€879m (~A$1.45bn) conditional debt commitment letter signed for Phase One Lionheart Project

Vulcan Energy (**Vulcan**, ASX: VUL, FSE: VUL, **the Company**) is pleased to announce the signing of a €879m conditional debt commitment letter with Export Finance Australia and a group of seven commercial banks for the financing of Vulcan's Phase One Lionheart Project (**the Project**).

Key financing highlights

- Vulcan achieves significant step towards the financing of the Project, with €879m of conditional commitments received from Export Finance Australia (**EFA**) and seven commercial banks
- EFA and the commercial banks have executed a conditional commitment letter, together with a credit pre-approved term sheet setting out the key terms and conditions of the proposed debt financing
- This conditional commitment follows the additional approval received from the European Investment Bank's (**EIB**) Board to participate in the Project financing, as announced on 12 December 2024[1]
- Vulcan is seeking additional approvals from Export Development Canada (**EDC**), Bpifrance AE (**Bpifrance**) and SACE to participate in the Project financing, to reach a target total debt package of approximately €1.5bn - €1.6bn (**Total Debt Requirement**). It is customary for government-backed Export Credit Agencies (**ECA**) to seek approval at the time of signing final finance documentation which is expected in the first half of 2025
- The continued and strong involvement of the EIB, ECAs and commercial banks highlights the importance of Vulcan's Project both to Europe's critical raw materials supply chain resilience for electric vehicles (**EVs**), and to the European energy transition.

Debt funding details

EFA and the commercial lending group comprised of seven banks have executed a conditional debt commitment letter, along with a credit approved financing term sheet, for the proposed debt financing for the Project of approximately €1.5bn - €1.6bn.

The conditional commitment letter confirms the participation of EFA for €120m through direct lending (refer to Vulcan's ASX announcement on 9 December 2024), as well as the participation of seven commercial banks. These commitments are intended to be complemented by additional commitments from the EIB (refer to Vulcan's ASX announcement on 12 December 2024) and the following ECAs from whom the Company has received indications of strong support to date: Bpifrance (untied debt guarantee), EDC (direct lending), and SACE (tied debt guarantee). Additional commercial banks are expected to join the pool of banks in the first half of 2025.

[1] For announcement, please refer to 2d09929d-9f1.pdf

The commercial bank group consists of (i) the four Structuring Banks (ABN AMRO, ING, Natixis CIB and UniCredit), which have been engaged in the financing structuring process, alongside the EIB and ECAs (Bpifrance AE, EDC, EFA, and SACE), since May 2024, as well as (ii) three additional international project finance banks which joined the financing process since early October.

The key proposed terms of the debt facilities, as set out in the conditional commitment letter and term sheet, are set out in Schedule 1. All debt facilities and credit approvals remain conditional at this stage, including completion of due diligence, final credit committees and boards approvals, execution of the full form legal documentation, and other conditions precedent (including those set out in Schedule 1). The terms of the commitment letter and the debt facilities are conditional on approval by SACE and Bpifrance as cover providers in respect of their applicable covered facilities and approval by EDC of its entry into its applicable facility. Conditional commitments under the commitment letter are not equal to the Total Debt Requirement, and such commitments are further conditional on Vulcan obtaining commitments from further financial institutions to meet the Total Debt Requirement.

Project funding requirements

According to Vulcan's models and estimates, the total funding required for the Project (including financing costs, owners' costs, debt service reserve account (DSRA), ramp up and contingencies) is expected to amount to approximately €2.2bn including capital expenditure of approximately €1.4bn. Total funding requirements include financing costs of approximately €270m, additional contingency and standby facilities required by financiers of approximately €241m, owners' costs of approximately €180m and DSRA and ramp up costs of approximately €103m.

Vulcan intends to fund the Project through a combination of debt financing at the Project level as well as equity financing at the Project and Company level. Refer to the Company's announcements released to ASX on 11 December 2024 (including slide 8 of the investor presentation) for further details regarding the envisaged financing arrangements for the Project. The conditional debt commitments announced today represent a significant step in the Company obtaining the envisaged debt financing.

As part of the due diligence process undertaken by the Lenders, the Lenders' Technical Advisor (**LTA**) RPMGlobal reviewed and recommended certain immaterial adjustments to the Base Case financial model, to reach a robust business case including conservative production and cost assumptions. The LTA recommended the inclusion of an additional contingency in the Capex, as well as the Standby Budget, which is funded by debt and equity according to the 60:40 gearing ratio (unspent in the Base Case). These recommendations from the LTA are reflected in the End of Validation (**EOV**) project economics described in the Company's announcements on 11 December 2024 and in the estimated funding requirements described above.

Vulcan's Group Chief Financial Officer, Felicity Gooding, commented: "The debt commitment letter is a significant step in our financing of the Project, and we will continue to progress discussions over the coming period.

"The strong level of support shown by the EIB, ECAs and commercial banks underscores the integrity of the Project and its standing as Europe's leading integrated lithium and renewable energy project.

"We look forward to maintaining our momentum into next year as we aim to finalise the financing package and will be keeping our shareholders informed accordingly."

BNP Paribas is acting as debt advisor and White & Case as legal advisor to Vulcan.

<ENDS>

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.

About Vulcan Energy

Vulcan Energy (ASX: VUL, FSE: VUL) is building the world's first carbon neutral, integrated lithium and renewable energy business to decarbonise battery production. Vulcan's Phase One Project, located in the Upper Rhine Valley Brine Field bordering Germany and France, is the largest lithium resource in Europe[2] and a tier-one lithium project globally. Harnessing natural heat to produce lithium from sub-surface brines and to power conversion to battery grade material and using its in-house industry-leading technology VULSORB®, Vulcan is building a local, low-cost source of sustainable lithium for European electric vehicle batteries. For more information, please go to https://v-er.eu/

Disclaimer

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

Vulcan does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Vulcan, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

[2] On a lithium carbonate equivalent (LCE) basis, according to public information, as estimated and reported in accordance with the JORC Code 2012. See Appendix 4 of Vulcan's announcement "Equity Raise Presentation" dated 11 December 2024 for comparison information.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by Vulcan. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

Vulcan has carried out a definitive feasibility study ("DFS") and bridging engineering study ("Bridging Study") for its Phase One Project, the results of which were announced to the ASX in the announcements Phase 1 DFS Results dated 13 February 2023 ("DFS Announcement") and Bridging Study Results on 16 November 2023 (Bridging Study Announcement). In addition, the Company has completed a subsequent review of the Bridging Study and has updated the Project economics, referred to as the End of Validation ("EOV"), the details of which are in the Independent Expert Report dated 10 December 2024, released as part of the Information Announcement released to ASX on 11 December 2024 ("EOV Announcement"). This announcement may include certain information relating to the DFS, the Bridging Study and the EOV. The DFS, Bridging Study and EOV are based on the material assumptions and parameters outlined in their respective announcements. While Vulcan considers all of the material assumptions to be based on reasonable grounds at the applicable time, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Bridging Study, DFS or EOV will be achieved. This announcement may also include certain information relating to its Phase Two Project, Vulcan has not yet carried out a definitive feasibility study for its Phase Two Project.

Competent Person Statement
The information in this announcement that relates to estimates of Mineral Resources and Ore Reserves is extracted from the EOV Announcement which is available to view on Vulcan's website at www.v-er.eu.

Vulcan confirms, that:

a) in respect of any estimates of Mineral Resources and Ore Reserves included in this announcement:
    i. it is not aware of any new information or data that materially affects the information included in the EOV Announcement, and that all material assumptions and technical parameters underpinning the estimates in the EOV Announcement continue to apply and have not materially changed; and
    ii. the form and context in which the Competent Persons' findings are presented in this announcement have not been materially modified from the EOV Announcement; and

b) in respect of any production targets (and any forecast financial information derived from such production targets) included in this announcement, all material assumptions underpinning those production targets and the forecast financial information derived from such production targets in the EOV Announcement continue to apply and have not materially changed.

Schedule 1

Part 1 - Debt Facility key terms

	Key terms
Borrower	VER GEO LIO GmbH, a wholly owned indirect subsidiary of Vulcan Energy Resources Limited.
Guarantors	NaturLich Insheim GmbH, Naturlich Sudpfalz GmbH & Co. KG ("SPV 1"), Natürlich Südpfalz Geschäftsührungs GmbH as general partner of SPV 1, Vulcan Projektgesellschaft 2 GmbH ("SPV 2"), Vulcan Geothermal GmbH, Geox GmbH, among others.
Proposed Lenders	Commercial lenders, Export Development Canada (pending approvals), Export Finance Australia, European Investment Bank (pending certain approvals).
Proposed Cover Providers	SACE and Bpifrance (both pending final approval of full form documents)
Use of Proceeds	Generally to fund or reimburse Project Costs or, in case of certain facilities, to fund or reimburse Cost Overruns. Working Capital Facility proceeds are to the general working capital requirements of the Obligors (other than Project Costs), and VAT Facility proceeds are to fund any reimbursable amounts due in respect of VAT, during the construction period.
Conditions to drawdown	Customary for debt facilities of this nature, also including: • Equity funding requirements; • Permitting conditions; and • A Financial Model demonstrating compliance with financial ratios.
Interest	EURIBOR / SOFR (as applicable) + Margin
Maturity	30 September 2037 (or at project completion in case of the VAT Facility).
Security	Customary security package for limited recourse project financings.
Repayment	Amortising term loans, VAT Facility repaid as bullet at maturity (with VAT proceeds to be applied in prepayment) and Working Capital Facility Revolver with periodic repayment or rollover until repayment in full on maturity.
Other	Customary representations, undertakings and events of default for debt facilities of this nature, including ongoing project reporting and distribution restrictions.
Governing law	England & Wales, and Germany (with respect to certain security documents).

Part 2 - Commitment Letter key terms

	Key terms
Borrower	VER GEO LIO GmbH, a wholly owned indirect subsidiary of Vulcan Energy Resources Limited.
Parent	Vulcan Energy Resources Limited
Financing Parties	Commercial lenders and Export Finance Australia
Proposed Cover Providers	SACE and Bpifrance (both pending final approval of full form documents)
Conditions to commitments	Customary for commitment documentation of this nature, including: • Completion of due diligence; • Minimum sweet percentage in respect of individual commercial lenders, and in aggregate; • Approval by SACE and Bpifrance as cover providers; • Approval by Export Development Canada of entry into applicable facilities; • The Borrower and the Parent's procurement of sufficient commitments from other financial institutions to ensure facilities are committed in aggregate in an amount equal to the Total Debt Requirement.
Clear market	The Borrower and the Parent shall not enter into discussions to raise or attempt to raise financing for the Project separate to the terms of the commitment letter until the expiry of the commitment period under the terms of the commitment letter.
Termination	The Financing Parties have termination rights in case of: • Borrower's failure to meet the abovementioned Conditions; • Borrower's failure to disclose information that could reasonably be expected to have been material to a decision to provide a Commitment; • Unlawfulness; • Non-compliance with sweet percentage; • Termination by another Financing Party (if the Borrower does not secure equivalent replacement commitments within 90 days of termination, or the agreed signing date for the Key Finance Documents, if earlier). The Parties may terminate in case the Borrower believes it will not satisfy any of the abovementioned Conditions or that satisfaction will be delayed in a way that could be detrimental to the Project; or in case the Borrower does not wasn't to pursue the Facilities.

	The Borrower may terminate a Financing Party's Commitments in case of a breach by the Financing Party which is reasonably likely to have a material adverse effect on the Obligors and is not remedied within 10 Business Days.
No Front Running	Until the earlier of the signing of a Common Terms Agreement and 5 June 2025, the Financing Parties shall not communicate with or disclose information to any person or make a price in connection with the purchase, sale or other transfer of interests in the Facilities, with customary exceptions.