

## Lotus Releases Annual Report

**Lotus Resources Limited (ASX: LOT) (Lotus or the Company)** is pleased to advise that its annual report for the year ended 30 June 2021 is available on the ASX website under Historical Announcements using the Company's stock code LOT or on the Company's website at [www.lotusresources.com.au](http://www.lotusresources.com.au).

This year has without a doubt been the most pivotal 12 months for the uranium industry in more than a decade. The markets, politicians and corporations appear to have recognized that without nuclear power being a part of the energy conversation, a sustainable, zero carbon emission future will be near impossible to achieve.

This recognition, coupled with multiple other factors including; major supply deficits, the exponential growth of the EV industry and its increasing power requirements and, more recently, the emergence of the Sprott Physical Uranium Trust (SPUT), has helped the spot uranium price hit near ten-year highs. We believe the current cycle is in its infancy, as it is unlikely that new production will come online during the next 12 months and further price increases will be necessary for brownfield and almost all greenfield projects to commence.

Whilst the recovery of the industry has been pleasing, it has been the Company's ability to significantly advance the Kayelekera Project over the past 12 months that has been most satisfying. The team has worked hard to position Kayelekera to be one of the first projects to recommence uranium production in the future through our focused attention on:

- Reduced care and maintenance costs to direct as much funding as possible into our development work.
- Release of the results of our Re-Start Scoping Study to the market in October 2020.
- Initiation of a series of key technical studies that we believe are the key value drivers for the Project.
- Increased Lotus' ownership of the Kayelekera asset to 85 percent with the purchase of the minority shareholder interest. The remaining 15 percent is held by the Government of Malawi.
- Renewal of our mining licence for another 15 years.
- Commenced the first exploration drill program at Kayelekera in the last 15 years.
- Continued work on the potential value of the rare earth discovery two kilometres north of the existing pit.
- Announced the start of our Definitive Feasibility Study.

The Re-Start Scoping Study released last October highlighted Kayelekera as a project that can restart quickly with a potential 14-year life of mine producing more than 23Mlbs U<sub>3</sub>O<sub>8</sub> and more importantly has one of the lowest initial capital costs (US\$50 million) to recommence production. This envious position of low capital costs will be a major differentiator for Lotus going forward, as in the coming years, cost escalation across the resources sector is likely to become a significant obstacle in the industry. It is also important to note that there is still



potential for significant upside for the Project, with the initial results from our technical studies indicating the possibility of increased production rates and/or reduced operating costs from our Definitive Feasibility Study.

A key area for the Company in the subsequent redevelopment of Kayelekera, and which will be incorporated in the Definitive Feasibility Study, is a strong focus on Environmental, Social and Governance (ESG) aspects. The Company aspires to not only be a responsible uranium producer, but to also build and ensure a lasting positive legacy for the people of Malawi.

The Company is already making significant progress on this front, having appointed an ESG advisor to help the Company develop an ESG strategy and communication plan and appointing an ESG leader onsite to support this initiative. A number of reporting targets including greenhouse gas emissions, water utilisation and community programs are already in place and the Company is working on its first Sustainability Report, which it plans to release later this year.

It is important to highlight that a restart of operations will also provide significant benefits to the local communities and Malawi as a whole, through employment, development of local communities, taxes, royalty streams and profit share to the Government of Malawi, as a 15% owner of the Project.

I would also like to acknowledge the appointment of Mr Keith Bowes as Managing Director earlier this year and for the work he has done for the Company. Whilst Keith was only recently appointed, he has been working for the Company since the original acquisition of the asset and has been instrumental in guiding the Company in attaining its achievements over the last seven months.

On behalf of the Lotus Board, I would also like to thank the Malawi government, most notably the Minister of Mines, The Honourable Mr Rashid Gaffar, for their continued support and faith they have shown in the Kayelekera Project.

Finally, I would like to thank all shareholders for their continued support. Without this, none of the above can be achieved. This is an exciting time for Lotus, and we look forward to keeping you updated as we continue our progress at Kayelekera.

**Michael Bowen**  
**Chairman**



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