

Vulcan Zero Carbon Lithium™ Project financing update

Vulcan Energy Resources Limited (Vulcan; ASX: VUL, FSE: VUL, the Company), is pleased to provide an update on financing activities for Phase One of its Zero Carbon Lithium™ Project.

- BNP Paribas, Vulcan's debt financial advisor, has approached a number of government-backed Export Credit Agencies¹ (ECAs) which have now confirmed their in-principle support of Vulcan's Phase One Project financing, subject to certain conditions.
- Bpifrance Assurance Export, the French ECA and subsidiary of Bpifrance, the French national investment bank, acting in the name, on behalf and under the control of the French State, confirmed, based on the value of Vulcan's lithium offtake agreements with automakers Stellantis and Renault, and its strategic importance to the French Automotive industry, the eligibility of Vulcan's project to their untied program *Garantie des Projets Stratégiques* (*Guarantee of Strategic Projects*), designed by the French government to support projects that have a national interest for the French economy in France and abroad.
- SACE, Italy's government ECA, confirmed Vulcan's project eligibility to their tied Export Credit Program based on the expected presence of an Italian contractor amongst the construction contractors.
- Export Development Canada, the Canadian ECA, confirmed its interest in participating through direct lending in the financing of Phase One, based on the expected presence of Canadian contractors and the project's purchase of Canadian goods and services. EDC's participation is conditional on the successful completion of its due diligence process.
- Feedback from further government-funded ECA eligibility of Vulcan's project is expected in the coming months, with Vulcan and its advisors' targeting completion of the debt and equity financing process in the first quarter of 2024.
- An initial market sounding conducted by BNP Paribas with large international commercial and development banks, including European and German banks, has recently been completed, and has delivered positive feedback.
- Total CAPEX for Phase One is estimated at 1.496B EUR (see Vulcan's Phase One DFS²), and Vulcan is targeting a debt to equity ratio of 65:35%.
- Vulcan is in active discussions with strategic investors for equity investment at a project level into its Phase One commercial, integrated lithium and renewable energy project, and expects to provide an initial update on this matter in the near future.

¹ ECAs from different countries offer loan guarantees and insurance to help domestic companies limit the risk of selling goods and services in external markets and to specific projects. The ECAs debt guarantees means that they agree to pay a borrower's debt (i.e. Vulcan) in the event that the borrower defaults on their obligation which facilitates the involvement of commercial banks in the financing process. The ECAs can offer both 'tied' financing (i.e. financing linked to a supply of goods or services from the ECA's country) and 'untied' financing which is linked to a strategic interest for the ECA's country.

² Please see Vulcan Phase One Zero Carbon Lithium™ DFS Announcement here: <https://www.investi.com.au/api/announcements/vul/e617fca6-6d4.pdf>

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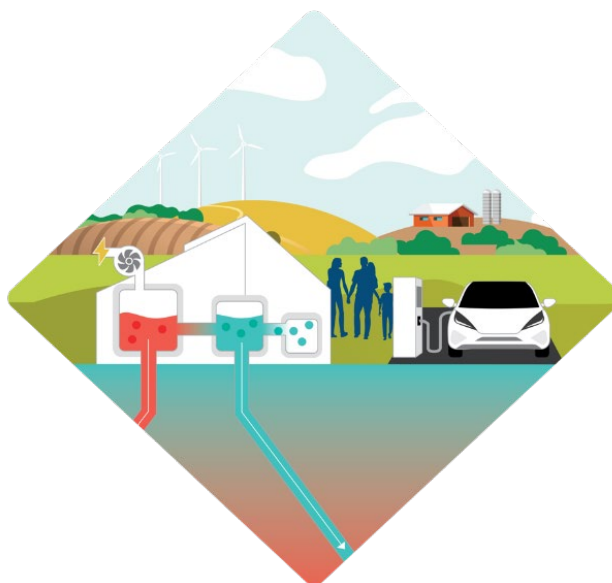
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About Vulcan

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

Vulcan’s combined geothermal energy and lithium resource is the largest in Europe³, with license areas focused on the Upper Rhine Valley, Germany. Strategically placed in the heart of the European electric vehicle market to decarbonise the supply chain, Vulcan is rapidly advancing the Zero Carbon Lithium™ Project to target timely market entry, with the ability to expand to meet the unprecedented demand that is building in the European markets.

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



³ According to public, JORC-compliant data. See Phase One DFS announcement, 13 February 2023.



Corporate Directory

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

For and on behalf of the Board

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

Reporting calendar

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

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Vulcan operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Vulcan's control.

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Vulcan has so far only carried out a pre-feasibility study (the results of which were announced to the ASX in the announcement "Positive PFS & Maiden JORC Ore Reserve: Zero Carbon Lithium™ Project" dated 15 January 2020) ('PFS') and a definitive feasibility study for Phase One of its Zero Carbon Lithium™ Project ('Project') (the results of which were announced to the ASX in the announcement "Zero Carbon Lithium Project Phase 1 DFS Results" dated 13 February 2023) ('DFS'), ('DFS Announcement'). Vulcan has not yet carried out a definitive feasibility study for Phase Two of its Project. This announcement includes certain information relating to both the PFS and DFS. Investors should not rely on the results of the PFS as Vulcan considers that the material assumptions underpinning that study are no longer correct in light of the additional studies undertaken in preparing the DFS.

The DFS is based on the material assumptions outlined elsewhere in the DFS Announcement. 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 DFS will be achieved.

Competent Person Statement:

The information in this announcement that relates to Mineral Resources and Ore Reserves, and any Exploration Results and Production Targets, of Vulcan's Zero Carbon Lithium™ Project is extracted from the DFS Announcement, which 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, and any Exploration Results and Production Targets, included in this announcement:

- 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;
- the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement; and
- all material assumptions underpinning any production targets (and any forecast financial information derived from such production targets) included in this announcement continue to apply and have not materially changed.