

22 October 2024

ASX Announcement

QUARTERLY ACTIVITIES REPORT

Quarter Ended 30 September 2024

Lotus Resources Limited (ASX: LOT, OTCQX: LTSRF) (Lotus or the Company) is pleased to provide its quarterly activities report for the quarter ended 30 September 2024.

HIGHLIGHTS

- **Kayelekera front end engineering design (FEED) program completed post quarter end, positioning Lotus for an accelerated restart of Kayelekera**
 - Time to first uranium production reduced to 8-10 months by phasing the completion of non-essential site infrastructure to after first uranium production.
 - Initial restart capital expenditure to first uranium production reduced to US\$50M.
- **Lotus secured two conditional uranium offtake arrangements with Tier 1 counterparties and locked in a US\$15m unsecured loan facility for Kayelekera**
 - Binding agreement with **Curzon Uranium** to buy 700,000 lbs of uranium from 2026-29, and provide US\$15m unsecured loan facility. Option for an additional 100,000 lbs pa from 2030-32.
 - Non-binding term sheet with **PSEG Nuclear LLC** to buy 800,000 lbs of uranium from 2026-29
- **Mine Development Agreement (MDA) signed with the Government of Malawi (GoM)**
- **Letlhakane Scoping Study demonstrated its long-life, high value nature; and trade-off studies progressed**
 - Base Case 15-year Life-of-Mine (LoM) producing 3Mlbpa, with upside to 22-year LoM¹.
 - Optimisation of mining costs and acid consumption demonstrates a base case cash cost of US\$36/lb¹ compared to a non-optimised cost of US\$42/lb¹.
 - Letlhakane geology is most probably favourable for an in-situ recovery (ISR) operation. An ISR assessment, including a possible field leach trial, is being considered.
 - An updated study incorporating the optimisation work and potentially ISR for deeper parts of the deposits is due in **1QCY25**.
- **Letlhakane drill program completed, updated Mineral Resource Estimate due in November**
- **The Company strengthened its management team to deliver on corporate and project objectives**
- **Closing cash balance of \$25.0M (unaudited), exclusive of restricted cash of \$14.4M**

¹ The Scoping Study is a preliminary technical and costing study to establish the potential viability of the Letlhakane Uranium Project. The Scoping Study is based on lower-level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised. Approximately 32% of the life-of-mine production is in the Measured and Indicated Mineral Resource category and 68% is in the Inferred Mineral Resource category. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Mineral Resources underpinning the production target have been prepared by a competent person in accordance with the requirements in Appendix 5A (JORC Code).

KAYELEKERA

FEED PROGRAM LAYS THE FOUNDATION FOR ACCELERATED RESTART

Post quarter-end, Lotus completed the Kayelekera FEED program², with the Company now well positioned to conduct a low capital intensity, accelerated restart of Kayelekera.

Time to first uranium production was reduced to 8-10 months (previously 15 months³) by phasing in the completion of non-essential site infrastructure, principally grid power and acid plant rebuild, beyond first production. Initial restart capital expenditure to first uranium production reduced to US\$50M (previously, US\$88M³), providing an initial restart capital intensity of US\$21.0/lb⁴, with the remaining capex continuing off the critical path to optimise operations and operating cost structure. Deferred capital (post first uranium production) to deliver improvement projects is US\$40M, which includes costs for ore sorting, grid connection, certain aspects of the acid plant and nanofiltration upgrade.

The Company plans to achieve first uranium production during Q3 2025 (Q1 FY26) – see Figure 1:

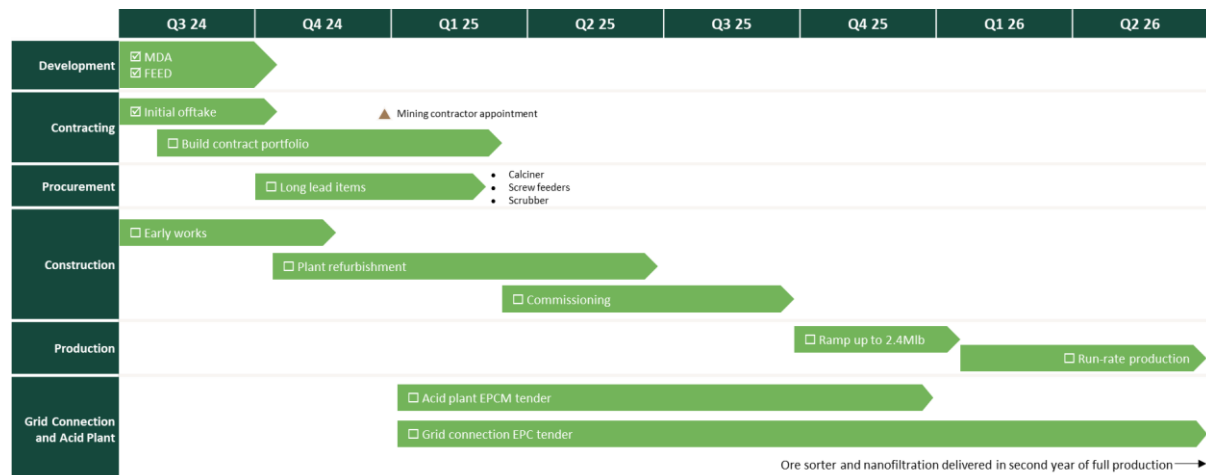


Figure 1: Accelerated project development schedule

The Lotus Board has approved long lead item orders, mobilisation of mobile equipment and construction crews and early works. Final negotiations are underway with two preferred mining contractors. Lotus has signed a grid connection Memorandum of Understanding (MoU) with ESCOM, Malawi's state-owned power utility, and engineering work has been completed, allowing finalisation of tender documents for the appointment of an Engineering, Procurement and Construction (EPC) contractor.

The Accelerated Restart Plan has delivered outstanding operational and financial outcomes (assuming a long-term uranium price of US\$90/lb real):

- LOM production target of 19.3Mlb of U₃O₈, over a 10-year mine life⁵.
- Steady state C1 cash cost of US\$34.5/lb^{5,6} and all-in sustaining cost (AISC) of US\$44.8/lb^{5,6}.
- Pre-tax and post-tax NPV_{8% Real} of US\$439M⁵ and US\$301M⁵.
- Pre-tax and Post-tax internal rate of return (IRR) of 80%⁴ and 66%⁵.

² See ASX Announcement 8 October 2024

³ Refer to Definitive Feasibility Study announced on ASX on 11 August 2022.

⁴ Calculated as US\$50 million in initial restart capex divided by 2.4Mlb pa U₃O₈ production, being the average production in the first 7 years (excluding ramp up).

⁵ The Kayelekera LOM plan contains approximately 4% from Inferred Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Ore Reserve and Mineral Resources underpinning the Kayelekera production target have been prepared by a competent person in accordance with the requirements in Appendix 5A (JORC Code).

⁶ Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4mlbpa U₃O₈ is expected.

- Initial capital payback within 2 years of production restart.
- LOM pre-tax and post-tax free cash flow generation of US\$698M⁵ and US\$486M⁵.

LOTUS SECURES TWO OFFTAKE ARRANGEMENTS AND US\$15M LOAN FACILITY

Lotus signed two conditional uranium offtake arrangements for a total of 1.5 million lbs of uranium for the 2026 – 2029 period, at an escalated fixed price⁷, with Tier 1 counterparties Curzon Uranium (**Curzon**) and PSEG Nuclear LLC (**PSEG**). These included a binding sales agreement and US\$15 million unsecured loan facility from Curzon Uranium. As part of Curzon's binding agreement to buy 700,000 lbs of uranium, Curzon has been granted an option to buy an additional 100,000 lbs per annum for 2030 to 2032 (300,000 lbs total) through fixed-price buyer options for the purchase of U₃O₈, subject to Lotus using the unsecured loan facility.

A non-binding term sheet was signed with North American power utility PSEG, conditional on the execution of a full-form document within the next four months, as well as Lotus making a final investment decision to restart Kayelekera.

As part of its initial offtake strategy, Lotus continues to advance discussions relating to additional contracts with North American power utilities publicly listed on the New York Stock Exchange and the Nasdaq. Lotus intends to complete this initial tranche of offtake arrangements totalling up to 25%-30% of planned production over the first four years. Lotus will remain flexible with the remainder of planned production looking to retain substantial exposure to the expected strong long term uranium price which it believes can be achieved given the current and anticipated trends in the uranium contract market.

LOTUS SECURES MDA FOR KAYELEKERA URANIUM MINE

Following extensive discussions and negotiations, the Company and the Government of Malawi signed an MDA⁸.

The MDA guarantees a Stability Period of 10 years. Key fiscal terms include royalty rate of 5% and corporate tax rate of 30%. Relief around Resource Rental Tax, Withholding Tax and import/export duties, tariffs and VAT have been incorporated. The MDA includes internationally recognised principles relating to legal protection on security of tenure, dispute resolution and expropriation.

The MDA confirms the GoM's strategy to develop the local mining industry, a key pillar of Malawi's new economic vision. Along with Rio Tinto's recently increased shareholding in Sovereign Metals, which holds another key mining project in Malawi, it demonstrates the increased attractiveness of Malawi for mining investment.

KAYELEKERA SITE ACTIVITIES

General site activities associated with care and maintenance during the quarter remain focused on four main areas:

- Compliance with all regulatory requirements;
- Maintain the equipment on site so as to minimise restart costs;
- Ensure security of the assets on site; and
- Management of water onsite to control the discharge of water to the environment, during the wet season in accordance with licence conditions.

During this quarter the site team carried out general maintenance activities around the site. Particular attention was given to maintenance and repairs to the surface water drainage infrastructure following the rainy season.

The team readied for commencement of the restart program, as the FEED program drew towards a conclusion by quarter end.

⁷ See ASX announcement 3 September 2024

⁸ See ASX announcement 31 July 2024

LETLHAKANE

SCOPING STUDY CONFIRMS LONG-LIFE, HIGH VALUE URANIUM PROJECT

A Scoping Study has defined a base case scenario for the development of the Letlhakane uranium project. The Study predominantly focused on the mining elements of the Project using an updated Mineral Resource Estimate delivered in May 2024⁹. The process plant and non-process infrastructure has been based on the 2015 Technical Study completed by the previous owners A-Cap Energy Ltd¹⁰ i.e. two-stage heap leach with a sequential solvent extraction and ion exchange recovery circuit feeding a two-stage uranium precipitation circuit to produce a yellow cake product.

The Scoping Study was completed to an overall +/-30% accuracy (AACE Class 5) using the key parameters and assumptions set out in Table 1.

The Scoping Study is a preliminary technical and costing study to establish the potential viability of the Letlhakane Uranium Project. The Scoping Study is based on lower-level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised. Approximately 32% of the Life-of-Mine production is in the Measured and Indicated Mineral Resource category and 68% is in the Inferred Mineral Resource category. The Company concluded it had reasonable grounds for disclosing a preliminary production profile and cost information, but notes that as there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of additional Measured or Indicated Mineral Resources or that the production profile or preliminary economics will be realised.

Aside from the Base Case, two scenarios were also evaluated; the first considered a smaller operation, and the second considered a larger project with a higher throughput. The base case pit shells were based on a price of US\$80/lb U₃O₈, while the other scenarios were based on revenue factors equivalent to US\$65/lb and US\$100/lb, respectively.

Table 1: Summary of production and cost data (estimated)

General	Scenario 1 – Base Case LOM total / Avg	Scenario 2 – Early Wins LOM total / Avg	Scenario 3 – Bulking Up LOM total / Avg
Mine Life (Years)	15	13	22
Total Material Mined (Mt)	960	576	1,932
Strip Ratio	9.3	6.1	5.7
Total U ₃ O ₈ Mined (Mlbs)	66.8	52.7	105
Production Total	LOM total / Avg	LOM total / Avg	LOM total / Avg
Plant Feed (Mt)	94.1	82.9	159.9
Plant Feed Grade (ppm U ₃ O ₈)	317	280	283
Plant Recovery (%)	63.3	61.9	61.5
Av. Annual U ₃ O ₈ Production (Mlbs)	3.0	2.7	2.9
Max Annual U ₃ O ₈ Production (Mlbs)	3.2	3.0	3.0
LOM U ₃ O ₈ Production (Mlbs)	42.3	32.6	64.5
Operating Cost	LOM total / Avg	LOM total / Avg	LOM total / Avg
Mining Costs (US\$/t mined)	1.51	1.51	1.51
Mining Costs (US\$/t ore processed)	8.4	6.0	10.5
Processing Costs (US\$/t ore)	9.9	10.2	10.0
G&A Costs (US\$M pa)	5.9	5.9	5.9
Total Cash Costs (US\$/lb)	42.0	41.4	52.9

⁹ See ASX announcement 9 May 2024

¹⁰ Letlhakane Technical Study announcement June 2015 by A-Cap Resources Ltd



General	Scenario 1 – Base Case LOM total / Avg	Scenario 2 – Early Wins LOM total / Avg	Scenario 3 – Bulking Up LOM total / Avg
Capital Costs	LOM total / Avg.	LOM total / Avg.	LOM total / Avg.
Initial Capital (US\$M)	465	465	465
Pre-Production (US\$M)	23.5	23.5	23.5

Due to the large material movements associated with this Project, mining costs are a significant cost driver. To demonstrate the impact optimisation programs could have on operating costs, a simple sensitivity analysis was carried out to assess the impact of acid consumption in the leaching process and the quantity of drill and blast for waste mining.

The results of this are shown in Table 2 below.

Table 2: Opex sensitivity (estimated) – Approx. Base Case shaded

Leaching Acid Consumption kg/t	Mining Drill and Blast Requirements		
	0% D&B US\$1.25/t material	60% D&B US\$1.51/t material	100% D&B US\$1.61/t material
25	35.6	37.3	38.4
35	38.6	40.3	41.5
41	39.8	41.5	42.6

The Study has identified that some parts of the Letlhakane deposit may be amenable to an in-situ recovery (ISR) process. This is of specific interest for areas of the deposit where the mineralisation is deeper and where there is significant overburden.

Lotus is now focusing on identifying further optimisation opportunities to improve the overall Project. Opportunities already identified that could reduce capex, operating costs, extend the LOM and/or optimise the production rates form the basis of a multi-stage process for the development of Letlhakane that will lead into a Definitive Feasibility Study (DFS). The stages incorporate the following:

- Consider alternate mining methods that may be more efficient and cost effective for large-scale bulk material movement to reduce waste mining costs.
- Better understand the composition of waste overburden to improve the estimate for the quantity of drill and blast required for waste mining.
- Conduct a metallurgical test work program to optimise acid addition and acid consumption in the leach. This will also consider crush size and agglomeration to optimise the heap leach parameters. This work is already well advanced.
- Downstream processing to optimise uranium recovery from the leach solution and produce a high-quality final product, including ion-exchange.
- Detailed assessment of the ISR applicability to the Project. If initial work demonstrates amenability, a field leach trial may be considered.
- Review of Project infrastructure including confirming the inclusion of an onsite acid plant for producing acid required for processing and generating power from waste heat.

Initial results from the works described above will be incorporated into an updated study planned for completion during 1QCY25. Following completion of an updated study, the Company will initiate a Definitive Feasibility Study to further derisk the Project, in parallel with an assessment and potential update to the Environmental and Social Impact Assessment (ESIA) obtained in 2015.

LETLHAKANE DRILL PROGRAM COMPLETED

Lotus' drill program in the September 2024 quarter at Letlhakane was primarily aimed to upgrade Inferred Resources to Indicated and Measured status. The bulk of the Inferred resources lie within the Gorgon West and Serule West areas and represented the main targets for the drill program (see Figure 2).

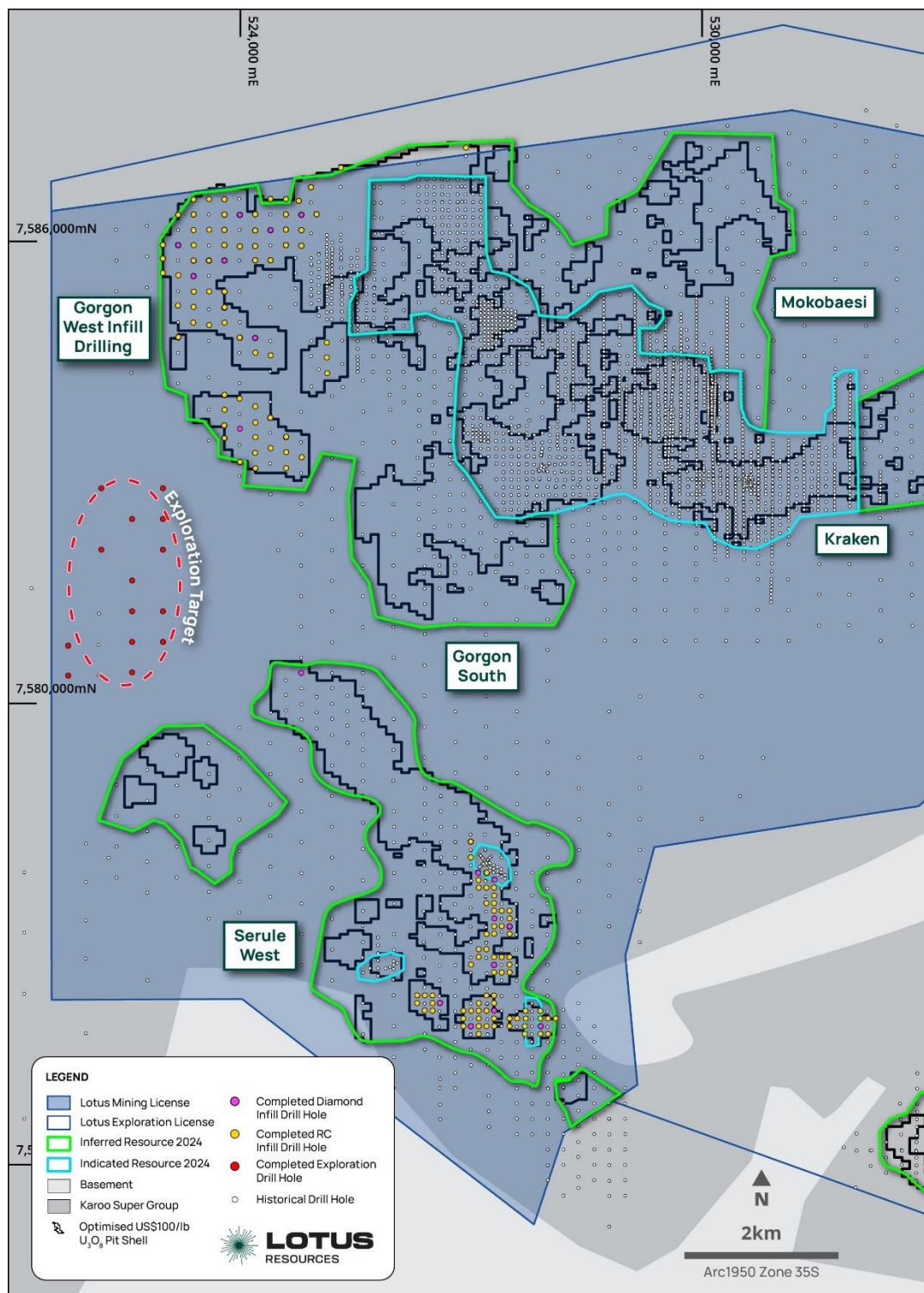


Figure 2: Drill hole locations at Letlhakane

The infill drill program was completed in September 2024, with the new results incorporated into an updated Mineral Resource Estimate to be delivered during November 2024.

Key Uranium intercepts reported during the quarter for Gorgon West and Serule West are discussed in ASX announcements dated 25 June 2024, 25 July 2024, 15 August 2024 and 10 September 2024. All but three drill holes have intersected uranium mineralisation and confirm the continuity and grade of the deposit.



Figure 3: Lotus Resources geologists examining PQ sized diamond drill core from Serule West at the company's core storage yard.

URANIUM MARKET UPDATE

The uranium spot price was range bound during the September quarter, fluctuating between US\$77.50/lb and US\$86/lb, finishing the quarter at US\$81.75/lb. The UXC Long-Term price increased by US\$2.00/lb to US\$81.00/lb over the quarter, following a US\$4.00 increase in the previous quarter. Spot transactions volumes increased to almost 12Mlb, up from <10Mlb in previous quarter, and 23 term contracts were signed during the quarter, up from 6 in the June 2024 Quarter.

Key industry developments:

During the quarter, Niger confirmed one of the world's biggest uranium properties, the Imouraren mine, had returned to public control after revoking the operating license of French nuclear fuel producer Orano.

US President Joe Biden signed a bipartisan bill aimed at bolstering the nation's nuclear power, expected to speed up the timeline for licensing new nuclear reactors.

Russia and Kazakhstan signalled potential disruptions to their exports, which could have far-reaching consequences for Western nuclear energy utilities, particularly in the USA and Europe.

Constellation Energy announced a 20-year deal to sell energy from the nuclear unit near Harrisburg, Pennsylvania, to Microsoft for data centers. Constellation Energy aims to restart the unit in 2028.

News of nuclear power roll outs during the quarter included:

New reactors:

- The Chinese government approved 11 nuclear reactors across five sites
- China General Nuclear announced the start of construction of two nuclear units, Unit 5 of the Ningde Nuclear Power Plant in Fujian Province and Unit 1 of the Shidaowan Plant in Shandong Province, both 1 GW Hualong One reactors
- South Korea approved the construction of two nuclear reactors, Shin Hanul Units 3 and 4 in Uljin, each with a capacity of 1.4 GW.

Life extensions:

- The South African Regulator Approved 20-Year Extension for Koeberg Unit 1
- Spain's Nuclear Safety Council has approved the extension of the operating license for the 1,000 MW Trillo Nuclear Power Plant for a 10-year period until 2034.
- The US Nuclear Regulatory Commission has approved the subsequent license renewal for Florida Power & Light Company's Turkey Point Nuclear Power Plant Units 3 and 4, enabling the continued operation of these units through 2052 and 2053, respectively.

Power ups:

- India's second home-built 700 MW nuclear power reactor at the Kakrapar Atomic Power Station in Gujarat started operating at its full capacity
- Nuclear Power Corp. of India has announced that the 700 MW Unit 7 at the Rajasthan Atomic Power Plant in India's Rajasthan State, has reached first criticality.
- India's Prototype Fast Breeder Reactor at Kalpakkam in Tamil Nadu received approval to start loading nuclear fuel and then initiate the controlled chain reaction.

SUSTAINABILITY

During the quarter, the Company commenced preparing its fourth annual Sustainability Report, which is planned to be released later in October this year. Lotus' reporting methodology is evolving, with an increasingly quantitative analysis of its ESG metrics and targets. This includes reporting with reference to the 2021 GRI Standards and working towards reporting against the Australian Sustainability Reporting Standards (ASRS), now a mandatory requirement in accordance with the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* which was passed in September. This framework closely aligns with the Taskforce for Climate-related Financial Disclosure framework, a global framework that Lotus has been preparing to report against since FY22 and is now well advanced to meet the ASRS requirements.

During the quarter, Lotus completed the next stage of ASRS process which involved Lotus's first Climate scenario risk assessment looking at 2 climate scenarios. The outcome of this assessment will be included in Lotus's FY24 Sustainability Report.

Consultation with the local communities, the general public, non-governmental organisations and private interests are ongoing and will continue. No significant environmental or stakeholder issues have been identified at this stage with strong support for the Kayelekera Project received from key stakeholders. The Company has negotiated a Community Development Agreement, to be signed during October, through which 0.45% of Gross Revenue will be directed back into the community for selected projects and activities.

CORPORATE

Lotus Management team strengthened

Lotus has restructured its Board and senior management team to meet corporate and project delivery objectives:

- Keith Bowes has assumed the role of Technical Director where he will advise the Board and support the management team in the execution of the Kayelekera Project and the development of the Letlhakane Project.
- Grant Davey has been appointed as Executive Director, Greg Bittar as Chief Executive Officer (CEO) and Warren King as Kayelekera Project Director – Execution.
- Hayden Bartrop has been appointed as Chief Commercial Officer effective from 11 November 2024 and as Company Secretary from 2 October 2024.

Board and Management Transition

Following the management team changes in August 2024 the Company continues to focus on ensuring it has the right mix of management and board skills as it transitions to be a global uranium producer. In so doing, the Board will ensure that its composition retains and attracts the right mix of skills, diversity and independence appropriate to Lotus' market standing as it transitions to being a global uranium producer.

The Board's approach, consistent with the feedback recommendations from institutional shareholders and recommendations of the main proxy advisers, namely the Australian Council of Superannuation Investors, Glass Lewis, Institutional Shareholders Services Inc and Ownership Matters, includes adopting a more traditional Board composition, comprising a Managing Director and non-executive directors, with the intention that the changes be announced before the end of fiscal year 2025.

As part of this transition, the Board and CEO, Greg Bittar, have agreed that he will join the Board as Managing Director at a mutually agreeable time during the fiscal year 2025 and subject to agreement of revised terms.

Cash position

As at 30 September 2024, Lotus had cash of \$25.0M (unaudited), exclusive of restricted cash of \$14.4M (US\$10.0M) which forms cash collateral for the Kayelekera environmental bond.

The cash balance declined by \$9.1M from the 30 June 2024 quarter. The majority of outflows related to the Kayelekera front end engineering and design workstreams (as the mine is prepared for the restart of production) (\$2.7M), care and maintenance costs at Kayelekera (\$1.1M), capital works at Kayelekera in preparation for the accelerated restart execution (\$1.4M) and Letlhakane project related costs including studies and drilling (\$2.5M).

Debt Financing Process

As announced on 28 March 2024, Lotus appointed debt advisor Orimco to seek cost effective debt to help fund a restart of Kayelekera. Lotus' objective for the debt finance is to reduce dilution of shareholders by arranging cost effective debt to cover a portion of Kayelekera capital and working capital requirements.

To date, Lotus has received two non-binding and indicative (and not credit approved) offers and is in discussion with a national development finance institution. However, following the change in execution strategy associated with the Accelerated Restart Plan of Kayelekera, Lotus will revisit its debt financing requirements and seek to discuss with debt financiers a revised structure.

Payments to Related Parties

Mr Grant Davey, who is a Non-Executive Director of the Company, is a Director and shareholder of Matador Capital Pty Ltd (**Matador Capital**).

The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office services, bookkeeping services, company secretarial services, ESG consulting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus arm's length commercial basis (Sep quarter \$305,000).

The Company's Non-Executive Chairman, Mr Michael Bowen, is a partner of law firm, Thomson Geer. From time-to-time Thomson Geer provides legal services to the Company on an arm's length commercial basis. During the quarter, there were no services performed by Thomson Greer for the Company.

Ms Dixie Marshall, who is a Non-Executive Director of the Company, is Chief Growth Officer at Marketforce. The Company paid \$1,000 to Marketforce in the quarter on an arm's length commercial basis for corporate rebranding.

Payments to all directors for executive and non-executive directors' fees in the quarter were \$211,000.

TENEMENT INTERESTS

The Company's tenement interests as at 30 September 2024 are shown in Table 3.

Table 3: Tenement interests as at 30 September 2024

Tenement	Ownership	Area km ²	Registered Holder	Location
ML0152 - Kayelekera	85%	55.5	Lotus Africa Limited	Malawi
EL489 - Nthalire	85%	67.5	Lotus Africa Limited	Malawi
EL502 - Juma-Miwanga	85%	24.95	Lotus Africa Limited	Malawi
EL595 - Livingstonia	85%	5.64	Lotus Africa Limited	Malawi
EL583 - Livingstonia West	85%	17.42	Lotus Africa Limited	Malawi
PL 2482/2023	100%	119.66	A-Cap Botswana Pty Ltd	Botswana
ML 2016/16L	100%	131.18	A-Cap Botswana Pty Ltd	Botswana

COMPETENT PERSONS STATEMENT

Information in this report relating to Uranium Exploration results is based on information compiled by Mr Harry Mustard, a contractor to Lotus Resources Limited and a member of the Australian Institute of Geoscientists (MAIG). Mr Mustard has sufficient experience that 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 under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mustard consents to the inclusion of the data in the form and context in which it appears.

REFERENCE TO PREVIOUS ASX ANNOUNCEMENTS

In relation to information in this announcement that relates to previously reported exploration results, the dates of which are referenced, Lotus confirms that that it is not aware of any new information or data that materially affects the information included in that announcement.

This Quarterly Report has been authorised for release by the Lotus board of directors.

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

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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 as set out in the table below, and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study¹ 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 as also set out in the table below.

LOTUS MINERAL RESOURCE INVENTORY – APRIL 2024^{2,3,4,5}

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 ⁶	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 ⁷	2.24	290	0.7	1.5
Kayelekera	Total – Kayelekera	42.5	500	21.1	46.3
Livingstonia	Inferred	6.9	320	2.2	4.8
Livingstonia	Total – Livingstonia	6.9	320	2.2	4.8
Kayelekera Project Total		49.4	472	23.3	51.1
Letlhakane	Indicated	46.1	339	15.6	34.4
Letlhakane	Inferred	109.2	348	38.0	83.8
Letlhakane	Total – Letlhakane	155.3	345	53.6	118.2
Total	All Uranium Mineral Resources	204.7	377	76.8	169.3

LOTUS ORE RESERVE INVENTORY – JULY 2022⁸

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

¹ See ASX announcement dated 11 August 2022 for information on the Definitive Feasibility Study, and ASX announcement dated 8 October 2024 regarding the low capital intensity and accelerated restart of Kayelekera.

² See ASX announcement dated 15 February 2022 for information on the Kayelekera mineral resource estimate.

³ See ASX announcement dated 9 May 2024 for information on the Letlhakane mineral resource estimate.

⁴ See ASX announcement dated 9 June 2022 for information on the Livingstonia mineral resource estimate.

⁵ Lotus confirms that it is not aware of any new information that materially affects the information included in the respective mineral resource announcements of 15 February 2022, 9 May 2022 and 6 June 2022 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimates in those announcements continue to apply and have not materially changed.

⁶ RoM stockpile has been mined and is located near mill facility

⁷ 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.

⁸ 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 (other than the Accelerated Restart announcement dated 8 October 2024) and that all material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Lotus Resources Limited

ABN

38 119 992 175

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(2,726)	(2,726)
	(b) care & maintenance	(1,056)	(1,056)
	(c) development	-	-
	(d) production	-	-
	(e) staff costs	(656)	(656)
	(f) administration and corporate costs	(1,016)	(1,016)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	610	610
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and incentives	-	-
1.8	Other (income tax credit)	1	1
1.9	Net cash from / (used in) operating activities	(4,843)	(4,843)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,411)	(1,411)
	(d) exploration & evaluation (if capitalised)	(2,899)	(2,899)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4,310)	(4,310)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	34,126	34,126
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,843)	(4,843)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,310)	(4,310)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	42	42
4.6	Cash and cash equivalents at end of period	25,015	25,015

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	269	181
5.2	Call deposits	1,746	445
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits < 3 Months)	23,000	33,500
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,015	34,126

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000

804

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to all Directors for Directors' fees (September quarter: \$211,250).

Payments to other Key Management Personnel (September quarter: \$286,186).

Mr Grant Davey, who is an Executive Director of the Company is a Director and shareholder of Matador Capital Pty Ltd (Matador Capital). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office services, bookkeeping services, company secretarial services, ESG consulting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus arm's length commercial basis (September quarter \$305,000).

The Company's Non-Executive Chairman, Mr Michael Bowen, is a partner of law firm, Thomson Geer. From time-to-time Thomson Geer provides legal services to the Company on an arm's length commercial basis. During the quarter, there were no services performed by Thomson Greer for the Company.

Ms Dixie Marshall, who is a Non-Executive Director of the Company, is Chief Growth Officer at Marketforce. The Company paid \$1,000 to Marketforce during the September quarter on an arm's length commercial basis for website maintenance.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	21,650	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	21,650	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	US\$15 million unsecured loan facility provided by Curzon Uranium. Refer to ASX announcement dated 3 September 2024 for facility details. The facility becomes available once a specified quantum of restart capital expenditures has been expended.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(4,843)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(2,899)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(7,742)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	25,015
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	25,015
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.23

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 October 2024.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.