

\$4.8m Institutional and ESG Investor Equity Placement

Highlights:

- **Firm commitments received for a \$4.8 million equity placement (before costs) to institutional and sophisticated investors (“Placement”).**
- **Placement significantly oversubscribed involved institutional investors in Australia and Europe and was strongly supported by investors from the Environmental, Social, Governance (“ESG”) sector.**
- **Funds raised to accelerate Vulcan’s Pre-Feasibility Study (“PFS”) and pilot plant development at its globally unique Zero Carbon Lithium™ Project in Germany.**

Vulcan Energy Resources Ltd. (“Vulcan” or the “Company” | ASX:VUL) is pleased to announce it has received firm commitments to raise gross equity proceeds of \$4.8m (before costs) through the issue of 12,000,000 fully paid ordinary shares at an issue price of 40 cents per share.

The Placement was significantly oversubscribed and strongly supported by ESG-focussed sophisticated investors, as well as new institutional and sophisticated investors based in Australia and Europe.

The funds raised from the Placement will be used to accelerate the advancement of the Company’s Zero Carbon Lithium™ Project, in particular:

- Completion of a PFS at the Project, including engineering studies and bench-scale lithium extraction testwork.
- Engineering, construction and operation of a pilot plant.
- Purchase of seismic data to fast-track siting and development of geothermal production wells.

The Placement price represents a nil discount to the 15-day Volume Weighted Average Price (“VWAP”), and an 8% premium to the 30-day VWAP up to and including 19 June 2020. Merchant Group and Viaticus Capital were Joint Lead Managers to the Placement.

Highlights

Aiming to be the world’s first **Zero Carbon Lithium™** producer.

Large, lithium-rich geothermal brine project, in the Upper Rhine Valley of Germany.

Europe’s **largest** JORC-compliant lithium resource.

Fast-track development of project under way towards production.

Corporate Directory

Managing Director
Dr Francis Wedin

Chairman
Gavin Rezos

Executive Director
Dr Horst Kreuter

Non-Executive Director
Ranya Alkadamani

Non-Executive Director
Dr Katharina Gerber

CFO-Company Secretary
Robert Ierace

Fast Facts

Issued Capital:
65,670,002*

Market Cap (@48c):
\$31.5m

*Adjusted for completion of placement


Contact

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Vulcan Managing Director, Dr. Francis Wedin, commented: “We would like to welcome a number of new ESG-focussed and institutional investors, and to thank our existing shareholders for the support shown. We are excited to be joined by investors who share our commitment to decarbonising the battery raw materials supply chain as part of the global transition to electric vehicles (EVs).

The last few months have been transformational for the Zero Carbon Lithium™ Project, as we saw Europe’s leadership in EV and lithium-ion battery production growth really take off. The EU is now the fastest growing lithium battery production centre in the world and has an unparalleled commitment to making this supply chain carbon neutral. Vulcan is positioned right at the epicentre of this very rapid growth, with a globally peerless product, process, and project, to produce Zero Carbon Lithium™ hydroxide for EV batteries.

We have a highly active 6-12 months ahead as we accelerate our project development further, and look forward to keeping our shareholders, old and new, well informed of our progress.”

Recent activities by the Company:

- Securing EU backing for the Project.
- Presentation to European Commission and European Investment Bank Vice-Presidents, alongside VW, BASF, EDF.
- Recruitment of German lithium chemistry & geothermal lithium expert Dr. Katharina Gerber to the Vulcan Board.
- Appointment of strategic communications expert Ranya Alkadamani to the Vulcan Board.
- Agreement to acquire 3D seismic package to accelerate project development.
- Commencement of lithium test work for Pre-Feasibility Study.
- Positive Scoping Study.

Placement Details

The Placement was undertaken at an issue price of 40 cents per share, raising \$4.8 million (before costs). The Placement will utilise the remainder of the Company’s existing placement capacity under ASX Listing Rule 7.1 (6,900,500 shares) and some of its capacity under ASX Listing Rule 7.1A (5,099,500 shares) to be issued on or around 30 June 2020.

The Company advises that 1.25 million shares issued under the Placement will be subject to a 12-month voluntary escrow period from the date of issue.



Merchant Group and Viaticus Capital acted as Joint Lead Managers to the Placement and will receive a fee of 6% of all funds respectively raised under the Placement.

The Company has also agreed to grant 1,125,250 unlisted options to Merchant Group (or its nominees) as part of its fee, exercisable at 80 cents each with a three year expiry from the date of grant. The grant of the options is subject to shareholder approval which will be sought at a shareholder meeting to be held in August 2020.

This announcement effectively lifts the trading halt that the Company requested on Monday, 22 June 2020. The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

This announcement has been approved by the Board

Robert Ierace

Chief Financial Officer - Company Secretary

For further information visit www.v-er.com

Zero Carbon Lithium™