

Binding Lithium Offtake Term Sheet with LG Energy Solution

Summary:

- Binding lithium hydroxide offtake term sheet ("Agreement") signed with LG Energy Solution ("LGES"). LGES is the largest producer of lithium-ion batteries for electric vehicles in the world and supplies its products to top global OEMs.
- The Agreement is for an initial five-year term which can be extended by a further five years, with start of commercial delivery set for 2025.
- LGES to purchase 5,000 metric tonnes of battery grade lithium hydroxide for the first year of the supply term, ramping up to 10,000 metric tonnes per year during the second and subsequent years of the supply term.
- Pricing will be based on market prices for lithium hydroxide.
- Conditions precedent to start of commercial delivery include the execution of a definitive formal offtake agreement on materially the same terms by end November 2021, successful start of commercial operation and full product qualification.

Managing Director, Dr. Francis Wedin, commented: *"This is the first binding lithium offtake term sheet for the Zero Carbon Lithium™ Project, so it is fitting that it is with the largest EV battery producer in the world. LGES's operations are of course global, but it is already producing batteries in Europe. The agreement is in line with our strategy to work with Tier One battery and automotive companies in the European market. We look forward to a long and productive relationship with LGES."*

For and on behalf of the Board

Daniel Tydde

Company Secretary

For further information visit www.v-er.eu

Highlights

Globally unique **Zero Carbon Lithium™** Project.

Combined lithium chemicals & renewable energy project in the Upper Rhine Valley of Germany.

EU's **largest** lithium resource.

Located at the heart of the EU Li-ion battery industry.

Fast-track development towards supplying the EU's battery & electric vehicle industry.

Corporate Directory

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About Vulcan

Vulcan is aiming to become the world's first lithium producer with net zero greenhouse gas emissions. Its ZERO CARBON LITHIUM™ Project intends to produce a battery-quality lithium hydroxide chemical product from its combined geothermal energy and lithium resource, which is Europe's largest lithium resource, in Germany. Vulcan's unique, ZERO CARBON LITHIUM™ Project aims to produce both renewable geothermal energy, and lithium hydroxide, from the same deep brine source. In doing so, Vulcan intends to address lithium's EU market requirements by reducing the high carbon and water footprint of production, and total reliance on imports. Vulcan aims to supply the lithium-ion battery and electric vehicle market in Europe, which is the fastest growing in the world. The Vulcan Zero Carbon Lithium™ project has a resource which can satisfy Europe's needs for the electric vehicle transition, from a source with net zero greenhouse gas emissions, for many years to come.



Material Terms of the Agreement

Term: five years, with option to extend by another five years by mutual agreement.

Commencement: Commercial Supply Period to commence January 1, 2025.

Pricing: will be based on market prices for lithium hydroxide.

Conditions Precedent: execution of Definitive Agreement on materially similar terms by 30 November 2021, publication of DFS, securing of project finance, construction and commissioning of the plants, and product achieving specification to the agreed timeline.

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Competent Person Statement:

The information in this report that relates to Mineral Resources is extracted from the ASX announcement made by Vulcan on the 15 December 2020, which is available on www.v-er.eu. The information in this presentation that relates to the Pre-Feasibility Study for the Vulcan Lithium Project is extracted from the ASX announcement "Positive Pre-Feasibility Study", released on the 15th of January 2021 which is available on www.v-er.eu. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.