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## **Binding lithium offtake agreement with LG Energy Solution**

Vulcan Energy Resources Limited (Vulcan; ASX: VUL, the Company) is aiming to become the world's first integrated lithium and renewable energy producer with a net zero carbon footprint. Vulcan's unique Zero Carbon Lithium™ Project aims to produce both renewable geothermal energy and lithium hydroxide for electric vehicles, from the same deep brine source in the Upper Rhine Valley, Germany.

- Following the binding term sheet signed on 18 July 2021, conditional on the execution of a Definitive Agreement, Vulcan Energy Resources Ltd. (Vulcan, the Company; ASX: VUL) has signed a binding lithium hydroxide offtake agreement ("Agreement") with LG Energy Solution ("LGES"; KRX: 373220). LGES is the second largest battery maker in the world with over 20% market share<sup>1</sup> and supplies its products to leading global Original Equipment Manufacturers (OEMs).
- LGES is currently manufacturing lithium-ion batteries in Poland, US, China, and South Korea, and is looking at expanding its production capacity. LGES is a leading battery supplier to European OEMs.
- The Agreement is for an initial five-year term which can be extended by further five years, with a start of commercial delivery set for 2025.
- LGES will purchase between 41,000 to 50,000 metric tonnes of battery grade lithium chemicals over the duration of the agreement. Pricing will be based on market prices for lithium hydroxide.
- Conditions precedent include successful start of commercial operation and full product qualification.

Vulcan's Managing Director Dr. Francis Wedin commented: *"Our initial partnership with LG Energy Solution, the second largest battery producer in the world, was a significant first step in our strategy to engage with tier one battery, cathode and automakers in the European market. The completion of the binding lithium offtake agreement with LG, in addition to our binding lithium offtake agreements with Volkswagen Group, Stellantis, Renault Group and Umicore, represents a globally unique achievement by the Vulcan Zero Carbon Lithium™ team. It means that we are fully sold out for the first five years of planned lithium production, which is an important foundation toward securing project finance. We look forward to a long and productive relationship with LGES."*

Dong Soo Kim, Senior Vice President of Procurement Department at LGES commented: *"By joining forces with Vulcan Energy Resources Ltd., a renewable energy producer and sustainable lithium chemicals developer, LG Energy Solution aims to diversify supply chain and strengthen its competitiveness in the ESG sector. LGES promises to solidify and broaden its steady supply of raw materials in case of potential supply disruptions."*

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<sup>1</sup> <https://www.bestmag.co.uk/indnews/lges-announces-ambitions-usurp-catl-world%E2%80%99s-leading-lithium-ion-battery-maker>

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### **Material Terms of the Agreement**

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

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

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

**Conditions Precedent:** securing of project finance, construction and commissioning of the plants, and product achieving specification to the agreed timeline.

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### About Vulcan

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



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Non-Executive Director	Dr Heidi Grön
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**Competent Person Statement:**

The information in this report that relates to Mineral Resources and Ore Reserves (respectively) of the Company's Zero Carbon Lithium™ is extracted from the ASX announcements made by Vulcan on 15 December 2020 ("Updated Ortenau Indicated and Inferred Resource") and 15 January 2021 ("Positive Pre-Feasibility Study"), which are available on [www.v-er.eu](http://www.v-er.eu). The information in this report that relates to Insheim's Mineral Resources is extracted from the ASX announcement made by Vulcan on 20 January 2020 ("Maiden Indicated Resource Insheim Vulcan Zero Carbon Lithium"), which is available on [www.v-er.eu](http://www.v-er.eu). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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