

31 October 2024

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ASX Announcement

Share Purchase Plan – Letter to Eligible Shareholders and Booklet

Lotus Resources Limited (ASX: LOT, OTCQX: LTSRF) (Lotus or the **Company**) is pleased to announce that the non-underwritten Share Purchase Plan (**SPP**) targeting to raise approximately \$15 million (before costs) via the issue of new fully paid ordinary shares at the same issue price (\$0.25) as the Shares offered under the placement announcement on 24 October 2024 (the **Placement**) (**SPP Shares**) opens today at 9am (AEST).

The SPP is part of a wider \$130 million (before costs) capital raising being undertaken by the Company as announced on 24 October 2024. The Company is pleased to advise that it has received approximately \$66.8 million (before costs) in funds under the first tranche of the Placement, representing approximately 267.1 million fully paid ordinary shares in the Company (**Placement Shares**) at an issue price of \$0.25 per Placement Share issued to new and existing investors. The second tranche of the Placement to raise approximately \$63.1 million (before costs) is subject to shareholder approval at the Company's extraordinary general meeting scheduled on or around 9 December 2024.

The Company is now pleased to offer eligible shareholders the opportunity to participate via the SPP. Eligible shareholders for the SPP are those holders of shares in the Company as at the record date of 7pm (AEST) on Monday, 21 October 2024 with a registered address in Australia or New Zealand and who are not located in the United States or acting for the account or benefit of a person in the United States or any other person outside Australia or New Zealand (**Eligible Shareholders**).

The issue price for each SPP Share will be \$0.25, being:

- a 20.6% discount to the last closing price of \$0.315 per share on Monday, 21 October 2024¹;
- a 15.7% discount to the 5-day volume weighted average price (VWAP) of \$0.297 as at close on Monday, 21 October 2024¹; and
- the same price at which Shares are being offered under the Placement.

Eligible Shareholders will have the opportunity to apply for up to \$30,000 worth of SPP Shares in the Company (subject to any scale back). The Company is targeting to raise up to A\$15 million under the SPP. The Company may, in its absolute discretion, raise a higher amount. If demand from Eligible Shareholders is greater than the A\$15 million sought, the Company may also, in its absolute discretion, undertake a scale back of applications for SPP Shares to the extent and in the manner it sees fit.

The SPP is expected to close at **7.00pm** (AEST) on **Thursday, 14 November 2024** (unless extended, withdrawn or closed early by the Company).

¹ Being the last day of trading of Lotus' share prior to the announcement of the Placement.

Attached is:

1. a copy of a letter being sent to each Eligible Shareholder who elected to receive notifications by post (**SPP Offer Letter**); and
2. a copy of the SPP Booklet.

Shareholders who have provided an email address will be sent an email communication, which will contain a personalised link to the SPP offer website at www.computersharecas.com.au/lotoffer.

Shareholders who have not provided an email address or elected to receive communications by post, will receive the SPP Offer Letter and Application Form.

This release has been authorised by the Company Secretary

Yours sincerely,

Hayden Bartrop
Company Secretary

TIMETABLE

An indicative timetable for completion of the Offer is shown in the table below:

| Event | Date |
|--|--------------------------------|
| Record date for eligibility to participate in SPP | 21 October 2024 |
| Dispatch of SPP Offer Booklet | 31 October 2024 |
| SPP Opening date | 31 October 2024 |
| Notice of Meeting sent to shareholders | Approximately 6 November 2024 |
| SPP Closing date | 14 November 2024 |
| Announcement of SPP participation Results | 21 November 2024 |
| Issue of New Shares under SPP | 21 November 2024 |
| General Meeting for shareholder approval | Approximately 9 December 2024 |
| Settlement of New Shares issued under Tranche 2 of Placement | Approximately 12 December 2024 |
| Allotment of New Shares issued under Tranche 2 of Placement | Approximately 13 December 2024 |

Note: The above dates are indicative only and are subject to change. The Company reserves the right to alter the above dates at any time, including the period for the SPP offer or accepting late applications, either generally or in particular cases, at its discretion and without notice to you, subject to the ASX Listing Rules, the Corporations Act and any other applicable rules. The commencement of trading and quotation of new shares under the Placement or SPP is subject to ASX confirmation.

NOT AN OFFER IN THE UNITED STATES

This Announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.



LOTUS
RESOURCES

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ABN: 38 119 992 175

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SAMPLETOWN VIC 3000

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31 October 2024

Dear Shareholder

LOTUS RESOURCES LIMITED – SHARE PURCHASE PLAN

On behalf of the Board of Lotus Resources Limited (ABN 32 119 992 175) (**Lotus** or the **Company**), I am pleased to offer you the opportunity to participate in the Share Purchase Plan (**SPP**). The SPP provides shareholders of the Company who are registered as holders of fully paid ordinary shares in the Company (**Shares**) as at 7:00pm (AEDT) on 21 October 2024 (**Record Date**) and whose registered address is in Australia and New Zealand (**Eligible Shareholders**) with an opportunity to apply for up to \$30,000 worth of Shares (subject to any scale back) (**New Shares**), without incurring brokerage or transaction costs, on the terms set out in the SPP booklet dated 31 October 2024 (**Booklet**). Participation in the SPP is optional.

The SPP is part of a wider capital raising being undertaken by the Company. On Thursday, 24 October 2024, the Company announced:

- a non-underwritten two-tranche institutional placement to raise up to approximately \$130 million (before costs) (**Placement**); and
- a non-underwritten SPP for Eligible Shareholders, seeking to raise up to a maximum of \$15 million (before costs). The Company may, in its absolute discretion, raise a higher amount.

The Company is pleased to further advise that it has received approximately \$66.9 million in funds under the first tranche of the Placement, representing approximately 267.6 million Shares at an issue price of \$0.25 per Share issued to new and existing investors on Monday, 28 October 2024. The second tranche of the Placement is subject to shareholder approval at an extraordinary general meeting scheduled on or around 9 December 2024.

The Company is now pleased to offer Eligible Shareholders the opportunity to participate via the SPP. The issue price for each New Share under the SPP will be **\$0.25**, the same issue price as the Placement (**Issue Price**).

The proceeds from the SPP and Placement will be used to advance the restart of the Kayelekera project in Malawi, working capital requirements and general corporate purposes. Further details of the use of proceeds are set out in the Investor Presentation announced on the ASX announcement on 22 October 2024. In particular, please have regard to the “Key Risks” section in Section 4 of the Investor Presentation.

To be eligible to participate in the SPP, you must:

- have been a Shareholder at the Record Date;
- have had a registered address in Australia or New Zealand; and
- not be located in the United States and not be acting for the account or benefit of a person in the United States.

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Eligible Shareholders may apply for New Shares in parcels valued at \$1,000, \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, \$30,000.

ACCESSING THE SPP BOOKLET

The Booklet was lodged with the ASX today. A copy of the Booklet along with information about to how to apply under the SPP can be viewed and downloaded from ASX's website (www.asx.com.au) or the Company's website using the following link: <https://lotusresources.com.au/>

HOW TO APPLY

If you would like to participate in the SPP, please read the terms and conditions in the Booklet carefully and participate by make an application **online** through the SPP offer website at www.computersharecas.com.au/lotoffer and receive personalised BPAY® payment details (**Personalised Payment Form**). You will need to provide your Securityholder Reference Number (SRN)¹ or Holder Identification Number (HIN)¹ which can be found at the top of this letter, and follow the instructions to apply for New Shares.

Eligible Shareholders who wish to apply for New Shares must either:

- **Option A:** make a payment for the appropriate amount via BPAY® in accordance with the instructions on the Application Form or Personalised Payment Form. This is the fastest and easiest way to apply; or
- **Option B:** if you are an Eligible Shareholder with a registered address in New Zealand and cannot make your payment via BPAY®, you can make a payment via EFT. Multiple acceptances must be paid separately. You must quote your unique payment reference as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares subsequently not issued.

Payment must be received by the Registry by the Closing Date (expected to be **7:00pm (AEDT) on Thursday, 14 November 2024** unless extended, withdrawn or closed early by the Company).

If you are in any doubt about whether to participate in the SPP, you should seek advice from your financial, taxation or other professional adviser before participating.

SCALE BACK AND REFUNDS

If demand from Eligible Shareholders is greater than the \$15 million sought, the Company may, in its absolute discretion, undertake a scale back of applications for New Shares to the extent and in the manner it sees fit.

To facilitate the timely provision of any refunds, Eligible Shareholders are encouraged to provide their direct credit details to the Registry via its investor portal at www.investorcentre.com.

QUESTIONS AND FURTHER INFORMATION

If you have any questions in relation to the SPP or this Booklet, please contact the Company on +61 8 9200 3427 or info@lotusresources.com.au. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Yours sincerely,

Hayden Bartrop
Company Secretary

¹ Your HIN or SRN can be found on your holding statement or other security holder communications.

31 October 2024

Dear Shareholder,

Invitation to participate in Share Purchase Plan

On Thursday, 24 October 2024, Lotus Resources Limited (ABN 32 119 992 175) (**Lotus** or the **Company**) announced:

- a non-underwritten two-tranche placement to sophisticated and professional investors to raise up to approximately A\$130 million (before costs) (**Placement**); and
- a non-underwritten Share Purchase Plan (**SPP**) for Eligible Shareholders (defined below), seeking to raise up to a maximum of A\$15 million (before costs), with the ability to accept oversubscriptions at the Company's absolute discretion.

The Company is pleased to advise that it has received approximately \$66.9 million (before costs) in funds under the first tranche of the Placement, representing approximately 267.6 million fully paid ordinary shares in the Company (**Shares**) at an issue price of \$0.25 per Share issued. The second tranche of the Placement, representing approximately 252.4 million Shares at an issue price of \$0.25 per Share to raise approximately A\$63.1 million (before costs), is subject to shareholder approval at an Extraordinary General Meeting scheduled on or around 9 December 2024.

On behalf of the Board of Lotus, I am pleased to offer you the opportunity to participate in the SPP. The SPP provides each Eligible Shareholder (defined below) with an opportunity to apply for up to A\$30,000 worth of fully paid ordinary shares in the Company (**Shares**) (subject to any scale back), at an issue price of \$0.25 per new Share (**Price**), without incurring brokerage or transaction costs.

The offer under the SPP (**Offer**) is intending to raise a maximum of \$15 million on the terms and conditions contained in this document (**Terms and Conditions**). The Company may elect to accept oversubscriptions or alternatively close the Offer early and/or scale back applications at its absolute discretion.

Shareholders eligible to participate in the SPP

Participation under the SPP is optional and is available exclusively to shareholders of the Company who are registered as holders of Shares as at 7:00pm (AEST) on 21 October 2024 (**Record Date**) and whose registered address is in Australia and New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The SPP entitles Eligible Shareholders, irrespective of the size of their shareholding in Lotus, to purchase up to \$30,000 worth of Shares at an issue price of \$0.25 per Share (**Price**) being the same issue price as the Shares offered to sophisticated and professional investors under the Placement. The Price represents a discount of 15.7% to the volume weighted average market price (**VWAP**) of the Shares over the last five trading days on which sales in the Shares were recorded before the day on which the SPP was announced on 22 October 2024, being \$0.297.

While the Company intends to raise \$15 million under the SPP, the Company reserves the right to accept oversubscriptions at its absolute discretion, subject to shareholder demand and compliance with the ASX Listing Rules. In accordance with the ASX Listing Rules, the maximum number of Shares that can be issued under a share purchase plan is that amount equal to 30% of the Company's existing issued share capital. Accordingly, as at the date of this document the maximum number of Shares which may be issued under this SPP will be 550,070,239 Shares.

Depending on applications received, the Company may, in its absolute discretion, undertake a scale back so that not more than \$15 million is raised under the SPP. When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an applicant's shareholding as at the Record Date, the extent to which eligible shareholders have sold or bought additional shares after the Record Date, whether an eligible shareholder has multiple registered holdings, the date an application was made, and the total number of applications made and Shares subscribed for by eligible shareholders. Scale back decisions are made by the Board and are final.

The SPP will not be underwritten.

The directors of the Company who are Eligible Shareholders may participate under the SPP subject to the Listing Rules.

Application instructions for the SPP are available online at www.computersharecas.com.au/lotoffer.

Current activities

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX platform (ASX:LOT), or the Company's website at www.lotusresources.com.au.

Use of funds

The funds raised under the Placement and the SPP will be used in conjunction with the Company's existing cash resources to:

- Restart capital required to see Kayelekera through to first production in Q3 2025; and
- Working capital to see the Company through the commissioning and ramp up to steady state production at Kayelekera.

How much can you invest?

Eligible Shareholders may each apply for a maximum of \$30,000 worth of Shares and a minimum of \$1,000 worth of Shares under the SPP.

How to accept the Offer

To apply for Shares under the SPP, please follow the instructions on your personalised Application Form which is available online at www.computersharecas.com.au/lotoffer.

Eligible Shareholders may participate by selecting only one of the following options to purchase Shares under the SPP:

| | Total amount payable | Number of Shares which may be purchased |
|---------|----------------------|---|
| Offer A | \$30,000 | 120,000 |
| Offer B | \$25,000 | 100,000 |
| Offer C | \$20,000 | 80,000 |
| Offer D | \$15,000 | 60,000 |
| Offer E | \$10,000 | 40,000 |
| Offer F | \$5,000 | 20,000 |
| Offer G | \$2,500 | 10,000 |
| Offer H | \$1,000 | 4,000 |

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have selected by the Price, rounded down.

All payments in accordance with the options set out in your Application Form (**Application**), and payments must be received by the **Closing Date of 14 November 2024**. If the exact amount of money is not tendered in accordance with your Application, the Company reserves the right to either:

- (a) return your application monies and not issue any Shares to you; or
- (b) issue to you the number of Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application monies to you by cheque or electronic funds transfer as soon as possible, without interest.

The Company confirms that if the amount to be refunded is less than the issue price of one Share, being \$0.25, it will not be refunded and will be retained by the Company.

Once an Application and payment has been made it cannot be revoked.

Multiple holdings

The maximum investment any Eligible Shareholder may apply for will remain \$30,000 even if an Eligible Shareholder receives more than one Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application amount paid for the Shares the subject of the Application and any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission does not exceed \$30,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as custodian or nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of \$30,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand (the **Permitted Jurisdictions**), subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions. Please refer to the Terms and Conditions section of this document below for more details.

Relationship of issue price with market price

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.315. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you pursuant to your Application under the Offer.

By making an Application under the Offer and applying for Shares under the SPP, each Eligible Shareholder will be acknowledging that although the Price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an offer and the date of issue of Shares under that offer and that the value of the Shares received under the SPP may rise or fall accordingly.

The Board recommends that you obtain your own financial and taxation advice in relation to the Offer and consider price movements of Shares in the Company prior to making an Application under the Offer.

Additional information and important dates

The offer of Shares under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC CI 2019/547**) and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Offer cannot be transferred, and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any Application. Shares issued under the SPP will be issued no more than five business days after the Closing Date of the Offer. Application for quotation on ASX of the Shares issued under the Offer will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$15 million. The Company, however, reserves absolute discretion regarding the final amount raised under the Offer, subject to the ASX Listing Rules.

In the event of oversubscriptions by the Closing Date the Directors of the Company may, in their absolute discretion, scale-back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. The Directors of the Company may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

If the Company rejects or scales-back an Application or purported Application, the Company will promptly return to the applicant the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than a Permitted Jurisdiction. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand shareholders

The new Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the new Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013.

This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Shortfall placement

In the event that less than \$15 million is applied for under the SPP, the full amount of the shortfall may be placed at the discretion of the Board subject to compliance with all necessary legal requirements. The Company confirms that any issue of shortfall will be placed subject to the Company's compliance with ASX Listing Rule 7.1 at the time of issue. Where the shortfall exceeds the Company's available placement capacity, the shortfall will only be placed if shareholder approval is obtained.

Indicative Timetable

| Event | Date |
|--|--------------------------------|
| Record date for eligibility to participate in SPP | 21 October 2024 |
| Dispatch of SPP Offer Documents | 31 October 2024 |
| SPP Opening date | 31 October 2024 |
| Notice of Meeting sent to shareholders | Approximately 6 November 2024 |
| SPP Closing date | 14 November 2024 |
| Announcement of results of SPP | 21 November 2024 |
| Issue of new Shares under SPP | 21 November 2024 |
| General Meeting for shareholder approval | Approximately 9 December 2024 |
| Settlement of new Shares issued under Tranche 2 of Placement | Approximately 12 December 2024 |
| Allotment of new Shares issued under Tranche 2 of Placement | Approximately 13 December 2024 |

Note: The above dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, Eligible Shareholders are encouraged to submit their Applications as early as possible.



Should you wish to discuss any information contained in this document further, please do not hesitate to contact Lotus's Company Secretary, Hayden Bartrop on +61 8 9200 3427 or by email at info@lotusresources.com.au.

Yours faithfully

Mr Gregory Bittar
Chief Executive Officer
Lotus Resources Limited

LOTUS RESOURCES LIMITED

ACN 119 992 175

Share Purchase Plan

Purpose

The purpose of the Share Purchase Plan (**SPP**) is to offer shareholders of Lotus Resources Limited (ACN 119 992 175) (**Lotus** or **the Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$30,000 worth of Shares (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the SPP (**SPP**) and a minimum of \$1,000 worth of Shares.

The issue price of \$0.25 per Share under the SPP represents a discount of 15.7% to the volume weighted average market price of the Shares over the last five trading days on which sales in the Shares were recorded prior to the date the SPP was announced on 22 October 2024, being \$0.297.

The Company is intending to raise up to \$15 million under the SPP, with the ability to accept oversubscriptions. The Shares will not attract brokerage costs and will be issued without the need for the Company to issue a prospectus.

The SPP is governed upon such terms and conditions as the board of directors of the Company, in its absolute discretion, sees fit.

General

This document is not a prospectus and has not been lodged with ASIC. Accordingly, this document does not contain all the information that an investor would find in a prospectus or that may be required in order to make an informed investment decision regarding whether or not to invest in the new Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand or are in doubt about the contents of this document, or the action you should take, you should consult your financial or other professional adviser without delay.

No financial advice

This document does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation and particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision whether to subscribe for Shares under the SPP.

Terms and Conditions

Shareholders eligible to participate

Holders of Shares that are registered with an Australian or New Zealand address (**Permitted Jurisdictions**) address at the Record Date are eligible shareholders (**Eligible Shareholders**) and may participate in the SPP, unless such registered shareholder holds Shares on behalf of another person who resides outside of the Permitted Jurisdictions. Due to foreign securities laws, it is not practical for shareholders (or beneficial shareholders) resident in other countries to be offered the opportunity to participate in the SPP.

Participation in the SPP is optional and is subject to these Terms and Conditions. If you do not wish to subscribe for Shares under the SPP, there is no need to take any action. If you do not participate, you will retain your existing Shares and will not acquire any new Shares under the SPP. You will forgo any exposure to increases or decreases in the value of the new Shares you may have acquired had you participated in the SPP and you will not receive any value for your right to participate in the SPP. Your percentage holding in Lotus will also be diluted to the extent that new Shares are issued to other participating Eligible Shareholders under the SPP.

Offers made under the SPP are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the SPP). Eligible Shareholders who wish to take up Shares offered under the SPP agree to be bound by the Company's constitution in respect of Shares issued under the SPP.

An offer may, at the discretion of the Directors of the Company, be made under the SPP once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12-month period is \$30,000. The Directors of the Company may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the SPP and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC CI 2019/547**) (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the SPP), you may apply for up to \$30,000 worth of new Shares for each beneficiary for whom you act as custodian provided you complete and submit, together with an Application, a certificate (**Custodian Certificate**) with the following information:

- (a) that you held Shares on behalf of:
 - (i) one or more other persons that are not custodians; and/or
 - (ii) another custodian (**Downstream Custodian**) that holds beneficial interests in Shares on behalf of one or more other persons who are resident in a Permitted Jurisdiction, to which those beneficial interests relate,

(each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you, and/or the Downstream Custodian, to apply for Shares under the SPP on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the number or dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;
- (e) that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act in addition to the application price for any other Shares issued to you as custodian (as a result of instruction given to you as Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$30,000;
- (f) that a copy of the written Offer document was given to each Participating Beneficiary; and

- (g) where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

For the purposes of ASIC CI 2019/547 you are a ‘Custodian’ if you provide a custodial or depository service in relation to shares of a body or interests in a registered scheme and you:

- (a) hold an Australian financial services licence covering the provision of a custodial or depository service;
- (b) are exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) hold an Australian financial services licence covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme;
- (d) are a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) are a registered holder of shares or interests in the class and are noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company’s share registry at any time from 8.30am to 5.00pm (Perth time) Monday to Friday during the Offer period.

The Company reserves the right to reject any Application to the extent it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements. The Company reserves the right to reject Applications in accordance with these Terms and Conditions.

Price of Shares

The issue price of Shares under the SPP has been set to match the issue price of Shares offered under the Placement.

The issue price of Shares to be issued under the SPP is \$0.25 which represents a discount of 15.7% of the volume weighted average market price for the Shares over the last five trading days on which sales in the Shares were recorded prior to the date the SPP was announced on 22 October 2024, being \$0.297.

The future market price of the Shares is uncertain and there is a risk that the market price of the Shares may rise or fall between the date of the Offer and the date when the Shares are issued to applicants under the SPP. Accordingly, the issue price you pay for Shares under the SPP may either be higher or lower than market price of the Shares trading on the ASX at the time the Shares are issued to you under the SPP. No guarantee is given as to how the Shares may trade during this time. The market price for the Shares on the ASX can be obtained from your stockbroker or the ASX’s website.

Applications and notices

At the discretion of the Directors of the Company, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the SPP, and may be accompanied by these Terms and Conditions of the SPP and an Application Form. Applications will not be accepted after the Closing Date of the Offer being **14 November 2024**. Oversubscriptions to the Offer may be refunded without interest, if not accepted by the Company.

Notices and statements made by the Company to participants may be given in any manner prescribed by the Company’s Constitution.

Acknowledgement

By completing an Application and making the associated payment in accordance with the options on your Application Form, you:

- (a) irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your Application are true and complete and not misleading;
- (c) agree that your Application will be irrevocable and unconditional (that is, it cannot be withdrawn even if the market price of the Shares is less than the Price);
- (d) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (e) acknowledge that no interest will be paid on any application monies held pending the issue of Shares under the SPP or subsequently refunded to you for any reason;
- (f) acknowledge that the Company and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these Terms and Conditions;
- (g) acknowledge and agree that if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in a Permitted Jurisdiction, and you have not sent these Terms and Conditions, an Offer document, or any materials relating to the SPP, to any person outside the Permitted Jurisdictions;
- (h) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
 - (i) you are not applying for Shares with an application price of more than \$30,000 under the SPP (including by instructing a Custodian to acquire Shares on your behalf under the SPP); and
 - (ii) the total of the application price for the following does not exceed \$30,000:
 - A) the Shares the subject of the Application;
 - B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the Application (excluding Shares applied for but not issued);
 - C) any other Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - D) any other Shares issued to a Custodian in the 12 months before the Application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP.
- (i) if you are a Custodian and are applying on behalf of a Participating Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
 - (i) you are a Custodian (defined above);
 - (ii) you hold Shares (directly or indirectly) on behalf of one or more Participating Beneficiaries;
 - (iii) you held Shares on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for Shares on their behalf under the SPP;
 - (iv) each Participating Beneficiary on whose behalf you are applying for Shares has been given a copy of this document;
 - (v) the application price for the Shares applied for on behalf of the Participating Beneficiary, and any other Shares applied for on their behalf under a similar arrangement in the previous 12 months (excluding Shares applied for but not issued), does not exceed \$30,000; and
 - (vi) the information in the Custodian Certificate submitted with your Application is true, correct and not misleading;

- (j) agree to be bound by the constitution of the Company (as amended from time to time);
- (k) acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice; and
- (l) authorise the Company, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application including the Application Form and to complete the Application by the insertion of any missing detail.

Placement of shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors. The Company confirms that any issue of shortfall will be placed subject to the Company's compliance with ASX Listing Rule 7.1 at the time of issue. Where the shortfall exceeds the Company's available placement capacity, the shortfall will only be placed if shareholder approval is obtained.

Transaction costs

The only cost associated with the Offer is the Price for the number of Shares for which you wish to subscribe. You do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

Issue of Shares

Shares to be issued under the SPP will be issued as soon as reasonably practicable after the Closing Date and in any event no more than five business days after the Closing Date.

All Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the capital of the Company from the date of issue.

Holding statements or CHESS notification will be issued in respect of all Shares issued under the SPP. The Company will, promptly after the issue of Shares under the SPP, make an application for those Shares to be quoted on ASX.

Modification and termination of the SPP

The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification to, or termination of, the SPP. Any such modification to, or termination of, the SPP will be binding on all Eligible Shareholders. The omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for, or issue that person no Shares at all, under the SPP if the issue of Shares applied for would contravene any applicable law, ASIC requirements (including under ASIC CI 2019/547) or policy or any ASX Listing Rules.

Raising amount and scale back

While the Company is seeking to raise \$15 million under the SPP, the Company reserves absolute discretion regarding the final amount raised under the SPP subject to compliance with the ASX Listing Rules.

In accordance with the ASX Listing Rules, the maximum number of Shares that can be issued as at the date of this document is 550,070,239.

The Directors of the Company may, in their absolute discretion, scale-back Applications. In the event of a scale-back, the value of the new Shares allocated to Eligible Shareholders may be less than the parcel initially applied for. If a scale back produces a fractional number when applied to the number of Shares for which you have applied, the number of Shares issued to you will be rounded to the nearest whole number of Shares. If the Company rejects or scales-back an Application or purported Application, the Company will promptly return to the applicant the relevant application monies, without interest. Scale-back decisions are made by the Directors of the Company and are final.

The Board expects to announce the final outcome of the SPP, including any scale-back, on 21 November 2024.

Dispute resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, Application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these Terms and Conditions may be exercised by the Directors of the Company or any delegate of the Directors of the Company.

Governing Law

These terms and conditions are governed by the laws in force in Western Australia. Any dispute arising out of or in connection with these terms and conditions, or the offer of Shares, will be determined by the courts of Western Australia. By accepting this Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Western Australia.

Questions and contact details

If you have any questions regarding the SPP or how to deal with this Offer, please contact your accountant, financial adviser, stockbroker, lawyer or other professional adviser or Lotus's Company Secretary, Hayden Bartrop on +61 8 9200 3427 or by email at info@lotusresources.com.au.