

Quarterly Activities Report December 2020

Highlights

Post December 2020 Quarter to Date of Reporting

- Subsequent to the Quarter, Zero Carbon Lithium® Project's first Pre-Feasibility Study (PFS) demonstrated strong potential to develop a cutting edge, combined renewable energy and lithium hydroxide project, in the centre of Europe, with net zero carbon footprint.
- Positive post-tax NPV¹ of €2.25B (full project, no phasing); phased option shows €700m NPV in Phase 1 and €1.4B NPV in Phase 2. Maiden Probable Ore Reserve of 1.12 Mt LCE at 181 mg/l Li across Ortenau and Taro licenses². Projected to be one of the lowest OPEX lithium producers globally.

December 2020 Quarter

- Vulcan announced an updated and reclassified Taro Indicated JORC Resource Estimation of 0.83 Mt contained Lithium Carbonate Equivalent (LCE) at a grade of 181 mg/l Li. The updated Taro Inferred JORC Resource Estimation³ was revised upward to 1.44 Mt contained LCE at a grade of 181 mg/l Li.
- The Company also announced an updated and reclassified Ortenau Indicated JORC Resource Estimation of 2.06 Mt contained LCE at a grade of 181 mg/l Li. This represented a 131% increase in the total Upper Rhine Valley Project (URVP) JORC Indicated Resource Estimate, with 23% of Vulcan's total URVP lithium-brine (Li-brine) Resource now in the Indicated category⁴. Vulcan's total combined URVP resource is now estimated at 15.85 Mt LCE at a grade of 181 mg/l Li (Indicated & Inferred Resources), the largest JORC lithium resource in Europe, and with further growth potential. The Ortenau project was subsequently integrated into the PFS at the Vulcan Zero Carbon Lithium® Project.
- German Parliament and Federal Council (Bundesrat) enacted positive legislative amendments related to geothermal electricity feed in tariffs to further encourage geothermal energy production.
- Proposed new Regulation from the European Commission underpins the Company's Zero Carbon Lithium® strategy through new EU mandatory requirements on carbon footprint rules and responsibly sourced materials within lithium-ion batteries production and consumption in the EU. From 1 January 2026, lithium-ion batteries will

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 (@\$8.70): \$775m

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

¹ 8% discount rate applied for lithium division & 6% for geothermal energy division.

² Refer ASX announcement 15 January 2020.

³ Refer ASX announcement 12 November 2020.

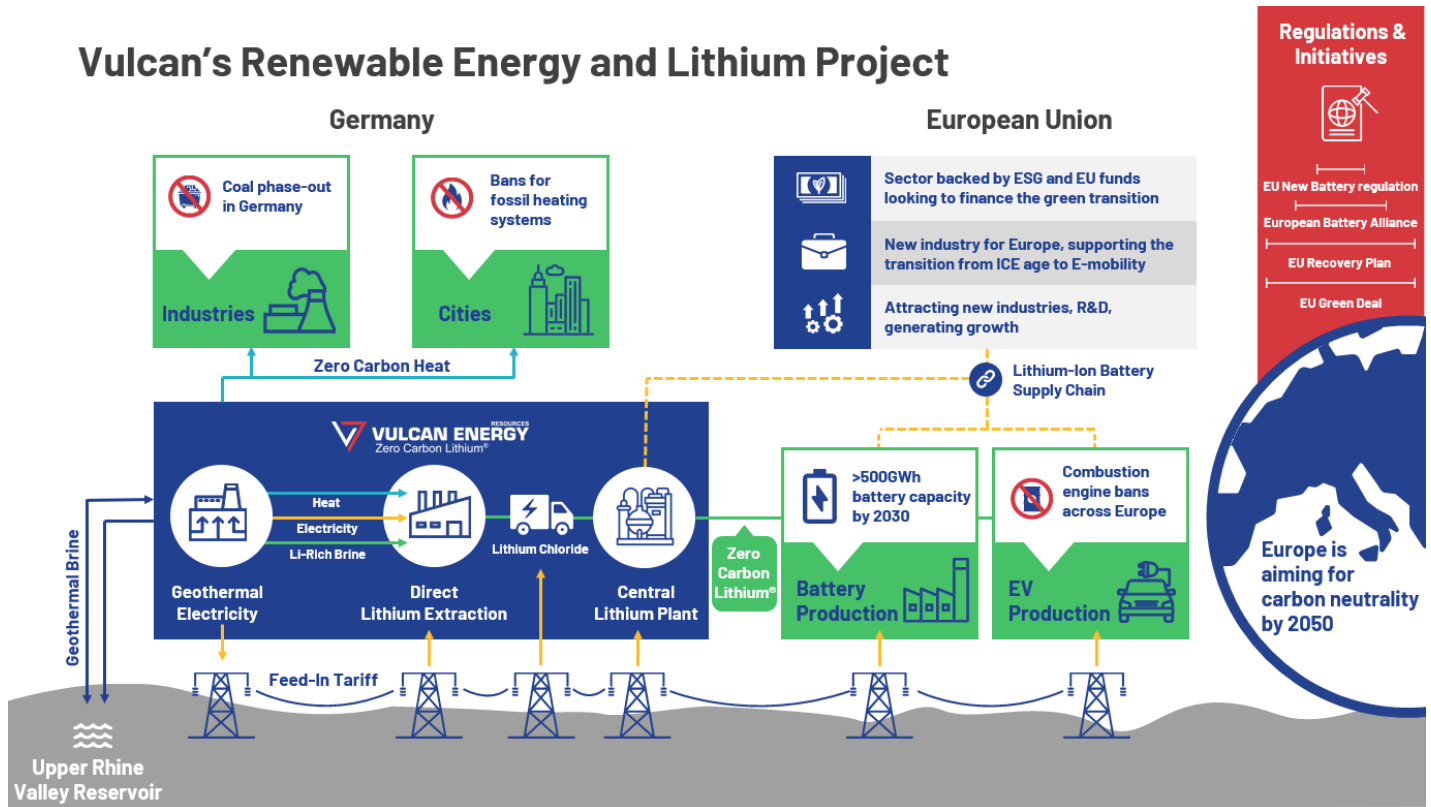
⁴ Refer ASX announcement 15 December 2020.

have to bear a carbon intensity performance class label and from 1 July 2027, must comply with maximum carbon footprint thresholds.

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.

Vulcan’s Renewable Energy and Lithium Project



Activities During the Quarter

Updated Taro Indicated and Inferred Lithium-Brine Resource & Increased Zero Carbon Lithium® Project JORC Resource

During the Quarter, Vulcan announced an updated Indicated and Inferred lithium-brine (Li-brine) Resource Estimation for its Taro License in the Vulcan Zero Carbon Lithium® Project area in the Upper Rhine Valley. In conjunction with this, Vulcan re-totaled the collective Mineral Resource estimations for the Upper Rhine Valley Project (URVP) area within the Zero Carbon Lithium® Project.

The Taro Exploration License has been granted to Global Geothermal Holding UG (GGH). Vulcan has an agreement with GGH to earn a 51% interest by spending €500,000 within two years of the license grant (Initial Expenditure). Vulcan has met this Initial Expenditure requirement. After the Initial Expenditure, a Joint Venture will be formed, with Vulcan owning 51% and GGH 49%. Vulcan will now spend a further €500,000 to earn a further 29% (Second Earn-In Expenditure) within two years, to take its JV interest to 80%. GGH can then elect to co-fund the project *pro rata* or be diluted by an industry-standard formula whilst Vulcan continues to develop the project. Should GGH be diluted below 5%, its share will be converted to a non-diluting 2% net royalty.

The updated JORC Indicated Mineral Resource Estimation at Taro is 0.83 Mt contained LCE at a grade of 181 mg/l Li. The updated Inferred Mineral Resource Estimation at Taro is 1.44 Mt contained LCE at a grade of 181 mg/l Li.

European Commission Regulation on Sustainable Batteries and Carbon Footprint

Proposed new Regulation from European Commission during the Quarter includes mandatory requirements on carbon footprint rules and responsibly sourced materials within lithium-ion batteries production and consumption in the EU. From 1 January 2026, lithium-ion batteries will have to bear a carbon intensity performance class label and from 1 July 2027, must comply with maximum carbon footprint thresholds.

Manufacturers will have to demonstrate that they are sourcing raw materials in a responsible way through a digital passport, tracking all battery materials used in the battery composition. European Commission Vice-President Maroš Šefčovič: “[The new EU battery CO₂ regulation) will have an immediate impact on the market, which up until now has been driven only by price.” EU commissioner Thierry Breton “We are 100% dependent on lithium imports. The EU, if finding the right environmental approach, will be self-sufficient in a few years, using its resources.”

This announcement is highly relevant to Vulcan’s strategy to supply the world’s first Zero Carbon Lithium® products directly to the European market from within Europe.

German Legislation Embraces Geothermal Energy

During the Quarter, the German Parliament and Federal Council (Bundesrat) voted to encourage geothermal electricity production by postponing the degeneration of the Feed-in Tariff of €0.252/kWh, one of the most favourable geothermal Feed-in Tariffs in the world.

Vulcan's Zero Carbon Lithium® project has the potential to generate dual revenue, from geothermal renewable electricity and lithium sales.

Updated Ortenau Indicated and Inferred Lithium-Brine Resource & Zero Carbon Lithium® Project JORC Resource

During the Quarter, Vulcan also announced updated Indicated and Inferred Li-brine Resource Estimations for its Ortenau license in the Vulcan Zero Carbon Lithium® Project area in the Upper Rhine Valley. In conjunction with this, Vulcan re-totaled the collective Mineral Resource estimations for the Company's URVP area within the Zero Carbon Lithium® Project.

The Ortenau Exploration License is held 100% by Vulcan's subsidiary, Vulcan Energy Resources Europe Pty Ltd. The now disclosed and updated JORC Indicated Mineral Resource Estimation at Ortenau is 2.06 Mt contained LCE in the Buntsandstein Group fault zone domain at a grade of 181 mg/l Li. The updated Inferred Mineral Resource Estimation at Ortenau is 10.80 Mt contained LCE in the remaining Buntsandstein Group domain at a grade of 181 mg/l Li.

With the addition of the updated Ortenau Li-brine mineral resources, Vulcan's total combined URVP resource is now estimated at 15.85 Mt LCE at a grade of 181 mg/l Li (Indicated & Inferred Resources), the largest JORC lithium resource in Europe, and with further growth potential. The Ortenau project was subsequently integrated into the PFS at the Vulcan Zero Carbon Lithium® Project.

Table 1: Vulcan's combined Upper Rhine Valley Project Li-brine Indicated and Inferred mineral resource estimates.

| URVP Resources | Aquifer Volume (km³) | Brine Volume (km³) | Avg. Li Conc. (mg/l Li) | Avg. Porosity (%) | Contained Elemental Li Resource Tonnes | Contained LCE Million Tonnes |
|----------------------------------------------------------|----------------------------------------|--------------------------------------|--------------------------------|-----------------------------------------------------|-----------------------------------------------|-------------------------------------|
| <i>Ortenau Inferred Resource estimation</i> | 117.974 | 11.208 | 181 | 9.50 | 2,029,000 | 10.80 |
| <i>Ortenau Indicated Resource estimation</i> | 17.001 | 2.142 | 181 | 12.60 | 388,000 | 2.06 |
| <i>Taro Inferred Resource estimation</i> | 15.924 | 1.497 | 181 | 9.5 (Bunt) 9.0 (Rot) | 271,000 | 1.44 |
| <i>Taro Indicated Resource estimation</i> | 8.419 | 0.861 | 181 | 12.6 (BFZ) 9.5 (BHRE) 12.1(RFZ) 9.0 (RHRE) | 156,000 | 0.83 |
| <i>Geothermal MoU area Indicated Resource estimation</i> | 8.322 | 0.749 | 181 | 9.00 (P-T) | 136,000 | 0.72 |
| <i>Total URVP Indicated Resources used in PFS</i> | 25.42 | 3.003 | 181 | / | 544,000 | 2.89 |
| Total URVP Indicated and Inferred Resource | 167.64 | 16.457 | 181 | / | 2,980,000 | 15.85 |

Note 1: Mineral resources are not mineral reserves and do not have demonstrated economic viability. Note 2: The weights are reported in metric tonnes (1,000 kg or 2,204.6 lbs). Numbers may not add up due to rounding of the resource values percentages (rounded to the nearest 1,000 unit). Note 3: The total volume and weights are estimated at the average porosities cited in the table. Taro resource abbreviations: Bunt – Buntsandstein Group; Rot – Rotliegend Group; P-T – Permo-Triassic; BFZ – Buntsandstein fault zone; BHRE - Buntsandstein host rock envelope; RFZ – Rotliegend fault zone; RHRE – Rotliegend host rock envelope. Note 4: The Vulcan Li-brine Project estimation was completed and reported using a lower cutoff of 100 mg/L Li. Note 5: In order to describe the resource in terms of industry standard, a conversion factor of 5.323 is used to convert elemental Li to Li₂CO₃, or Lithium Carbonate Equivalent (LCE). 6: The Mineral Resources that underpin the PFS results are reported inclusive of any reserves. 7: There has been no change to this Mineral Resource statement since publication.

Annual General Meeting

On 25 November 2020 the Company held an Annual General Meeting of shareholders to approve the following resolutions:

- Adoption of Remuneration Report
- Election of Director – Ms Ranya Alkadamani
- Election of Director – Dr Horst Kreuter
- Re-Election of Director – Mr Gavin Rezos
- Issue of Tranche 2 Warrants to EIT InnoEnergy
- Issue of Performance Rights to Ms Katharina Gerber
- Issue of Securities to Ms Ranya Alkadamani
- Approval of 7.1A Mandate

All resolutions were passed at the meeting. For further details of the resolutions please refer to ASX announcement on 25 November 2020 “Results of Meeting”.

Activities post December Quarter

Positive PFS

Vulcan recently announced the successful completion of its Pre-Feasibility Study (PFS), which was conducted with world-leading experts in the fields of lithium extraction, chemistry, chemical engineering, geothermal plant engineering and geology. Hatch Ltd. led the lithium processing plant design, engineering and cost estimates. German geothermal experts gec-co and Geo-T lead the engineering studies and cost estimates for the geothermal plant and the sub-surface well design and production study respectively.

GLJ Ltd. provided review and sign-off on the Maiden Probable JORC Ore Reserves. APEX Geoscience Ltd. conducted the resource modelling and estimation for the Upper Rhine Valley Project (URVP) Li-brine Indicated Resources used in the PFS as announced to market on November 12, 2020 (Taro Licence) and December 15, 2020 (Ortenau Licence). Laboratory test work was conducted with brine experts IBZ Salzchemie, among other providers. Optiro Ltd. carried out the financial modelling.

PFS Economics

The PFS showed a positive post-tax NPV⁵ of €2.25B (full project, no phasing); phased option shows €700m NPV in Phase 1 and €1.4B NPV in Phase 2. Combined renewable energy-lithium project (no phasing) showed a pre-tax IRR of 26% and post-tax IRR of 21%. Lithium as a separate entity from energy shows pre-tax IRR of 31% and post-tax IRR of 26%.

⁵ 8% discount rate applied for lithium division & 6% for geothermal energy division

Integrated Businesses

Full project developed at the same time and **integrated** under one business.

FULL PROJECT NO PHASING 2024 Start

INTEGRATED BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|-----|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP | | | | |
| 74MW & 40Ktpy LIOH | | | | |
| Revenues €M/y | | | | 652 |
| Net Op. Cash Fl. €M/y | | | | 507 |
| NPV Pre-tax €M | | | | 3,443 |
| NPV Post-tax €M | | | | 2,250 |
| IRR Pre-tax | | | | 26% |
| IRR Post-tax | | | | 21% |
| Payback (year) | | | | 5 |
| CAPEX €M | | | | 1,738 |
| CAPEX Geo | | | | 665 |
| CAPEX DLE | | | | 751 |
| CAPEX CLP | | | | 322 |
| OPEX LIOH €/t | | | | 2,640 |

Phase 1 developed first and is an **integrated** business

PHASE 1 2024 Start

INTEGRATED BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|------|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP1 | | CLP2 | | |
| 21MW & 15Ktpy LIOH | | | | |
| Revenues €M/y | | | | 232 |
| Net Op. Cash Fl. €M/y | | | | 171 |
| NPV Pre-tax €M | | | | 1,114 |
| NPV Post-tax €M | | | | 703 |
| IRR Pre-tax | | | | 23% |
| IRR Post-tax | | | | 18% |
| Payback (year) | | | | 5 |
| CAPEX €M | | | | 700 |
| CAPEX Geo | | | | 226 |
| CAPEX DLE | | | | 291 |
| CAPEX CLP | | | | 182 |
| OPEX LIOH €/t | | | | 3,139 |

Phase 2 developed second and is an **integrated** business

PHASE 2 2025 Start

INTEGRATED BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|------|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP1 | | CLP2 | | |
| 52MW & 25Ktpy LIOH | | | | |
| Revenues €M/y | | | | 420 |
| Net Op. Cash Fl. €M/y | | | | 324 |
| NPV Pre-tax €M | | | | 2,145 |
| NPV Post-tax €M | | | | 1,403 |
| IRR Pre-tax | | | | 27% |
| IRR Post-tax | | | | 22% |
| Payback (year) | | | | 6 |
| CAPEX €M | | | | 1,138 |
| CAPEX Geo | | | | 438 |
| CAPEX DLE | | | | 460 |
| CAPEX CLP | | | | 240 |
| OPEX LIOH €/t | | | | 2,792 |

Separate Businesses

Full project developed at the same time but **separated** in two different businesses: Energy and Lithium.

FULL PROJECT - NO PHASING 2024 Start

ENERGY BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|-----|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP | | | | |
| 40Ktpy LIOH | | | | |
| Revenues €M/y | | | | 157 |
| Net Op. Cash Fl. €M/y | | | | 114 |
| NPV Pre-tax €M | | | | 685 |
| NPV Post-tax €M | | | | 470 |
| IRR Pre-tax | | | | 16% |
| IRR Post-tax | | | | 13% |
| Payback (year) | | | | 6 |
| CAPEX €M | | | | 665 |
| CAPEX Geo | | | | 665 |
| CAPEX DLE | | | | 751 |
| CAPEX CLP | | | | 322 |
| OPEX €/KWh or LIOH€/t | | | | 0.066 |

LITHIUM BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|-----|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP1 | | | | |
| 40Ktpy LIOH | | | | |
| Revenues €M/y | | | | 500 |
| Net Op. Cash Fl. €M/y | | | | 394 |
| NPV Pre-tax €M | | | | 2,802 |
| NPV Post-tax €M | | | | 1,897 |
| IRR Pre-tax | | | | 31% |
| IRR Post-tax | | | | 26% |
| Payback (year) | | | | 4 |
| CAPEX €M | | | | 1,073 |
| CAPEX Geo | | | | 665 |
| CAPEX DLE | | | | 751 |
| CAPEX CLP | | | | 322 |
| OPEX €/KWh or LIOH€/t | | | | 2,681 |

Phase 1 developed first, **separated** in two different businesses: Energy and Lithium.

PHASE 1 2024 Start

ENERGY BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|------|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP1 | | CLP2 | | |
| 21MW | | | | |
| Revenues €M/y | | | | 46 |
| Net Op. Cash Fl. €M/y | | | | 31 |
| NPV Pre-tax €M | | | | 155 |
| NPV Post-tax €M | | | | 99 |
| IRR Pre-tax | | | | 13% |
| IRR Post-tax | | | | 11% |
| Payback (year) | | | | 4 |
| CAPEX €M | | | | 226 |
| CAPEX Geo | | | | 226 |
| CAPEX DLE | | | | 291 |
| CAPEX CLP | | | | 182 |
| OPEX €/KWh or LIOH€/t | | | | 0.078 |

LITHIUM BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|------|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP1 | | CLP2 | | |
| 15Ktpy LIOH | | | | |
| Revenues €M/y | | | | 187 |
| Net Op. Cash Fl. €M/y | | | | 140 |
| NPV Pre-tax €M | | | | 971 |
| NPV Post-tax €M | | | | 644 |
| IRR Pre-tax | | | | 27% |
| IRR Post-tax | | | | 22% |
| Payback (year) | | | | 4 |
| CAPEX €M | | | | 474 |
| CAPEX Geo | | | | 226 |
| CAPEX DLE | | | | 291 |
| CAPEX CLP | | | | 182 |
| OPEX €/KWh or LIOH€/t | | | | 3,201 |

Phase 2 developed first, **separated** in two different businesses: Energy and Lithium.

PHASE 2 2025 Start

ENERGY BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|------|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP1 | | CLP2 | | |
| 21MW | | | | |
| Revenues €M/y | | | | 111 |
| Net Op. Cash Fl. €M/y | | | | 83 |
| NPV Pre-tax €M | | | | 530 |
| NPV Post-tax €M | | | | 371 |
| IRR Pre-tax | | | | 18% |
| IRR Post-tax | | | | 15% |
| Payback (year) | | | | 7 |
| CAPEX €M | | | | 438 |
| CAPEX Geo | | | | 438 |
| CAPEX DLE | | | | 460 |
| CAPEX CLP | | | | 240 |
| OPEX €/KWh or LIOH€/t | | | | 0.061 |

LITHIUM BUSINESS

| GB1 | GB2 | GC1 | GC2 | GC3 |
|-----------------------|-----|------|-----|--------------|
| DB1 | DB2 | DC1 | DC2 | DC3 |
| CLP1 | | CLP2 | | |
| 15Ktpy LIOH | | | | |
| Revenues €M/y | | | | 312 |
| Net Op. Cash Fl. €M/y | | | | 242 |
| NPV Pre-tax €M | | | | 1,647 |
| NPV Post-tax €M | | | | 1,111 |
| IRR Pre-tax | | | | 32% |
| IRR Post-tax | | | | 26% |
| Payback (year) | | | | 5 |
| CAPEX €M | | | | 700 |
| CAPEX Geo | | | | 665 |
| CAPEX DLE | | | | 751 |
| CAPEX CLP | | | | 322 |
| OPEX €/KWh or LIOH€/t | | | | 2,855 |

For further details on the PFS please refer to ASX announcement dated 15 January 2021.

Maiden JORC Reserves

Maiden Probable Ore Reserve of 1.12 Mt LCE at 181 mg/l Li across Ortenau and Taro licenses.

| Classification | Million Tonnes LCE | Grade (Li ppm) |
|--------------------|--------------------|----------------|
| Proven | - | - |
| Probable - Taro | 0.42 | 181 |
| Probable - Ortenau | 0.70 | 181 |
| Total | 1.12 | 181 |

For further details on the Maiden JORC Ore Reserve please refer to ASX announcement dated 15 January 2021.

Environment, Social, Governance (ESG)

With the support of the Big Four accounting firms (Deloitte, EY, KPMG and PWC), the World Economic Forum (WEF) has released a global ESG framework to measure and disclose meaningful and relevant aspects of corporate performance on ESG matters.

The Board and Company recognised the need to formalise its commitment to Environmental, Social and Governance matters and has undertaken to implement the WEF framework for ESG measurement consisting of 21 core and 34 expanded metrics and disclosures aimed at mainstreaming reporting.

In accordance with best practice ESG disclosure, the Company will keep the market updated regularly on its ESG performance and progress as it sets a new standard in measuring the sustainability and ethical impact of the Company. Please refer to Appendix 3 for Company ESG Reporting.

Update on Norwegian Projects

During the Quarter, the Company relinquished some licenses where work to date has not identified any significant potential to date and applied for some new license areas in Norway which were subsequently granted (refer Appendix Two for details and maps). The newly granted license areas, designated Skuterud and Feøy, are thought to be prospective for cobalt and nickel mineralisation respectively. The Skuterud license areas are situated in an area of historical cobalt mining from the 19th Century. The Company is exploring ways of developing Zero Carbon Copper, Zero Carbon Nickel and Zero Carbon Cobalt projects from these exploration licenses, in line with its strict Zero Carbon strategy, for the European battery metals market. Moreover, the Company is reviewing options to best extract value for shareholders from these projects, such as by spin-out or sale, in order to ensure full focus on developing its Zero Carbon Lithium® Project in Germany.

Additional ASX Disclosure Information

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure during the quarter was \$1,454k. The majority of this expenditure was engineering studies towards the PFS on the Vulcan Lithium Project.
2. **ASX Listing Rule 5.3.2:** There was no substantive mining production and development activities during the quarter.
3. **ASX Listing Rule 5.3.3:** As noted above during the quarter the Company applied for and was granted new licenses in Norway. The Company also relinquished licenses in Norway which did not identify significant potential. Please refer to Appendix Two for details and maps.
4. **ASX Listing Rule 5.3.5:**
Payments to related parties of the Company and their associates during the quarter per Section 6.1 of the Appendix 5B total \$58k. This is comprised of an allocation of the Managing Director remuneration of \$16k, Non-Executive Director fees of \$22k as well as corporate fees to Viaticus Capital Ltd of \$20k, a company related to the Non-Executive Chairman. Please see the Remuneration Report in the Annual Report for further details on Director's Remuneration.

Payments to related parties of the Company and their associates during the quarter per Section 6.2 of the Appendix 5B total \$418k. This is comprised of Executive Director remuneration of \$61k as well as to payments to GeoThermal Engineering GmbH of \$293k, a company related to an Executive Director, for critical engineering consulting carried out by contractor geologists, geochemists and geophysicists in preparing a working production study for the PFS. Also included in this amount is an allocation of the Managing Director's remuneration of \$63k for work done on exploration activities associated with the Vulcan Lithium Project. Please see the Remuneration Report in the Annual Report for further details on Director's Remuneration.

This announcement has been approved for release by 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 and Maiden JORC Ore Reserve is extracted from the ASX announcement "Positive PFS & Maiden JORC Ore Reserve: Zero Carbon Lithium® Project", released on 15 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.

Appendix One: Vulcan Zero Carbon Lithium® Project License Summary

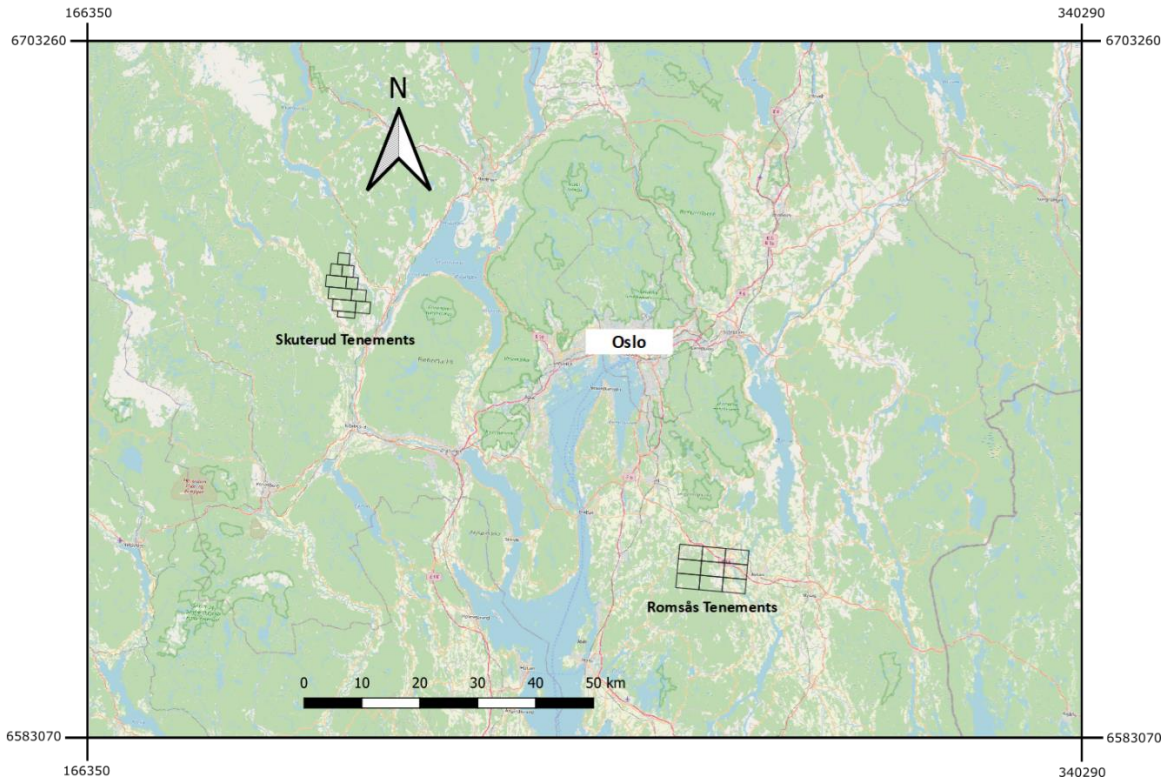
| Name | Area (ha) | Status | Date Granted / Applied for | Ownership at Start of Quarter | Change in Ownership |
|---------------------------------------|-----------|-------------|----------------------------|----------------------------------------------------|---------------------|
| Ortenau | 37,360 | Granted | 03/2019 | 100% | N/A |
| Mannheim | 14,427 | Granted | 06/2019 | 100% | N/A |
| Taro | 3,268 | Granted | 08/2020 | Earn-in to 80% | 51% |
| Ludwig | 17,716 | Application | 04/2019 | Earn-in to 80% | N/A |
| Heßbach (formerly Rheinaue) | 5,848 | Application | 04/2019 | Earn-in to 80% | N/A |
| Rheinland-Pfalz MoU Area ⁶ | 1,900 | Granted | | MoU to earn in to 80% after formation of formal JV | N/A |

Appendix Two: Norwegian Projects License Summary

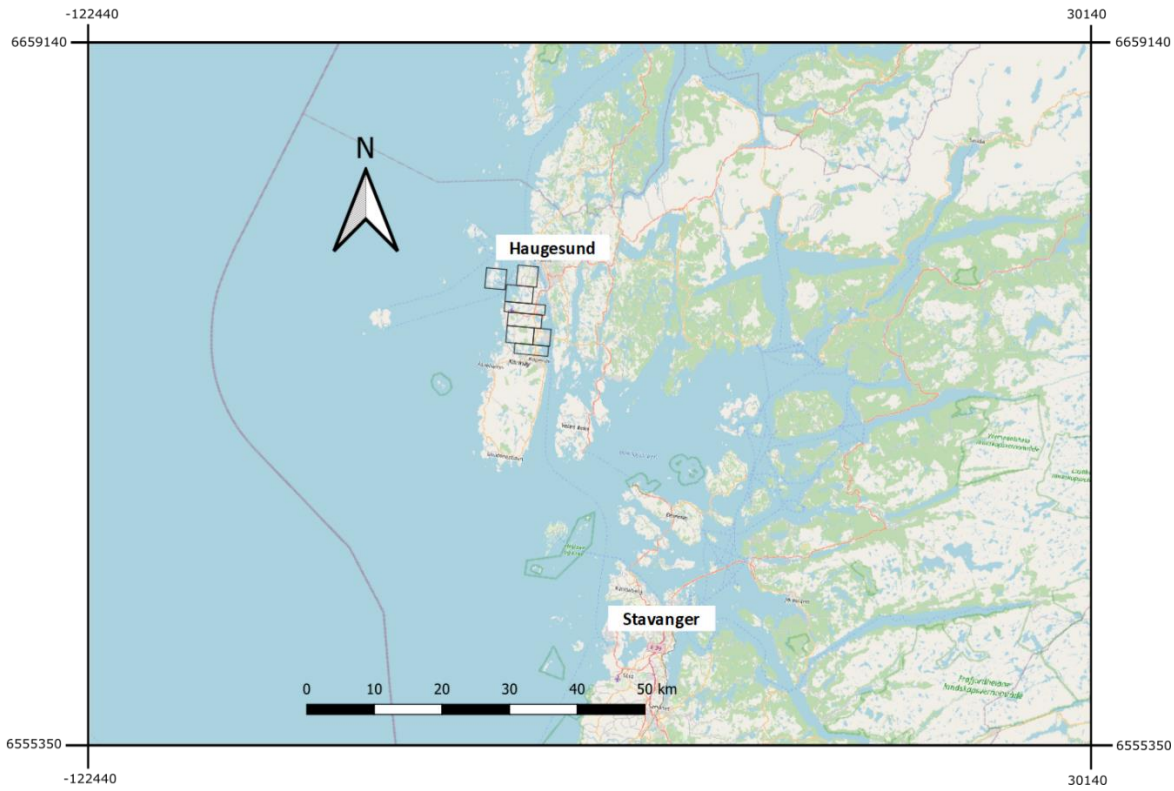
| TENEMENTS | REG NUMBER | STATUS | DATE GRANTED | AREA (KM2) | Ownership at start of Quarter | Ownership at end of Quarter |
|-------------------------|------------|---------|--------------|-------------|-------------------------------|--------------------------------------|
| Grimsdalen | 9.86 | Granted | 7/07/2017 | Exploration | 100% | 0% (relinquished) |
| Tverrfjellet | 9.99 | Granted | 7/07/2017 | Exploration | 100% | 0% (relinquished) |
| Innerdalen 104 | 10.0 | Granted | 5/07/2018 | Exploration | 100% | 0% (relinquished) |
| Tverrfjellet 102 | 10.0 | Granted | 27/08/2018 | Exploration | 100% | 0% (relinquished) |
| Tverrfjellet 103 | 9.02 | Granted | 23/01/2019 | Exploration | 100% | 0% (relinquished) |
| Grimsdalen 101 | 9.0 | Granted | 5/03/2019 | Exploration | 100% | 0% (relinquished) |
| Grimsdalen 102 | 10.0 | Granted | 7/09/2018 | Exploration | 100% | 0% (relinquished) |
| Undal 101 | 1059/2018 | Granted | 05/07/2018 | 10.00 | 100% | 100% |
| Undal 102 | 1058/2018 | Granted | 05/07/2018 | 10.00 | 100% | 100% |
| Nyberget 101 | 1056/2018 | Granted | 05/07/2018 | 10.00 | 100% | 100% |
| Nyberget 102 | 1057/2018 | Granted | 05/07/2018 | 10.00 | 100% | 100% |
| Vangrofta 102 | 1161/2018 | Granted | 27/08/2018 | 10.00 | 100% | 100% |
| Skuterud 101 | 0285/2020 | Granted | 19/10/2020 | 4.01 | 0% | 100% (license applied for & granted) |
| Skuterud 102 | 0286/2020 | Granted | 19/10/2020 | 4.01 | 0% | 100% (license applied for & granted) |
| Skuterud 103 | 0287/2020 | Granted | 19/10/2020 | 4.01 | 0% | 100% (license applied for & granted) |
| Skuterud 104 | 0288/2020 | Granted | 19/10/2020 | 7.01 | 0% | 100% (license applied for & granted) |
| Skuterud 105 | 0289/2020 | Granted | 19/10/2020 | 4.01 | 0% | 100% (license applied for & granted) |

⁶ Refer ASX announcement 19/11/2019

| | | | | | | |
|---------------------|-----------|---------|------------|--------|----|--------------------------------------|
| Skuterud 106 | 0290/2020 | Granted | 19/10/2020 | 8.02 | 0% | 100% (license applied for & granted) |
| Skuterud 107 | 0291/2020 | Granted | 19/10/2020 | 5.01 | 0% | 100% (license applied for & granted) |
| Skuterud 108 | 0292/2020 | Granted | 19/10/2020 | 8.02 | 0% | 100% (license applied for & granted) |
| Skuterud 109 | 0293/2020 | Granted | 19/10/2020 | 5.01 | 0% | 100% (license applied for & granted) |
| Skuterud 110 | 0294/2020 | Granted | 19/10/2020 | 3.01 | 0% | 100% (license applied for & granted) |
| Romsås 101 | 0298/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 102 | 0299/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 103 | 0300/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 104 | 0301/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 105 | 0302/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 106 | 0303/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 107 | 0304/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 108 | 0305/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Romsås 109 | 0306/2020 | Granted | 26/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Feøy 101 | 0307/2020 | Granted | 27/10/2020 | 9.00 | 0% | 100% (license applied for & granted) |
| Feøy 102 | 0308/2020 | Granted | 27/10/2020 | 9.00 | 0% | 100% (license applied for & granted) |
| Feøy 103 | 0309/2020 | Granted | 27/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Feøy 104 | 0310/2020 | Granted | 27/10/2020 | 9.00 | 0% | 100% (license applied for & granted) |
| Feøy 105 | 0311/2020 | Granted | 27/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Feøy 106 | 0312/2020 | Granted | 27/10/2020 | 10.00 | 0% | 100% (license applied for & granted) |
| Feøy 107 | 0313/2020 | Granted | 27/10/2020 | 6.25 | 0% | 100% (license applied for & granted) |
| Feøy 108 | 0314/2020 | Granted | 27/10/2020 | 7.50 | 0% | 100% (license applied for & granted) |
| | | | Total | 262.87 | | |



Newly granted Skuterud – Romsås tenements, Norway



Newly granted Feøy tenements, Norway

Appendix Three: ESG Reporting


| | | | | | | |
|--------|--------|----------|-------------|-------------|---------|----------|
| LEGEND | Action | Reported | Development | Explanation | Audited | Verified |
|--------|--------|----------|-------------|-------------|---------|----------|

CURRENT QUARTER (BASELINE)

PREVIOUS QUARTER

| MATERIAL | PRIORITY | TIMEFRAME | DISCLOSURE | MATURITY |
|----------|----------|-----------|------------|----------------|
| | | | | A1 A2 A3 A4 A5 |

GOVERNANCE



| | | | | | | | | | | |
|---------|--------------------------------------------------------|---|---|---------|--|--|--|--|--|--|
| GO-01-A | Setting purpose | Y | N | | | | | | | |
| GO-02-A | Governance body composition | Y | N | | | | | | | |
| GO-03-A | Material issues impacting stakeholders | Y | Y | H1 2021 | | | | | | |
| GO-04-A | Anti-corruption practices | Y | Y | 2021 | | | | | | |
| GO-04-B | Mechanisms to protect ethical behaviour | Y | N | | | | | | | |
| GO-05-A | Integrating risk and opportunity into business process | Y | N | | | | | | | |

PLANET




| | | | | | | | | | | |
|---------|-------------------------------------|---|---|---------|--|--|--|--|--|--|
| PL-01-A | GHG emissions | Y | N | | | | | | | |
| PL-01-B | TCFD implementation | Y | Y | H1 2021 | | | | | | |
| PL-02-A | Land use and ecological sensitivity | N | N | | | | | | | |
| PL-03-A | Water consumption | Y | N | | | | | | | |

PEOPLE



| | | | | | | | | | | |
|---------|------------------------------------|---|---|---------|--|--|--|--|--|--|
| PE-01-A | Diversity and inclusion | Y | Y | H1 2021 | | | | | | |
| PE-01-B | Pay equality | N | Y | H1 2021 | | | | | | |
| PE-01-C | Wage level | N | Y | H1 2021 | | | | | | |
| PE-01-D | Child, forced or compulsory labour | N | N | | | | | | | |
| PE-02-A | Health and safety | Y | Y | H1 2021 | | | | | | |
| PE-03-A | Training provided | N | Y | H1 2021 | | | | | | |

PROSPERITY



| | | | | | | | | | | |
|---------|-----------------------------------|---|---|---------|--|--|--|--|--|--|
| PR-01-A | Rate of employment | N | Y | H1 2021 | | | | | | |
| PR-01-B | Economic contribution | Y | Y | H1 2021 | | | | | | |
| PR-01-C | Financial investment contribution | Y | N | | | | | | | |
| PR-02-A | Total R&D expenses | Y | N | | | | | | | |
| PR-03-A | Total tax paid | Y | N | | | | | | | |

ESG PROGRESS DATA WILL BE AVAILABLE NEXT QUARTER