ASX Release

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VULCAN ENERGY

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German State grants royalty exemption for lithium production

Key highlights

- Germany's State of Rhineland-Palatinate (Rhineland Palatinate or the State) has granted a royalty exemption for lithium production (the Exemption) , to secure the supply of lithium until sufficient domestic capacities have been built up
- The Exemption will apply for an initial five years until 31 December 2030 with review one year prior
- Lionheart Project's (Lionheart) upstream lithium production facilities are currently under construction in Rhineland-Palatinate and is set to benefit from this Exemption
- Decision follows a similar State royalty exemption for geothermal production granted in 2009
- The Exemption highlights German Government support of domestic lithium production, European critical material supply chains and the strategic tailwinds behind Lionheart.

Vulcan Energy (ASX: VUL, FSE: VUL), (Vulcan or the Company) is pleased to announce that Rhineland-Palatinate has granted an Exemption under section 32.2 of the Federal Mining Act for lithium production in the State for an initial five years until 31 December 2030, with a review mechanism one year prior.

Vulcan is constructing its Lionheart upstream lithium and geothermal energy production facilities in the State and is set to benefit from the Exemption. Geothermal energy is also subject to a similar State exemption which was established in 2009 and continues unchanged to the present day.

Lionheart involves the construction of an integrated lithium and renewable energy project targeting production capacity of 24,000 tonnes of lithium hydroxide monohydrate (LHM), enough for ca. 500,000 electric vehicle batteries per annum, with a co-product of 275 GWh of renewable power and 560 GWh of heat per annum for local consumers, over an estimated 30-year project life[1].

The Exemption, established through an amendment to the State Ordinance on Field and Extraction Royalties regulation, has been introduced to encourage domestic production of critical raw materials for German and European industrial supply chains.

Vulcan's Managing Director and CEO, Cris Moreno, commented: *"We welcome this lithium royalty Exemption by the State of Rhineland-Palatinate, which follows the precedent set for geothermal energy royalties.*

"The actions of the State of Rhineland-Palatinate clearly align with those of industry, ensuring a path to deliver the resilience and competitiveness goals of Germany, along with those of the European Union's Critical Raw Materials Act, through which Lionheart has been awarded Strategic Project status."

[1] Based on the Phase One Lionheart production target capacity of 24kt p.a. from Bridging Engineering Study ASX announcement 16th November 2023 and Vulcan internal estimated average EV battery size and chemistry in Europe; refer to the Competent Person Statement within this announcement. Refer to the Key Risks in Appendix 3 of the Investor Presentation dated 3 December 2025 regarding the risks associated with resource exploration and development projects

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For and on behalf of the Board

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About Vulcan Energy

Vulcan Energy (ASX: VUL, FSE: VUL) is building the world's first integrated carbon neutral lithium and renewable energy business to decarbonise battery production. Located in the Upper Rhine Valley Brine Field between Germany and France, Vulcan's Lionheart Project (Lionheart) is a lighthouse project for Europe's energy and critical raw material resilience.

Lithium is to be extracted from low impurity geothermal sub-surface brines using Vulcan's industry-leading VULSORB® technology. Naturally heated, the brine powers production and conversion of lithium to battery-quality material by creating a renewable energy co-product for use in operations, with surplus sold into the local energy market. This integration, technology and favourable brine chemistry collectively enables one of the lowest cost lithium operations globally.

Extraction is only the starting point for Vulcan. The Company has reimagined mining using innovation to integrate and capture more of the value chain. The Company has made its positive Final Investment Decision on Lionheart, construction is underway, offtake contracted and further phases of production are in planning.

For more information, please go to www.v-er.eu

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