

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.

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

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

CFO-Company Secretary
Robert Ierace

Fast Facts


Issued Capital: 89,041,179
Market Cap (@\$8.45): \$752m

Contact

Level 11, Brookfield Place
125 St Georges Terrace
Perth WA 6000 Australia
08 6189 8767

Vulcan Energie
Ressourcen GmbH
Baischstr. 8,
76133 Karlsruhe

www.v-er.com
info@v-er.eu

 @VulcanEnergyRes

Acquisition of a world leading German-based geothermal consultancy team

Highlights:

- Binding agreement signed to acquire 100% of geothermal sub-surface consultancy company GeoThermal Engineering GmbH (GeoT).
- GeoT has a highly credentialed, world-leading scientific team with over a century of combined expertise in sub-surface development of geothermal projects, from exploration to production drilling.
- Acquisition is part of Vulcan's plans to accelerate its Zero Carbon Lithium® project in Germany, by rapidly growing its development team.
- GeoT (<https://www.geo-t.de/en/>) is based in the Upper Rhine Valley, Germany, and is owned by Vulcan Executive Director Dr. Horst Kreuter.

Vulcan Managing Director, Dr. Francis Wedin, commented: *“By acquiring GeoT, we are welcoming decades of experience of German deep geothermal sub-surface project development into the Vulcan team. GeoT has exceptional expertise in the geology and geochemistry of the Upper Rhine Valley geothermal brine. Our motivations are fully aligned: to decarbonise heat and power in Europe with geothermal development in the Upper Rhine Valley, and in doing so to co-produce Zero Carbon Lithium® for the European electric vehicle market. We expect our larger, bolstered development team to accelerate the development of our globally unique project.”*

For personal use only

About GeoT

GeoT is headquartered in the city of Karlsruhe, within the Upper Rhine Valley of Germany. It was founded in 2005, and has been involved in developing deep geothermal projects in Germany and worldwide since then. GeoT has been working closely with the Vulcan team since the inception of Vulcan's Zero Carbon Lithium® Project. GeoT's geothermal experts have over a century of combined geothermal industry experience, including:

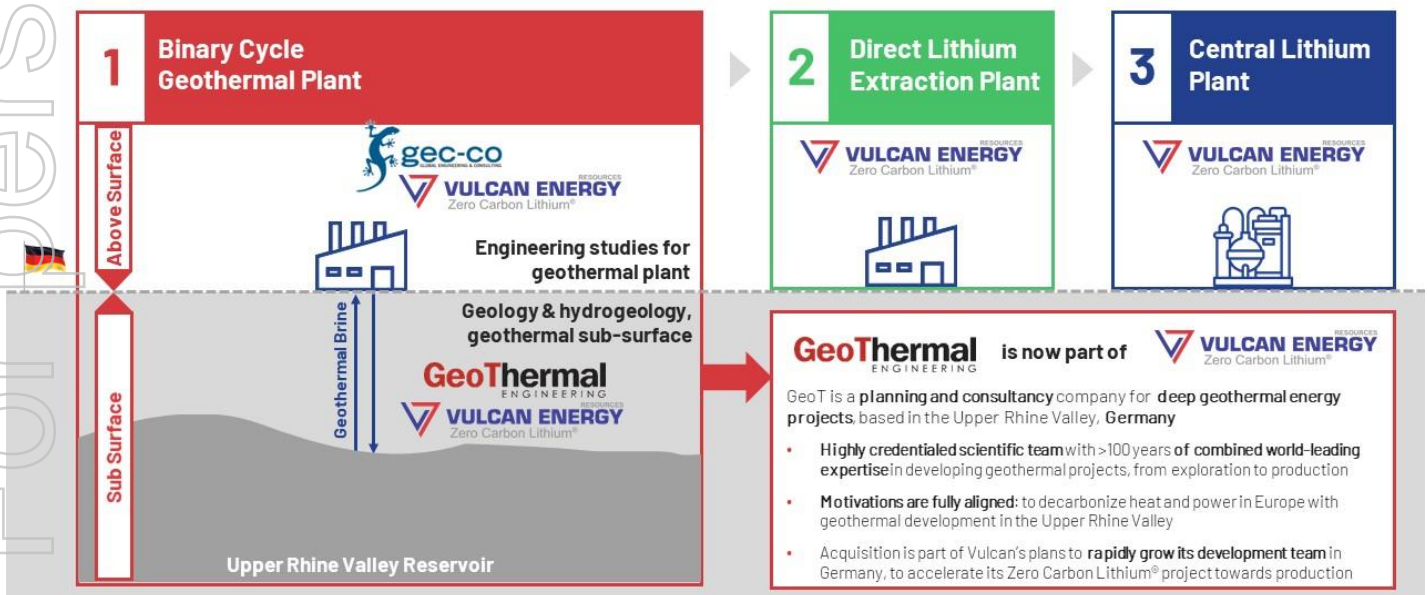
Dr. Michael Kraml, Senior Geologist and Geochemist;
 Tobias Hochschild, Senior Geologist;
 Dr. John Reinecker, Senior Geologist;
 Dr. Philipp Wolpert, Geologist;
 Kosha Wittmann, Geoscientist;
 Franziska Marquart, Geoscientist;
 Dr. Christina Schmidt, Geologist;
 Christina Baisch, Senior Consultant;
 Dr. Jens Grimmer, Senior Geologist.



GeoThermal
ENGINEERING

Agreement To Acquire GeoThermal Engineering GmbH

Our process replicates existing operations taking place commercially across the world.
 What is unique about us is the combination of those different steps.

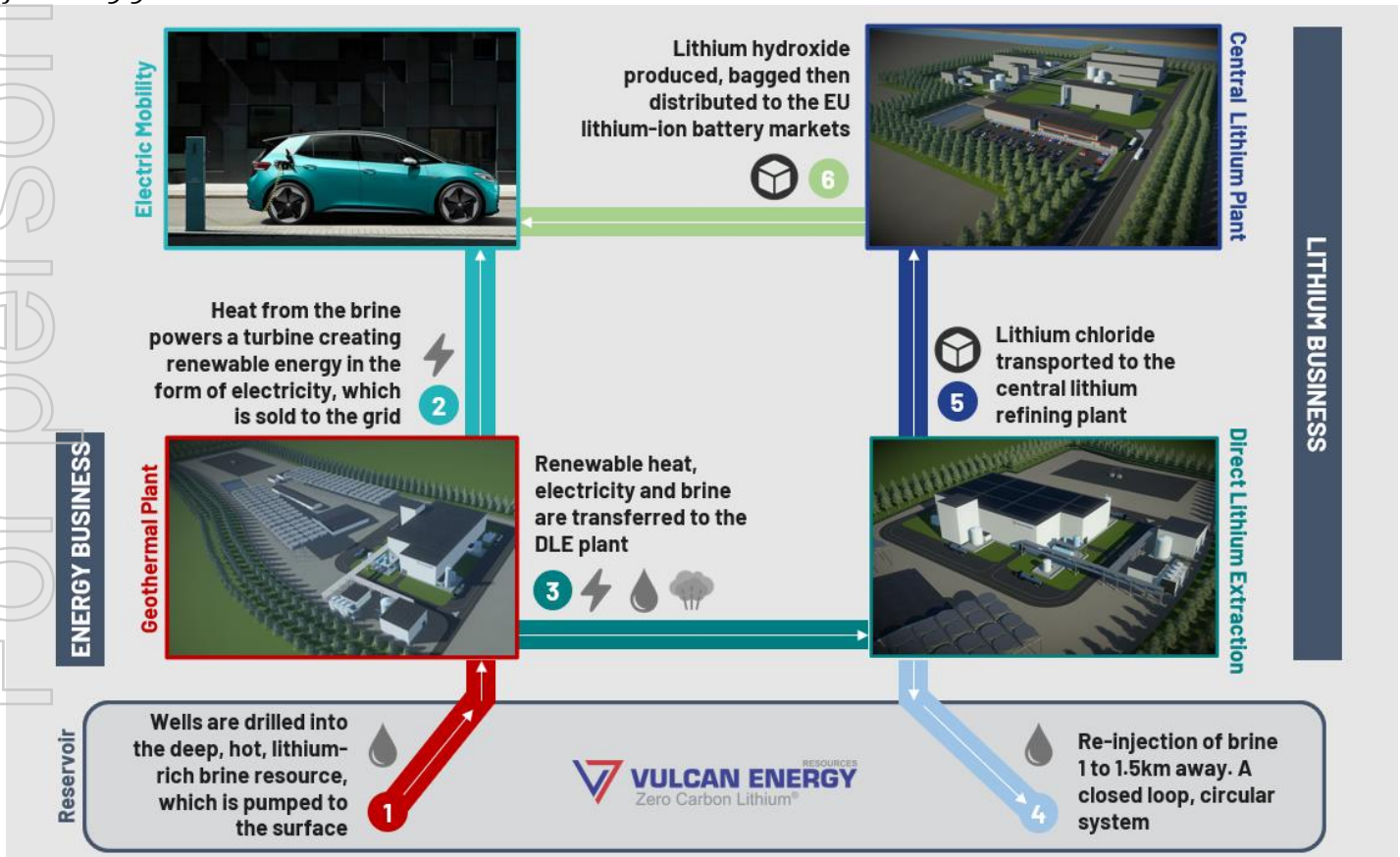


Recent activities by the Company (<https://v-er.com/investor-centre/asx-announcements/>):

- \$120 million placement endorses Zero Carbon Lithium®.
- COO appointment and Vulcan joins lithium ISO committee.
- Positive Pre-Feasibility Study.
- German legislation embraces geothermal energy.
- European Commission Regulation on batteries & CO₂ footprint.
- Appointment of lithium, chemistry & automotive experts to the Executive Team.

About Vulcan

Vulcan Energy Resources is aiming to become the world's first Zero Carbon Lithium® producer, by producing a battery-quality lithium hydroxide chemical product with net zero carbon footprint from its combined geothermal and lithium resource, which is Europe's largest lithium resource, in the Upper Rhine Valley of Germany. Vulcan will use its unique Zero Carbon Lithium® process to produce both renewable geothermal energy, and lithium hydroxide, from the same deep brine source. In doing so, Vulcan will address lithium's EU market requirements by reducing the high carbon and water footprint of production, and total reliance on imports, mostly from China. Vulcan aims to supply the lithium-ion battery and electric vehicle market in Europe, which is the fastest growing in the world. Vulcan has a resource which can satisfy Europe's needs for the electric vehicle transition, from a zero-carbon source, for many years to come.



Material Terms of Agreement

Vulcan has entered into a binding Term Sheet with the sole shareholder of Geothermal Engineering GmbH (GeoT) to purchase 100% of the shares in GeoT. The sole shareholder of GeoT is Dr. Horst Kreuter, Executive Director of Vulcan. Dr. Kreuter has been excluded from the negotiation process on the Company side, and the transaction has been negotiated at arm's length.

Vulcan will acquire GeoThermal Engineering GmbH for a purchase price of EUR 1.00.

Dr. Kreuter will also receive 50% of any payments received from certain debtors to GeoT, if these payments are made to GeoT within 18 months of completion of the acquisition.

GeoT owes a debt of approximately €140,000 (plus a nominal amount of interest) to Dr. Kreuter, 50% of which will be paid within three months of completion of the acquisition, with the remaining 50% to be paid by no later than 31 December 2021.

GeoT has further debt of approximately 135,000 EUR, plus interest accrued in 2020.

Completion of the acquisition is be subject to completion of due diligence to Vulcan's sole discretion and satisfaction.

The Company has confirmed with ASX that shareholder approval for the acquisition is not required under Listing Rule 10.1.

The Board (other than Dr Kreuter) has determined that shareholder approval for the acquisition is not required under Chapter 2E of the Corporations Act, because:

- the acquisition was negotiated on an arm's length basis, with Dr Kreuter being excluded from the negotiation process on the Company side; and
- the Board considers that the terms of the acquisition are on arm's length or better than arm's length terms in terms of the consideration payable compared to the value of the assets being acquired and the benefits which will accrue to the Company as a result of the acquisition, and are otherwise on normal commercial terms for transactions of this nature.

Zero Carbon Lithium[®]

For and on behalf of the Board

Robert Ierace

Chief Financial Officer - Company Secretary

For further information visit www.v-er.com

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.

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.

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.com. 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.com. 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.