

Lotus appoints debt advisor for Kayelekera restart and accelerates early work programs

Lotus Resources Limited (ASX: LOT, OTCQB: LTSRF) (Lotus or the Company) is pleased to announce it has appointed Orimco Pty Ltd (**Orimco**) to arrange debt for the Company's flagship Kayelekera project in Malawi (**Kayelekera**). Lotus continues to target a restart of Kayelekera in late 2025.

HIGHLIGHTS

- **Lotus selects debt advisor Orimco based on its demonstrated track record, knowledge and experience arranging debt for resource projects in Africa and globally.**
- **Lotus is seeking cost effective debt to help fund a restart at Kayelekera.**
 - Kayelekera re-start Definitive Feasibility Study (DFS)¹ showed US\$88m upfront restart capex requirement, to enable 2.4Mlbpa production for 10 years.
 - Pre-production costs (including first fill) and working capital require US\$40-50m additional funding, depending on uranium product payment terms.
- **Kayelekera Front End Engineering Design (FEED) programme accelerates.**
 - Recently completed \$30 million share placement has allowed rapid ramp-up of planned FEED program, which encompasses all aspects of detailed design to prepare Kayelekera for execution.
 - Costs and timelines determined in the re-start DFS will be validated and updated, and critical long lead items and early works will be identified.

Lotus Managing Director Keith Bowes commented:

"Our appointment of a debt advisor is a key step in advancing Kayelekera towards FID. Orimco will assist Lotus in arranging cost effective debt to help finance Kayelekera's restart, while reducing dilution of existing shareholders. Orimco brings a high level of expertise and deal experience, and we look forward to working closely with them."

Our recent A\$30m placement to strategic investors has allowed Lotus to accelerate the Kayelekera FEED studies, whilst also providing sufficient funding to place orders for long lead items and undertake the early work programs so we can de-risk the refurbishment timeline and provide more confidence in achieving an end 2025 start date for the mine."



APPOINTMENT OF HIGHLY EXPERIENCED DEBT ADVISOR

Lotus selected Orimco as its debt advisor for Kayelekera following a competitive process, given Orimco's global reach and very broad experience across a range of projects, commodities and transactions. The Orimco team has extensive experience arranging and managing debt, hedging and offtake transactions for both resource companies and financiers. Importantly, Orimco has a demonstrated track record, knowledge and experience within the African mining sector and uranium projects. The team is led by highly experienced mining executives Nick Harch, Brett Gossage and John Fitzgerald.

Lotus's objective in appointing a debt advisor is to help reduce dilution of shareholders by arranging cost effective debt to cover a portion of the re-start capital and working capital requirements. The re-start DFS¹ showed US\$88m restart capex requirement and ~US\$40-50m for pre-production and working capital, to enable 2.4Mlbpa production for ten years.

LOTUS ACCELERATES KAYELEKERA FEED PROGRAMME

Following its successful \$30m share placement, Lotus has commenced the Front-End Engineering Design (FEED) programme for Kayelekera's restart.

FEED studies encompass all aspects of detailed design to prepare the Kayelekera for execution and are anticipated to take 6 – 8 months to complete.

Objectives of the FEED studies include:

- Confirming the upfront capital cost estimate for the plant refurbishment and new equipment installations, such that a control budget can be prepared for the restart.
- Identifying all long-lead items and placing orders where necessary.
- Undertaking any early site work programs that will de-risk the restart timeline.
- Validating the 15-month timeline initially determined for the refurbishment program.
- Updating the operating costs (C1 and AISC) from the Restart DFS, including incorporating new quotes from suppliers.

This announcement has been authorised for release by the Company's board of directors.

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¹ See ASX announcement dated 11 August 2022 for information on the Definitive Feasibility Study.



For more information, visit www.lotusresources.com.au

ABOUT LOTUS

Lotus is a leading Africa-focused advanced uranium player with significant scale and resources. Lotus is focused on creating value for its shareholders, its customers and the communities in which it operates, working with local communities to provide meaningful, lasting impact. Lotus is **focused on our future**. Lotus owns an 85% interest in the Kayelekera Uranium Project in Malawi, and 100% of the Letlhakane Uranium Project in Botswana.

The Kayelekera Project hosts a current resource of 51.1Mlbs U₃O₈, and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study² which has determined an Ore Reserve of 23Mlbs U₃O₈ and demonstrated that Kayelekera can support a viable operation. The Letlhakane Project hosts a current resource of 190.4Mlbs U₃O₈.

Lotus Mineral Resource Inventory – June 2022^{3,4,5,6}

Project	Category	Mt	Grade (U ₃ O ₈ ppm)	U ₃ O ₈ (M kg)	U ₃ O ₈ (M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured – RoM Stockpile ⁷	1.6	760	1.2	2.6
Kayelekera	Indicated	29.3	510	15.1	33.2
Kayelekera	Inferred	8.3	410	3.4	7.4
Kayelekera	Total	40.1	510	20.4	44.8
Kayelekera	Inferred – LG Stockpiles ⁸	2.24	290	0.7	1.5
Kayelekera	Total – Kayelekera	42.5	500	21.1	46.3
Letlhakane	Indicated	59.2	323	19.1	42.2
Letlhakane	Inferred	209.7	321	67.2	148.1
Letlhakane	Total – Letlhakane	268.9	321	86.3	190.4
Livingstonia	Inferred	6.9	320	2.2	4.8
Livingstonia	Total – Livingstonia	6.9	320	2.2	4.8
Total	All Uranium Resources	318.3	344	109.6	241.5

² See ASX announcement dated 11 August 2022 for information on the Definitive Feasibility Study.

³ See ASX announcement dated 15 February 2022 for information on the Kayelekera mineral resource estimate.

⁴ Letlhakane Mineral Resources reported at 200ppm cut-off grade; See ASX announcement dated 13 July 2023 for information on the Letlhakane mineral resource estimate.

⁵ See ASX announcement dated 6 June 2022 for information on the Livingstonia mineral resource estimate.

⁶ Lotus confirms that it is not aware of any new information or data that materially affects the information included in the respective resource announcements of 15 February 2022, 6 June 2022, and 13 July 2023 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimates in those announcements continue to apply and have not materially changed.

⁷ RoM stockpile has been mined and is located near mill facility

⁸ Low-grade stockpiles have been mined and placed on the medium-grade stockpile and are considered potentially feasible for blending or beneficiation, with initial studies to assess this optionality already completed.



Lotus Ore Reserve Inventory – July 2022⁹

Project	Category	Mt	Grade (U ₃ O ₈ ppm)	U ₃ O ₈ (M kg)	U ₃ O ₈ (M lbs)
Kayelekera	Open Pit - Proved	0.6	902	0.5	1.2
Kayelekera	Open Pit - Probable	13.7	637	8.7	19.2
Kayelekera	RoM Stockpile – Proved	1.6	760	1.2	2.6
Kayelekera	Total	15.9	660	10.4	23.0

In addition to its uranium assets, Lotus through its acquisition of A-Cap Energy has also acquired a 55% ownership in the Wilconi Nickel-Cobalt Project located near Wiluna in Western Australia. The Wilconi Project has a Mineral Resource Estimate of 73 million tonnes at 0.79% Nickel for 570,000 tonnes contained nickel metal (also 0.04% cobalt for 29,500 tonnes contained cobalt metal).

Wilconi Nickel Cobalt Mineral Resource Estimate – May 2023 (cut-off grade 0.5% Ni and 0.04% Co within RPEEE pit)¹⁰

Category	Tonnes (M)	Ni %	Co %	Nickel metal (tonnes)	Cobalt metal (tonnes)
Measured	19	0.88	0.06	160,000	11,200
Indicated	21	0.82	0.03	170,000	8,300
Inferred	33	0.73	0.04	240,000	10,000
Total¹¹	73	0.79	0.04	570,000	29,500

⁹ Ore Reserves are reported based on a dry basis. Proved Ore Reserves are inclusive of RoM stockpiles and are based on a 200ppm cut-off grade for arkose and a 390ppm cut-off grade for mudstone. Ore Reserves are based on a 100% ownership basis of which Lotus has an 85% interest. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 11 August 2022 and that all material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed.

¹⁰ Wilconi Mineral Resources are extracted from the report entitled "Wilconi Nickel-Cobalt Project Mineral Resource upgraded" dated 5 June 2023, which is available to view on www.asx.com.au under A-Cap Energy.

¹¹ The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the original market announcement continue to apply and have not been materially changed.

