

SALE OF NON-CORE AUSTRALIAN ASSETS FOR \$2.5M IN CASH AND SHARES

Lotus Resources Limited (Lotus or the **Company**) (ASX: LOT) is pleased to announce it has reached agreement to divest its Hylea Cobalt Project ("**Hylea Project**"), located in New South Wales, to Sunrise Energy Metals Limited (ASX:SRL) ("**Sunrise**")¹ for total consideration of \$2.5 million, comprised of cash and shares ("**Transaction**").

Since acquiring the Kayelekera Uranium Project in 2019, the Hylea Project has become non-core to the Company's long-term strategy. This Transaction allows the Company to crystallise value for this asset.

HIGHLIGHTS

- **Lotus has reached agreement to divest 100% of its Hylea Project to Sunrise for \$2.5 million, as follows:**
 - \$1.0 million cash payment
 - \$1.5 million in Sunrise shares
- **The Transaction is anticipated to close following Ministerial Approval for the transfer of the Exploration Licences that comprise the Hylea Project**
- **Sunrise is an ASX listed company that is developing the Sunrise Project, located approximately 50 km from the Hylea Project. The Sunrise Project is at an advanced stage of development and is reportedly one of the largest cobalt deposits outside of Africa and one of the largest and highest-grade accumulations of scandium globally**
- **Sunrise has a market capitalisation of approximately \$250 million and its Chairman is highly successful mining entrepreneur, Robert Friedland**

Keith Bowes, Managing Director of Lotus, commented:

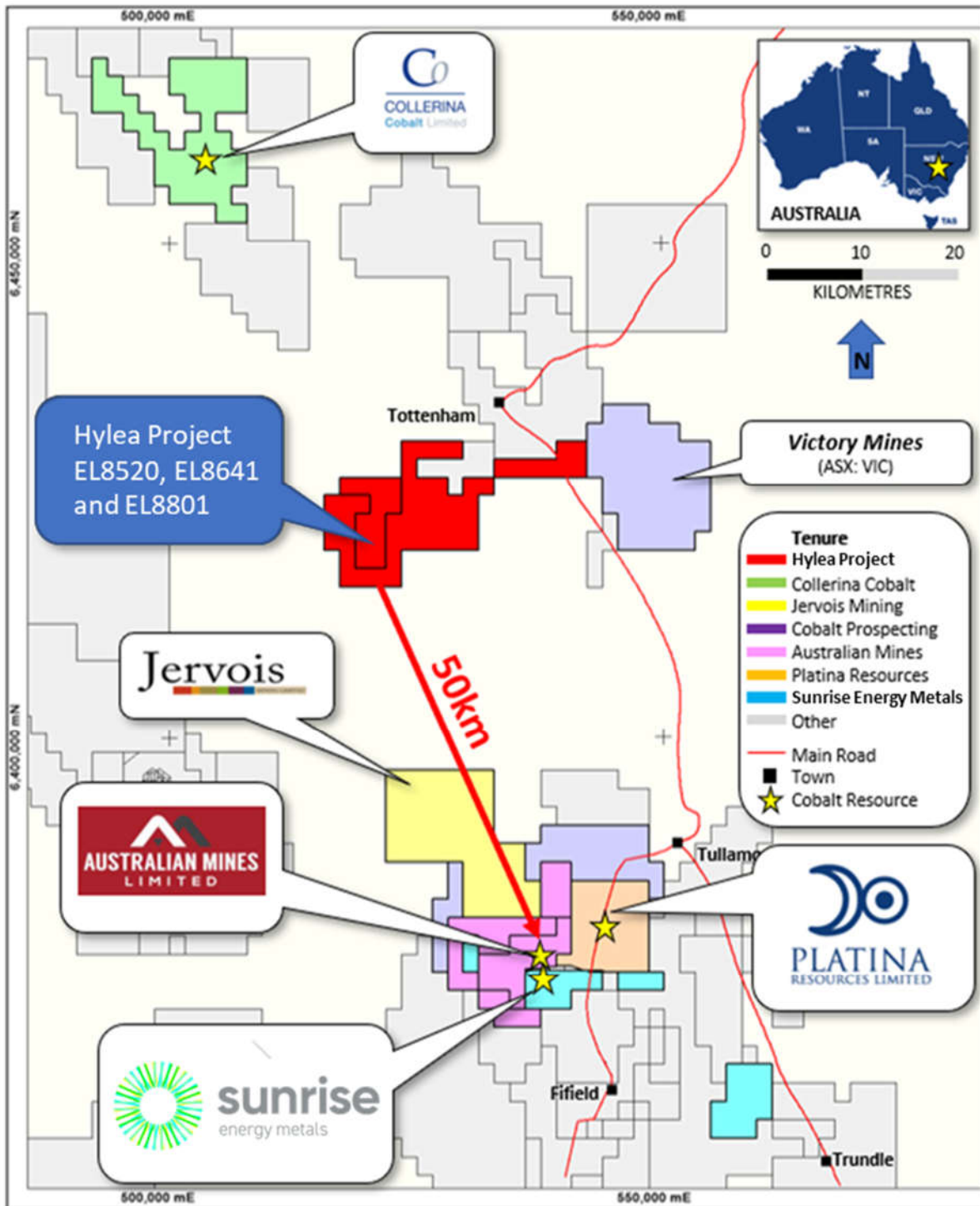
"As the Company remains firmly focused on positioning the Kayelekera Uranium Project for a restart in an improving uranium price environment, the Hylea Project, which has excellent long-term potential, has become a non-core asset for the Company. As a result, little, if any, value is ascribed to the Company's share price for the project."

This Transaction allows the Company to immediately realise value for this project through the cash component of the Transaction, which will be used to further advance Kayelekera, whilst also maintaining an exposure to Sunrise's exciting portfolio of NSW based EV metals assets through the share consideration."

¹ Effective 12 April 2021, Clean TeQ Holdings Limited (ASX: CLQ) was renamed Sunrise Energy Metals Limited (ASX: SRL).



Image 1: Location of the Hylea Project in relation to Sunrise



This announcement has been authorised for release by the Company's board of directors. All dollar amounts are in Australian dollars unless otherwise indicated.

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ABOUT LOTUS

On completion of the acquisition of Kayelekera's interest in Lily, Lotus will own an 85% interest in the Kayelekera Uranium Project in Malawi. The Project hosts a current resource of 37.5M lbs U₃O₈ (see Table 1), and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study² which demonstrated that Kayelekera can support a viable long-term operation and has the potential to be one of the first uranium projects to recommence production in the future.

Table 1. Kayelekera Mineral Resource Estimate – March 2020³

Category	Mt	Grade (U ₃ O ₈ ppm)	U ₃ O ₈ (M kg)	U ₃ O ₈ (M lbs)
Measured	0.7	1,010	0.7	1.5
Measured – RoM Stockpile ⁴	1.6	760	1.2	2.6
Indicated	18.7	660	12.3	27.1
Inferred	3.7	590	2.2	4.8
Total	24.6	660	16.3	36.0
Inferred – LG Stockpiles ⁵	2.4	290	0.7	1.5
Total All Materials	27.1	630	17.0	37.5

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

² See ASX announcement 20 October 2020. Lotus confirms that all material assumptions underpinning the production target and forecast financial information included in that announcement continue to apply and have not materially changed.

³ See ASX announcement dated 26 March 2020. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 26 March 2020 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in that announcement continue to apply and have not materially changed.

⁴ RoM stockpile has been mined and are located near mill facility.

⁵ Medium-grade stockpiles have been mined and placed on the medium-grade stockpile and are considered potentially feasible for blending or beneficiation, with studies planned to further assess this optionality.

