarantee or assurance that the prominence of certain risks will not change or that other risks will not emerge.

1. INDUSTRY SPECIFIC RISKS

**1.1 Battery raw materials and geothermal energy exploration and development are high-risk undertakings and there is no assurance that Vulcan Group's exploration and development activities will result in the commercial production of lithium or geothermal renewable energy.**

Vulcan and its consolidated subsidiaries ("Vulcan Group") intend to combine the operations of production of lithium from geothermal brines in the Upper Rhine Valley of Germany, using its own direct lithium extraction technology to extract lithium from geothermal brine and then upgrading lithium through electrolysis to a high purity lithium hydroxide monohydrate ("LHM") (Vulcan Group's lithium business) and of producing geothermal energy (Vulcan Group's renewable energy business). As part of its lithium business, Vulcan Group is developing opportunities to extract lithium-rich geothermal brines at various locations throughout the Upper Rhine Valley of Germany and in France with the aim to produce a battery-quality LHM chemical product. With the exception of its operational geothermal renewable energy plant in Insheim, Germany, Vulcan Group's property interests are at the development stage, and the Company is currently targeting – subject to obtaining further necessary funding and permits – commencement of commercial production from the first phase of Vulcan Group's Project is designated as "Lionheart" ("Phase One") in 2027. Accordingly, it is not envisaged that Vulcan Group will generate material revenues or realise profits in the lithium business in the short term, and there can be no assurance that Vulcan Group will realise profits from its lithium and renewable energy operations in the medium to long term or at all. Any future profitability, or the level of such profitability, of Vulcan Group's lithium business and renewable energy business will be dependent upon the development of an economically recoverable lithium and renewable energy resource and further exploration and development of other economically recoverable lithium deposits and geothermal resources. Any quantity or grade of lithium resources and/or reserves or geothermal resources the Company indicates on its project areas must be considered as estimates only until such resources and/or reserves are actually extracted and processed. Any material change in the quantity or grade of lithium resources and/or reserves or geothermal resources may affect the economic viability of Vulcan Group's projects.

Further, the Company cannot assure that any lithium and/or geothermal energy can be commercially extracted from Vulcan Group's property interests. The exploration and development of lithium and geothermal deposits involves a high degree of technical, operational, commercial and financial risk over a significant period of time, which may not be eliminated even with the combination of careful evaluation, experience and knowledge of Vulcan Group's management team. It is impossible to ensure that Vulcan Group's current exploration and development programs will result in profitable commercial lithium and geothermal renewable energy production operations. The profitability of Vulcan Group's operations will be, in part, directly related to the cost and success of its exploration and development programs. Higher than expected expenditures may be required to establish reserves that are sufficient for commercial extraction and to construct, complete and install the necessary facilities and infrastructure (including geothermal plants, lithium extraction facilities and central processing facilities) in those project areas that are developed. Moreover, Vulcan Group's planned operations involve several complex processes, the combination of which is therefore subject to technical risks (see section "2.1 Vulcan Group is still in the development stage and has incurred operating losses since its incorporation. No assurance can be given that Vulcan Group will achieve commercial viability through its projects. Until Vulcan Group is able to realise value from its Project, it will not generate revenues from the production and sale of lithium and is likely to continue to incur ongoing operating losses."). In addition, exploration and development projects like Vulcan Group's Project have no proven operating history upon which to base estimates of future operating costs and capital requirements and there are no existing operating lithium production businesses in the Upper Rhine Valley comparable to Vulcan Group's. Any future estimates of reserves, lithium extraction recoveries or cash operating costs of Vulcan Group's exploration projects, will, to a large extent, be based upon the interpretation of geological, chemical and chemical engineering data, obtained from a limited number of sampling techniques, pilot extraction operations and preliminary or definitive feasibility studies (see section "2.1 Vulcan Group is still in the development stage and has incurred operating losses since its incorporation. No assurance can be given that Vulcan Group will achieve commercial viability through its projects. Until Vulcan Group is able to realise value from its Project, it will not generate revenues from the production and sale of lithium and is likely to continue to incur ongoing operating losses."). Actual operating costs and economic returns of Vulcan Group's exploration and development projects may materially differ from the costs and returns estimated in the Company's feasibility studies.

Any of the above developments could result in a delay to entering into the production phase or in not being able to enter into the production phase at all, or could significantly add to the project costs, any of which could have a material adverse effect on Vulcan Group's ability to generate revenues or realise profits from its lithium business and/or renewable energy business and on its business, prospects, financial condition and results of operations.

**1.2 General demand for lithium may decrease as a result of new market or technological developments and other factors. Any such factors resulting in a decrease in the general demand for, or an increase in the general supply for, lithium may have a detrimental effect on Vulcan Group's business.**

Provided it commences commercial production, Vulcan Group intends to generate a substantial majority of its future revenues from the production and sale of lithium. If Vulcan Group achieves commercial production of LHM, the marketability of and demand for any chemicals produced may be affected by numerous factors beyond the control of Vulcan Group. These factors include new market developments and technological advancements, each of which may negatively impact the demand for the lithium Vulcan Group may produce and the market price of lithium (see section "1.3 Lithium prices are subject to unpredictable fluctuations, driven in part by changes in the balance of global supply and demand as well as international, economic and geopolitical trends and developments. Any material decrease or significant volatility in the price of or demand for lithium could have a detrimental effect on Vulcan Group's business and share price").

While lithium and its derivatives are currently preferred raw materials for certain industrial applications, such as rechargeable lithium batteries, some materials and technologies are being researched and developed with the goal of making batteries less expensive. Some of these materials and technologies could lead to a reduced demand for LHM, and, accordingly, adversely affect Vulcan Group's business. For example, different application methods or the development of substitutes for lithium batteries in electric and hybrid vehicles, consumer electronics and other applications such as batteries with a sodium-ion basis may reduce the overall demand for lithium. Also, new technologies may emerge to lower the cost of production for such substitutes which would place cost pressures on Vulcan Group and impact its ability to competitively produce and market lithium. Whilst most automotive and battery companies are investing in the increased production of lithium-based batteries, particularly for automotive purposes, the Company cannot predict which new materials or new technologies may ultimately prove to be commercially viable and in what time-frame. In addition, alternatives to lithium may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for lithium, thereby resulting in a material adverse effect on the economic feasibility of producing lithium from Vulcan Group's licence areas.

# APPENDIX 2: KEY RISKS

**1.3 Lithium prices are subject to unpredictable fluctuations, driven in part by changes in the balance of global supply and demand as well as international, economic and geopolitical trends and developments. Any material decrease or significant volatility in the price of or demand for lithium could have a detrimental effect on Vulcan Group's business and share price.**

Provided it commences commercial production, Vulcan Group intends to generate a substantial majority of its future revenues from the production and sale of lithium chemicals, with such sales partly to be made at prevailing market prices for lithium chemicals, as calculated by reference to market recognised price reporting agency ("PRA") contract-based indices. The price of lithium chemicals has, and may continue, however, to fluctuate widely and is affected by numerous factors beyond Vulcan Group's control, including international, economic and geopolitical trends and developments such as de-globalisation, government policies, regulatory trends and developments to promote battery electric vehicles ("BEVs"), BEV tariffs, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities, increased production due to new extraction developments and improved extraction and production methods and technological changes in the markets for the end products, such as the market for rechargeable batteries and any other factors negatively affecting the general demand for lithium (see section "1.2 General demand for lithium may decrease as a result of new market or technological developments and other factors. Any such factors resulting in a decrease in the general demand for, or an increase in the general supply for, lithium may have a detrimental effect on Vulcan Group's business."). As BEV uptake is heavily reliant on government regulations and incentives, demand for BEVs (and, in turn, lithium products for BEV batteries) will be affected by any changes in government policy affecting these regulations and incentives, and import tariffs. Forecasts for growth in BEV uptake are subject to a degree of uncertainty, and the level of actual BEV uptake will have a strong correlation with demand for lithium products and the price at which it is sold. Any decrease or significant volatility in the price of or any decrease in the general demand for lithium chemicals could have an adverse effect on Vulcan Group's future earnings, competitive position, financial viability and results of operations. In addition, any material decrease of the market price of lithium is likely to have a negative effect of the stock exchange price of Vulcan Group.

**1.4 Vulcan Group's estimated development and operating costs are based on certain assumptions and no assurance can be given that Vulcan Group's cost estimates and the underlying assumptions to extract lithium chemicals from brine and renewable geothermal energy on commercially viable terms will be realised in practice.**

Vulcan Group's development and operational costs are based on certain assumptions with respect to the timing and the method of development and operation. These estimates and assumptions are subject to uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Vulcan Group's development and operational costs vary depending on, among other factors, future wage levels, future prices for certain equipment and components as well as future inflation rates, some of which factors have increased substantially in the recent past. As for inflation, for example, inflation rates across the Eurozone have fluctuated significantly, increasing from 1.3% in March 2021 to 10.1% in November 2022, before reducing to 2.0% in October 2024 (source: Harmonised Index of Consumer Prices of the European Central Bank) heavily impacting forward-looking cost estimates. Vulcan Group has not yet completed a definitive feasibility study with respect to any future phases of the Project, and, accordingly, there is even less certainty regarding the expected exploration, development and operational costs associated with the targeted production levels for future phases. Therefore, any estimates regarding the future development of these and other factors and any underlying assumptions may not prove correct and there is no guarantee that the cost estimates and the underlying assumptions will be realised in practice or that Vulcan Group will achieve commercial viability through the development of the Project (see section "2.1 Vulcan Group is still in the development stage and has incurred operating losses since its incorporation. No assurance can be given that Vulcan Group will achieve commercial viability through its projects. Until Vulcan Group is able to realise value from its Project, it will not generate revenues from the production and sale of lithium and is likely to continue to incur ongoing operating losses."). Should the actual costs differ materially from the estimates and assumptions on which Vulcan Group's development plans are based, this may materially adversely affect the prospects of Vulcan Group's business and operations.

**1.5 Lithium exploration and development companies face risks along the entire value chain to extract and produce lithium, which may result in substantial delays or operational shut-downs, may require significant capital outlays or may result in an inadequate return or loss on invested capital.**

Lithium exploration and development companies such as the Company operate along a value chain to extract and produce lithium. As a result, such companies face risks along the entire value chain. Current and expected future operations of Vulcan Group include a broad range of activities including exploration, appraisal, development and possible lithium production. These activities may be affected by a range of factors, including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation and heat, geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns and workforce availability, as well as risks arising from unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services, the COVID-19 pandemic and any other possible future outbreaks of diseases or pandemics as well as the Russia-Ukraine Conflict and its repercussions. For example, during the development of the Project up to the date of this Presentation, certain key project milestones such as the completion of the various engineering and feasibility studies for Phase One, the expected start of commercial lithium production and the anticipated start of the deliveries under the lithium offtake agreements concluded by the Company have had to be delayed and further project milestones may have to be postponed (also see section "1.8 Geopolitical developments, changes and updates of trade and public health policy and developments of defence and security policy of the US, Russia, China and other countries have adversely affected, and may continue to adversely affect, the availability and price of equipment, components and energy, supply chains, international trade, financing conditions and the global economy at large, which has had, and may continue to have, a detrimental effect on Vulcan Group's business."). In addition, if and when Vulcan Group commences production, its operations may be disrupted by a variety of risks and hazards, many of which are beyond the control of Vulcan Group. Examples of events which could have such an impact include unscheduled plant shut-downs or other processing problems, mechanical failures, the unavailability, scarcity or the delayed supply of materials and equipment (including, for example, long-lead items) or labour, poor or unexpected geological or metallurgical conditions, poor water condition, interruptions to electricity supplies, human error and adverse weather conditions. While the exact effect of these factors cannot be accurately predicted, each of these factors (or a combination thereof) may result in substantial delays or operational shut-downs, may require significant capital outlays or may result in an inadequate return or loss on invested capital. In addition, the materialisation of any such risk may adversely affect Vulcan Group's future earnings and competitive position and its business, prospects, financial condition and results of operations.

**1.6 Any increase in the production of LHM and lithium carbonate from current or new competitors in the lithium markets could adversely affect prices or Vulcan Group's competitive position.**

New and existing companies globally have significantly increased the supply of LHM and lithium carbonate, which has affected the lithium price, in addition to the impact of demand factors. Currently, new lithium chemicals projects are under development globally. Whilst lithium demand is forecast to continue to grow strongly (source: Market report prepared by Benchmark Mineral Intelligence, commissioned by the Company, dated 19 July 2024), there can be no assurance that this growth will materialise. Even if demand for lithium does grow, if competing projects under development are completed in the short- or medium-term, the increase in lithium supply could adversely affect the market price of lithium, thereby resulting in a material adverse effect on the economic feasibility of producing and processing lithium chemicals from brine in Vulcan Group's project areas and reducing or eliminating any reserves Vulcan Group may identify from time to time.

In addition, current and potential competitors may have larger financial resources or governmental support and, accordingly, may be able to launch new or expand existing LHM production operations faster or on a broader scale than Vulcan Group. New and existing competitors may also establish themselves in the Upper Rhine Valley of Germany or France, where Vulcan Group is currently conducting its exploration and development activities at various locations, and attempt to replicate Vulcan Group's business model of extracting lithium from geothermal brines. Should any of these scenarios materialise, this could have a material adverse effect on the Company's competitive position and future earnings.

# APPENDIX 2: KEY RISKS

1.7 Any decrease in the price or demand for geothermal energy may have a detrimental effect on Vulcan Group's business.

Vulcan Group's business model includes developing, owning and operating geothermal plants within its project areas. In December 2021, Vulcan Group acquired Pfalzwerke geofuture GmbH (renamed Natürlich Insheim GmbH ("Natürlich Insheim"). Natürlich Insheim owns and operates a deep geothermal power plant in Insheim, Germany (the "Insheim Plant"). The Insheim Plant produces renewable energy and the revenues from the produced electricity are subject to the subsidised remuneration regime under the German Renewable Energy Act (Erneuerbare-Energien-Gesetz) 2023 for which currently a regulated tariff of 252 EUR/MWh is paid. The regulated tariff applies for a remuneration period of 20 full years plus the year of commissioning of a geothermal plant (in the case of the Insheim Plant: 2012). After the expiry of this remuneration period in 2033, the Insheim Plant's future revenues will depend upon the applicable market price for renewable energy at that time.

Additionally, Vulcan Group anticipates constructing one new geothermal operation as part of Phase One. The brine from this operation will be utilised in Vulcan Group's lithium business; however, they will also produce electricity and heat at a new geothermal plant to be built by Vulcan Group as part of Phase One; such construction will be dependent, inter alia, on a positive decision by the City of Landau, which is expected to reach a decision in the second quarter of 2025. Vulcan Group currently intends to sell the electricity and the majority of heat produced to the grid and local third-party customers, respectively, the latter of which Vulcan Group expects will primarily consist of local municipalities and businesses. Accordingly, provided the Project reaches commercial production, Vulcan Group's economic exposure to the prices of electricity and heat will increase.

The market prices of energy may fluctuate widely and are affected by numerous factors beyond Vulcan Group's control, including international, economic and geopolitical trends and developments, regulatory developments to promote renewable energy, currency exchange fluctuations, interest rates, global or regional consumptive patterns and speculative activities. Any material decrease in the price or demand for renewable energy may have an adverse effect on Vulcan Group's earnings.

1.8 Geopolitical developments, changes and updates of trade and public health policy and developments of defence and security policy of the US, Russia, China and other countries have adversely affected, and may continue to adversely affect, the availability and price of equipment, components and energy, supply chains, international trade, financing conditions and the global economy at large, which has had, and may continue to have, a detrimental effect on Vulcan Group's business.

Vulcan Group's business in its current phase is sensitive to geopolitical developments, changes and updates of trade policy and developments of defence and security policy of the US, Russia, China and other countries. Vulcan Group's business is reliant on the availability, steady supply and the stability and/or predictability of the prices of equipment and components, some of which need to be shipped long-way or from overseas. As a result, Vulcan Group is dependent on stable supply chains, open seaways and favourable trade policies for deliveries of equipment and components. Any development negatively impacting the availability, the supply and the stability and/or predictability of the prices of equipment and components may adversely affect Vulcan Group's business, prospects, financial condition and results of operations.

For example, the armed conflict waged upon Ukraine by Russia (the "Russia-Ukraine Conflict") has prompted numerous countries and international organisations, including the European Union, to impose sanctions on the Russian and Belarusian governments and Russian and Belarussian public and private entities and individuals. These sanctions include, among others, trade embargoes, travel bans, asset freezes and the exclusion of certain banks from the global financial system. In response thereto, Russia and Belarus have imposed countermeasures on persons and entities and terminated gas supply contracts to several entities and countries, including in the European Union. Similarly, the measures taken by governments worldwide in response to the spread of the COVID-19 pandemic included the imposition of quarantine and isolation requirements and mobility restrictions as well as other restrictions. The Russia-Ukraine Conflict and the related sanctions and counter-measures have created significant uncertainty in the global economy and reinforced pressures on already fragile global economic conditions as a result of the COVID-19 pandemic, increasing inflation and leading to rising interest rates imposed by central banks globally to counter such inflation as well as slowing economic growth, overall increasing the risk of a large-scale recession globally or in major economies including Germany, France and Italy where Vulcan Group principally operates.

Certain equipment and components required by Vulcan Group for the development of its business have become more difficult to source or take longer periods of time to be shipped and prices for such equipment and components have increased. Also, Vulcan Group has in the past experienced some delays on construction of its lithium extraction optimisation plant ("LEOP") due to supply chain disruptions, and other factors such as timing of public funding schemes relate to financing, resulting in longer delivery times, which the Company believes have had their roots mainly in the COVID-19 pandemic and Russia-Ukraine Conflict and their respective broader repercussions. These supply chain disruptions have in the past contributed to delays in the target date of finalising its DFS for Phase One and the target date for the commencement of commercial production which was moved to 2027.

Going forward, it cannot be excluded that the Russia-Ukraine Conflict escalates further and that further sanctions and counter-measures will be taken by the European Union, Russia, Belarus and other countries and organisations or that further armed conflicts break out or that ongoing conflicts increase in intensity. Similarly, going forward, contagious diseases or pandemics could break out in the future and governments could resort to taking restrictive measures in response. In addition, the recent U.S. elections and potential policy shifts under the new Trump administration could introduce significant geopolitical and regulatory uncertainties. Changes in trade policies, international relations, and regulatory frameworks may adversely impact market conditions and Vulcan Group's operations. Any such event or development or any other geopolitical developments, changes and updates of trade and public health policy and developments of defence and security policy of the US, Russia, China and other countries could have a material adverse effect on Vulcan Group's business, prospects, financial condition and results of operations.

2. BUSINESS RISKS

2.1 Vulcan Group is still in the development stage and has incurred operating losses since its incorporation. No assurance can be given that Vulcan Group will achieve commercial viability through its projects. Until Vulcan Group is able to realise value from its Project, it will not generate revenues from the production and sale of lithium and is likely to continue to incur ongoing operating losses.

The Company was incorporated in February 2018 and acquired Vulcan Energy Resources Pty Ltd (later renamed Vulcan Energy Resources Europe Pty Ltd) which held the flagship Project in September 2019. Vulcan Group is developing opportunities to extract and produce lithium chemicals and produce geothermal energy from brine at various locations throughout the Upper Rhine Valley of Germany and France, with the primary focus being Phase One. As a business which is still in the development stage, Vulcan Group has not generated any significant revenues (with its limited revenue from continuing operations to date being attributable primarily to the operations of the Insheim Plant acquired in December 2021). Moreover, due to its investments including, in particular, company acquisitions, hiring of personnel, acquisition of seismic data, undertaking feasibility studies and pilot testing works, Vulcan Group has incurred significant operating losses. Relating to its Project, Vulcan Group has so far only carried out a pre-feasibility study ("PFS"), the DFS and Bridging Study in relation to Phase One.

# APPENDIX 2: KEY RISKS

Vulcan Group has not yet carried out any definitive studies on its pipeline of future phases (beyond Phase One). Vulcan Group may therefore at this stage not have sufficient data to address and properly assess the risks frequently encountered by lithium and geothermal companies with a limited operating history, including its ability to:

- develop and operate its Project;
- complete a definitive feasibility study and/or realise the Company's targeted results in connection to future phases of production (beyond Phase One);
- operate LEOP and CLEOP optimisation plants long enough to generate sufficient training, data and qualification material; and
- conduct profitable lithium extraction and processing operations, as well as geothermal renewable energy operations.

Moreover, investors should not rely on the results of the PFS or the DFS as the Company considers that the material assumptions underpinning these studies to be no longer correct in light of the additional studies undertaken in preparing the Bridging Study for Phase One and further developments since the PFS and the DFS were published, respectively.

The operations of Vulcan Group may be affected by various factors, including delays with obtaining necessary permits to conduct its business; failure to locate or identify lithium and geothermal deposits; operational failures and delays as a result of exploration and production activities being carried out in geological fault zones; failure to achieve predicted grades in exploration and brine extraction; more rapid depletion of lithium resources in Vulcan Group's licence areas than expected or forecasted; inability to inject brine at the planned rates and in the expected locations; failure to achieve estimated permeability, flow rates as well as brine temperature and heat from geothermal wells; difficulties in commissioning and operating plant and equipment; downhole collision, scaling, corrosion or operation all of which may affect the drilling equipment; insufficient deep well data; lower than expected, interrupted or limited brine recovery or performance; insufficient or delayed supply of VULSORB®, mechanical failure and plant breakdown; unanticipated metallurgical problems which may affect extraction rates and costs; adverse weather conditions; industrial and environmental accidents; any future outbreaks of diseases or pandemics (such as the COVID-19 pandemic); the Russia-Ukraine Conflict and its broader repercussions; industrial disputes; and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment. No assurances can be given that Vulcan Group will achieve commercial viability through the successful exploration, development and/or processing activities of the Project.

Vulcan Group is attempting to develop a new type of operation, involving direct extraction of lithium from heated brines with a carbon neutral footprint. Whilst the Company is using existing technologies or technologies with commercial analogues, the Company believes this combination of processes is commercially unique and therefore carries a degree of technical risk. More specifically, such technical risks may include, but are not limited to, not achieving design plant operational readiness, efficiency, performance or availability (including operating impacts). In addition, Vulcan Group's targeted timeline for development of its geothermal and lithium operations is tight, and could be subject to delays. For example, during the development of the Project up to the date of this Presentation, certain key project milestones such as the expected start of commercial lithium production and the anticipated start of the deliveries under the lithium offtake agreements concluded by the Company have had to be delayed and further project milestones may have to be postponed (also see section "1.8 Geopolitical developments, changes and updates of trade and public health policy and developments of defence and security policy of the US, Russia, China and other countries have adversely affected, and may continue to adversely affect, the availability and price of equipment, components and energy, supply chains, international trade, financing conditions and the global economy at large, which has had, and may continue to have, a detrimental effect on Vulcan Group's business."). Furthermore, Vulcan Group may not obtain the necessary brine flow rates or may encounter difficulties surrounding the timely completion of the construction of geothermal wells, particularly with the appointment of engineering, procurement and construction and engineering, procurement and construction management contractors who may have limited involvement in the Project development to date.

The prospects of Vulcan Group must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the corresponding stage of development, which have a high level of inherent uncertainty. No assurance can be given that Vulcan Group will achieve commercial viability through the successful development of its Project. Until Vulcan Group can realise value from its Project, it is likely to continue to incur ongoing operating losses.

**2.2 The resource estimates relating to Vulcan Group's current and future projects are subject to certain assumptions and interpretations which may prove to be inaccurate. Any material deviations may result in alterations to development plans which may, in turn, adversely affect Vulcan Group's operations.**

Technical studies (such as pre-feasibility studies and definitive feasibility studies) are often used to demonstrate the technical and economic viability of a mineral deposit. Typically, a company will first undertake a "preliminary feasibility study" (or "pre-feasibility study") of a mineral deposit to determine what portion of the mineral resources may be converted to ore reserves. Following the preliminary feasibility study, a company may undertake further technical and economic studies of the project (generally known as a "definitive feasibility study") to demonstrate that, at the time of reporting, the project is economically mineable. A "definitive feasibility study" is of a higher level of confidence than a pre-feasibility study, and the results of the study often serve as the basis for a final decision by the company to proceed with, or a financial institution to finance, the development of the project and a "bridging study" is used to provide higher project definition surrounding risk and cost between a definitive feasibility study and a final investment decision. Pre-feasibility studies, definitive feasibility studies and bridging studies include economic and financial analyses based on certain assumptions relating to extraction, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors, as well as any other relevant factors as determined by a qualified minerals industry professional (known as a "competent person"). Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory ore reserve estimates, the level of estimated metallurgical recoveries, water consumption and water supply, capital and operating cost estimates and the estimate of future metals prices. As a result, technical studies are subject to material uncertainties, in particular in projects in the exploration and correspondingly early phases, as in the case of Vulcan Group's Project. The information relating to resource estimates in this Presentation is based on Vulcan Group's Bridging Study for Phase One and a competent person report and is therefore subject to such uncertainties.

Vulcan Group's whole Project area geologically represents a combined exploration and development project since it includes a number of different project areas at different levels of maturity. In deep geothermal brine projects in the Upper Rhine Valley of Germany, exploration is typically conducted with seismic data acquisition and interpretation, with the first well drilled as the first production or re-injection well. Due to the unique nature of the deep geothermal brine-type deposit, exploration drilling has not been conducted within Vulcan Group's licence areas, with the exception of the core of the field in the Phase One development area, which contains operating production wells in Insheim (Vulcan Group's Insheim Plant) and previously operating production wells in Landau (the Landau geothermal plant) owned by geox GmbH in respect of which Vulcan Group has entered into an agreement to acquire, but is not completed as at the date of this Presentation, and Vulcan Group's lithium resources have been estimated using 2D and 3D seismic data, historical hydrocarbon and geothermal wells with lithological information inside and outside Vulcan Group's licence areas, and lithium grades measured from proximate geothermal wells outside Vulcan Group's licence areas, with the exception of the Phase One core of the field at Insheim and Landau, where extensive sampling and measuring of lithium grades has been conducted. Estimates of the tonnes, grade and overall mineral content of the resources in Vulcan Group's wider project areas are not precise calculations, but are based on interpretation of samples from sparse brine sampling at on and off-property wells, with the exception of the Phase One core of the field at Insheim and Landau, where extensive sampling and measuring of lithium grades has been conducted. Accordingly, localised grade variability may exist, which could result in deviations from production expectations. More advanced data will only be available once the resources have been further developed by first production drilling of geothermal wells and gathering of additional data. Since the first wells are also used as production or re-injection wells because of their high capital cost, Vulcan Group has been relying on seismic data analysis and interpretations, and existing well data (for example from the operating Insheim and Landau production wells) for its Bridging Study for Phase One and plans to drill its first new development wells in parallel with its commercial development. Until Vulcan Group has drilled all of the development wells required for its Phase One commercial development and for future phases, there is a degree of uncertainty on the lithium grades in the brine, the heat, and the brine flow rate of Vulcan Group's planned operation, which could have an adverse effect on the commercial viability of Vulcan Group's proposed activities.

# APPENDIX 2: KEY RISKS

By their very nature, estimates of Vulcan Group's lithium resources and ore reserves are associated with a degree of uncertainty which may be imprecise and depend to some extent on assumptions and interpretations, which may prove to be inaccurate. In addition, such estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. Also, there can be no assurance that the test work carried out so far is sufficient and further or more extensive test work may be required which may, in turn, result in further delays and drive up costs. Such and similar developments may result in alterations to development plans which may, in turn, adversely affect Vulcan Group's operations and financial performance and the Company's Share price. In addition, if a project is developed, actual operating results may differ from those anticipated in technical studies.

Finally, there is a risk that licenses may be relinquished if Vulcan Group is not able to carry out planned work programs for whatever reason, which could negatively impact Vulcan Group's resources and reserves.

**2.3 There is no guarantee that Vulcan Group will be able to obtain all required approvals, licences, permits and land for lithium and geothermal renewable energy production in time or at all.**

Vulcan Group currently holds all exploration licences required to undertake its exploration programs, and a geothermal production licence at the Insheim Plant. Permitting for Phase One of the Project area is a carefully planned and iterative process through to project execution. However, many of the lithium and geothermal energy rights and interests held by Vulcan Group are subject to the need for ongoing or new governmental approvals, licences and permits as the Project advances and the scope of Vulcan Group's operations changes. For example, Vulcan Group will need, in various locations, permits to conduct seismic exploration and drilling. The granting and renewal of such approvals, licences and permits are, as a practical matter, subject to the discretion of applicable government agencies or officials. Also, governmental approval processes and Vulcan Group's own stakeholder engagement procedures often allow for a form of participation of the general public which may consume substantial time and cost, and add an element of uncertainty to the process. If the Company pursues development of what it believes to be an economically viable lithium and geothermal energy deposit, it will, among other things, require various approvals, permits and licences before it will be able to produce minerals from the deposit, and will need to satisfy certain environmental approval processes (see section "2.4 Vulcan Group's projects may face opposition from relevant stakeholders, which may result in delays, additional costs, discontinuation of construction or operations and uncertainty."). The maintenance or issue of any such approvals must be in accordance with the laws of the relevant jurisdiction and, in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with.

Additionally, the Bridging Study requires Vulcan Group to acquire or lease substantial portions of land to build wells or other facilities to implement Phase One of the Project. Land acquisition remains an ongoing process for Vulcan Group to execute its Project in accordance with the schedule.

No guarantee can be given that approvals, licences, or permits will be maintained or granted (at all or in a timely fashion), or, if they are maintained or granted, that Vulcan Group will be in a position to comply with all conditions that are imposed or that they will not be challenged by third parties. The approvals, licences, or permits may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or other claims. Similarly, Vulcan Group may be unable to acquire or lease the land required for the implementation of Phase One of the Project for the necessary time period, at acceptable conditions or at all. The materialisation of any of these risks could adversely affect Vulcan Group's operations and financial performance.

**2.4 Vulcan Group's projects may face opposition from relevant stakeholders, which may result in delays, additional costs, discontinuation of construction or operations and uncertainty.**

Geothermal renewable energy and mineral exploration, development and extraction businesses, such as that carried out by Vulcan Group, can face concerns and/or opposition from local residents, members of the local community, non-governmental organisations, environmental protection groups or other stakeholders, potentially during all phases of project implementation but particularly during construction and operation, regarding actual or potential breaches of regulatory conditions, health and safety risks, or environmental or other issues. Stakeholders may also take issue with, and oppose Vulcan Group's Project or Vulcan Group more generally due to, the Company's "foreign" incorporation and its majority foreign ownership and control. Such stakeholders may choose to voice their concerns and opposition during the public consultation and participation process as part of the administrative procedures relating to the granting of approvals, licences and permits or, if unsuccessful, in court, each of which may result in substantial delays, additional costs, reputational risk and uncertainty as to the outcome of such procedures. Moreover, such stakeholders may decide to pursue their interests outside of formal channels by means of public protests, sit-ins or otherwise, in each case resulting in additional delays, costs, reputational risk and uncertainty. Drillings by geothermal energy businesses in connection with projects in the Upper Rhine Valley and areas in the proximity thereof have encountered, and have been discontinued as a result of, inter alia, local opposition. Similarly, Vulcan Group's seismic exploration activities have also occasionally been, and continue to be, met with opposition, which prompted Vulcan Group to temporarily pause application processes, allocate additional time to engage with local stakeholders and apply other measures to address local stakeholder concerns. Each such risk, if it materialises, could result in the delayed commencement of operations or the temporary or permanent prevention or discontinuation of operations in their entirety and, thus, adversely affect Vulcan Group's business. Accordingly, the success of Vulcan Group's operations is in part dependent on the support of local and regional stakeholders including, in particular, local communities and civil society.

**2.5 Vulcan Group has entered into binding lithium offtake agreements with various customers which rely upon Vulcan Group's ability to produce certain quantities of lithium chemicals to certain specifications within a certain timeframe. Should the counterparty of any such lithium offtake agreement terminate such agreement and/or claim damages as a result of Vulcan Group's failure to meet these or other obligations, Vulcan Group would be unable to realise the economic benefits of the relevant agreement, which could adversely affect Vulcan Group's operations and financial performance.**

Provided Vulcan Group commences commercial production, a substantial majority of its future revenues are intended to be generated from the extraction and sale of lithium chemicals. The lithium chemicals are planned to be marketed and sold principally through binding agreements for the sale of battery grade LHM (referred to as lithium offtake agreements) concluded with various customers (in some instances, entered into well in advance of Vulcan Group's entering into the production phase). As of the date of this Presentation, Vulcan Group has entered into binding lithium offtake agreements with Umicore NV, Renault SAS, Stellantis Auto SAS, LG Energy Solution Ltd and Volkswagen AG for and from Phase One (whereas the start of commercial delivery under the Umicore agreement is yet to be adjusted to align with the targeted start of commercial production and the lithium offtake agreement with Volkswagen is also yet to be amended to apply to a future phase of production beyond Phase One (with the timing yet to be defined)), corresponding to the entire expected quantity of the first five years of production from Phase One and the majority of the production in the second five years of production. Vulcan Group's ability to generate revenues from any such agreements is subject to certain conditions, risks and uncertainties, which could materially impact the economic value of these agreements to Vulcan Group or even result in their termination. For example, the scheduled commencement dates of commercial delivery under each of these lithium offtake agreements, the expected start of commercial lithium production and other key project milestones had to be delayed as a result of, inter alia, supply chain disruptions Vulcan Group experienced during 2022 as a result of the Russia-Ukraine Conflict and the COVID-19 pandemic. Moreover, commercial delivery under the lithium offtake agreements is subject to conditions including, inter alia, Vulcan Group's ability to secure project finance, to commence commercial production and to produce lithium chemicals in sufficient quantities and to the required specification in accordance with an agreed timetable. The lithium offtake agreements entered into by Vulcan Group generally contain termination rights in favour of the counterparty in the event that Vulcan Group fails to secure project finance, to commence commercial production or to produce the agreed-upon quantities of lithium chemicals to the required specification and/or in the timeframe set out therein; in addition, the relevant counterparty could seek damages for any losses incurred in any such scenario. There can be no assurance that Vulcan Group will be able to meet these conditions or that Vulcan Group will reach the production phase at all. Delays in achieving the required level of production in the applicable timeframe may occur in connection with obtaining necessary permits, failure to locate or identify lithium deposits or failure to achieve predicted grades in exploration and brine extraction (see section "2.1 Vulcan Group is still in the development stage and has incurred operating losses since its incorporation. No assurance can be given that Vulcan Group will achieve commercial viability through its projects. Until Vulcan Group is able to realise value from its Project, it will not generate revenues from the production and sale of lithium and is likely to continue to incur ongoing operating losses."). Should the counterparty to any lithium offtake agreement concluded with Vulcan Group decide to terminate, re-negotiate the terms of such lithium offtake agreement or seek damages as a result of any such delay or Vulcan Group's inability to produce the agreed-upon quantities of lithium chemicals at the required specification in the pre-agreed timeframe, Vulcan Group would be unable to realise the economic benefits of such agreement, would be required to offer the lithium chemicals to another third party on potentially worse terms and/or would, if a damage claim were successful, be required to pay damages, each of which could adversely affect Vulcan Group's operations and financial performance. Also, there can be no assurance that Vulcan Group will be able to enter into new lithium offtake agreements at similar or more favourable terms with other counterparties or at all.

# APPENDIX 2: KEY RISKS

2.6 Vulcan Group may be unable to achieve the expected benefits from past acquisitions, partnerships and joint-ventures or successfully execute future acquisitions, partnerships and joint-ventures that it may pursue to execute its strategy and development plans.

Since its incorporation, the Company and certain of its subsidiaries have completed several acquisitions of businesses. The most material acquisition was the acquisition of Natürlich Insheim in December 2021, which owns and operates the Insheim Plant. Most recently, Vulcan Group acquired the geothermal renewable energy plant operator geox GmbH which acquisition has not yet completed as of the date of this Presentation. Vulcan Group may also in the future analyse and ultimately execute potential opportunities regarding acquisitions of existing companies, businesses, assets or technologies. However, there can be no assurance that the Company will be able to discover suitable acquisition targets at reasonable prices or at all. Should Vulcan Group be successful in making an acquisition, it may have to incur substantial expenditure, in the form of cash, shares or otherwise, incur debt, take on loss-making business divisions or take on other types of expenses. In particular, any acquisitions may result in increased indebtedness, substantial commitment of management capacity and resources and, in cases in which the consideration is fully or partially paid in shares, a dilution of the Company's shareholders. Further, Vulcan Group might fail to achieve the capacity expansion, cost savings, synergies or other benefits that it expects to realise from any such acquisitions. There is no assurance that the implementation of any recent of future acquisitions will yield benefits to Vulcan Group at a level sufficient to justify the expenses incurred in completing such acquisitions. Any integration process following any such acquisition might be complicated by the loss of key personnel, negative changes in the course of ongoing business processes and relationships with customers and employees. As a result, any such integration process may require more time, expenses and management capacity and resources than expected. In addition, the Company may be unable to carry out sufficient due diligence and any failure by the Company to identify, or to correctly assess, all of the problems, issues, liabilities or other shortcomings or challenges of a target company, business or technology, including issues related to intellectual property, data protection, regulatory compliance, accounting practices or employee or customer issues, could harm Vulcan Group's business, and the Company could incur extraordinary or unexpected legal, regulatory, contractual, labour or other costs as a consequence of any such acquisition.

Similarly, Vulcan Group may also seek and engage in potential opportunities for partnerships and joint-ventures. However, there can be no assurance that the Company will be able to discover suitable partners or otherwise establish successful partnerships and joint ventures. Potential future partnerships and joint-ventures may not yield the desired results or otherwise function as intended by the parties. Among others, partners may have economic or other business interests or goals that are different to those of Vulcan Group and the interests of the parties may not be, or may over time cease to be, aligned; controversies may arise between the parties regarding matters of governance and control, ownership or use rights to intellectual property and other assets or other matters; joint decision-making arrangements or veto rights on the part of any partners could make the day-to-day operation of the partnership or joint-venture less efficient or more burdensome than expected and could lead to delays in, or changes to, projects; the Company's economic interest in its projects may be diluted; partners may experience insolvency or other liquidity issues (which could cause the partner to default on its obligations or cease trading); and the commercial results of the partnership or joint-venture may turn out to be less promising than expected. Any such controversy may turn into a serious dispute potentially resulting in legal proceedings, the loss of business opportunities or disruption to, or termination of, the relevant partnership or joint-venture and divert the Company's management's attention and other resources. Any of the foregoing could have a material adverse effect on Vulcan Group's business, assets, results of operations, financial condition and prospects.

2.7 Vulcan Group will be dependent on third-party suppliers and contractors for various services and products as well as on transportation channels and other infrastructure required for its business operations.

During development and construction and continuing once the Phase One of the Project advances to the stage of commercial production, Vulcan Group will rely on third-party suppliers and contractors for various goods and services including utilities, electricity for its well sites, lithium extraction plant and central lithium plant ("CLP"), chemicals, operation services, transportation and construction services in line with industry practice. Vulcan Group may be unable to monitor the performance of its contractors and other third parties as directly and efficiently as it can its own employees. Therefore, Vulcan Group is exposed to the risk that its third-party service providers fail to perform their obligations, which may in turn adversely affect Vulcan Group's business operations. In addition, qualified contractors and other third parties may not always be readily available when needs for outsourcing arise. If Vulcan Group is unable to hire qualified contractors and other third parties, its ability to complete projects or other contracts could be impaired. If the amounts Vulcan Group is required to pay to contractors and other third parties exceed what has been estimated, Vulcan Group may suffer losses. Outsourcing also exposes Vulcan Group to risks associated with non-performance, delayed performance or sub-standard performance by contractors or other third parties. As a result, Vulcan Group may incur additional expenses due to delays or to higher costs.

Vulcan Group's production operations will be dependent on access to adequate transportation channels and other infrastructure. Vulcan Group will be reliant on readily available and functioning transportation, inter alia, for deliveries to the CLP planned to be constructed at the Höchst Chemical Park (Industriepark Höchst), located in Frankfurt am Main, and from the CLP to customers. There can be no assurance that the existing transportation networks will be sufficient to meet Vulcan Group's transportation requirements. Furthermore, any disruption to, or decrease in, the availability or capacity of the transportation networks, such as an earthquake, major rail or highway accidents, strikes, seasonal congestion during holidays or any significant rise in transportation costs, could materially and adversely affect Vulcan Group's ability to deliver its products to customers and have a material adverse effect on its overall processing and manufacturing business and results of operations.

Any of the above events could have a material adverse impact on Vulcan Group's operations, financial performance and reputation.

2.8 Vulcan Group's geothermal projects are subject to induced seismicity risks.

Vulcan Group is focused on developing a deep geothermal-lithium brine field in the Upper Rhine Valley of Germany and in France. While the geothermal industries in Germany and France have procedures in place for controlling seismicity to a generally acceptable threshold, some geothermal brine projects have been associated with seismicity events beyond the acceptable threshold in the past, which has resulted in projects being shut down or being scrutinised by the competent mining authorities. Should Vulcan Group's projects, once more advanced, cause or be associated with seismicity events, they could be scrutinised by the competent authorities which could issue all necessary orders to reduce resulting risks and to exclude such events going forward. Such orders could potentially include, amongst others, increased seismicity monitoring obligations, operational restrictions or (as preliminary measures or last resort) a partial or temporary, or even a complete, shut-down of the relevant well sites, depending on the specific circumstances. Furthermore, the operator of the facility is obliged to pay compensation for resulting damages and violations of permit provisions can be penalised as administrative offences or even criminal offences. In addition, any mitigation steps taken by Vulcan Group to reduce seismicity risk could have a commercial impact on Vulcan Group. The materialisation of any of the above risks could disrupt the operations of Vulcan Group and, accordingly, have a material adverse effect on Vulcan Group's operations and financial performance (see section "2.4 Vulcan Group's projects may face opposition from relevant stakeholders, which may result in delays, additional costs, discontinuation of construction or operations and uncertainty.").

2.9 Vulcan Group's geothermal projects are subject to climate change risks.

Whilst one of the primary purposes of the Project is to avoid carbon emissions in the lithium supply chain, there are a number of climate-related factors that may affect the operations and proposed activities of Vulcan Group. Climate change may cause certain physical and environmental risks that cannot always be reasonably predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events, as well as longer-term physical risks such as shifting climate patterns. In particular, higher temperatures prevailing over increasing periods of time, as a result of the anticipated global warming, may negatively impact the efficiency of the processes in geothermal plants used in the energy production business of Vulcan Group. The materialisation of any of these risks could have a material adverse effect on Vulcan Group's operations and financial performance.

# APPENDIX 2: KEY RISKS

**2.10 Vulcan Group may lose its directors or other key personnel or may be unable to recruit or retain qualified personnel for key positions. Without such directors or key personnel Vulcan Group may not be able to successfully manage, develop and operate its business.**

Vulcan Group has a strong management team across its different business sectors with longstanding industry experience, non-executive directors with extensive and relevant industry experience as well as a capable and experienced technical team across the fields of geothermal energy development, including geology and engineering, and lithium extraction (chemistry and chemical engineering). The Company believes that Vulcan Group's success greatly depends on the performance of its directors and its other key personnel, including engineers, scientists, consultants, managers and other staff, who are experts in the sector and markets in which it operates. In particular, to successfully manage, develop and operate its business, Vulcan Group depends upon, among other things, the services and the established personal networks of:

- Dr Francis Wedin, the Executive Chair of the Company and a geologist with a background in lithium exploration; and
- Mr Cris Moreno, the Managing Director and CEO of the Company, and a chemical engineer with a background in delivering major projects, including in the lithium chemicals, cathode, and LNG sectors.

Whilst Vulcan Group's strong environmental ethics and focus have proven to be an effective recruitment tool to date, there can be no assurance that Vulcan Group's efforts to retain and motivate its directors and key employees or attract and retain other highly qualified technical personnel will continue to be successful. Industry demand for highly qualified technical personnel, especially in the lithium sector, exceeds the number of personnel available, and the competition for attracting and retaining these employees is intense. Competition for qualified staff is particularly intense in Germany, where Vulcan Group employs approximately 350 employees (full-time equivalents) as of the date of this Presentation, and salaries paid to such staff in Germany are relatively high compared to other jurisdictions. The loss of any directors or key employees, or failure to attract new qualified employees, including qualified technical personnel, could impair Vulcan Group's further development. In order to achieve its strategic goals, Vulcan Group is targeting a significant increase in the number of staff over the next three to five years as it is planned to transition to an execution and production company. If Vulcan Group is unable to attract personnel to meet these requirements, it may be unable to achieve its strategy in the timeframe contemplated.

**2.11 Vulcan Group's operations involve the use of heavy machinery, gas and chemical substances. Any technical or human error could harm physical integrity, life or property and, as a result, could have a material adverse effect on Vulcan Group's business, results of operations, prospects and reputation.**

Vulcan Group's Project incorporates many different engineering disciplines, and certain aspects (such as LHM production via electrolysis) of the Project represent new applications of technologies. Vulcan Group's business includes large-scale construction, drilling operations, transport of goods and other use of heavy machinery as well as the handling of potentially hazardous chemical gas, substances and compounds. Whilst Vulcan Group has implemented a variety of health and safety measures to help prevent damage to individuals or property arising from Vulcan Group's construction, drilling and transport activities and use of heavy machinery or handling of chemicals, such activities are distinctly complex and inherently risky. Each of these activities bear the risk that, as a result of technical or human error or other external factors, the individuals involved in these activities incur injuries, other physical damage or even loss of life or that property is damaged or otherwise affected. Any such damage to life, health or property resulting from Vulcan Group's operations could have a material adverse effect on its business, results of operations, prospects and reputation.

**2.12 Vulcan Group could incur substantial losses from damage not covered by, or exceeding the coverage limits of, its insurance policies.**

While Vulcan Group is insured against fire, natural disasters, operational interruptions, enterprise accident and third-party liability, its insurance policies are subject to exclusions and limitations of liability both in amount and with respect to the insured events. As a result, Vulcan Group's facilities or its employees may suffer physical damage resulting in losses that may not be covered by insurance, either fully or at all. In addition, there are certain types of losses, generally of a catastrophic nature or pandemic events, that may be uninsurable or are not economically insurable.

There can be no assurance that Vulcan Group's assessment that it is sufficiently insured in accordance with industry practice against contingencies is accurate. In addition, there can be no assurance that Vulcan Group will be able to maintain its current level and scope of coverage or obtain replacement insurance on acceptable terms or at all. Should an uninsured loss or a loss in excess of insured limits occur, Vulcan Group may lose capital invested or revenues or incur substantial costs which will not be recouped. Even where Vulcan Group has obtained sufficient insurance coverage, its insurance providers could become insolvent, requiring Vulcan Group to bear any liabilities and losses. If Vulcan Group suffers a loss or incurs a liability against which it is uninsured or insufficiently insured, this could adversely affect Vulcan Group's business, net assets, financial condition, cash flow, and results of operations.

**2.13 Vulcan Group may fail to achieve its sustainability ambitions or fail to maintain current or obtain potential future ESG ratings and sustainability-related certifications, each of which could have a material adverse effect on its business, assets, results of operations, financial condition, prospects and reputation.**

Vulcan Group has a clear goal and strategy built around implementing the Phase One of the Project as the world's first carbon neutral footprint integrated lithium hydroxide production project. Whilst Vulcan Group plans to use zero Scope 1 fossil fuels (i.e. direct Company-owned or controlled fossil fuels used at the source) to power its process, the Company recognises that across any industrial plant development it is currently impossible to truly have zero greenhouse gas emissions, especially during construction. In addition, beyond Vulcan Group's ambition to maintain a carbon neutral position, Vulcan Group has determined and imposed on itself certain core values, referred to as "Vulcan Values", and other benchmark goals and requirements in the area of sustainability and environmental, social and governance ("ESG").

As the successful implementation of the Project is both a commercial goal of the Company as well as critical for Vulcan Group's ambition to implement the world's first carbon neutral integrated lithium hydroxide production project, any failure or significant delay by Vulcan Group to achieve these ambitions could have a material adverse effect on its business, assets, results of operations, financial condition, prospects and reputation. In particular, should Vulcan Group fail to implement the Project to maintain its carbon neutral position or to meet its sustainability goals and requirements more generally, each and all of which may occur as a result of factors outside of Vulcan Group's control, it may become the subject of adverse attention by investors, customers, environmental and climate activists, non-profits, the media or the public more generally. Moreover, Vulcan Group could face sustainability-related legal disputes brought by investors, customers, environmental and climate activists or other stakeholders regarding its sustainability claims and achievements, regardless of whether these are justified. For instance, cases on alleged problematic advertisements with claims of environmentally friendly services increased significantly in recent years, and courts and regulators generally pay close attention to advertising with sustainability claims to the public. Advertising the Project as "carbon neutral" bears the risk of being considered a problematic statement, in particular if the entire process, possibly including the construction phase, is not in fact carbon neutral and a court considers additional information on which parts of the Project are emission-free or which measures (e.g., neutralisation or offsetting) are implemented to achieve carbon neutrality are not sufficiently clear. Should any of these scenarios materialize, this could have a material adverse effect on Vulcan Group's business, assets, results of operations, financial condition, prospects and reputation.

# APPENDIX 2: KEY RISKS

Moreover, Vulcan Group has received certain ratings and certifications in the area of ESG and sustainability more generally from third parties in the past, and Vulcan Group may obtain further ESG ratings and sustainability-related certifications from third parties in the future. For example, as of the date of this Presentation, Vulcan Group holds an ESG risk rating from Sustainalytics GmbH, a certification as a carbon neutral organisation for 2022 by Climate Active and South Pole and has completed an environmental and social impact assessment for Phase One of Vulcan Group's Project by ERM (updated as of 16 September 2024) and the first S&P Global "Dark Green" rating for a mining and metals company. ESG ratings and sustainability-related certifications may inform and contribute to defining the expectations of investors, customers and other stakeholders of Vulcan Group in the market. As they are issued by third parties not controlled by Vulcan Group, there is no assurance that an existing or potential future ESG rating or sustainability-related certification will remain constant for any given period of time or that Vulcan Group's ESG rating or sustainability-related certification will not be downgraded or withdrawn entirely if, in the relevant third party's judgment, circumstances in the future so justify or warrant. Should Vulcan Group fail to maintain existing ESG ratings and sustainability-related certifications or to obtain potential future ratings and certifications, each of which may occur as a result of factors outside of Vulcan Group's control, investors', customers' and other stakeholders' expectations may not, or no longer, be met which may have a negative effect on the Company's reputation. Moreover, this could, directly or indirectly, affect Vulcan Group's business by, for example, making Vulcan Group less attractive for certain groups of investors. Certain investors may even be required or choose to sell their holdings in the Company due to their own ESG- or sustainability-related investment criteria, which could have a negative impact on the Company's share price and make Vulcan Group's access to capital markets more difficult. Also, should customers negatively perceive Vulcan Group's efforts in the ESG and sustainability space, as a result of the downgrade or withdrawal of an ESG rating or sustainability-related certification, negative media attention or for other reasons, this might reduce Vulcan Group's customer base and, as a result, its competitive position within the overall market.

Also, the methodologies underlying ESG ratings or sustainability-related certifications are determined by the relevant third-party issuers and are subject to change. Moreover, such methodologies are often complex and non-transparent. It can therefore not be guaranteed that the methodology used by any third-party issuer which has currently rated or certified, or will in the future rate or certify, Vulcan Group's ESG- or sustainability-related performance or ambitions will conform with the expectations or requirements of any particular group of investors (or their respective ESG or sustainability-related investment criteria), customers or other stakeholders. It can also not be assured that any such methodology will comply with any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. As a result, ESG ratings and sustainability-related certifications of Vulcan Group are not necessarily indicative of Vulcan Group's past, current or future commitment to, or performance in respect of, ESG or sustainability-related topics and may have limited, if any, utility for investors in assessing Vulcan Group's past, current or future financial performance.

Any of the foregoing risks, if they materialize, could have a material adverse effect on Vulcan Group's business, assets, results of operations, financial condition and prospects.

2.14 Vulcan Group may fail to maintain the integrity of its IT systems and successfully protect them against potential cyber-attacks, security breaches or other instances of intentional or unintentional disruption.

Vulcan Group uses, collects and stores multiple types of data including personal data. The integrity, availability and reliability of such data may be subject to intentional or unintentional disruption. Given the increasing sophistication and scope of potential cyber-attacks, these attacks could result in significant security breaches that could compromise Vulcan Group's sensitive information and financial transactions or cause systems to be unavailable for a period of time. Vulcan Group's Information Technology team has implemented several risk mitigation processes to protect the Company and its stakeholders from the possibility of a cyber security breach.

However, Vulcan Group's preventive measures to reduce the risk of cyber incidents and to protect the IT environment may not be sufficient and Vulcan Group may experience intrusions, cyber attacks or other security breaches of its systems. Vulcan Group also relies on its employees to comply with IT security policies. Failure to maintain the confidentiality, integrity and availability of computer hardware, software and internet applications and related tools and functions could result in damage to Vulcan Group's reputation, data integrity and/or expose Vulcan Group to ransom payments, costs, fines or claims under data protection or other laws or contractual requirements.

3. FINANCING RISKS AND FINANCIAL DISCLOSURE RISKS

3.1 Significant funding will be required by Vulcan Group to support the further implementation of the Project. If Vulcan Group is unable to enter into the envisaged financing agreements or to comply with the terms of the existing financing arrangements or those financing agreements it intends to enter into with various lenders at the project level or to obtain additional financing as needed on acceptable terms or at all, it may need to abandon its development plans or reduce and/or change their scope which may, in turn, adversely affect Vulcan Group's operations.

As Vulcan Group does not currently generate significant revenue, significant external funding will be required to support further implementation of the Project. According to Vulcan Group's models and estimates total Phase One capital expenditure is expected to amount to approximately EUR 1,431 million. The project will also incur financing costs of approximately EUR 270 , additional contingency and standby facilities required by financiers of approximately EUR 241million, owner's costs of approximately EUR 180 million and debt service reserve account and ramp up costs of approximately EUR 103 million. Moreover, the amount of capital required in future phases will be determined and refined as the Company advances the Project (see section "1.4 Vulcan Group's estimated development and operating costs are based on certain assumptions and no assurance can be given that Vulcan Group's cost estimates and the underlying assumptions to extract lithium chemicals from brine and renewable geothermal energy on commercially viable terms will be realised in practice."). In particular, as the Company has not completed a DFS in relation to any subsequent phases, there remains significant uncertainty regarding the funding requirements beyond Phase One. The ability to develop the Project beyond Phase One will therefore depend on the future availability of further funding.

Vulcan Group intends to fund the planned investments to implement Phase One of the Project through a combination of debt financing at the project level as well as equity financing at the project and Company level.

With respect to debt financing at the project level, Vulcan Group is in advanced discussions with a number of institutions (including the European Investment Bank and various export credit agencies and commercial banks) covering a debt financing amount of approximately EUR 1.5 - 1.6 billion (the "Envisaged Debt Financing"). With respect to equity financing, Vulcan Group targets gross proceeds of approximately EUR 625 - 725 million at the project and Company level (the "Envisaged Equity Financing"). Vulcan Group has received a range of non-binding offers from potential strategic partners at both the Company and project level for the Envisaged Equity Financing as well as certain public grants. However, both the Envisaged Debt Financing and the Envisaged Equity Financing are subject to finalisation, including alignment of key outstanding matters, board approval, definitive agreements, and satisfaction of conditions precedent. Should the parties not sign definitive agreements or should any of the conditions precedent not be met or not be met in good time, the financing parties may withdraw their offers and/or commitments and the Envisaged Debt Financing and the Envisaged Equity Financing may fall away.

Vulcan Group has entered into a credit facility with BNP Paribas in an amount of up to EUR 10 million to provide short term flexibility prior to completion of the equity and debt financing of Phase One of the Project (the "BNP Paribas Facility"). The BNP Paribas Facility is subject to certain terms including, inter alia, to maintain a certain net debt to EBITDA (defined as earnings before interest, taxes, depreciation and amortisation) ratio and a certain debt service coverage ratio. Should Vulcan Group be unable to comply with these terms, the BNP Paribas Facility may be terminated and any sums disbursed to Vulcan Group will have to be repaid.

In addition, the ability to develop subsequent phases of the Project beyond Phase One will depend on the availability of future financing arrangements.

Any additional equity financing (whether at the Company level or the project level) may be dilutive to the Company's shareholders, and debt financing, if available at acceptable terms or at all, may involve restrictive covenants or other limitations on financing and operating activities, including the future potential payment of dividends, and result in a material interest expense. If Vulcan Group is unable to obtain additional financing as needed on acceptable terms or at all, it may be required to abandon or reduce and/or change the scope of its development plans which may, in turn, adversely affect Vulcan Group's operations.

# APPENDIX 2: KEY RISKS

**3.2 Vulcan Group has entered into a credit facility and plans to enter into significant debt financing arrangements in the short-term pursuant to which it will have to bear significant debt financing costs which may further increase in case of an increase in the interest rates. As it is envisaged to incur significant additional debt in the future, the Company expects that its debt financing costs will further increase in the future.**

Historically, Vulcan Group's investments have been primarily financed by equity financings at the Company level and therefore only incurred limited financing costs for interest payments.

In September 2024, Vulcan Group entered into the BNP Paribas Facility. The BNP Paribas Facility is subject to a floating interest rate, which is tied to the Euro Interbank Offered Rate (also referred to as EURIBOR). Any increase of the EURIBOR will therefore also lead to a higher interest rate applicable to the amounts outstanding under the BNP Paribas Facility at a given time.

Moreover, in connection with the Envisaged Debt Financing, Vulcan Group will have to bear material interest expenses in the future. Similar to the BNP Paribas Facility, the interest rate applicable under the Envisaged Debt Financing is expected to be tied to the EURIBOR and therefore floating. Interest rates in many jurisdictions including Australia and Germany have been volatile within the last years. Potential further increases in interest rates could ultimately lead to a higher interest expense, causing overall financing costs to be significantly higher than currently anticipated. In the absence of any material revenue before the commencement of commercial production, these finance costs would generate additional losses before taxation for the foreseeable future. These losses may be compounded if the Company is forced to incur more debt than currently expected, for example, if the Company is required to finance cost overruns in connection with the Project.

**3.3 Vulcan Group's existing debt financing arrangements contain and its future debt financing arrangements, once definitive, are expected to contain restrictive covenants, including change of control provisions, which may result in a repayment risk for the debt financings at the project level.**

The BNP Paribas Facility contains several covenants, including a leverage covenant that requires Natürlich Insheim GmbH to maintain a certain net debt to EBITDA ratio and a certain debt service coverage ratio that requires Natürlich Insheim GmbH to maintain a certain ratio of cash flow, several mandatory prepayment events (including a mandatory prepayment event in case of a change of control event). The BNP Paribas Facility security package is also comprised of the following: (i) parent company guarantee by Vulcan Energy Resources Ltd; (ii) pledge over 100% of the shares in Natürlich Insheim GmbH; (iii) security assignments regarding certain receivables of VER GEO LIO GmbH and Natürlich Insheim GmbH; and (iv) pledge over Natürlich Insheim GmbH's accounts in Germany. In the event of a covenant breach, BNP Paribas may, in certain cases subject to the expiry of a grace period, terminate the BNP Paribas Facility and declare the outstanding loan together with interest accrued thereon due and payable.

Similarly, Vulcan Group's Envisaged Debt Financing arrangements at the project level, once definitive, are expected to contain several covenants. These covenants will include (a) that the Vulcan Group maintains a certain debt service coverage ratio (both historical and projected) and a certain loan life coverage ratio, (b) that the ratio of lithium carbonate reserves of the project compared to the initial reserves determined at financial close does not drop below a certain level, and (c) a change of control provision that requires the consent of the financing banks, inter alia, if the Company no longer maintains a minimum shareholding interest in Vulcan Group obligors and shareholders in the borrower under the Envisaged Debt Financing Arrangements. In the event of a covenant breach, the financing banks may terminate the Envisaged Debt Financing arrangements and declare the outstanding loans together with interest accrued thereon due and payable within a short period of time. The security package in respect of the Envisaged Debt Financing is intended to be a customary all assets security package, including the shares pledges over the entities holding the project assets.

The occurrence of any one or more of the foregoing events could adversely affect Vulcan Group's business, net assets, financial condition, cash flow, and results of operations.

**3.4Vulcan Group is exposed to foreign currency exchange risks.**

Until 30 June 2021, Vulcan Group's presentational currency in its financial statements were in Australian dollars. Therefore, Vulcan Group has had a significant translational exchange rate risk as a result of its presentational currency being Australian dollars while a material part of its business is carried out in currencies other than Australian dollar, in particular in euro as the material assets of Vulcan Group are located in Germany. Since the change of its presentational currency to euro, the translational exchange rate risk mainly relates to cash held by Vulcan Group in Australian dollars.

Vulcan Group expects that LHM sales will be principally to European customers and denominated in EUR, although Vulcan Group's existing lithium offtake agreements are not exclusively with European customers and it is possible that in the future Vulcan Group may export a portion of its LHM outside of Europe, in which case the associated revenues may be denominated in other currencies, principally the US dollar. Vulcan Group's costs have to date primarily been incurred in a combination of Australian dollars and euros, whereas the share of the costs in euros has significantly risen over the years as the Project further ramps up towards construction and production.

In addition to the translational impact of exchange rate fluctuations, Vulcan Group is exposed to transactional exchange rate risk, in particular as certain materials will need to be imported from outside the Eurozone, with costs in currencies other than euro.

Moreover, pricing under the lithium offtake agreements concluded by Vulcan Group is a mix of fixed price and indexation based on market prices calculated by reference to certain indices. The indices commonly used are PRA contract-based indices as provided by, for example, BMI or Fastmarkets. These indices are currently quoted in US dollars, exposing Vulcan Group to a transactional exchange rate risk. While Vulcan Group expects that by the time it commences commercial production indices quotes in euro may become available for the European market, there can be no assurance that this will be the case. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

# APPENDIX 2: KEY RISKS

4. REGULATORY RISKS

**4.1 Vulcan Group's risk management or compliance systems may not have been, or may not be, sufficient to adequately prevent or detect legal, tax and operational risks.**

Vulcan Group's business is subject to various laws and regulations relating to, among other things, compliance with capital markets, environmental, mining, energy, antitrust, data protection, employment and tax laws and regulations. While Vulcan Group is not aware of any material breaches of applicable laws and regulations, it can neither guarantee that it has always been in full compliance with such laws and regulations in the past in the jurisdictions in which it operates, nor that it will be able to fully comply with them in the future. Vulcan Group is reliant on the compliance of its directors and employees with applicable laws and compliance policies implemented by Vulcan Group and there can be no assurance that directors or employees of Vulcan Group or third parties acting on Vulcan Group's behalf, have not engaged in or will not engage in criminal, unlawful or unethical behaviour. Existing risk management and internal compliance procedures and controls may not be sufficient to prevent or detect inadequate practices, fraud or violations of law by its directors, its employees or third parties acting on its behalf. The laws and regulations in the areas and jurisdictions in which Vulcan Group currently operates or may operate in the future are evolving. Consequently, such laws and regulations may change and sometimes may conflict with each other, making it more difficult to observe and comply with them. Moreover, as a result of its dual listing in Australia and Germany, the Company is subject to additional requirements which require it to maintain robust compliance procedures and controls. Maintaining, revising or enhancing risk management and internal compliance procedures and controls to accommodate overlapping, conflicting, changed or new laws and regulations require, and may going forward continue to require, the Company to incur significant cost and take significant management time, and there can be no assurance that the procedures and controls will adequately protect the Company from legal and operational risks.

In addition, effective internal controls are necessary for Vulcan Group to provide accurate and reliable financial reports. However, an internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Accordingly, there can be no assurance that all issues will be detected and Vulcan Group cannot be certain that it will be successful in maintaining adequate internal control over its financial reporting and financial processes. Furthermore, Vulcan Group is required to comply with stringent, overlapping and at times conflicting obligations in connection with the dual listing in Australia and in Germany. As Vulcan Group continues to grow its business, its internal controls will need to become more complex and it will require more resources to ensure its internal controls remain effective. Additionally, the existence of any material weakness or significant deficiencies could require management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. If Vulcan Group's internal controls are insufficient to prevent errors in Vulcan Group's financial statements, it would be required to restate its financial statements, causing it to fail to meet its reporting obligations and potentially causing shareholders to lose confidence in its reported financial information, all of which could have an adverse effect on the price of the New Shares as well as Vulcan Group's reputation, business, net assets, financial condition, cash flow, and results of operations. This could also cause the price of the New Shares to fall, in which case investors could lose some or all of their investment.

Inadequate risk management or compliance measures may cause irregularities that could lead to, among other things, losses or delays in the development of Vulcan Group's business, or to official investigations or third-party claims against Vulcan Group, which in turn could have significant financial, reputational and other consequences. These consequences could include significant penalties, damage claims and sanctions, including sanctions imposed by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) in connection with potential breaches of post-listing obligations, as well as considerable damage to Vulcan Group's reputation. If Vulcan Group suffered any of these consequences, it could have an adverse effect on its business, net assets, financial condition, cash flow, and results of operations.

**4.2 Vulcan Group is subject to laws and regulations in a number of jurisdictions which may impose costs and affect Vulcan Group's business or results, and non-compliance with existing laws and regulations, in particular environmental laws or foreign investment laws, or changes in any such laws and regulations could result in Vulcan Group incurring costs in order to take additional steps to ensure future compliance.**

As a group operating in more than one jurisdiction, Vulcan Group is subject to Australian, European Union, German, French and other national and local laws, regulations and ordinances. Vulcan Group must observe a large number of different regulatory requirements. For its operations Vulcan Group is required to obtain and hold various permits. The laws and regulations that Vulcan Group is subject to change frequently, evolve constantly and may become more stringent. Vulcan Group may be required to incur significant costs and devote significant management time to adapting its exploration or production processes and operating policies to changes in applicable laws, and regulations and there can be no assurance that its efforts will ensure it is in compliance with such laws and regulations. If Vulcan Group does not comply with existing, changed or new laws and regulations, it may be required to take remedial actions that could be costly and time consuming, and it may also be subject to fines, administrative penalties, claims for damages and, potentially, criminal charges.

Whilst Vulcan Group’s main goal is to develop commercial lithium production with proven environmental credentials, as with most lithium extraction projects, renewable energy projects and brine extraction operations, Vulcan Group's activities are expected to have some impact on the environment. Many of the activities and operations of Vulcan Group are environmentally sensitive and cannot be carried out without prior approval from all relevant authorities and compliance with all relevant laws and regulations. Violations of environmental laws and regulations may lead to significant sanctions including the shutdown of affected facilities and administrative fines and could also result in payment of damages to affected parties. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for renewable energy, brine and mineral extraction companies and their directors and employees. For example, the European Chemicals Agency ("ECHA") has put forward a proposal to re-classify lithium as a category 1A chemical, on a similar level as cobalt, which, if adopted by the EU Commission as proposed, could increase regulatory requirements around controlling, processing, packaging and storage of lithium. Additionally, the re-classification could stigmatise lithium resulting in damage to Vulcan Group's reputation and negatively affecting acceptance of lithium-related projects. As Vulcan Group is attempting a distinct process of extracting lithium from geothermal brine with carbon neutral footprint, of which there are, in Vulcan Group's view, no comparable operating commercial precedents in Germany, there may be unknowns with regard to the permitting process, duration with authorities and related costs for the Company. In addition, authorities in Denmark, Germany, the Netherlands, Norway and Sweden have recently submitted to ECHA a proposal for the restriction of per- and polyfluoroalkyl substances aimed at reducing such substances' emissions into the environment which was subject to public consultation until September 2023. If adopted as proposed, it could result in the phasing out of the use of polytetrafluoroethylene polymer, or PTFE membranes which could lead to delays or cost increases in the Company’s operations, the length and financial cost of which would depend on the availability of alternatives at the time.

Moreover, the disposal of mineral production and process waste and brine re-injection are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making Vulcan Group's operations more expensive. Such increase of applicable regulatory requirements could result in additional cost for Vulcan Group to ensure compliance with such laws including, among others, payment of a royalty to governments, costs for legal advice or remediation measures, if required. Moreover, approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or brine production activities.

# APPENDIX 2: KEY RISKS

Also, extractive businesses, such as the business carried out by Vulcan Group, often face concerns or opposition from relevant stakeholders regarding actual or potential breaches of conditions, risks to human health or the environment or other issues which are voiced in public participation processes or otherwise (see section "2.4 Vulcan Group's projects may face opposition from relevant stakeholders, which may result in delays, additional costs, discontinuation of construction or operations and uncertainty.") and may consume substantial time and cost and cause reputational risk and uncertainty.

Since no commercial lithium production currently exists in the state of Rhineland-Palatinate in Germany, it is currently not yet decided, whether Vulcan Group will be exempt from royalty payments to the state for its lithium extraction. Vulcan Group has applied for an exemption for lithium, but a decision has not yet been made. Geothermal production, the other part of Vulcan's business, has already been exempted from a production royalty. Based on this precedent and for similar reasons under German mining law, Vulcan Group expects lithium production to be exempted from royalties. If the exemption is not given in time, it is possible that certain elements of the envisaged debt financing package would need to be adjusted which could also mean that a higher equity financing portion would be required.

Since no commercial lithium production currently exists in the state of Rhineland-Palatinate in Germany, it is currently not yet decided, whether Vulcan Group will be exempt from royalty payments to the state mining authority for its lithium businessextraction. Vulcan Group has applied for an exemption for lithium, but a decision has not yet been made. Geothermal production, the other part of Vulcan's business, has already been exempted from a production royalty. In connection with its geothermal business Vulcan Group has already been granted an exemption. As both exemptions are based on the same ground, Based on this precedent and for similar reasons under German mining law, Vulcan Group expects to receive also an exemption for lithium production to be exempted from royalties. If the exemption is not given Vulcan is unable to secure this exemption in time, it is possible that certain elements of the envisaged debt financing package would need to be adjusted which could also mean that a higher equity financing portion would be required.

In addition, as the Company is an Australian company and its operating subsidiaries and significant assets are based in Germany and France, Vulcan Group's assets are subject to risks with regard to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, changes to investment policies and legislation or a shift in political attitude may adversely affect Vulcan Group's operations and profitability. In particular, while there are currently no restrictions on the foreign ownership of lithium extraction companies in Germany and France, there can be no assurance that the requirements of the various governments in respect of foreign ownership and control of mining companies will not change. It is not possible for Vulcan Group to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on Vulcan Group's operations.

The occurrence of any of these risks could adversely affect Vulcan Group's business, net assets, financial condition, cash flow, results of operations and reputation.

5.LEGAL AND TAX RISKS

5.1 Vulcan Group is exposed to risks from potential future litigation and other legal and regulatory actions and risks, and could incur significant liabilities and substantial legal fees.

Vulcan Group's business activities entail many novel features and are subject to various complex laws and regulations (see section "4.1 Vulcan Group's risk management or compliance systems may not have been, or may not be, sufficient to adequately prevent or detect legal, tax and operational risks."), and are subject to business relationship with a large variety of counterparties. Therefore, Vulcan Group is subject to a higher risk from potential future litigation and other legal and regulatory actions as compared to issuers active in a more mature business environment. Whilst Vulcan Group is currently not exposed to ongoing litigation, Vulcan Group may become a party to legal disputes, administrative proceedings and government investigations. Such legal disputes, proceedings and investigations may, in particular, arise from its relationships with its contractual counterparties, end-customers and public authorities and could allege, among other things, breaches of contract, tort or the failure to comply with applicable laws and regulations. There may also be investigations by governmental authorities into circumstances of which Vulcan Group is not currently aware or which may arise in the future, including possible regulatory and environmental complaints, licencing challenges or criminal proceedings.

If Vulcan Group were to be found liable under any such claims, lawsuits or investigations it might be required to pay damages or fines and to take, or refrain from taking, certain actions and it could incur substantial costs and divert substantial amounts of management's time in dealing with them, even if they are unsuccessful, any of which could adversely affect its business, net assets, financial condition, cash flow, and results of operations.

5.2 Vulcan Group might be unable to adequately protect its intellectual property rights.

Vulcan Group believes its know-how and proprietary technology is critical to its success. It has sought protection of its proprietary technology through obtaining a German utility model registration and has filed European patent and Patent Cooperation Treaty (international) applications as well as applied for related national/regional patents in Europe, Australia, Canada, Chile, China, Japan, Korea and the US. Vulcan Group also relies on trade secret protection through non-disclosure agreements and other methods to protect its proprietary rights. Vulcan Group has also filed various trademark applications for its brands in Europe, the United Kingdom, New Zealand, Australia, the US, Canada and Japan. Vulcan Group is subject to a number of risks in adequately protecting its intellectual property, including that:

- Vulcan Group might not be able to obtain and maintain effective intellectual property protection, e.g. where its patent or trade mark applications fail;
- Vulcan Group may be required to expend significant resources (including financial, managerial and operational resources) to monitor and protect its intellectual property rights;
- any of Vulcan Group's intellectual property rights could be challenged or invalidated through administrative processes or litigation;
- Vulcan Group may not discover any infringement or violation of its intellectual property rights by a third party, or the extent of any such infringement or other violation, or, to the extent discovered, may not be successful in any claims or litigation against that third party; and
- Vulcan Group's competitors may independently develop or otherwise acquire equivalent or superior technology or intellectual property rights.

Vulcan Group may not be successful in maintaining the confidentiality or legal protection of its know-how and trade secrets. Employing adequate protection measures to protect confidentiality is a requirement for legal protection as trade secrets in some jurisdictions.

In addition, Vulcan Group may inadvertently infringe the intellectual property rights of third parties. The realisation of any such risks, alone or in combination, could have a material adverse effect on Vulcan Group's operations or financial performance.

# APPENDIX 2: KEY RISKS

**5.3 Vulcan Group is currently subject to the tax laws and regulations of Australia and Germany. Its tax burden may increase as a consequence of current or future tax assessments or court proceedings in connection with changes in domestic or foreign tax laws and double taxation treaties or changes in the application or interpretation thereof. The Company's tax burden may also increase should it be considered tax resident of Germany or any other jurisdiction.**

Vulcan Group is currently subject to the tax laws and regulations of Australia and Germany. Vulcan Group's tax liability depends on various aspects of tax laws and regulations including Australian and German domestic tax laws and regulations and double taxation treaties concluded, in particular, between Australia and Germany. Due to Vulcan Group's international business activities, Vulcan Group is constantly exposed to risks arising from the application of international tax concepts used for the purpose of allocating taxing rights between countries, for example the concepts of tax residency or permanent establishment as used, inter alia, in double taxation treaties. Amendments to tax laws and double taxation treaties may have a retroactive effect, and their application or interpretation by tax authorities or courts is subject to change and may not be anticipated by Vulcan Group. Furthermore, tax authorities occasionally limit court decisions to their specific facts by way of non-application decrees which results in additional uncertainties regarding the interpretation of tax law and regulations.

Vulcan Group is subject to regular tax audits in the jurisdictions in which it conducts its operations. As the result of an audit, Vulcan Group may incur additional tax payments as well as penalties and late payment charges resulting from the corresponding tax assessments.

The Company is currently considered a tax resident of Australia for domestic tax law purposes. If the Company's central administration or place of effective management were considered not to be located where its registered office is situated, the Company could be regarded as being a tax resident of another jurisdiction. The tax authorities may challenge the Company's central administration or place of effective management both for previous years or in the future. In addition, business needs and the structure of Vulcan Group may in the near term evolve such that the Company becomes tax resident of another jurisdiction. If the tax authorities decide to challenge the Company's central administration or place of effective management or determine that the Company is or has becomes tax resident of another jurisdiction, there could be unanticipated adverse tax consequences for the Company, but also for the Company's shareholders, possibly on a retroactive basis.

The materialisation of any of these risks could have a material adverse effect on its business, net assets, financial condition, cash flow, and results of operations.

**5.4 The Company is incorporated in Australia and therefore the shareholders in the Company may be affected by the Australian tax regime which may also change from time to time.**

The taxation of income from any future dividend payments, if any, as well as other income, for instance, from the sale of the New Shares, may vary depending on the tax residence of the shareholder, as well as the existence and provisions of double tax treaties between a shareholder's country of residence and Australia. Tax provisions applying to particular shareholders may be unfavourable and/or may change in the future, in a way which has an adverse effect on the tax treatment of a shareholder's holding of the New Shares.

## 6. RISKS RELATED TO THE NEW SHARES, THE ADMISSION TO TRADING AND THE OFFER

**6.1 Future capital increases could lead to a substantial dilution of shareholders' interests in the Company and their voting rights and may adversely affect the market price of the New Shares.**

The Company may in the future seek to raise additional capital through the issuance of new fully paid ordinary shares or other securities with conversion rights (for example, options, performance rights, convertible bonds and other convertible securities) or to implement existing or future stock option or employee incentive plans. The Company may also issue new fully paid ordinary shares or other securities as consideration for certain acquisitions or investments from time to time. An issuance of new fully paid ordinary shares or securities with a right to convert into equity, or the exercise of a stock option or employee incentive right could potentially affect the market price of the New Shares.

If such offerings of new fully paid ordinary shares or other securities with conversion rights are made (other than in respect of any pro rata offer to the Company's existing shareholders), these offerings would dilute the economic and voting rights of the Company's existing shareholders.

Because the timing and nature of any future offering would depend on market conditions at the time of the future offering, the Company cannot predict or estimate the amount, timing or nature of any future offering. Investors in the Company bear the risk that such future offerings could reduce the market price of New Shares, in which case investors could lose some or all of their investment, and/or dilute their shareholdings.

While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue in any 12-month period (other than with shareholder approval or where exceptions apply), existing shareholders may still be diluted as a result of such issues of new fully paid ordinary shares in the Company and fundraisings depending on how they are structured.

**6.2 The market price and trading volume of the New Shares could fluctuate considerably, including as between the ASX and the FSE, which may result in substantial losses for investors. Differences in market price, trading volume, settlement and clearing systems, trading currencies and transaction costs between the ASX and the FSE may hinder the transferability of the New Shares between the ASX and the FSE.**

As the Company's shares are dual listed in Australia and Germany, the trading volume and price of the New Shares may fluctuate significantly, including as between ASX Limited ("ASX") and the regulated market (Prime Standard) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) ("FSE"). Securities markets in general, particularly shares of issuers with a high risk profile (as is the case in respect of Vulcan Group), have been volatile in the past. The price of the Company's shares quoted on the ASX or on the regulated market (Prime Standard) of the FSE on the date of this Presentation may therefore be subject to significant future fluctuation.

Among other factors, negative reports regarding the Company or the Company's shares issued by short sellers (so-called "short seller attacks") or other market participants could negatively and significantly impact the price of the New Shares or result in large fluctuations in the price or trading volume of the New Shares.

Further factors that could negatively affect the price of the New Shares or result in fluctuations in the price or trading volume of the New Shares include (but are not limited to):

- general (geo-)political and macro-economic trends and developments such as armed conflicts, trade wars, inflationary trends, increases of interest rates and other central bank measures;
- fluctuations in lithium prices;
- changes in Vulcan Group's implementation of strategy and failure to implement its exploration and production goals within the envisaged timeframe;
- increases in the Company's financing costs;
- changes in the Company's actual or projected results of operations or those of its competitors;
- changes in earnings projections or failure to meet investors' and analysts' earnings expectations;
- announcements by the Company to the market;
- investors' evaluations of the success and effects of the strategy described in this Presentation;
- large purchases or sales of the Company's shares; and
- any of the risk factors referred to in this Presentation occurring.

# APPENDIX 2: KEY RISKS

Many of these factors are outside of the Company's control. Additionally, general fluctuations in share prices, particularly prices of shares of companies in the lithium and renewable energy sector, could affect the price of the Company's shares, even where there may not necessarily be a reason for this in the Company's business or performance.

In addition, as a result of the dual listing of the Company's shares on the ASX and the FSE, the trading volume and price of the Company's shares may at any time be different on either of the two exchanges. The Company's shares are quoted and traded in Australian Dollars on the ASX and are quoted and traded in euro on the regulated market (Regulierter Markt) of the FSE. Therefore, the price of the Company's shares on those exchanges may also differ due to exchange rate fluctuations. The Company's shares traded on the ASX are settled and cleared in A$ through to the settlement facility known as the 'Clearing House Electronic Sub-register System' operated by ASX Settlement Pty Limited (ABN 49 008 504 532), of 16-20 Bridge Street, Sydney, New South Wales 2000, Australia ("ASX Settlement") in accordance with the settlement operating rules of ASX Settlement. The Company's shares traded on the regulated market (Regulierter Markt) of the FSE are settled and cleared in euro within the Clearstream system. Differences that occur in settlement and clearing systems, trading currencies, transaction costs and other factors may hinder the transferability of the New Shares between the ASX and the FSE.

Any or all of these factors could result in material fluctuations in the price of the New Shares, which could lead to investors getting back less than they invested or a total loss of their investment. The Company does not have a fixed winding-up date and therefore, unless shareholders vote to wind up the Company, shareholders will only be able to realise their investment through the sale or transfer of their shares.

6.3 The Joint Lead Managers may terminate the Placement Agreement (in accordance with its terms) before the allotment of the New Shares under the Placement and the Company may therefore not be able to issue any or all of the New Shares pursuant to the Placement and, accordingly, will not be able to raise the corresponding funds.

The Joint Lead Managers may exercise their termination right under the Placement Agreement entered into with the Company ("Placement Agreement") if certain conditions of the Placement Agreement fail to be satisfied or if certain events occur (please refer to the Appendix 3 "Summary of Placement Agreement" of this Presentation for a summary of the key terms and conditions of the Placement Agreement), entitling the Joint Lead Managers to terminate the Placement Agreement prior to the allotment of the New Shares under the Placement. It is possible, therefore, that the Placement Agreement could be terminated before completion of the Placement. If the Placement Agreement is terminated prior to the completion of the Placement, the Placement will not proceed and the issuance of New Shares may not be completed. Should this situation materialize, the Company may need to consider alternative funding options, including subsequent equity raisings or debt funding (see section "3.1 Significant funding will be required by Vulcan Group to support the further implementation of the Project. If Vulcan Group is unable to comply with the terms of the financing commitments it has entered into with various investors at the project level or to obtain additional financing as needed on acceptable terms or at all, it may need to abandon its development plans or reduce and/or change their scope which may, in turn, adversely affect Vulcan Group's operations."). There can be no assurance that such other funding options will be able to be obtained on acceptable terms, in a timely manner or at all. Any inability to obtain such funding may adversely affect the business and financial condition of the Company. In addition, if the Placement Agreement is terminated prior to the settlement of the Placement, certain transaction overhead costs in relation to the Placement, such as legal and advisory costs, will still be payable by the Company notwithstanding that it will not receive the full funds from the Placement.

6.4 The Company faces additional administrative requirements from its dual listing on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) and on the ASX which need to be aligned with each other.

Since the admission of the Company's Shares to trading on the regulated market (Regulierter Markt) of the FSE and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) in February 2022, the Company is subject to both the German legal requirements for public companies listed on the Prime Standard and the Australian legal requirements for public companies listed on the securities exchange operated by ASX which are not consistent in all respects. As a result, at times, challenges arise for the Company in combining the listing requirements of both markets in a coherent manner. There can be no assurance that the Company's accounting, legal or other administrative functions will always be capable of responding to these overlapping and sometimes conflicting requirements without difficulties and inefficiencies or significant additional costs. Failure to comply with these requirements could expose the Company to delisting of its shares on the regulated market (Regulierter Markt) of the FSE, significant fines, sanctions and other regulatory action and potentially civil litigation. This could also cause the price of the New Shares to fall, in which case investors could lose some or all of their investment.

The members of the management team are required to devote a substantial amount of time to these requirements that they might otherwise devote to other aspects of managing the Company's operations, and these requirements also entail substantial time commitments and costs for the accounting and legal departments and other administrative functions.

6.5 Holders of the New Shares, in particular holders located in certain jurisdictions including the United States, may not be able to participate in future equity offerings.

Shareholders may not be able to participate in potential future equity offerings if they do not have the funds necessary to subscribe for new securities. Also, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future offerings. In particular, shareholders in the United States, including new shareholders resulting from the Offer, may not be entitled to participate in future offerings, unless either the Shares and any other securities that are offered and sold are registered under the United States Securities Act of 1933, as amended ("US Securities Act"), or the Company's shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Company cannot assure prospective investors that it will file any such registration statements, or that any exemption from such overseas securities law requirements would be available to enable US or other shareholders to participate in future offerings or, if available, that the Company will utilise any such exemption, each of which would result in shareholders in restricted jurisdictions being unable to participate in any such future issue. To the extent that US or other holders of the Company's shares are not able to participate in future equity offerings, their proportional interests in the Company would be diluted. Open market purchases to counteract such dilution could be possible only on terms which are less favourable than those offered to other shareholders in connection with such an equity offering.

6.6 The Company is incorporated in Australia and, as a result, it may not be possible for shareholders to enforce civil liability provisions of the securities laws of other countries, including for example the United States, against the Company, its Directors or officers.

The Company is incorporated under the laws of Australia and most of its assets are located in Germany (and none of them in the United States). In addition, the members of the Company's board of directors (the "Board" and its members the "Directors") are residents of Australia, Germany and other countries (but none of the Directors is resident of the United States). As a result, it may not be possible for the holders of the Company's shares to effect service of process upon its Directors or officers within the United States or to enforce against the Company or its Directors or officers in the United States court judgements based on the civil liability provisions of the securities laws of the United States. Similarly, shareholders located in other jurisdictions in which neither Company's assets are located nor Directors or officers are resident may not be able to effect service of process upon, or to enforce against, the Company or its Directors or officers in the relevant jurisdiction court judgements based on the civil liability provisions of the securities laws of such jurisdiction. Shareholders located in Germany may also find it difficult to effect service of process in Germany upon the Company or those Directors or officers of the Company who are resident of a country other than Germany or to enforce in Germany court judgements based on the civil liability provisions of the German securities laws against the Company or such Directors or officers.

6.7 If securities analysts downgrade the Company, the Company's shares or the Company's sector, the share price and trading volume could decline.

The trading market for the Company's shares will be influenced by, among other things, the research and reports that industry or securities analysts publish about the Company, its business, its markets, and its competitors. If any of the analysts who cover the Company issues an adverse opinion regarding the Company, the price of the New Shares could decline. The Share price could also be adversely affected by reports about the Company's markets or its competitors, even if the reports do not directly address the Company. If one or more of these analysts cease coverage of the Company or fail to publish reports on it regularly, the Company could lose visibility in the financial markets, which in turn could cause the share price and/or trading volume of New Shares to decline, in which case investors could lose some or all of their investment.

# APPENDIX 2: KEY RISKS

6.8 Future sales by shareholders of the Company, in particular large shareholders, could depress the price of the Shares.

As of the date of this Presentation, the largest five shareholders of the Company hold more than 30% of its share capital. There are no lock-up agreements that preclude these shareholders from selling, distributing, transferring or otherwise disposing of any New Shares in connection with, or at the occasion of, the Offer or at another point in time. If these or other larger shareholders were to sell substantial amounts of their shareholdings on the public exchange, or if market participants were to become convinced that such sales might occur, this could have adverse effects on the market price of the New Shares, in which case investors could lose some or all of their investment.

6.9 The Company may invest or spend the proceeds of the Offer in ways with which shareholders may not agree or in ways which may not yield a return or enhance the price of the shares.

The Company may decide to use the net proceeds the Company receives from the Offer differently from its intention as of the date of this Presentation. The Company's Board will have ultimate discretion in the application of net proceeds, and shareholders will not have the opportunity, as part of their investment decision, to assess whether the proceeds are being used appropriately.

# APPENDIX 3: SUMMARY OF PLACEMENT AGREEMENT

Vulcan has entered into a placement agreement with the Joint Lead Managers, under which the Joint Lead Managers have agreed to act as joint lead managers, bookrunners and underwriters in connection with the Placement ("Placement Agreement"), subject to the terms and conditions of the Placement Agreement. The Joint Lead Managers may terminate the Placement Agreement if certain conditions contemplated by the Placement Agreement are not satisfied or if certain events occur. The conditions and termination events in the Placement Agreement are not uncommon for an arrangement of this nature.

In summary, either Joint Lead Manager may terminate the Placement Agreement if any of the following events occur:

- in the bona fide opinion of the Joint Lead Managers, one or more of the following events have or are likely to (a) have a material adverse effect on the marketing, success or settlement of the Placement, the willingness of persons to subscribe for New Shares (or would in the absence of any contractual obligation have or be likely to have such a material adverse effect), the market price of Shares or the business, financial position or prospects of Vulcan and its related bodies corporate or (b) has given rise to or is likely to give rise to a contravention by a Joint Lead Manager or its affiliates incurring a liability under, or contravening, Vulcan's Constitution, the Corporations Act or the ASX Listing Rules, as applicable or any other applicable law:
  - an outbreak of hostilities not presently existing (in all cases whether war has been declared or not) or a state of emergency declaration involving any of Australia, the United States, the United Kingdom, Japan, Hong Kong, Ukraine, a member state of NATO or a member of the European Union, Israel, Iran is declared by any of those countries, or there is a material escalation in relation to those matters or there is a major act of terrorism anywhere in the world;
  - a general moratorium on commercial banking activities in Australia, the United States, Germany or the United Kingdom, is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - trading in all securities quoted or listed on ASX, the London Stock Exchange, Frankfurt Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading ("Trading Day"), or substantially all of a Trading Day, excluding any suspension or limitation of trading caused by or in connection with any technical or systems failure;
  - any adverse change or disruption to the political conditions or financial markets of Australia, the United Kingdom, the United States, Hong Kong, Japan, Germany or the international financial markets or any change or development involving a prospective adverse change in national or international political, financial or economic conditions;
  - Vulcan is in breach of any term, condition, undertaking, representation, warranty or agreement of the Placement Agreement;
  - a new or materially revised law is introduced in Australia or Germany or any new regulation is made under any law, or a government agency adopts a policy, or there is any official public announcement that such a law or regulation will be introduced or policy adopted (as the case may be);
  - a change in key management personnel of Vulcan or the board of directors of Vulcan is announced or occurs; or
  - the certificate ("Certificate") required to be delivered by Vulcan under the Placement Agreement (certifying Vulcan's compliance with its obligations under the Placement Agreement, that Vulcan has not defaulted under the Placement Agreement, that the representations and warranties given by Vulcan are true and correct in all respects and not misleading or deceptive and no termination events under the Placement Agreement have occurred), is not true or correct;
- the S&P/ASX 200 Index is at any time during the period from 3.30am on 11 December 2024 until the close of trading on 17 December 2024, at a level that is 10% or more below the level as at the close of trading on the day before the date of the Placement Agreement;
- a condition to the Placement Agreement is not satisfied or waived by its applicable deadline;
- any event specified in the timetable in the Placement Agreement is delayed for more than two business days without the prior written approval of the Joint Lead Managers;
- the Certificate is not delivered to the Joint Lead Managers in accordance with the Placement Agreement;
- there is an event, occurrence or non-occurrence which makes it illegal or commercially impossible for the Joint Lead Managers to satisfy a material obligation under the Placement Agreement, or to market, promote or settle the Placement, or that causes the Joint Lead Managers to delay satisfying a material obligation under the Placement Agreement;
- Vulcan withdraws the Placement or indicates that it does not intend to or is unable to proceed with the Placement;
- there is an application to a government agency for an order, declaration or other remedy, or a government agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Placement or any agreement entered into in respect of the Placement;
- there is a material adverse change, or in the Joint Lead Managers' reasonable opinion, a development involving a potential material adverse change, in the condition, assets, liabilities, financial or trading position or performance, profits, losses, management or prospects of Vulcan or any of its related bodies corporate (in so far as the position in relation to related bodies corporate affects the overall position of Vulcan);
- proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Placement;
- Vulcan breaches, or defaults under, any provision, undertaking, covenant or ratio of a material financing agreement which has a material adverse effect, or a lender or financier fails to agree a waiver or amendment to a material financing agreement in relation to any breach, default or review event under that material financing agreement and that failure to agree would, in the Joint Lead Managers' reasonable opinion, have a material adverse effect;
- Vulcan commits a material breach of the Corporations Act, its Constitution, the ASX Listing Rules or other applicable laws or has failed to comply with its continuous disclosure obligations under the Corporations Act or ASX Listing Rules;
- Vulcan alters its capital structure or its Constitution, other than as contemplated by the Placement Agreement or as disclosed to the Joint Lead Managers, without the prior consent of the Joint Lead Managers;
- ASIC issues, or threatens to issue, proceedings in relation to the Placement, or commences any inquiry or investigation in relation to the Placement (or gives notice of its intention to do either of those things);
- ASX makes any official statement to any person, or indicates to Vulcan or the Joint Lead Managers that (a) it will not grant official quotation of the New Shares before 9.30 am on 19 December 2024 or if such approval is granted, the approval is withdrawn or qualified (other than by customary conditions); (b) Shares will be suspended from quotation by ASX; or (c) Vulcan will be removed from the official list of ASX, or any of those things actually occurs;
- a director or officer (as that term is defined in the Corporations Act) of Vulcan is charged with an indictable offence or disqualified from managing a corporation under Part 2D.6 of the Corporations Act, or certain other actions are taken against any such person in relation to any fraudulent conduct or activity (whether or not in connection with the Placement) or Vulcan engages in any fraudulent activity; or
- Vulcan or any of its related bodies corporate is, or becomes, insolvent.

Vulcan will pay the Joint Lead Managers, in their respective proportions (being 50% each), an underwriting and a management fee of 2% of the monies raised under the Placement. Vulcan may in its sole discretion pay to the Joint Lead Managers, in their respective proportions (being 50% each), an additional fee of up to 0.50% of the monies raised under the Placement.

Vulcan will also pay or reimburse the Joint Lead Managers for all their reasonable expenses incurred in connection with the Placement, including, without limitation, the fees and disbursements of the Joint Lead Managers' external legal counsel, travel expenses, incidental travel expenses, Netroadshow expenses and Deal Axis expenses, CHESS allocation interest DvP settlement service expenses and communications and printing costs incurred by the Joint Lead Managers.

# APPENDIX 4: EUROPEAN LITHIUM PROJECTS PEER COMPARISON REFERENCES

| Company | Code | Project | Stage | Resource Category | Resources (mt) | Resource Grade ($Li_2O$) | Contained LCE (mt) | Information Source |
|---|---|---|---|---|---|---|---|---|
| European Metals Holdings Limited | ASX: EMH | Cinovec Lithium Project | DFS underway | Measured, indicated and inferred | 708.2 Mt | 0.43% $Li_2O$ | 7.39 Mt LCE | Cinovec Lithium Project Update announcement, dated 27 November 2024 |
| Rio Tinto | ASX: RIO | Jadar Lithium-Borates Project | PFS complete | Indicated and inferred | 144 Mt | 1.80% $Li_2O$ | 6.12 Mt LCE | Annual Report 31 December 2023 |
| Infinity Lithium Corporation Limited | ASX: INF | San José Lithium Project | Updated scoping study complete | Indicated and inferred | 111.2 Mt | 0.61% $Li_2O$ | 1.68 Mt LCE | Annual Report 30 June 2024 |
| Savannah Resources Plc | AIM: SAV | Barroso Lithium Project | DFS complete | Measured, indicated and inferred | 28.0 Mt | 1.05% $Li_2O$ | 0.73 Mt LCE | Annual Report 31 December 2023 |
| Sibanye Stillwater Limited | JSE: SSW | Keliber Lithium Project | DFS complete | Measured, indicated and inferred | 7.7 Mt | 0.96% $Li_2O$ | 0.23 Mt LCE | Mineral Resources and Mineral Reserves Report 31 December 2023 |

*Note: (1) Information provided for lithium focused peers with comparable project size and stage and published resource information*