

LOTUS ACQUIRES 6 MILLION POUND U₃O₈ LIVINGSTONIA URANIUM PROJECT IN MALAWI¹

Lotus Resources Limited (LOT, Lotus or the Company) is pleased to announce the acquisition of the 6Mlb U₃O₈ (JORC code 2004 - refer Table 2) Livingstonia Uranium Project (**Livingstonia**) located 90km from the Company's Kayelekera Uranium Project in Malawi. This acquisition increases the Company's mineral resource base as well as having the potential to become a future satellite operation for the Company.

HIGHLIGHTS

- **Lotus has acquired the 6Mlb U₃O₈ Livingstonia Uranium Project in Malawi. Consideration for the acquisition was US\$25,000 or US\$0.004 / lb U₃O₈ of contained resource**
- **There are multiple exploration targets across the landholding as shown by historical drilling at the Livingstonia boundary which ended in mineralisation. The airborne radiometrics (Figure 2) demonstrate the anomaly extends into the existing Lotus tenement at Livingstonia North.**
- **Broader zones of mineralisation are also evident in Livingstonia, however these areas have been sparsely drilled, raising the prospect of higher-grade offshoots from the existing resource:**
 - 8.0m @ 1,180ppm eU₃O₈ (CBRC034 from 77.4m)
 - 3.6m @ 1,800ppm eU₃O₈ (CBPE007 from 72.5m)
- **The Company will shortly commence an inaugural exploration program at Livingstonia. This will include RC drilling to test a number of high priority targets including the strike extensions into the Company's adjoining tenement.**

Keith Bowes, Managing Director, commented:

"This is an extremely accretive acquisition for Lotus with the potential to increase our global mineral resource by 16% for less than \$0.004 / lb U₃O₈. More importantly, we have increased our landholding at the highly prospective, yet poorly explored Livingstonia region, to 187km².

There are multiple walk up, drill ready targets across our Livingstonia tenements, including at the boundary of the Livingstonia resource where an airborne radiometric survey indicates mineralisation continues into our existing tenements (Figure 2). This area, as well as the high-grade intercepts previously reported, will be the basis of the first phase of exploration which will commence towards the end of this year. Other prospective targets, including Livingstonia North and Chilumba, will be tested in future exploration programs.

Assuming exploration success, the Company will undertake ore sorting test work on the Livingstonia material in 2022 as part of the process for determining whether Livingstonia could become a future satellite operation for the Company."

¹ Historical mineral resource estimate reported in accordance with the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code 2004**). See Table 2 and Appendix



LIVINGSTONIA URANIUM PROJECT

The Livingstonia Uranium Project is located in Northern Malawi, approximately 90km southeast of the Company's Kayelekera Uranium Mine (Figure 1). The Livingstonia Project is hosted in the prospective Karoo-equivalent sedimentary sequence which is also host to the main deposit associated with Lotus' Kayelekera Uranium Mine. Details of the Livingstonia licences are contained in Table 1.

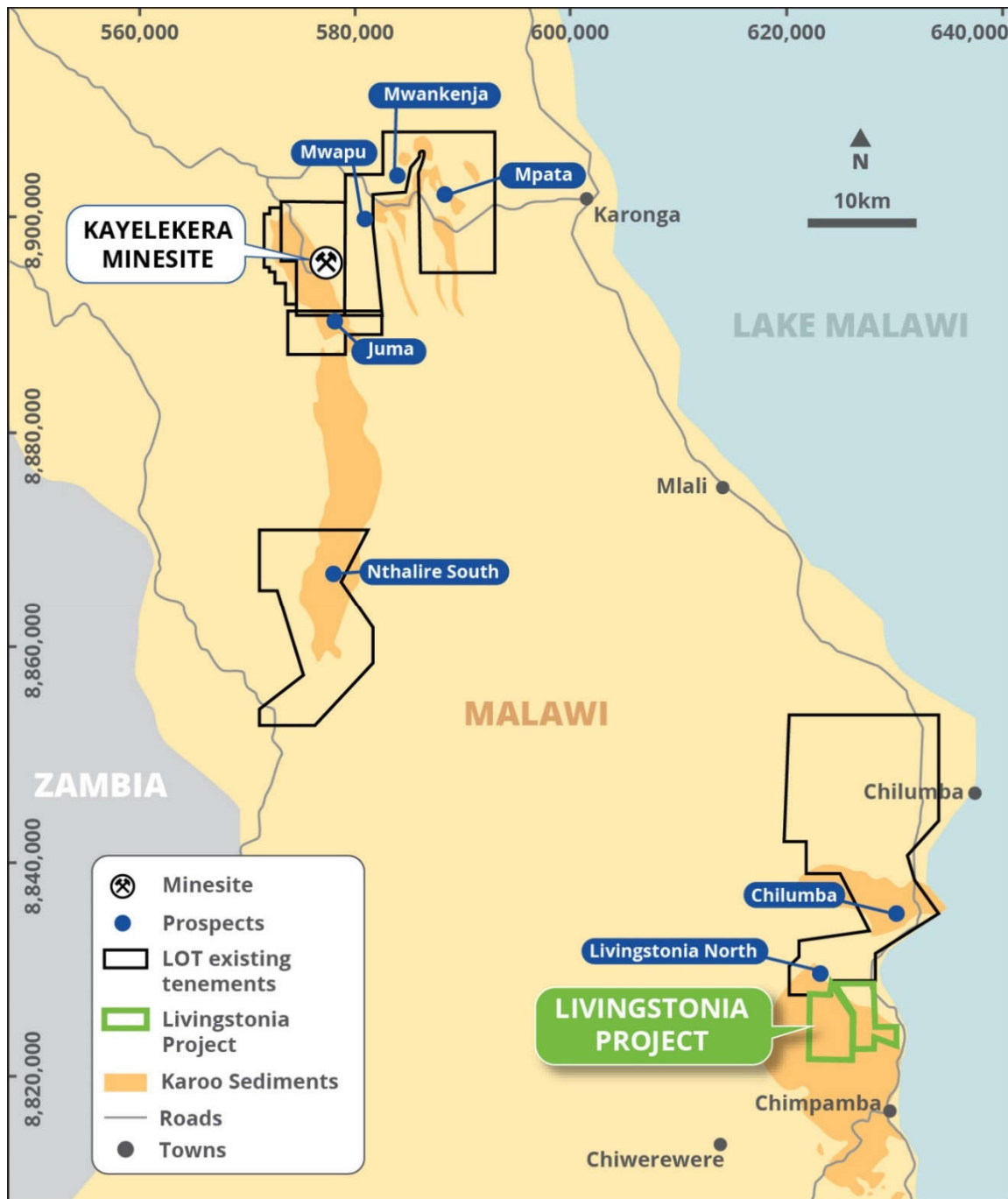


Figure 1: Project Location



Livingstonia hosts a historical Inferred Mineral Resource of 8.3Mt at 325ppm eU₃O₈ for 6.0Mlb of contained U₃O₈ at a cut-off grade of 150 ppm eU₃O₈ (JORC Code 2004 - see Table 2). The Mineral Resource Estimate (**MRE**) was prepared by independent consultants CSA Global in 2011 and reported in accordance with the JORC Code (2004) to the ASX by Resource Star Limited (ASX stock code RSL) (refer announcement 22 June 2011 on the ASX website), a former uranium and speciality metals exploration company.

Table 1: Livingstonia License Summary

Tenement Name	License No.	Area (km ²)	Holder
Livingstonia (new)	EL0595	5.6	Lotus Africa Limited
Livingstonia West (new)	EL0583	17.4	Lotus Africa Limited
Livingstonia North (existing)	EL0418	164.0	Lotus Africa Limited
Total	3	187.0	

Table 2: Livingstonia Historical Mineral Resource Estimate (note: JORC 2004)¹

(Reported above a 150ppm U₃O₈ cut-off (note: figures have been rounded))

	Mt	Grade (ppm U ₃ O ₈)	Mlb U ₃ O ₈
Inferred	8.3	325	6.0
Total	8.3	325	6.0

¹The estimates of Mineral Resources shown in Table 2 are historical and are not reported in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code 2012**); a Competent Person has not done sufficient work to classify the historical estimates as Mineral Resources in accordance with the JORC Code 2012; and it is uncertain that following evaluation and/or further exploration work that the currently reported historical estimates will be able to be reported as Mineral Resources under the JORC Code 2012. It is possible that following evaluation and/or further exploration work that the currently reported historical estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012. The Company's personnel have reviewed the methodology and available reporting documents used to estimate the Mineral Resources and notes that the personnel involved in the historical estimate had a high level of experience in the estimation of uranium resources. In addition, nothing has come to the attention of Lotus that causes it to question the technical reliability of the historical Livingstonia MRE. Lotus has not independently validated the historical Livingstonia MRE and should not be regarded as reporting, adopting or endorsing those estimates.

Exploration potential exists in a number of areas around the existing Livingstonia Resource, including:

- East of the northern end of the Mineral Resource outline, where drilling defined excellent broad zones of mineralisation that have not been closed off;
- Along strike from the interpreted NW trending zone of the broad, higher grade mineralisation defined in the 2010 drilling within the Mineral Resource outline;
- Within the Mineral Resource outline where interpretation suggests that earlier drilling did not drill through the full thickness of the host sequence; and
- In the lower grade zone to the south, where sparse drilling indicates potential for defining offshoots of higher grade mineralisation within the system and within the areas defined as resource potential by CSA Global.



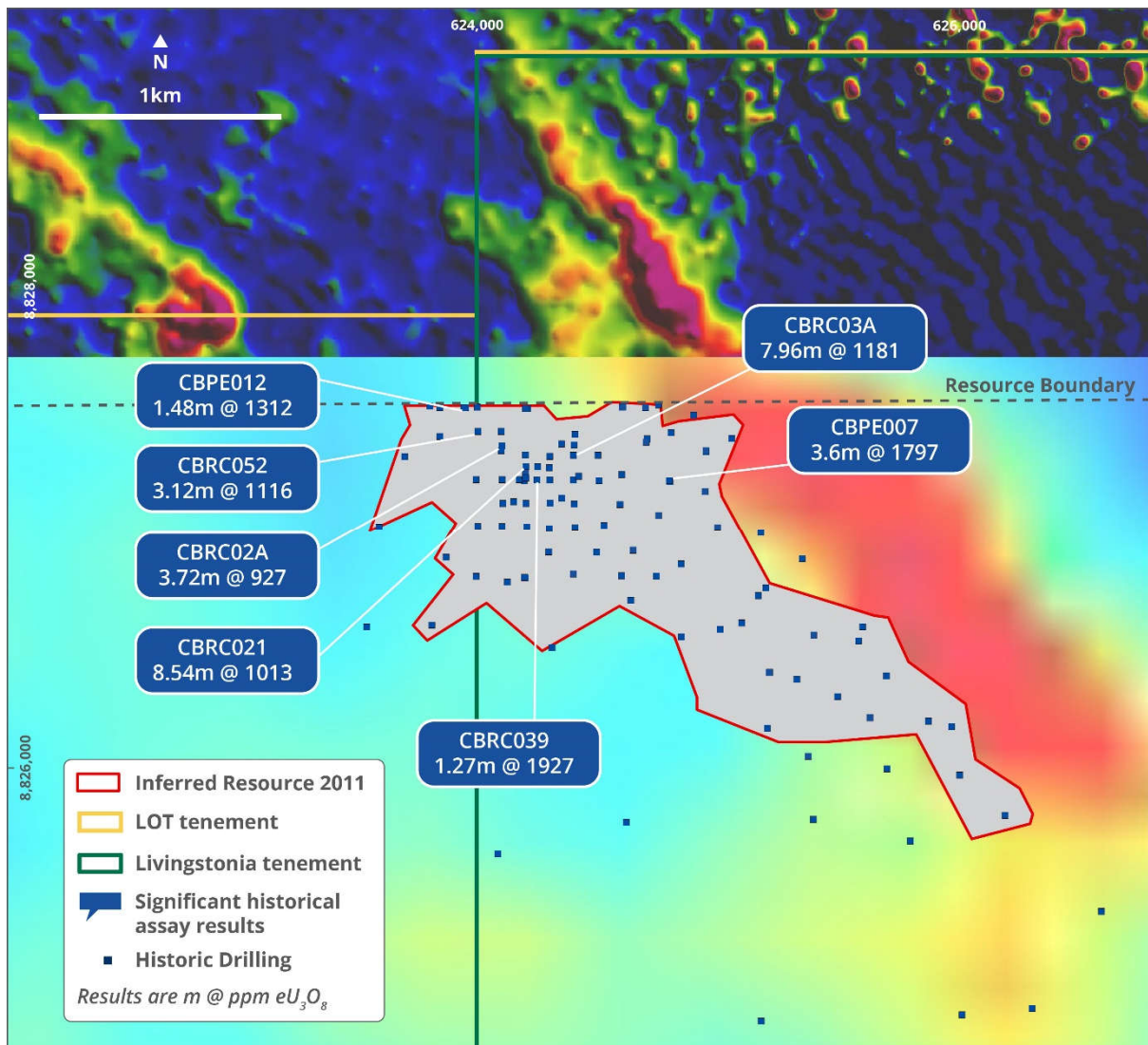


Figure 2: Livingstonia Significant Intercepts (2011) with Trend Extensions to the North

Livingstonia North, which is already held by the Company, is situated directly along-trend of the Livingstonia uranium resource, with drilling at the northern end of the Livingstonia deposit supporting a continuation of mineralisation into Livingstonia North. The airborne radiometric anomaly at Livingstonia is coincident with the resource and this anomaly continues into Livingstonia North (see Figure 2). A parallel radiometric anomaly also exists in Livingstonia North that may indicate additional mineralisation.

Limited drilling has been undertaken at Livingstonia North, but the region is considered highly prospective for additional mineralisation due to both the continuation of the Livingstonia radiometric anomaly and the parallel radiometric anomaly (Figure 3).



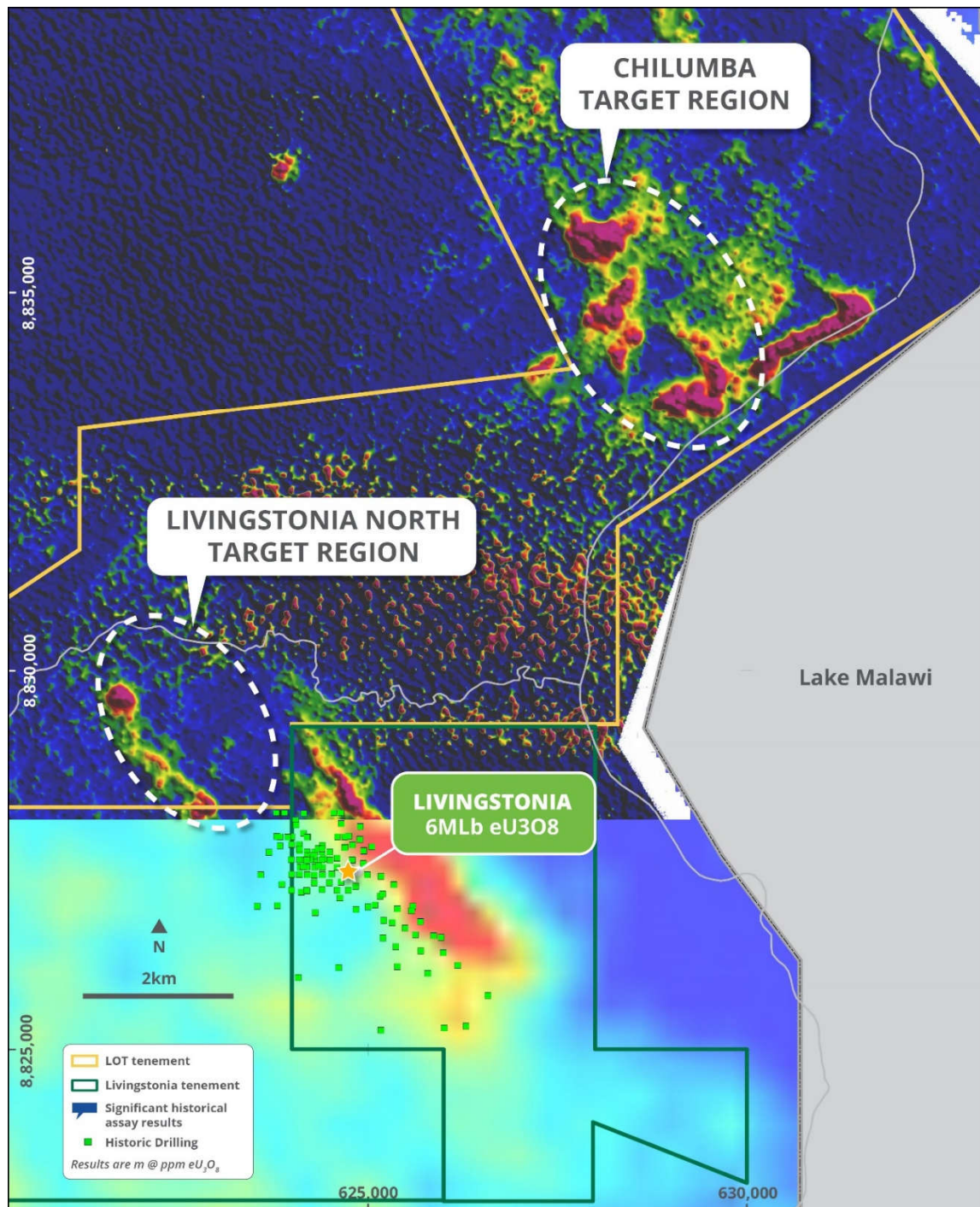


Figure 3: Airborne Radiometrics at Livingstonia and Chilumba Regions

The next stages for the Company will include ground-based exploration and sampling along the Livingstonia North trend as well as an RC drill program to test the extensions of the Livingstonia mineral resource and investigate the potential higher grade zones within the resource boundary. The Company's current intention is to complete the work required to update the historical Livingstonia MRE to JORC 2012.



ACQUISITION TERMS

The Company entered into a sale and purchase agreement with a local Malawian entity to acquire the Livingstonia Project for US\$25,000.

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

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ABOUT LOTUS

Lotus Resources Limited (**ASX: LOT, OTCQB: LTSRF**) owns an 85% interest in the Kayelekera Uranium Project in Malawi. The Project hosts a current resource of 37.5M lbs U₃O₈ (see table below), and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study¹ 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 3: Kayelekera Mineral Resource Estimate – March 2020²

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 Stockpile³	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 Stockpiles⁴	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 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.

³ RoM stockpile has been mined and are located near mill facility.

⁴ 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.



APPENDIX 1. HISTORICAL LIVINGSTONIA MINERAL RESOURCE ESTIMATE

Resource Estimate

The Mineral Resource Estimate for the Livingstonia Project was previously reported by Resource Star Limited in 2011 and has not been fully vetted by Lotus. The original statement of Mineral Resources, which was reported under the JORC Code 2004 may not conform to the requirements of the JORC Code 2012, can be found in the announcement by Resource Star Limited dated 22 June 2011 titled 'Livingstonia Uranium Project Inferred JORC Resource Estimate Increases 30%'. That announcement is available on the ASX website under ASX stock code RSL.

Table 4: Livingstonia Historical Mineral Resource (note: JORC 2004)¹
 Reported above a 150ppm U₃O₈ cut-off (note: figures have been rounded)

	Mt	Grade (ppm U ₃ O ₈)	Mlb U ₃ O ₈
Inferred	8.3	325	6.0
Total	8.3	325	6.0

The Livingstonia Resource Estimate was undertaken by a reputable Australian based consultancy firm; however, neither Lotus nor its consultants have reviewed the resource in sufficient detail to make a judgement on its veracity. Future estimates will likely need to incorporate additional assessment of QAQC of chemical data sets to radiometric sourced U₃O₈ grades and on-site verification of underlying drill hole data sets.

The Mineral Resource modelling was based on a total of 64 RC percussion and 43 open hole percussion drill holes, which were drilled primarily on 50 x 50 and 100 x 100 metre drilling patterns, grading to 200 x 100 to 300 x 200 metre patterns in peripheral areas.

Wireframe surfaces were generated for the hanging walls and footwalls for each mineralised lode based on the sectional interpretations provided by the then owner to delineate the lodes of uranium mineralisation, using geological interpretation and delineation of the mineralisation (predominantly by equivalent uranium grade). A lower cut-off of 130 ppm eU₃O₈ combined with the geological information was used to define the mineralised envelopes, and it was assumed that a minimum 3m mining width will be used in an open pit scenario, where possible.

It is noted that much of the down-hole eU₃O₈ grade data used on the project was acquired by the same probing equipment that was used at Kayelekera, and that similar QAQC protocols would have been utilised at the time.

A 0.5m composite data set for individual lodes was used for variography analysis and interpolation. A block model was created using 50mE x 50mN x 1mRL parent blocks. Ordinary Kriging (OK) was used to estimate 3D blocks. A minimum of three composite intervals and a maximum of 16 intervals were used to estimate the eU₃O₈ grades into each block for the first two search passes. A top cut of 1500 ppm eU₃O₈ was applied (based on experience from similar deposits), and the resource statement contains only the cut grade values. The resource reporting was truncated at 8,827,500mN, which is the northern tenement boundary.



Uranium Deposit

The mineralisation has been interpreted as being contained within a sub-horizontal sedimentary sandstone package bound by a mudstone above and a coal unit below and is modelled based on geological interpretation and delineation of the mineralisation by equivalent uranium grade derived from downhole gamma readings.

Relevance and materiality of the Livingstonia Mineral Resource Estimate

The Company considers that the Livingstonia Resource can add significant value to the Kayelekera Project. The Company is confident that there is an opportunity to improve tonnes, grade and total contained metal in certain areas of the existing Livingstonia Resource, including:

- East of the northern end of the Resource outline, where drilling defined excellent thick zones of mineralisation that have not been closed off;
- Along strike from the interpreted NW trending zone of the thickened, higher grade mineralisation defined in the 2010 drilling within the Resource outline;
- Within the Resource outline where interpretation suggests that earlier drilling did not drill through the full thickness of the host sequence; and
- In the lower grade zone to the south, where sparse drilling indicates potential for defining offshoots of higher grade mineralisation within the system and within the areas defined as resource potential by CSA Global Pty Ltd.

Categories of Mineralisation

The Livingstonia MRE uses only those categories of mineralisation that are defined in the 2012 JORC Code.

Reliability of the Livingstonia Mineral Resource Estimate

The Company understands that the Livingstonia MRE was undertaken by reputable and competent practitioners; however, neither Lotus nor its consultants have reviewed that resource estimate in sufficient detail to make a judgement on its accuracy or reliability. While nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the estimate, the Company has not independently validated this estimate and therefore it is not to be regarded as reporting, adopting or endorsing that estimate.

Summary of Previous Work Programs

Uranium mineralisation was discovered at Livingstonia by Globe Metals & Mining Ltd ("Globe", ASX: GBE) in 2007, and during 2007-08 Globe drilled 95 holes at Livingstonia for a total of 11,000 metres, using both reverse circulation (RC) and open hole percussion drilling methods along with a combination of laboratory assay and downhole gamma probing for U₃O₈ analysis.

In July 2010, based on the Globe drilling, CSA Global Pty Ltd completed a Mineral Resource Estimate and defined a JORC 2004 Inferred Resource of 7.7Mt @ 270 ppm eU₃O₈ using a 150ppm cut-off. A joint venture agreement between Globe and Resource Star Limited (ASX: RSL) to explore the Livingstonia Project was announced to the ASX on 16 March 2010.



Resource Star Limited completed a program of 13 percussion holes for a total of 1,502m in late 2010. Mineralised zones were intersected in all but one of the holes, with some significant thick intersections along the eastern edge of the July 2010 Mineral Resource boundary.

An updated Livingstonia Mineral Resource Estimate (prepared under the JORC Code 2004) was prepared by CSA Global Pty Ltd for Resource Star Limited in 2011 and was announced 31 July 2011.

Work Required to Verify Mineral Resource Estimate

Work required to report the estimates under JORC 2012 includes an assessment of the current Resource data and estimation techniques and updating reporting requirements to JORC 2012. Due to the quality of the work undertaken by the previous workers, it is envisaged that much of this work could be undertaken on a desk-top basis if no material items are identified. This work, which is envisaged to commence immediately after acquisition will be funded out of existing cash reserves, and is expected to be completed within 6 months.

Cautionary Statement

The Livingstonia Mineral Resource Estimate is not reported in accordance with the JORC Code 2012; a Competent Person has not done sufficient work to classify the mineral resource in accordance with the JORC Code 2012; and it is possible that following evaluation and / or further exploration work, the current Livingstonia Mineral Resource may not be able to be reported in accordance with the JORC Code 2012.

Competent Person's Statement

The information in this announcement that relates Livingstonia Mineral Resource Estimate is an accurate representation of the available data for the Project. Information that relates to the JORC 2004 Livingstonia Resource Estimate is based on information compiled by Resource Star Limited (ASX: RSL) and their consultants and was reviewed by Mr Alfred Gillman. Mr. Gillman is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr. Gillman consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.



Table 5: Significant Intercepts from Historical Drilling at Livingstonia

Hole	East WGS84	North Zone 36s	RL	EOH m	Dip	Azi	m From	Interval m	eU ₃ O ₈ ppm
CBPE007	624801	8827200	1173.48	111	-90	0	65.7	2.5	470
							72.58	3.6	1797
CBPE012	623949	8827500	1140.996	111	-90	0	93.1	1.48	1312
CBPE014	624646	8826704	1143	117	-90	0	84.04	1.14	243
CBPE021	625703	8826002	1143	141	-90	0	60.62	1.06	209
CBRC001	625967	8826194	1161.004	150	-90	0	73.69	1.08	221
							82.21	2.08	223
CBRC003	625699	8826400	1163.279	160	-90	0	89.54	1.24	335
CBRC017	624620	8825796	1097.28	144	-90	0	109.58	1.08	574
CBRC021	624214	8827236	1150.686	126	-90	0	88.23	8.54	1073
							101.49	1.34	371
CBRC024	624100	8827342	1140.939	122	-90	0	85.44	3.72	927
CBRC034	624399	8827300	1159.654	111	-90	0	77.44	7.96	1181
CBRC037	624201	8827254	1150.027	131	-90	0	102.26	2.04	1175
CBRC039	624247	8827198	1150.971	126	-90	0	88.17	1.26	1927
CBRC044	624405	8827000	1141.325	106	-90	0	84.44	2.26	552
CBRC047	624500	8827300	1162.998	116	-90	0	75.37	1	1705
CBRC048	624504	8827196	1154.319	126	-90	0	92.03	2.54	503
CBRC048	624504	8827196	1154.319	126	-90	0	97.17	3.2	997
CBRC052	624003	8827400	1134.012	116	-90	0	90.08	3.12	1116
CBRC053	623803	8827504	1127.76	121	-90	0	88.87	1.12	364
LPBE 101	624625.7	8827476	1178.856	117	-90	0	79.84	1.4	644
							83.89	2	431
							86.09	3.45	1093
LPBE 103	624724.7	8827330	1170.243	105	-90	0	66.05	3.55	674
							69.65	3.05	1054
							73.55	1	245
							76.05	2.1	397
							91.5	3.7	681
LPBE 105	624671.7	8826879	1145.632	114	-90	0	89.17	1.15	1030
LPBE 107	625020.7	8826976	1167.831	129	-90	0	100.78	1.35	921
LPBE 113	624968.7	8827125	1171.114	113	-90	0	80.08	2.35	1055
							83.63	1.95	887
							88.38	1.2	320

* Minimum 200ppb eU₃O₈, 0.5m and maximum 0.5m internal waste.

