

€104m (~A\$186m) grants approved by German governments

Grants will enable strategic, domestic lithium production and processing to service European electric vehicle (EV) battery cell production

Vulcan Energy (Vulcan, ASX: VUL, FSE: VUL, the Company) is pleased to announce the approval of two grants totalling up to ~€104m (~A\$186m)¹ for the Clean Lithium for Battery Cell Production² funding project (Li4BAT).

The grants are funded by the German Federal Government and the states of Rhineland-Palatinate and Hesse under the lead of the Federal Ministry of Economy and Energy (BMWE) within the Temporary Crisis and Transition Framework (TCTF) scheme by the European Union, together with the Resilience and Sustainability of the Battery Cell Production Ecosystem funding of the German government. Li4BAT will be applied towards building industrial-scale lithium production and processing, which is part of Vulcan's Phase One Lionheart Project (the Project).

Key highlights

- The grants consist of two parts: lithium raw materials production, part of the Company's Geothermal Lithium Extraction Plant (G-LEP) in Landau, Rhineland-Palatinate, and a lithium hydroxide processing part at the Company's Central Lithium Plant (CLP) in Frankfurt, Hesse
- Li4BAT is designed to assist with building Germany's and Europe's critical raw materials supply chain resilience, to supply lithium raw materials and battery-quality lithium hydroxide to service the European battery EV industry
- The grants also recognise the substantial decarbonisation of the lithium supply chain targeted by the Company, due to the strong sustainability credentials of the Project
- The Li4BAT grants will form part of the Company's financing package for the Project, which includes a complementary €100m grant for the renewable heating part of the Project, and a financing envelope of up to €500m (~A\$819m) approved by the Board of the European Investment Bank
- The disbursement of the Li4BAT grants are subject to certain conditions: finalisation of the overall Phase One financing package by 1 September 2025³, commencing construction by January 2026, and the planned completion of the Raw Materials Fund (RMF) equity investment, managed by KfW, by 31 March 2026. The Company is in negotiations for a €150m investment from the RMF, which is planned to form the final cornerstone of the Phase One Lionheart financing in H2 2025
- The Li4BAT grant will be disbursed pro rata over 36 months following eligible expenditure from 1 October 2025.

¹ The final amount is subject to Vulcan providing evidence of expenditure.

² 'Clean Lithium for Battery Cell Production' is referred to as 'Sauberes Lithium für die Batteriezellfertigung' in Germany.

³ Vulcan is in discussions with the BMWE to extend this date to reflect the targeted financing timetable of signing during the course of H2 2025 and has no reason to believe this extension will not be agreed to.

Vulcan Energy Managing Director and CEO, Cris Moreno, commented: “We welcome this strong, tangible support from the German Federal Government, and the state governments of Rhineland-Palatinate and Hesse. The Li4BAT grant will enable our Project to supply sustainable, domestically sourced lithium to the German and European battery EV markets.

“Lithium is the lifeblood of the energy transition and for EV production and is crucial to transitioning Germany and Europe’s auto industry into the electric age. We look forward to providing further updates on the progress of the Project, including planned completion of the overall financing package and start of construction, in the coming months.”

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For and on behalf of the Board

Daniel Tydde | Company Secretary

Further information

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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 Lionheart Project, located in the Upper Rhine Valley Brine Field bordering Germany and France, is the largest lithium resource in Europe⁴ 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/>

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⁴ 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 Equity Raise Presentation dated 11 December 2024 for comparison information.

on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

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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). This announcement may include certain information relating to the DFS and the Bridging Study. The DFS and Bridging Study 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, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Bridging Study or DFS will be achieved. This announcement may also include certain information relating to Phase Two of its Project, Vulcan has not yet carried out a definitive feasibility study for Phase Two of its Project.