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Financing progress update

Vulcan Energy Resources Limited (Vulcan, ASX: VUL, FSE: VUL, the Company) is pleased to announce the following developments related to the financing of Phase One of the ZERO CARBON LITHIUM™ Project (the Project).

Key Highlights

- Agreement signed to finalise the consolidation of Vulcan's ownership of upstream Phase One lithium and renewable energy assets to align with finalisation of Phase One financing. The conditional 100% acquisition of Geox GmbH (Geox), owner and operator of geothermal wells, renewable energy generation assets and a geothermal and lithium licence around the City of Landau, co-located with Vulcan's lithium optimisation plant, replaces a JV agreement and will allow for more efficient operation of Phase One, alongside Vulcan's other upstream operations
- Updated Environmental and Social Impact Assessment (ESIA) published, in line with banks' and Export Credit Agencies' (ECAs) credit committee approval requirements going into Q4
- Credit facility of €10m agreed with BNP Paribas to provide short term flexibility prior to completion of the equity and debt financing of Phase One of the Project being arranged by BNP Paribas.

Managing Director and CEO Cris Moreno stated: "The acquisition of Geox finalises the streamlining of Vulcan's upstream Phase One ownership. It will further derisk the Project, allowing for more efficient operations and improved decision-making during operational ramp-up and beyond."

"This, together with the updating of our ESIA and credit facility agreement, demonstrates progress towards completion of Phase One financing and start of project execution for our flagship integrated renewable energy and ZERO CARBON LITHIUM™ Project."

"I look forward to providing further updates on the Phase One financing of the ZERO CARBON LITHIUM™ Project over the coming months."

Geox acquisition

- Geox is the owner and operator of geothermal wells and renewable energy generation assets, including a geothermal and lithium license over the same area. These assets are in the City of Landau which is also the location of Vulcan's upstream Lithium Extraction Optimisation Plant (LEOP) and planned Geothermal and Lithium Extraction Plant (G-LEP)
- Acquisition of the assets will allow for the streamlining and consolidation of the remaining upstream production assets of the Project into 100% Vulcan ownership and replaces an existing Joint Venture

agreement and brine offtake agreement with Geox¹. Vulcan currently estimates 20% of Phase One upstream brine production will come from this licence area

- The deferred consideration, estimated at €15 million² is part of, and conditional on, the Project capital expenditure being financed through the current Project-level debt and equity process
- Vulcan has previously tested its pilot plant on the Geox wells to successfully produce lithium chloride from the brine
- The assets will be used as part of Vulcan's wider upstream Phase One Project, to produce lithium for conversion into battery chemicals for automakers, including Stellantis, and to produce renewable heat and power for local consumers.

Acquisition rationale

Geox is currently owned by IKAV Invest S.à.r.l (IKAV), an international asset management group focused on renewable energy and infrastructure projects. Vulcan and Geox/IKAV have been operating under two existing agreements over the Geox assets. Under the agreements, Vulcan was a party to a brine offtake agreement (subject to Vulcan expenditure milestones) with Geox and a Joint Venture agreement with IKAV for further geothermal drilling and development activities (also subject to Vulcan expenditure milestones). This acquisition of Geox replaces the existing agreements and enables Vulcan to simplify the operation of its geothermal and brine production assets in its upstream development for the Project.

The wells and plant within the current Geox operation are currently undergoing a workover of the wells. Vulcan will take control and fund this workover process and will also install a heat exchanger to supply renewable district heating to the City of Landau in the short-term.

As part of its wider Project construction, Vulcan intends to dismantle the current geothermal power plant at Geox, increase brine production from the licence area, and start supplying local consumers with renewable heating and power via its G-LEP to be built in the local industrial park. Vulcan currently estimates 20% of Phase One upstream production will come from this licence area. In the process, Vulcan will also extract lithium chloride from the brine, as part of its wider Phase One operation, which will supply European automakers, including Stellantis.

Key transaction terms

Consideration: Vulcan to acquire 100% of the shares in Geox for a deferred consideration of ~€15 million. Consideration to be paid in cash, with payment to be made at the earlier of 30 June 2025³ or Vulcan raising funding for Phase One. In addition, Vulcan, through its Vulcan's wholly owned German subsidiary, Vulcan Energie Ressourcen GmbH, has agreed to provide Geox with a secured loan of up to €3m to cover the expenses of the assets and the workover in the period before completion.

Assets: Vulcan will take 100% ownership of all the assets of Geox including:

¹ In relation to the Landau Süd/Ilka licence.

² The final purchase price is subject to a standard adjustment mechanism.

³ This date of 30 June 2025 can be extended by 1, 2 or 3 years subject to an investment by Vulcan of an additional €5m, an additional €10m and an additional €15m respectively.

- Assets relating to Geox's Eutzinger Str. Operation being two geothermal wells and 3.2 MW geothermal power plant (currently on care and maintenance); and
- Production licence applicable to geothermal power production and brine extraction, and a lithium exploration licence.

Land lease: IKAV will retain ownership of the land pertaining to the geothermal plant site and buy from - and lease back to - Vulcan, any future land used for well-site production in the licence area. Vulcan will pay to IKAV:

- Annual leasehold payments; and
- Royalties on heat and electricity sales and a lithium extraction compensation consideration, materially the same to that previously agreed in the brine offtake agreement.

Other terms: The agreement otherwise contains standard clauses for a transaction of this nature, including but not limited to:

- Completion being conditional upon Foreign Direct Investment Approval from the German Federal Ministry for Economic Affairs and Climate Action;
- In the event of non-payment, arrangements to return Geox, interest or withdrawal from the agreement;
- Representations and warranties; and
- Indemnities and parent company guarantee.

Environmental and Social Impact Assessment (ESIA) update

As part of the Company's Phase One financing with international lenders, Vulcan has updated and published its ESIA prepared by leading sustainability consultant, ERM. The ESIA identifies the potential environmental and social impacts of the Project, and defines how the potential impacts will be mitigated, managed, and monitored throughout the design, construction, and operation phases.

The ESIA is a prerequisite to raising sustainable or green debt finance and is an important third-party validation of the Project's forecasted environmental and social impacts. The ESIA has been published in line with banks' and ECAs' credit committee approval requirements going into Q4.

Significantly, the Project has no potential impact determined as greater than minor post mitigation measures and notes several positive impacts to both people and the planet. This supports Vulcan's analysis that the Project has a lower environmental impact in terms of the carbon, water and land footprint, compared to alternative lithium extraction and processing operations.

Public consultation is a fundamental principle under ESIA guidelines, and the Company has informed a number of stakeholders and interested members of the public about the ESIA to ensure the decision-making process is equitable, leads to more sustainable development, and provides better environmental and social outcomes.

€10 million credit facility

The Company has also signed a €10 million loan agreement with global investment bank BNP Paribas to provide short-term flexibility prior to completion of the equity and debt financing of Phase One of the Project. These loan funds are not intended to be used for the Geox acquisition.

The loan agreement, a revolving credit facility over a period of five years, is secured against Natürlich Insheim GmbH, which holds the Company's Natürlich Insheim geothermal power plant. Once drawn down, the funds will be allocated towards general corporate purposes including working capital and preparatory works for the Project and will be repaid upon successful closure of equity and debt financing for the Project.

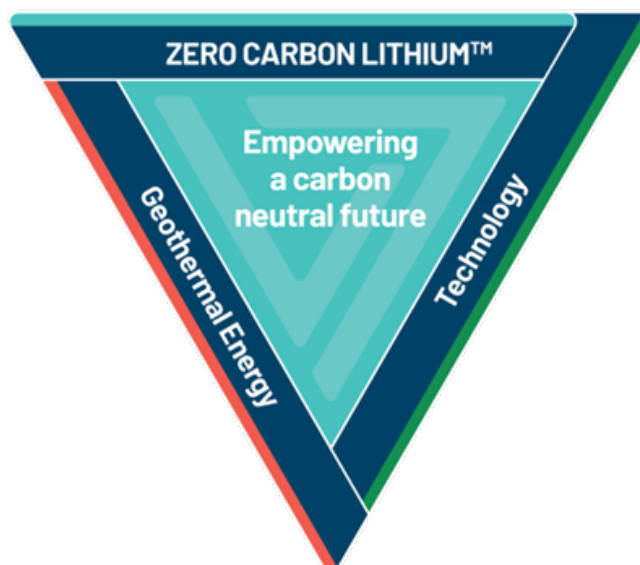
Key details of the loan agreement are set out below:

Facility	Revolving Credit Facility (RCF)
Lender	BNP Paribas S.A. Niederlassung Deutschland
Amount	Up to €10 million
Term	5 years
Interest Rate	EURIBOR plus Margin (1.8% in 2024 +25 / 2.3% from 2026 onwards) payable quarterly in arrears
First Repayment Due Date	December 31, 2025 ⁴ or full repayment upon financial close of all equity and debt for Phase 1 of the Project
Borrower and guarantor	Natürlich Insheim GmbH, owner of the Natürlich Insheim geothermal power plant is the borrower, with its parent company, VER GEO LIO GmbH as the guarantor
Other terms	Typical representations, fees, financial and general undertakings, repayment triggers, reporting events and events of default for a facility of this nature

⁴ This is the earliest repayment date, should the RCF be drawn down.

About Vulcan

Founded in 2018, Vulcan's unique ZERO CARBON LITHIUM™⁵ Project (the Project) aims to decarbonise lithium production, through developing the world's first carbon neutral lithium 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 carbon neutral strategy with exclusion of fossil fuels from the process to produce lithium. 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 estimated to be the largest in Europe on a lithium carbonate equivalent (LCE) basis⁶, with licence areas focused on the Upper Rhine Valley, Germany and France. 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 Climate Champion, Determined and Inspiring**, and united by a passion for the environment 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. 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 carbon neutral lithium. Vulcan aims to be the supplier of choice for premium lithium chemicals and renewable power and heating from Europe, for Europe; to empower a carbon neutral future.



⁵ Please see page 13 of the 2023 Sustainability Report for how we define ZERO CARBON LITHIUM™

⁶ According to public, JORC-compliant data. See Appendix 4 of Vulcan's announcement "Managing Director's 2023 AGM Presentation" dated 29 May 2023 for comparison information.

Corporate Directory

Executive Chair	Dr. Francis Wedin
Managing Director and CEO	Cris Moreno
Group Chief Financial Officer	Felicity Gooding
Deputy Chair	Gavin Rezos
Non-Executive Director	Ranya Alkadamani
Non-Executive Director	Angus Barker
Non-Executive Director	Josephine Bush
Non-Executive Director	Dr. Heidi Grön
Non-Executive Director	Dr. Günter Hilken
Chief Representative GER	Dr. Horst Kreuter
Company Secretary	Daniel Tydde

For and on behalf of the Board

Daniel Tydde | Company Secretary

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

Reporting calendar

29 October 2024	September Quarterly
30 January 2025	December Quarterly
28 March 2025	Annual Report
28 March 2025	Sustainability Report

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