

VULCAN ENERGY RESOURCES LIMITED
ACN 624 223 132

PROSPECTUS

For the offer of up to 100 Shares in the capital of the Company at an issue price of \$6.50 per Share to raise up to \$650 (before expenses) (**Offer**).

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT 2001 FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF SHARES ISSUED PRIOR TO CLOSE OF THE OFFER

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Gavin Rezos
Non-Executive Chairman

Dr Francis Wedin
Managing Director

Dr Horst Kreuter
Executive Director

Ms Ranya Alkadamani
Non-Executive Director

Company Secretary

Mr Robert Ierace

Share Registry*

Automatic Registry Services
Level 2
267 St Georges Terrace
PERTH WA 6000

Telephone (within Australia):
1300 288 664

Telephone (outside Australia):
+61 2 9698 5414

Email: hello@automatic.com.au

Registered Office

Level 11, Brookfield Place
125 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 6189 8767

Email: info@v-er.eu
Website: www.v-er.com

ASX Code

VUL

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4
The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

RSM Australia Partners
Level 32, 2 The Esplanade
PERTH WA 6000

*These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	10 February 2021
Opening Date of the Offer	10 February 2021
Closing Date of the Offer*	5:00pm WST on 12 February 2021

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 10 February 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.v-er.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 100 Shares at an issue price of \$6.50 per Share to raise up to \$650 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.2 Objective

The Company is seeking to raise only a nominal amount of \$650 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.3 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$6.50 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Level 11, Brookfield Place 125 St Georges Terrace PERTH WA 6000	Level 11, Brookfield Place 125 St Georges Terrace PERTH WA 6000

Cheques should be made payable to “**VULCAN ENERGY RESOURCES LIMITED – Share Offer Account**” and crossed “**Not Negotiable**”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

3.4 Minimum subscription

There is no minimum subscription to the Offer.

3.5 Underwriter

The Offer is not underwritten.

3.6 Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

3.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit an offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should

consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

3.9 Enquiries

Any questions concerning the Offer should be directed to Robert Ierace, Company Secretary, on +61 8 6189 8767.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue ²	89,041,179
Shares to be issued pursuant to the Placement ³	18,461,538
Shares offered under this Prospectus ⁴	650
Total Shares on issue on completion of the Offer⁵	107,503,367

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
2. The Company has an obligation to issue the following Shares to various parties who introduced the Zero Carbon Lithium Project (**Project**) in Germany to Vulcan in 2019 (subject to the receipt of shareholder approval in general meeting):
 - (a) 660,000 Shares upon satisfaction of the Company announcing a positive preliminary feasibility study in relation to the Project, confirming the Project is commercially viable within 24 months of completion of the Acquisition (**Milestone 2**). Milestone 2 has been achieved with the release of the PFS announcement, and Vulcan will shortly seek shareholder approval to issue the relevant shares; and
 - (b) 660,000 Shares upon satisfaction of the Company announcing that it has secured either an offtake agreement representing a minimum of 30% of production volume over a three year term, or a downstream joint venture partner with a minimum \$10,000,000 investment in relation to the Project within 36 months of completion of the Acquisition (**Milestone 3**).
3. As announced on 4 February 2021, the Company has completed a placement of A\$120 million to sophisticated, professional and institutional investors (**Placement**) and will issue 18,423,077 Shares pursuant to the Placement on or after the Opening Date of the Offer. An additional 38,461 Shares will be issued to the Company's Chairman, Gavin Rezos, subject to Shareholder approval at an upcoming extraordinary general meeting.
4. Assumes the Offer is fully subscribed.
5. This assumes the Offer is fully subscribed and no convertible securities are converted into Shares.

Performance Shares	Number
Performance Shares Class C	4,400,000
Performance Shares offered under this Prospectus	Nil
Total Performance Shares on issue on completion of the Offer	4,400,000

Performance Rights	Number
Performance Rights Class F	1,250,000

Performance Rights	Number
Performance Rights Class G (Milestone satisfied)	250,000
Performance Rights Class H (Milestone satisfied)	1,250,000
Performance Rights Class I	1,250,000
Performance Rights Class J	2,500,000
Performance Rights Class L	1,000,000
Performance Rights Class M (Milestone satisfied)	1,500,000
Performance Rights Class N	1,500,000
Performance Rights Class P	250,000
Performance Rights Class Q	100,000
Performance Rights Class R	100,000
Performance Rights offered under this Prospectus	Nil
Total Performance Rights on issue on completion of the Offer	10,950,000

Warrants	Number
Unlisted Warrants – expiring 16 September 2023	479,519
Unlisted Warrants – expiring 8 January 2024	32,928
Warrants offered under this Prospectus	Nil
Total Warrants on issue on completion of the Offer	512,447

4.3 Financial effect of the Offer

After expenses of the Offer of approximately \$8,128 there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$650) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being the costs of preparing the Prospectus of approximately \$8,128 less the receipt of funds of \$650.

4.4 Pro-forma balance sheet

The unaudited pro-forma balance sheet as at 30 June 2020 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet shows the effect of the Offer and the Placement as if the Offer and the Placement are fully subscribed. The pro-forma balance sheet has been prepared assuming no additional Shares are issued, and no convertible securities are exercised or converted prior to the Closing Date and including the expenses of the Offer and the Placement.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 June 2020	UNAUDITED PRO FORMA ADJUSTMENT	UNAUDITED PRO FORMA
	\$		\$
CURRENT ASSETS			
CURRENT ASSETS			
Cash ⁽¹⁾⁽²⁾	6,421,557	113,945,000	120,366,557
Other current assets	116,071	-	116,071
TOTAL CURRENT ASSETS	6,537,628	113,945,000	120,482,628
NON-CURRENT ASSETS			
Exploration and evaluation expenditure ⁽²⁾	2,556,980	3,835,000	6,391,980
Intangibles	13,353	-	13,353
TOTAL NON-CURRENT ASSETS	2,570,333	3,835,000	6,405,333
TOTAL ASSETS	9,107,961	117,780,000	126,887,961
CURRENT LIABILITIES			
Creditors and borrowings	221,922	-	221,922
TOTAL CURRENT LIABILITIES	221,922	-	221,922
TOTAL LIABILITIES	221,922	-	221,922
NET ASSETS (LIABILITIES)	8,886,039	117,780,000	126,666,039
EQUITY			
Share capital ⁽¹⁾⁽²⁾	11,836,741	118,750,000	125,836,741
Reserves	1,719,970	-	1,719,970
Retained loss ⁽²⁾	(4,670,672)	(970,000)	(5,640,672)
TOTAL EQUITY	8,886,039	117,780,000	126,666,039

Notes:

1. Placement of \$120 million less 5% capital raise fee.
2. Includes exercise of listed and unlisted options and issue of warrants post 30 June 2020. Funds spent on capitalised exploration and administration costs.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.7 Future increase in capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.9 Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the price at which securities will trade, payment of dividends or return of capital. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statement will eventuate.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) **Coronavirus (COVID-19)**

The outbreak of the coronavirus (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Vulcan Board is actively monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on potential

revenue channels and any adverse impact on the Company and its operations. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(b) **Project Risk**

On 15 January 2021, the Company released on ASX an announcement titled "Positive PFS & Maiden JORC Ore Reserve: Zero Carbon Lithium® Project", which set out a summary of the results of the Company's Pre-Feasibility Study (**PFS**). The announcement set out in detail some of the key risks that can significantly affect the Project outcomes. The following is a summary of those key risks:

- (i) **Site selection:** Both Direct Lithium Extraction (**DLE**) and Conversion Plant sites remain to be finalised. Several potential sites have been identified, which have been used in Vulcan's Pre-Feasibility Study (**PFS**). The PFS assumes a flat greenfield site with services at the site boundary and no piling or blasting required. The site influences the project scope and can have a considerable impact on both the capital and operating costs due to geotechnical, utilities, environmental, logistics, and social acceptance considerations. The Company intends to mitigate this risk with ongoing site selection activities.
- (ii) **DLE sorbent selection, system configuration and performance:** Four different DLE sorbents have undergone lab scale testing using untreated and/or treated Upper Rhine Valley brine, and the final sorbent to be used in the commercial facility remains to be selected. Testwork at a vendor was used to determine expected lithium chloride concentrations, while the vendors' benchmarks were used to determine likely operating parameters, recoveries, and sorbent life. Nevertheless, significant testwork needs to be completed to clarify the sorbent operating parameters, performance (recovery, concentrations, selectivity, life, and impact of impurities), the overall system configuration, and level of brine treatment required prior to the DLE system. In addition, the cost of sorbent and delivery schedules remain to be negotiated with vendors. Should the sorbent or the operating parameters change, then the capex, opex and schedule may be materially affected. This will be mitigated through further testwork and negotiations with sorbent vendors during the course of the Definitive Feasibility Study (**DFS**). Vulcan is presently constructing a pilot unit to further test the sorbents and brine treatment and is in contact with various sorbent vendors.
- (iii) **Limited testwork:** The Company has performed limited testwork at this stage of engineering, with multiple areas relying on benchmarks, simulations, literature, or vendor experience for process definition and costing. This will be mitigated with additional laboratory and pilot scale testwork during the normal course of the DFS.
- (iv) **Water consumption and supply:** The DLE water consumption is based on vendor benchmarks but must be confirmed for the project specific conditions, the final sorbent selection, and the final DLE system configuration. Methods of reducing water consumption are possible and remain to be investigated as a

project upside. The water supply will depend on the site and local constraints. This will be clarified with further testwork and equipment design and mitigated in site selection during the normal course of the DFS.

- (v) **Depleted brine composition, reinjection and permitting:** This will be clarified with further testwork and mitigated via consultation with authorities during the normal course of the DFS.
- (vi) **LiCl electrolysis:** Lithium chloride electrolysis to produce LiOH solution is similar to the very common sodium chloride electrolysis (chloralkali process) that is widely used worldwide to produce NaOH and Cl₂ gas or HCl. Nevertheless, there are several key differences in the technology and operation, and there is presently no lithium hydroxide production via electrolysis being performed commercially. This will be mitigated with testwork and selection of vendors with appropriate experience. Vulcan also has the lower risk option to produce LHM via the "traditional route", with a lithium carbonate step and then liming.
- (vii) **Schedule delays:** A high level project schedule has been prepared based on typical project durations and the input from Vulcan and its consultants. There are several items that can impact the schedule as follows: (a) extent and duration of testwork; (b) access to brine for testwork; (c) negotiations with technology providers; (d) negotiation for site purchase; (e) permitting durations and requirements given the novel nature of the application and multiple jurisdictions; and (f) financing requirements. The Company intends to mitigate any delays by extensive focus during the course of the DFS on risk mitigation, site selection, testwork, and permitting and financing requirements. An ongoing commitment to these activities is critical to provide data to firm up the process design, provide key sizing data to firm up equipment sizing, and to allow decisions to move the project forward. Sufficiently large owners, consultants, and engineering teams must be mobilised to ensure these risks can be addressed in a timely manner.
- (viii) **Early-stage exploration:** Vulcan's Lithium Brine Project geologically represents an early-stage exploration project. While Vulcan has geological information from existing wells within its licenses, at present, Vulcan has yet to drill a geothermal production well at the Ortenau and Taro Licences and there are no operating wells that have sampled the Buntsandstein Group and/or Permo-Triassic aquifer brine in these two license areas (there is, however, an active geothermal well accessing Permo-Triassic aquifer brine within the MoU Geothermal area). This is in keeping with standard practice for deep geothermal projects. Accordingly, one uncertainty relates to the lack of current access to deep-seated subsurface brine within the boundaries of the licenses. This has led to several assumptions in the resource estimation process including Li brine concentration and average porosity of the resource domains.

It has also led to the assumption that testwork with neighbouring brines is sufficiently representative. In deep geothermal brine projects in the URG, exploration is typically conducted with seismic data acquisition and interpretation, with the first well

drilled as the first production well. Because brine cannot currently be sampled from the Buntsandstein Group and/or Permo-Triassic aquifer underlying the Taro and Ortenau licenses, the Mineral Resources CP relied on geochemical data associated with Vulcan's 2019 URG brine sampling that included, off-licence, but proximal geothermal well locations. In the Mineral Resources CP's experience, confined aquifers in sedimentary basins can have massive spatial extent and with homogeneous to semi-homogeneous lithium-in-brine concentrations. So, it is the Mineral Resources CP's opinion that the Li-brine content of neighbouring wells are a good proxy of lithium in the Permo-Triassic aquifer domains within the URG. Permo-Triassic brine sampled from the MoU Geothermal area were used to verify and support the average lithium value used in the resource estimations. There are, however, always local chemical variations due to numerous geological factors.

The Company intends to mitigate this risk by first production drilling of geothermal wells and gathering of additional exploration data (including valuation of geophysical data and enhanced geological analysis to develop a more detailed geological model and resource estimate), which Vulcan intends to do as part of the normal course of the DFS.

(ix) **Porosity measurements and Li brine concentration:** There is a significant amount of effective porosity measurements on Buntsandstein and Rotliegend drill cores, however, none of the wells were collared within the boundaries of the licenses. Consequently, the Ortenau and Taro resource estimation processes assume average matrix and fracture porosities. It is possible that the porosity of any given resource domain is higher, or lower, than the values used because porosity and permeability can be variable in most shoreface depositional settings, particularly those that contain diagenetic and secondary cements. For the Li-brine resources, the Mineral Resources CP has attempted to utilize reasonable and conservative porosity values to define the resource domains and in the resource calculations. Vulcan plans to drill the first production wells to confirm the porosity and Li brine concentration assumptions used. Vulcan is pursuing permitting of the first production wells as part of the course of its DFS and will continue to acquire additional exploration data during the DFS to de-risk the project as much as possible prior to production well drilling. Vulcan will also continue to use its access agreements at existing, producing geothermal wells to acquire further knowledge on brine composition prior to production.

(x) **Exploration and exploitation of fault zones:** There is risk and uncertainty associated with exploring for and exploiting fault zones as geothermal and Li-brine reservoirs. For example:

(A) the architecture of a fault at depth is difficult to predict due to the heterogeneous nature of sedimentary rocks and the complexity of any fault zone. For example, the fault zone could have a single damage zone or a fault core with damage zones on either side and/or the damage zone could be anisotropic. Again, the design of the production-injection wells could resolve fluid flow

issues, but this could prompt additional resources to maximize production from any given fault zone; and

(B) numeric reservoir modelling studies in public literature have shown that localized high porosity/permeability can lead to channelling effects such that the geothermal reservoir potentially becomes restricted to only occurring within the fault zone. Thus, the exploitation of fault zones can constitute a trade-off between high permeability and reduced reservoir volumes.

(xi) **Access to brine:** Continuing access to brine from existing geothermal plants is required to conduct lithium extraction piloting test work. The Company mitigates threats to this by having memorandum of understanding agreements in place with plant operators in the vicinity which contemplate access to the brine to conduct test work activities this year.

(c) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(d) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Placement is intended to fund the Company's operations through to completion of the DFS. However, there is a risk that the costs of completing the DFS will exceed budgeted costs, which may require the Company to raise additional capital. In any event, the Company will likely require further financing in addition to amounts raised under the capital raising should it require further engineering study work or move to project construction following completion of the DFS.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

6.3 Industry Specific

(a) **Production Risk and Ore Reserve and Mineral Resource Estimates**

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. This is particularly so where new technologies are employed. Each mineral deposit is unique. The nature of mineralisation, the occurrence and grade of the deposit, as well as its behaviour during extraction and processing can never be wholly predicted.

Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation of samples from drilling, which even at close drill hole spacing, represent a very small sample of the entire orebody. Ore Reserve and Mineral Resource estimates are therefore expressions of judgement based on knowledge, experience and industry practice. Though the estimates may be accurate global approximations of lithium content, localised grade variability may exist, which could result in short term deviations from production expectations. The Company notes that, due to the unique nature of the deep geothermal brine-type deposit, exploration drilling has not been conducted within the Company's licenses and the Company's lithium resources have been estimated using 2D and 3D seismic data, historical oil and gas wells with lithological information inside and outside the Company's licenses, and lithium grades measured from geothermal wells outside the Company's licenses, and within an area where the Company has a MoU with the Geothermal Operator.

By their very nature, Ore Reserve and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Company obtains new information through drilling and analysis, Ore Reserve and Mineral Resource estimates are likely to change. This may result in alterations to the Company's exploration, development and production plans which may, in turn, positively or negatively affect the Company's operations and financial position.

(b) **Operating and Development Risks**

The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.

The business of lithium extraction and renewable energy generation from brine involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in production, increased production costs and other monetary losses and possible legal liability to the owner or operator of the project.

In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or project development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor water condition, interruptions to electricity supplies, human error and adverse weather conditions.

(c) **Extraterritorial risks**

The Company has interests in assets overseas, namely Germany and Norway, and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the projects, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in Germany and Norway.

Changes to Germany or Norway's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. In particular, while there are currently no restrictions on the foreign ownership of mining companies in Germany and Norway, 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 the Company 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 the Company's operations.

(d) **Grant of future authorisations to explore and enter production**

The Company currently holds all material authorisations required to undertake its exploration programs. However, many of the mineral rights and interests held by the Company are subject to the need for ongoing or new Government approvals, licences and permits as the scope of the Company's operations change. 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.

If the Company pursues development of an economically viable mineral deposit, it will, among other things, require various approvals, permit and licences before it will be able to produce minerals from the deposit, and need to satisfy certain environmental approval processes. There is no guarantee that that Company will be able to obtain, or obtain in a timely fashion, all required approvals, licences or permits or satisfy all environmental approval processes. To the extent that required authorisations are not obtained or are delayed, the Company's operations may be significantly impacted in the future.

(e) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

(f) **Project development**

Possible future development of mineral production operations at the Company's projects are dependent on a number of factors including,

but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, 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.

If the Company commences production on any of its projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the projects. The risks associated with the development of a resources project will be considered in full should any of the Company's reach that stage and will be managed with ongoing consideration of stakeholder interests.

Feasibility studies are used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future metals prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be extracted and processed, the configuration of the ore body, ground and production conditions, expected recovery rates of the lithium from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating projects. If a project is developed, actual operating results may differ from those anticipated in a feasibility study.

(g) **Exploration and Production Licences**

The ability of the Company to carry out successful exploration and production activities will depend on the ability to maintain or obtain tenure to production licences. The maintenance or issue of any such titles 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. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be planted by third parties.

The Company cannot give any assurance that title to its tenements will not be challenged or impugned. The tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

(h) **Seismicity Risk**

The Company is focused on developing a deep geothermal-lithium brine deposit in Germany. While the geothermal industry in Germany has a very good system of controlling seismicity to an acceptable threshold, some geothermal brine projects have been associated with seismicity events in

the past, which have resulted in projects being shut down or investigated. If the Company is successful in entering production, the Company intends to follow industry best practice to reduce the risk of seismicity.

(i) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mineral resources operations, the Company's activities are expected to have an impact on the environment, particularly if production proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mineral resources operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of any waste products that may occur as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable weather events, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mineral production and process waste and water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

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 mining activities.

(j) **Fluctuation in commodity prices**

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on lithium prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of these mineral products and the Company's future profits are related to and influenced by the market price of lithium products.

If the price of lithium seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

6.4 General Risks

(a) **Economic conditions and other global or national issues**

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency

exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Climate change risks**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. Relevant to the Company, climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(d) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mineral production permitting in Germany or Norway may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors.

No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Excluded information

The Company notes the following information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules.

(a) Potential acquisition of GGH

The Company is in advanced discussions to acquire (through its German subsidiary Vulcan Energie Ressourcen GmbH), 100% of the fully paid ordinary shares in the capital of Global Geothermal Holding UG (a company incorporated under the laws of Germany) (**GGH**). However, a binding acquisition agreement has not yet been executed by the parties at this stage.

The Company is proposing to pay consideration to acquire GGH through a mixture of Shares up front and performance shares, which will convert into Shares on a one for one basis on satisfaction of a specified performance milestone within 2.5 years of completion of the acquisition.

GGH owns the Taro licence, which forms part of the Company's Zero Carbon Lithium® Project area in the Upper Rhine Valley in Germany. GGH also owns other licence applications (Lisbeth, Ludwig, Therese and Hesbach) in the Upper Rhine Valley.

Under the existing farm-in agreement with GGH:

- (i) the Company has earned a 51% joint venture interest in the Taro licence by spending €500,000 of development expenditure within two years of the license grant;
- (ii) the Company has the right to earn an additional 29% joint venture interest in Taro by spending a further €500,000 of development expenditure within two years to take its joint venture interest to 80%;
- (iii) GGH can then elect to co-fund the project on a pro-rata basis or be diluted by an industry-standard formula while the Company continues to develop the project; and
- (iv) should GGH be diluted below 5%, its share will be converted to a non-diluting 2% net royalty.

By acquiring GGH, Vulcan will accelerate to 100% ownership of the Taro licence and the other license applications held by GGH, which will:

- (i) mean that Vulcan will avoid the need for administering joint ventures across the licences; and
- (ii) remove any risk in relation to the existing farm-in agreement.

One of the GGH vendors, Dr Horst Kreuter, is a director of the Company. The Company has confirmed with ASX that shareholder approval for the acquisition will not be required under Listing Rule 10.1 as the total value of the consideration payable to Dr. Kreuter will be less than 5% of Vulcan's consolidated net assets as stated in the Company's last audited accounts. However, shareholder approval will be required under Listing

Rule 10.11 to issue consideration Shares and Performance Shares to Dr Kreuter (or his nominee) should the transaction proceed.

If the transaction proceeds, the Company will release full details of the acquisition once a binding acquisition agreement has been executed.

(b) **Discussions regarding collaboration for DLE technology vendor**

The Company is in advanced discussions regarding a collaboration with a potential DLE technology vendor.

No binding collaboration agreement has been finalised or executed by the parties at this stage. However, the Company expects that a binding agreement will be signed in the short term, and will release further details of the collaboration agreement at that time.

7.2 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.3 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Other than as set out in Section 7.1, there is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of the:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Shares the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to below.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
10 February 2021	Appendix 2A
10 February 2021	Acquisition of world-leading geothermal team

Date	Description of Announcement
4 February 2021	Update - Proposed issue of Securities - VUL
4 February 2021	\$120 Million Placement endorses Zero Carbon Lithium
2 February 2021	Proposed issue of Securities - VUL
2 February 2021	Equity Raising Presentation
2 February 2021	Trading Halt
1 February 2021	COO appointment & Vulcan joins Lithium ISO committee
29 January 2021	Quarterly Cashflow Report
29 January 2021	Quarterly Activities Report
28 January 2021	Appendix 2A - Conversion and Expiry of Listed Options
27 January 2021	Response to AFR article
27 January 2021	Pause in Trading
20 January 2021	Response to ASX Query
15 January 2021	Becoming a substantial holder
15 January 2021	Becoming a substantial holder
15 January 2021	Change of Director's Interest Notice
15 January 2021	Change of Director's Interest Notice
15 January 2021	Change of Director's Interest Notice
15 January 2021	Appendix 2A
15 January 2021	Cleansing Prospectus
15 January 2021	Vesting of Performance Shares and Rights
15 January 2021	Reinstatement to Official Quotation
15 January 2021	Corporate Presentation
15 January 2021	PFS Presentation
15 January 2021	Positive Pre-Feasibility Study
13 January 2021	Suspension from Official Quotation
11 January 2021	Trading Halt
11 January 2021	Pause in Trading
8 January 2021	Issue of Securities
5 January 2021	Appendix 2A
21 December 2020	German Legislation Embraces Geothermal Energy
18 December 2020	Appendix 2A
15 December 2020	Updated Ortenau Indicated and Inferred Resource
14 December 2020	Change in substantial holding
11 December 2020	Appendix 2A
11 December 2020	European Commission Regulation on Batteries & CO2 Footprint

Date	Description of Announcement
8 December 2020	Notification of Expiry of Listed Options
4 December 2020	Appendix 2A
27 November 2020	Change of Director's Interest Notice
27 November 2020	Cleansing Statement
27 November 2020	Appendix 2A
27 November 2020	Issue of Securities and Appendix 3G
25 November 2020	Results of Meeting
25 November 2020	2020 AGM Presentation
24 November 2020	Ceasing to be a substantial holder
19 November 2020	Cleansing Statement
19 November 2020	Appendix 2A
17 November 2020	NWR virtual conference MD presentation
17 November 2020	Change of Director's Interest Notice
12 November 2020	Cleansing Statement
12 November 2020	Appendix 2A
12 November 2020	Taro Updated and Increased Resource
30 October 2020	Appendix 2A
29 October 2020	Quarterly Cashflow Report
29 October 2020	Quarterly Activities Report
26 October 2020	Proposed issue of Securities - VUL
26 October 2020	Notice of Annual General Meeting/Proxy Form
20 October 2020	Vulcan Zero Carbon Lithium Project Update
16 October 2020	Cleansing Statement
16 October 2020	Appendix 2A
7 October 2020	AGM date and nominations
6 October 2020	Change in substantial holding
6 October 2020	Cleansing Statement
6 October 2020	Appendix 2A
6 October 2020	Proposed issue of Securities - VUL
30 September 2020	Corporate Governance Statement
30 September 2020	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.v-er.com.

7.4 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$14.20	19 January 2021
Lowest	\$1.03	4 November 2020
Last	\$8.45	9 February 2021

7.5 Details of substantial holders

Based on publicly available information as at 10 February 2021, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Dr Francis Wedin ¹	13,005,834	14.61
Vivien Enterprises Pte Ltd ²	6,030,207	6.77
John Langley Hancock ³	4,581,574	5.15

Notes:

1. Comprising 12,193,334 Shares held directly and 812,500 Shares held indirectly by Magni Associates Pty Ltd.
2. Vivien Enterprises Pte Ltd is an entity controlled by Director Gavin Rezos.
3. Comprising 4,538,383 Shares held directly and 43,191 Shares held indirectly by Citicorp Nominees Pty Limited.

7.6 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options	Performance Shares	Performance Rights
Mr Gavin Rezos ¹	6,030,207	Nil	Nil	3,250,000
Dr Francis Wedin ²	13,005,834	Nil	4,180,000	Nil
Dr Horst Kreuter ³	773,333	Nil	220,000	4,500,000
Ms Ranya Alkadamani ⁴	100,000	Nil	Nil	200,000

Notes:

1. Comprising 6,030,207 Shares, 1,250,000 Class F Performances Rights, 1,000,000 Class J Performance Rights and 1,000,000 Class L Performance Rights held indirectly by Vivien Enterprises Pte Ltd.
2. Comprising 12,193,334 Shares, 4,180,000 Class C Performance Shares held directly, and 812,500 Shares held indirectly by Magni Associates Pty Ltd. As has previously been disclosed in the Company's ASX releases, Dr Wedin received Shares and Performance Shares as consideration for the sale of his shares in the company which owned the licences and rights to licences comprising the Company's Zero Carbon Lithium® Project in the Upper Rhine Valley region in Germany.
3. Comprising 773,333 Shares, 220,000 Class C Performance Shares, 1,500,000 Class J Performance Rights, 1,500,000 Class M Performance Rights and 1,500,000 Class N Performance Rights held directly. As has previously been disclosed in the Company's ASX releases, Dr Kreuter received Shares and Performance Shares as consideration for the sale of his shares in the company which owned the licences and rights to licences comprising the Company's Zero Carbon Lithium® Project in the Upper Rhine Valley region in Germany.
4. Comprising 100,000 Shares, 100,000 Class Q Performance Rights and 100,000 Class R Performance Rights held indirectly by Impact Group International Investments Pty Ltd ATF the Alkadamani Investment Trust.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$450,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Remuneration for year ended 30 June 2019	Remuneration for year ended 30 June 2020	Proposed remuneration for year ended 30 June 2021
Mr Gavin Rezos	Nil	\$322,497 ¹	\$277,520 ⁵
Dr Francis Wedin	Nil	\$203,259 ²	\$299,756 ⁶
Dr Horst Kreuter	Nil	\$102,357 ³	\$839,906 ⁷
Ms Ranya Alkadamani	Nil	\$5,000 ⁴	\$247,500 ⁸

Notes:

1. Consists of \$70,125 in salary and fees and \$252,372 in share based payments.
2. Consists of \$185,625 in salary and fees and \$17,634 in superannuation.
3. Consists of \$102,357 in salary and fees.
4. Consists of \$4,566 in salary and fees and \$434 in superannuation.
5. Consists of \$85,000 in salary and fees and \$192,520 in share based payments.
6. Consists of \$273,750 in salary and fees and \$26,006 in superannuation.
7. Consists of \$224,206 in salary and fees and \$615,700 in share based payments.
8. Consists of \$27,397 in salary and fees and \$2,603 in superannuation and \$217,500 in share based payments.

7.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or

(b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$3,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$163,277.36 (excluding GST and disbursements) for legal services provided to the Company.

7.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.9 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$8,128 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	1,922
Legal Fees	3,000
Total	8,128

7.10 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application

Form. If you have not, please phone the Company on +61 8 6189 8767 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Gavin Rezos
Non-Executive Chairman
For and on behalf of
VULCAN ENERGY RESOURCES LIMITED

9. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company or **Vulcan** means Vulcan Energy Resources Limited (ACN 624 223 132).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Offer means the offer of up to 100 Shares at an issue price of \$6.50 per Share to raise up to \$650.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Placement means the capital raising of A\$120 million to sophisticated, professional and institutional investors announced by the Company on 4 February 2021.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means western standard time as observed in Perth, Western Australia.