

Letter to Shareholders regarding Annual General Meeting

Vulcan Energy Resources Ltd (the **Company**) wishes to advise that the attached letter regarding the Company's upcoming Annual General Meeting to be held at 3.00pm (WST) on 25 November 2020 has been sent to shareholders today.

For and on behalf of the Board

Robert Ierace

Chief Financial Officer - Company Secretary

For further information visit <u>www.v-er.com</u> or contact the Company Secretary on +61 8 6189 8767.

ASX Release 26 October 2020 ASX: VUL

ASX: VUL FRA: 6KO

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: 73,418,958 Market Cap (@\$1.22): \$89.6m

Contact

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Vulcan Energie Resourcen GmbH Baischstr. 8, 76133 Karlsruhe

> www.v-er.com info@v-er.com > @VulcanEnergyRes



26 October 2020

Dear Shareholder,

Vulcan Energy Resources Ltd – Upcoming Annual General Meeting

Vulcan Exergy Resources (ASX: VUL) (Vulcan or the Company) will be holding its annual general meeting at 3:00pm (AWST) on 25 November 2020 at Level 2, 66 Kings Park Road, West Perth WA 6005 (the Meeting).

At this stage, the Directors have made a decision that Shareholders will be able to attend the Meeting in person. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at www.v-er.com and the ASX Company's Announcement Platform at asx.com.au. Any Shareholders who plan to physically attend the Meeting should closely monitor these platforms for any updates from by the Company in regard to attending the Meeting in person and alternative arrangements.

In accordance with temporary modifications to the Corporations Act under the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company is not sending hard copies of the Notice of Meeting to shareholders. The Notice of Meeting can be viewed and downloaded at https://web.automic.com.au/er/public/api/documents/VUL?fileName=VUL_AGM_NOM.pdf

Alternatively, a complete copy of the Notice of Meeting has been posted on the Company's ASX market announcements page.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at https://investor.automic.com.au/#/home and log in with your unique shareholder identification number and postcode (or country for overseas residents), that you can find on your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

If you are unable to access any of the important Meeting documents online please contact the Company Secretary, Robert Ierace, on +61 8 6189 8767 or via email at rierace@v-er.eu.

Authorised by the Board.

Robert Ierace

Company Secretary

VULCAN ENERGY RESOURCES LTD ACN 624 223 132 NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00pm AWST

DATE: 25 November 2020

PLACE: Level 2, 66 Kings Park Road

WEST PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm AWST on Monday 23 November 2020.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MS RANYA ALKADAMANI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Ms Ranya Alkadamani, a Director who was appointed as an additional Director on 29 April 2020, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR HORST KREUTER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Dr Horst Kreuter, a Director who was appointed as an additional Director on 19 December 2019, retires, and being eligible, is elected as a Director."

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR GAVIN REZOS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.2 of the Constitution, and for all other purposes, Mr Gavin Rezos, a Director, retires by rotation, and being eligible, is re-elected as a Director."

RESOLUTION 5 – ISSUE OF TRANCHE 2 WARRANTS TO EIT INNOENERGY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue \$81,846.45 worth of Warrants to EIT InnoEnergy on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO MS KATHARINA GERBER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Performance Rights to Ms Katharina Gerber (or her nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF SECURITIES TO MS RANYA ALKADAMANI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 100,000 Shares and 200,000 Performance Rights to Ms Ranya Alkadamani (or her nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Dated: 26 October

By order of the Board

Robert lerace

Company Secretary

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons: (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either: (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 6 – Issue of Performance Rights to Related Party Resolution 7 – Issue of Shares and Performance Rights to Related Party	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 5 – Issue of Tranche 2 Warrants to EIT InnoEnergy	The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), namely EIT InnoEnergy, or an associate of that person (or those persons).
Resolution 6 – Issue of Performance Rights to Related Party	Ms Katharina Gerber (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the relevant Related Party Securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 7 – Issue of Shares and Performance Rights to Related Party	Ms Ranya Alkadamani (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the relevant Related Party Securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6189 8767.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.v-er.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS – MS RANYA ALKADAMANI AND DR HORST KREUTER

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Ranya Alkadamani, having been appointed by other Directors on 29 April 2020 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Dr Horst Kreuter, having been appointed by other Directors on 19 December 2019 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships of Ms Alkadamani

Ms Alkadamani is currently Founder and CEO of Impact Group International, an experienced team of experts focused on strategic communications advice for innovators, incredible organisations, ASX-listed companies, and philanthropists that are all doing something that will better our society or environment. She works extensively in the impact investment space in Australia and internationally and has a strong network of clients and investors in the clean energy and renewables sector. She is also a Director of the Impact Investment Summit, Asia Pacific and an Advisory Board member at Murdoch University.

Ms Alkadamani was formerly Strategic Communications and External Affairs Director of Andrew Forrest's Minderoo Foundation and Minderoo Group; Press Secretary to former Australian Prime Minister, the Hon. Kevin Rudd during his time as Australian Foreign Minister; and, a spokesperson for the Australian Department of Foreign Affairs and Trade.

3.3 Qualifications and other material directorships of Dr Kreuter

Dr Kreuter is a highly experienced businessman and engineering geologist, with an outstanding record of project development and consulting in the geothermal sector. Dr Kreuter is the CEO of Geothermal Group Germany GmbH, Karlsruhe, a joint initiative for the world market of notable German companies active in the geothermal industry.

Dr Kreuter is also the CEO of GeoThermal Engineering GmbH (GeoT), a consultancy who are involved in geothermal project development in Germany and worldwide. Dr Kreuter is based in Karlsruhe, local to Vulcan's Zero Carbon LithiumTM project area in the Upper Rhine Valley, and has a broad political and corporate network in Germany.

3.4 Independence

Ms Alkadamani and Dr Kreuter have no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected the Board considers Ms Alkadamani will be an independent Director.

If re-elected the Board does not consider that Dr Kreuter will be an independent Director as he is an executive Director.

3.5 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications and character. The Company undertook such checks prior to the appointments of Ms Alkadamani and Dr Kreuter.

3.6 Board recommendation

The Board has reviewed Ms Alkadamani's and Dr Kreuter's performance since they were appointed to the Board and considers that Ms Alkadamani's and Dr Kreuter's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the elections of Ms Alkadamani and Dr Kreuter and recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR GAVIN REZOS

4.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without reelection) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Gavin Rezos, who has served as a Director since 4 September 2019, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Rezos has extensive Australian and international investment banking experience and is a former investment banking Director of HSBC Group with regional roles during his career in London, Sydney and Dubai. Gavin has held Chairman, Board and CEO positions of companies in the materials, technology and resources sector in Australia, the United Kingdom, the United States and Singapore and was formerly a non-executive director of Iluka Resources and of

Rowing Australia, the peak Olympics sports body for rowing in Australia. Mr Rezos is a principal of Viaticus Capital and currently a director of ASX listed Resource Energy Group Ltd (ASX: REZ).

4.3 Independence

If re-elected the Board does not consider Mr Rezos will be an independent Director because Mr Rezos is a substantial shareholder in the Company, holds various performance securities issued by the Company and (through a related body corporate) provides corporate advisory services to the Company.

4.4 Board recommendation

The Board has reviewed Mr Rezos' performance since his appointment to the Board and considers that Mr Rezos' skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the reelection of Mr Rezos and recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – ISSUE OF TRANCHE 2 WARRANTS TO EIT INNOENERGY

5.1 General

As announced on 8 July 2020, the Company has entered into an investment agreement with EIT InnoEnergy (InnoEnergy Agreement) by which EIT InnoEnergy has agreed to provide staged payments to Vulcan Energie Ressourcen GmbH, the Company's wholly owned German subsidiary (Subsidiary), as follows:

- (a) an initial payment of €150,000 (**Tranche 1**);
- (b) further payment of €50,000 after approval by EIT InnoEnergy of the financial and performance reporting related to expenditure of Tranche 1 funding on approved work packages on the Company's pre-feasibility study and pilot plant development at its globally unique Zero Carbon LithiumTM Project (**Tranche 2**); and
- (c) a final settlement of €50,000 of approved funding after approval by EIT InnoEnergy of the final financial and performance reporting for the expenditure of Tranches 1 and 2 funding on approved work packages for the Project (**Tranche 3**).

Subject to receipt of Shareholder approval for the issue of the relevant Warrants, all payments shall be made within 30 calendar days following the relevant trigger. Based on its current timelines for the Vulcan Zero Carbon LithiumTM Project, the Company expects to receive all three Tranches by the end of 2020.

EIT InnoEnergy is not obliged to make any of the subsequent payments if the Subsidiary fails to fulfil any relevant obligations under the agreement (including cost reporting obligations).

The Subsidiary must use the funding in accordance with a project plan and project budget approved by EIT InnoEnergy. EIT InnoEnergy may reduce (or, with the Company's agreement, increase) the amount of funding provided under Tranche 3 depending on the needs of the Project and the Subsidiary's compliance with EIT InnoEnergy's reporting requirements.

In the event that the Subsidiary does not use the Tranche 1 or 2 funding (in whole or in part) for the purpose of the Project, the Subsidiary must return the unused amounts to EIT InnoEnergy within 30 days of EIT InnoEnergy requesting that the funds be returned.

On payment of each Tranche of the funding, subject to Shareholder approval, the Company has agreed to issue warrants to EIT InnoEnergy which will convert into Shares on a one for one basis on exercise (Warrants) in the following amounts:

- (a) (**Tranche 1**): 479,519 Warrants (being the Australian dollar amount of the Tranche 1 funding, divided by \$0.512, which was the volume weighted average price (**VWAP**) for Shares over the last 15 days on which Shares were traded immediately prior to execution of the funding agreements). The issue of the Tranche 1 Warrants was approved by Shareholders at the Company's General Meeting held on 10 September 2020, and the Warrants were issued on 16 September 2020;
- (b) (**Tranche 2**): the number equal to the Australian dollar amount of €50,000, divided by the VWAP for Shares over the last 15 days on which Shares were traded immediately prior to EIT InnoEnergy paying the €50,000 subject to Tranche 2; and
- (c) (**Tranche 3**): the number equal to the Australian dollar amount of €50,000, divided by the VWAP for Shares over the last 15 days on which Shares were traded immediately prior to EIT InnoEnergy paying the €50,000 subject to Tranche 3.

All EUR to A\$ conversions to be made under the InnoEnergy Agreement are made using a fixed exchange rate of A\$1:€0.6109 (being the average currency exchange rate published by the Reserve Bank of Australia on its website calculated over the last 30 days preceding the date the InnoEnergy Agreement.

The Warrants can only be exercised after 1 September 2021 and only once the agreed work packages and final settlement of the Tranche 3 funding has been completed. Once those things have occurred, the Warrants are exercisable at any time on or prior to expiry on the date which is 3 years from the date of grant.

The funding payments set out above will be the exercise price for the Warrants, payable on grant of the Warrants rather than on exercise. No further amount will be payable by EIT InnoEnergy to exercise the Warrants.

The issue of the Tranche 1 Warrants was approved by Shareholders at the Company's General Meeting held on 10 September 2020, and the Warrants were issued on 16 September 2020. [EIT InnoEnergy has confirmed that Tranche 2 will be provided in November Accordingly, the Company is now seeking Shareholder approval to issue the Tranche 2 Warrants to EIT InnoEnergy under Resolution 5.

Set out below is a worked example of the number of Warrants that may be issued to EIT InnoEnergy on receipt of the Tranche 2 funding. The Australian dollar equivalent of the Tranche 2 funding is \$81,846.45 (being €50,000 at the agreed exchange rate of A\$1:€0.6109). As noted above, the number of Tranche 2 Warrants to be issued is equal to the Australian dollar equivalent of the Tranche 2 funding, divided by the VWAP for Shares over the last 15 days on which Shares were traded immediately prior to EIT InnoEnergy paying the Tranche 2 funding.

The table below shows the indicative number of Warrants to be issued on payment of the Tranche 2 funding, based on the VWAP for Shares over the last 15 days on which Shares were traded prior to 14 October 2020 (being the last

practicable date prior to the date of this Notice). For illustrative purposes, the table also shows the number of Tranche 2 Warrants to be issued should that VWAP increase or decrease by 25% or 50%.

15 Day VWAP	Number of Tranche 2 Warrants
\$0.594 per Share (being a 50% decrease to the 15 day VWAP as at 14 October 2020)	137,905
\$0.890 per Share (being a 25% decrease to the 15 day VWAP as at 14 October 2020)	91,936
\$1.187 per Share (being the 15 day VWAP as at 14 October 2020)	68,952
\$1.484 per Share (being a 25% increase to the 15 day VWAP as at 14 October 2020)	55,162
\$1.781 per Share (being a 50% increase to the 15 day VWAP as at 14 October 2020)	45,968

The timing for when Tranche 3 will become payable by EIT InnoEnergy is not fixed at this stage. Accordingly, the Company is only seeking Shareholder approval for the issue of the Tranche 2 Warrants at this stage, and approval for the issue of the Tranche 3 Warrants will be sought at a later date.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The Company has agreed that the proposed issue of the Tranche 2 Warrants is conditional on Shareholder approval being obtained in accordance with Exception 17 to Listing Rule 7.2. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Tranche 2 Warrants. In addition, the issue of the Tranche 2 Warrants will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Warrants, which means that the InnoEnergy Agreement will be terminated and the Company will not receive the Tranche 2 funding.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Warrants.

5.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

(a) the Tranche 2 Warrants will be issued to EIT InnoEnergy, who is not a related party of the Company;

- (b) the maximum number of Tranche 2 Warrants to be issued will be based on the formula set out in Section 5.1 above. The terms and conditions of the Warrants are set out in Schedule 1:
- (c) the Warrants will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Warrants will occur on the same date:
- (d) the Tranche 2 Warrants will be issued to EIT InnoEnergy in consideration for the payment of €50,000 in funding to the Subsidiary under the InnoEnergy Agreement;
- (e) the purpose of the issue of the Warrants is to satisfy the Company's obligations under the InnoEnergy Agreement in consideration for the Tranche 2 funding from EIT InnoEnergy;
- (f) the Warrants are being issued to EIT InnoEnergy under the InnoEnergy Agreement. The Warrants will be issued on the same terms as the Tranche 1 Warrants issued on 16 September 2020 (being the terms of the InnoEnergy Agreement, the material terms of which are set out in Section 5.1 above;
- (g) the Warrants are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 5 of the Notice.

6. RESOLUTIONS 6 AND 7 – ISSUE OF SECURITIES TO MS KATHARINA GERBER AND MS RANYA ALKADAMANI

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue the following Shares and Performance Rights (together, the **Related Party Securities**) to Ms Katharina Gerber and Ms Ranya Alkadamani (or their nominees) (the **Related Parties**) as follows:

Related Party	Shares	Performance Rights	
Ms Katharina Gerber	Nil	500,000 ¹	
Ms Ranya Alkadamani	100,000	200,0002	

Notes:

- 1. Comprising:
 - (a) 250,000 Class H Performance Rights issued under the Company's Employee Incentive Plan approved by Shareholders at the Company's 2018 AGM; and
 - (b) 250,000 Class I Performance Rights issued under the Company's Employee Incentive Plan approved by Shareholders at the Company's 2018 AGM.
- 2. Comprising:
 - (a) 100,000 Class Q Performance Rights; and
 - (b) 100,000 Class R Performance Rights.

The Performance Rights will be issued in tranches. Each tranche will vest on issue, and will convert into Shares on a one for one basis subject to and conditional on the satisfaction of the applicable performance milestone condition set out below:

Performance Rights Class	Performance Milestone Condition
Class H Performance Rights	Vesting upon the Company announcing, on or before 18 May 2022, a positive Pre-Feasibility Study in relation to the Company's Zero Carbon Lithium™ Project confirming it is commercially viable, with an expiry date of 1 December 2023.
Class I Performance Rights	Vesting upon the Company announcing, on or before 18 May 2023, that it has secured either an off-take agreement representing a minimum of 30% of production volume over a three year term, or a downstream lithium chemicals joint venture partner with a minimum of \$10,000,000 investment in relation to the Project, with an expiry date of 1 December 2023.
Class Q Performance Rights	Vesting on issue, and converting to Shares on a one for one basis on the date that is 12 months from the date of issue.
Class R Performance Rights	Vesting on issue, and converting to Shares on a one for one basis on the date that is 24 months from the date of issue.

A summary of the material terms and conditions of the Performance Rights is set out in Schedule 3.

Resolution 6 seeks Shareholder approval for the issue of 500,000 Performance Rights to Ms Gerber. These Performance Rights will be issued under the Company's Employee Incentive Plan approved by Shareholders at the Company's 2018 AGM. As Ms Gerber is no longer a Director of the Company, but is still a related party (by virtue of having been a Director within the last 6 months), the Company is required to seek Shareholder approval under Listing Rule 10.11 rather than Listing Rule 10.14.

Resolution 7 seeks Shareholder approval for the issue of 100,000 Shares and 200,000 Performance Rights to Ms Alkadamani.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Securities to the Related Parties (or their nominees) constitutes giving a financial benefit and the Related Parties are related parties of the Company as follows:

- (a) Ms Gerber was a Director in the last six months preceding the date of this Meeting; and
- (b) Ms Alkadamani is currently a Director.

The Directors (other than Ms Alkadamani who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights because the issue of these Securities, considered as part of the total remuneration package for the relevant Related Party, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6 and 7 seeks the required Shareholder approval for the issue of the Related Party Securities under and for the purposes of Listing Rule 10.11.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the applicable Performance Rights to Ms Gerber within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the applicable Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the applicable Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the applicable Performance Rights and Shares to Ms Gerber and will need to consider alternative structures to ensure that Mr Gerber is properly incentivised.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the applicable Related Party Securities to Ms Alkadamani within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the applicable Related Party Securities (because approval is being obtained under Listing Rule 10.11), the issue of the applicable Related Party Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the applicable Related Party Securities to Ms Alkadamani and will need to consider alternative structures to ensure that Ms Alkadamani is properly incentivised. Any such alternative structure may involve an additional cash consideration at a time when the company is seeking to preserve cash for use in developing its lithium projects.

6.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 6 and 7:

- (a) the Related Party Securities will be issued to the Related Parties (or their nominees), who falls within the category set out in Listing Rule 10.11.1 by virtue of currently being a Director (in the case of Ms Alkadamani) or being a Director in the last six months preceding the date of this Meeting (in the case of Ms Gerber);
- (b) the maximum number of Performance Rights to be issued is 700,000 and the maximum number of Shares to be issued is 100,000 (refer to Section 6.1 above for details on the number of each class of Securities to be issued to the Related Parties;
- (c) a summary of the material terms and conditions of the Performance Rights forming part of the Related Party Securities are set out in Schedule 2:
- (d) the Shares forming part of the Related Party Securities will be issued on same terms as and will rank equally with the existing Shares on issue;
- (e) the Related Party Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (f) the Related Party Securities will be issued for nil cash consideration;
- (g) the Company has determined to grant the Securities to the Related Parties for the following reasons:
 - (i) the issue of Securities to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the issue of the Securities is a reasonable and appropriate method to provide cost effective remuneration as the non-cash

form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties:

- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Securities on the terms proposed;
- (h) the current remuneration package for each of the Related Parties is set out in the table below:

Related Party	Total Remuneration Package (FY2021)
Ms Gerber	\$127,8701
Ms Alkadamani	\$30,0002

Notes:

- Comprising executive remuneration of EUR 78,000 converted to AUD at current exchange rate. If the applicable Performance Rights are issued, the total remuneration package will increase by \$97,050, being the value of the applicable Performance Rights as set out in paragraph (i) expensed over the performance milestone period.
- 2. Comprising directors' fees of \$30,000 (including superannuation). If the applicable Shares and Performance Rights are issued, the total remuneration package will increase by \$217,550, being the value of the applicable Shares and Performance Rights as set out in paragraph (i) (expensed over the performance milestone period in the case of the Performance Rights).
- (i) the Company values the Related Party Securities as set out in the following table:

	Number and Recipient	Value	Methodology
Class H Performance Rights	250,000 to Ms Gerber	\$172,500	The rights have been valued using the closing price for Shares on 14 October 2020 as well as an assessment of the probability in satisfying the applicable performance milestone.
Class I Performance Rights	250,000 to Ms Gerber	\$115,000	The rights have been valued using the closing price for Shares on 14 October 2020 as well as an assessment of the probability in satisfying the applicable performance milestone.
Shares	100,000 to Ms Alkadamani	\$115,000	The Shares have been valued using the closing price of Shares on 14 October 2020.
Class Q Performance Rights	100,000 to Ms Alkadamani	\$115,000	The rights have been valued using the closing price for Shares on 14 October 2020.
Class R Performance Rights	100,000 to Ms Alkadamani	\$115,000	The rights have been valued using the closing price for Shares on 14 October 2020.

(j) the Related Party Securities are not being issued under an agreement;

- (k) no loan is being made to the Related Parties in connection with the acquisition of the Related Party Securities; and
- (I) a voting exclusion statement is included for Resolutions 6 and 7 is included in the Notice.

7. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

7.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (7.1A Mandate).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 8 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 8 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 8 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 8:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) continued exploration and development expenditure on the Company's current projects (including project expenditure, feasibility studies and ongoing project administration);
- (ii) the development of the Company's current business to produce lithium products with a net zero carbon footprint; and
- (iii) general working capital.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 14 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

			Dilution		
		Ch aura	Issue Price		
Number o	of Shares on	Shares issued –	\$0.575	\$1.150	\$1.725
Issue (Variable A in Listing Rule 7.1A.2)		10% voting dilution	50% decrease	Issue Price	50% increase
		dilollon		Funds Raised	
Current	73,518,958 Shares	7,351,896 Shares	\$4,227,340	\$8,454,680	\$12,682,020
50% increase	110,278,43 7 Shares	11,027,844 Shares	\$6,341,010	\$12,682,020	\$19,023,030
100% increase	147,037,91 6 Shares	14,703,792 Shares	\$8,454,680	\$16,909,360	\$25,364,041

^{*}The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a prorata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- 1. There are currently 73,518,958 Shares on issue comprising:
 - (a) 73,418,958 existing Shares as at the date of this Notice of Meeting; and
 - (b) 100,000 Shares which will be issued if Resolution 6 is passed at this Meeting.
- 2. The issue price set out above is the closing market price of the Shares on the ASX on 14 October 2020.
- 3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- 4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- 5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- 6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- 8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 19 November 2019 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 25 November 2019, the Company issued 5,099,500 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 10.51% of the total diluted number of Equity Securities on issue in the Company on 25 November 2019, which was 48,500,002.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and	Date of Issue: 30 June 2020		
Appendix 2A	Date of Appendix 2A: 30 June 2020		
Recipients	Professional and sophisticated investors in Australia and Europe (a strong focus of these investors were from the environmental, social and governance sector) as part of a placement announced on 24 June 2020		

Number and Class of Equity Securities Issued Issue Price and discount to Market Price ¹ (if any)	6,900,500 Shares pursuant to Listing Rule 7.1 5,099,500 Shares pursuant to Listing Rule 7.1A \$0.40 per Share (at a discount 29.20% to Market Price1).
Total Cash Consideration and Use of Funds	Amount raised: \$4,800,000 Amount spent: \$2,240,000 Use of funds: the funds raised are to be used to accelerate the Company's Pre-Feasibility Study and pilot plant development at its Zero Carbon Lithium™ Project in Germany and ongoing working capital.
	Amount remaining: \$2,560,000 Proposed use of remaining funds⁴: the funds raised are to be used to accelerate the Company's Pre-Feasibility Study and pilot plant development at its Zero Carbon Lithium™ Project in Germany and ongoing working capital.²

Notes:

- Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- 2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

7.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 7.1.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Vulcan Energy Resources Ltd (ACN 624 223 132).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice** of **Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a performance right granted on the terms and conditions summarised in Schedule 2.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

SCHEDULE 1 – TERMS AND CONDITIONS OF WARRANTS

- (a) (**Entitlement**): Each Warrant entitles the holder (**Warrantholder**) to subscribe for one Share upon exercise of the Warrant.
- (b) (Expiry Date): Each Warrant will expire at 5:00 pm (AWST) on the date which is 3 years from the date of issue (Expiry Date). A Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) (Exercise Period): The Warrants can only be exercised:
 - (i) after 1 September 2021; and
 - (ii) once the agreed work packages and final settlement of the Tranche 3 funding has been completed.

Once those things have occurred, the Warrants are exercisable at any time on or prior to the Expiry Date (Exercise Period).

- (d) (Exercise Price): The exercise price for the Warrants will be the funding amounts paid by EIT InnoEnergy on issue of the Warrants. No further amount will be payable by the Warrantholder to exercise the Warrants during the Exercise Period.
- (e) (Notice of Exercise): The Warrants may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Warrant certificate (Notice of Exercise).
- (f) (**Timing of issue of Shares on exercise**): Within 10 Business Days after the date of receipt of the Notice of Exercise, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Warrants specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Warrants.

If a notice delivered under paragraph (f)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) (Shares issued on exercise): Shares issued on exercise of the Warrants rank equally with the then issued shares of the Company.

- (h) (Reconstruction of Capital): If at any time the issued capital of the Company is reconstructed, all rights of a Warrant holder are to be changed in accordance with the following rules:
 - (i) (consolidation of capital): the number of Warrants must be consolidated in the same ratio as the ordinary capital and the Issue Price must be amended in inverse proportion to that ratio;
 - (ii) (sub-division of capital): the number of Warrants must be sub-divided in the same ratio as the ordinary capital and the Issue Price must be amended in inverse proportion to that ratio;
 - (iii) (return of capital): the number of Warrants must remain the same, and the Issue Price of each Warrant must be reduced by the same amount as the amount returned in relation to each ordinary Share;
 - (iv) (reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled): the number of Warrants and the Issue Price of each Warrant must remain unaltered:
 - (v) (pro rata cancellation of capital): the number of Warrants must be reduced in the same ratio as the ordinary capital and the Issue Price of each Warrant must be amended in inverse proportion to that ratio; and
 - (vi) otherwise in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (i) (Participation in new issues): The Warrants have the following participation rights:
 - (i) if there is a bonus issue to the Shareholders, the Company must increase the number of Shares over which a Warrant is exercisable by the number of Shares which EIT InnoEnergy would have received if the Warrant had be exercised before the record date (as defined in the ASX Listing Rules) (Record Date) for the bonus issue.
 - (ii) the Warrant holder may not participate in new issues of securities to Shareholders where it exercises some or all of its Warrants into Shares within a reasonable time for the relevant Shares to be issued prior to the relevant Record Date.
- (i) (Notification of Record Date): The Company must:
 - (i) give the Warrant holder at least 15 Business Days written notice of the Record Date in respect of any proposed issue of securities to holders of Shares such that the Warrant holder has sufficient time to exercise any or all of its unexercised Warrants into Shares before the Record Date; and
 - (ii) use reasonable endeavours to ensure that the Shares issued upon receipt of a Notice of Exercise prior to the Record Date are entered into the register of Shares prior to such Record Date in order for the Warrant holder to participate in the proposed issue (in its sole discretion).
- (k) (**Notification of adjustment**) The Company must give notice to the Warrant holder of any adjustment it may make to either the number of Shares which the Warrant holder is entitled to subscribe for on exercise of the Warrants, or the Issue Price.

- (I) (Change in Issue Price): A Warrant does not confer the right to a change in Issue Price or a change in the number of underlying securities over which the Warrant can be exercised.
- (m) (**Transferability**): A Warrant does not confer the right to a change in Issue Price or a change in the number of underlying securities over which the Warrant can be exercised.
- (n) (Cancellation): To the extent that the amount of the funding from EIT InnoEnergy is adjusted downwards pursuant to the terms of the funding agreement, the Company may cancel a corresponding number of Warrants based on the original issue price for the relevant Warrants.

SCHEDULE 2 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights to be issued by the Company:

(a) (Performance Milestone Conditions and Expiry Dates): The Performance Rights shall be subject to the following Performance Milestone Conditions and shall have the following Expiry Dates:

	Number and Recipient	Performance Milestone Condition	Expiry Date
Class H Performance Rights	250,000 to Ms Gerber (or her nominee) under the Company's Employee Incentive Plan approved by Shareholders at the Company's 2018 AGM	Vesting upon the Company announcing, on or before 18 May 2022, a positive Pre-Feasibility Study in relation to the Company's Zero Carbon Lithium™ Project confirming it is commercially viable.	1 December 2023
Class I Performance Rights	250,000 to Ms Gerber (or her nominee) under the Company's Employee Incentive Plan approved by Shareholders at the Company's 2018 AGM	Vesting upon the Company announcing, on or before 18 May 2023, that it has secured either an off-take agreement representing a minimum of 30% of production volume over a three year term, or a downstream lithium chemicals joint venture partner with a minimum of \$10,000,000 investment in relation to the Project	1 December 2023
Class Q Performance Rights	100,000 to Ms Alkadamani (or her nominee)	Vesting on issue, and converting to Shares on a one for one basis on the date that is 12 months from the date of issue.	12 months from the date of issue
Class R Performance Rights	100,000 to Ms Alkadamani (or her nominee)	Vesting on issue, and converting to Shares on a one for one basis on the date that is 24 months from the date of issue.	24 months from the date of issue

(b) (Notification to holder): The Company shall notify the holder in writing when the relevant Performance Milestone Condition has been satisfied.

- (c) (**Conversion**): Subject to paragraph (p), upon satisfaction of the applicable Performance Milestone Condition, each Performance Right will, at the election of the holder, convert into one Share.
- (d) (Lapse of a Performance Rights): Any Performance Right that has not been converted into a Share prior to the Expiry Date specified in paragraph (a) will automatically lapse.
- (e) (Fraudulent or dishonest action): If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of his or her duties, then:
 - (i) the Board must deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (ii) any Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the relevant Performance Milestone Conditions have previously been met, and any Shares issued on satisfaction of the applicable Performance Milestone Conditions will remain the property of the holder.
- (f) (Ceasing to be an employee or Director): If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination arises because the holder:
 - (i) voluntarily resigns his or her position (other than to take up employment with a subsidiary of the Company);
 - (ii) wilfully breaches the terms of the engagement of the holder or any policy of the Company's published policies regulating the behaviour of holder;
 - (iii) is convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
 - (iv) is found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,

then:

- (v) unless the Board decides otherwise in its absolute discretion, will deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
- (vi) any Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the relevant Performance Milestone Conditions have previously been met and any Shares issued on satisfaction of the applicable Performance Milestone Conditions will remain the property of the holder.
- (g) (Other circumstances): The Performance Rights will not lapse and be forfeited where the holder ceases to be an employee or Director of the Company for one of the following reasons:
 - (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable

- to work in his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year);
- (ii) redundancy (being where the holder ceases to be an employee or Director due to the Company no longer requiring the holder's position to be performed by any person); or
- (iii) any other reason, other than a reason listed in rules (f) and (g) (not including (g)(i), in which case the Board may exercise its absolute discretion to allow the resigned to retain their Performance Right), that the Board determines is reasonable to permit the holder to retain his or her Performance Rights,

and in those circumstances the Performance Rights will continue to be subject to the applicable Performance Milestone Conditions.

- (h) (**Share ranking**): All Shares issued upon the conversion of Performance Rights on satisfaction of the applicable Performance Milestone Condition will upon issue rank pari passu in all respects with other Shares.
- (i) (Application to ASX) The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (j) (**Timing of issue of Shares on Conversion**): Within 10 Business Days after date that Performance Rights are converted, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under (j) (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (k) (**Transfer of Performance Rights**): The Performance Rights are not transferable.
- (I) (Participation in new issues) A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (m) (Reorganisation of capital) If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with

the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

- (n) (Adjustment for bonus issue) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.
- (o) (**Dividend and Voting Rights**): The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (p) (**Deferral of conversion if resulting in a prohibited acquisition of Shares**): If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
 - (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition:
 - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (p)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (q) (No rights to return of capital) A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (r) (**Rights on winding up**) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (s) (**No other rights**) A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.



Vulcan Energy Resources Ltd | ABN 38 624 223 132

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **3.00pm (WST) on Monday, 23 November 2020,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it. **Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box

which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic

GPO Box 5193

Sydney NSW 2001

IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

 $\underline{meetings@automicgroup.com.au}$

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1 - How to vote			
APPOINT A PROXY: I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Vulcan Energy R 3.00pm (WST) on Wednesday, 25 November 2020 at Level 2, 66 Kings Park Road, West Perth WA 6005 he		es Ltd, to b	e held at
Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your provided below the name of the person or body corporate you are appointing as your proxy or failing the person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.	e perso	n so name	d or, if no
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vo Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to		n accordance	e with the
Chair's voting intention. AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS			
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), Chair to exercise my/our proxy on Resolutions 1, 6 & 7 (except where I/we have indicated a different voting i Resolutions 1, 6 & 7 are connected directly or indirectly with the remuneration of a member of the Key Mc includes the Chair.	ntentio	n below) ev	en though
STEP 2 – Your voting direction	_		
Resolutions 1. Adoption of Remuneration Report	For	Against	Abstain
2. Election of Director — Ms Ranya Alkadamani			
3. Election of Director – Dr Horst Kreuter			
4. Re-Election of Director – Mr Gavin Rezos			
5. Issue of Tranche 2 Warrants to EIT Innoenergy			
6. Issue of Performance Rights to Ms Katharina Gerber			
7. Issue of Securities to Ms Ranya Alkadamani			
8. Approval of 7.1A Mandate			
Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution poll and your votes will not be counted in computing the required majority on a poll.	n on a si	how of hands	or on a
STEP 3 – Signatures and contact details			
Individual or Securityholder 1 Securityholder 2 Securityholder 3			
Sole Director and Sole Company Secretary Director Director / Company Secretary Contact Name:	etary		<u> </u>
Email Address:			
Email Address:			
Contact Daytime Telephone Date (DD/MM/YY)			

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).