

LOTUS
RESOURCES

ABN 38 119 992 175

**Interim Financial Report
for the half-year**

31 December 2024

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CORPORATE DIRECTORY

Directors	<p>Mr Michael Bowen Mr Grant Davey Mr Mark Hanlon Ms Dixie Marshall Mr Gregory Bittar Ms Leanne Haywood Mr Simon Hay</p>	<p>Non-Executive Chairman Executive Director Non-Executive Director Non-Executive Director Managing Director Non-Executive Director Non-Executive Director</p>
CFO and Company Secretary	Mr Hayden Bartrop	
Registered and Principal Office	Level 20, 140 St Georges Terrace Perth, Western Australia, 6000	
Website Address	www.lotusresources.com.au	
Auditor	RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth, Western Australia, 6000	
Share Registry	Computershare Investor Services Pty Ltd Level 17, 221 St George's Terrace Perth Perth, Western Australia, 6000	
Securities Exchange	<p>Australian Securities Exchange ('ASX') Level 40, Central Park 152-158 St Georges Terrace Perth, Western Australia, 6000</p> <p>ASX Code: LOT - Ordinary Shares</p> <p>OTCQX® Level 12, 300 Vesey Street New York, NY 10282</p> <p>OTC Code: LTSRF</p>	

DIRECTORS' REPORT

The Directors of Lotus Resources Limited present their report, together with the financial statements, on the Consolidated entity consisting of Lotus Resources Limited (the **Company** or **Lotus**) and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 (**Consolidated Entity** or **Group**).

DIRECTORS

The names of Directors in office during the half-year and until the date of this report are:

Name	Title	Date of appointment
Mr Michael Bowen	Non-Executive Chairman	Appointed 22 February 2021
Mr Grant Davey	Executive Director	Non-Executive Director - Since appointment on 22 June 2020 until 9 August 2024 Executive Director - Since 9 August 2024
Mr Keith Bowes	Executive Director	Managing Director - Since appointment on 15 February 2021 until 9 August 2024 Technical Director - From 9 August 2024; Resigned 12 December 2024
Mr Mark Hanlon	Non-Executive Director	Appointed 22 February 2021
Ms Dixie Marshall	Non-Executive Director	Appointed 1 April 2022
Mr Gregory Bittar	Managing Director	Appointed 12 December 2024
Ms Leanne Heywood	Non-Executive Director	Appointed 3 February 2025
Mr Simon Hay	Non-Executive Director	Appointed 3 February 2025

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year consisted of mineral exploration and development for uranium. Lotus's key projects are the Kayelekera Project in Malawi and the Letlhakane Project in Botswana.

REVIEW OF ACTIVITIES

Highlights for the Half Year

The significant achievements during the half-year included the following:

- Lotus achieved zero reportable health and safety incidents on both Kayelekera and Letlhakane projects.**
- Lotus signed a Mine Development Agreement (MDA) with the Government of Malawi (GoM)**
 - The MDA guarantees a Stability Period of 10 years.
 - The Company also finalised a Community Development Agreement (**CDA**) (executed 6 January 2025).
- Accelerated Restart Plan for Kayelekera with outstanding financial metrics**
 - Accelerated Restart Plan reducing time to first uranium production to 10 months (Q3 CY2025) and reduced initial restart capital expenditure to first uranium production to US\$50M.
 - Pre-tax and post-tax NPV_{8% Real} of US\$439M and US\$301M, Pre-tax and Post-tax internal rate of return (**IRR**) of 80% and 66%, respectively¹.
- Kayelekera Accelerated Restart Plan is fully funded, and Lotus made a Final Investment Decision (FID)**
 - Lotus raised A\$132.3m (before costs) in a two-tranche strategic equity placement and Share Purchase Plan (**SPP**).
 - FID made by Lotus Board on 12 December 2024.
 - All key equipment ordered, construction crews and mobile equipment mobilised and works commenced, with >200 personnel on site by the end of December 2024.
- Lotus secured two conditional uranium offtake arrangements with Tier 1 counterparties**
 - A total offtake of 1.5 million lbs of uranium for the 2026 - 2029 period, at an escalated fixed price, with Tier 1 counterparties Curzon Uranium (**Curzon**) and PSEG Nuclear LLC (**PSEG**).
 - Curzon arrangement includes a US\$15 million unsecured loan facility for Kayelekera.
- Lotus completed a Scoping Study for Letlhakane**

¹ 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). Refer to ASX Announcement dated 11 August 2022.

DIRECTORS' REPORT

REVIEW OF ACTIVITIES (continued)

7. The Company completed a drill program at Letlhakane, and delivered and updated Mineral Resource Estimate (MRE)

- Revised MRE of 142.2Mt at 363ppm U₃O₈ for 113.7Mlb², with 50% in the Indicated Resource category.
- Lotus will use the updated Letlhakane MRE in subsequent studies that will also incorporate mining and process flowsheet optimisation.
- The focus remains on developing a two-stage leaching concept that will reduce acid consumption and simplify downstream processing.

8. Lotus issued its fourth annual Sustainability Report

9. Lotus continued its ongoing Board and Management transformation

- Greg Bittar appointed as Managing Director, Grant Davey appointed as Executive Director and Warren King appointed as Kayelekera Project Director - Execution.
- Hayden Bartrop appointed as Chief Financial Officer (post half-year end).
- Leanne Heywood and Simon Hay appointed as Non-Executive Directors (post half-year end).

Health & Safety

Kayelekera has achieved 3,832 consecutive days without any Lost Time Injury (LTI) with a total of 4,141,347 person hours worked as at 31 December 2024 (3,826,322 person hours worked as at 30 June 2024); 287,358 person hours for the six-month period ended 31 December 2024 (264,535 person hours for the financial year ended 30 June 2024). During the six-month period ended 31 December 2024, there were no reportable health and safety incidents. The 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) was at 2.31, while the Lost Time Injury Frequency Rate (LTIFR) remains at zero.

Letlhakane Uranium project has achieved 4,300 consecutive days without any LTI with a total of 466,558 person hours worked as at 31 December 2024 (443,684 person hours worked as at 30 June 2024); 35,645 person hours for the six-month period ended 31 December 2024 (32,858 person hours for the financial year ended 30 June 2024). During the six-month period ended 31 December 2024, there were no reportable health and safety incidents. The 12-month rolling TRIFR was at 0.00, while the LTIFR remains at zero.

Site staff at Kayelekera continued to take a pro-active approach in relation to incident/accident prevention through implementation of work permit system, Take-5 risk assessments and daily safety toolbox talks.

Uranium Market

There continues to be positive sentiment in the nuclear sector, underpinning demand for uranium going forward. At COP28, the United Nations Climate Change Conference held in December 2023, nuclear was included in the Global Stocktake on decarbonization on the back of 22 countries signing up to support a tripling of nuclear energy by 2050 to meet climate goals. By COP29 in November 2024, this increased to 31 countries signing up. 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.

Life extensions to operating plants were announced in several countries during the half-year, including US, Spain, UK and South Africa. Japan restarted two reactors that had been idle since 2012 following the Fukushima accident. There were also several new starts, with France bringing on its first new reactor in 25 years and India reporting progress of its nuclear roll-out during the half-year. Currently more than 60GW of nuclear capacity is under construction, more than half of which in China. China also approved 11 new reactors across 5 sites during the half-year, with South Korea also approving 2 reactors.

In addition, during the half-year, several Big Tech companies including Microsoft, Meta, Google and Amazon signed agreements with utilities and nuclear technology providers to secure uninterrupted carbon-free power for data centres. These agreements included restarting idled reactors, as well as development of new reactor fleets comprising Small Modular Reactors (SMRs), with time frames from the late 2020s to the mid 2040s.

Meanwhile on the supply side, further geopolitical bifurcation occurred during the half-year. Russia imposed temporary restrictions on the export of enriched uranium to the USA, a retaliatory move following the enactment of a US ban on Russian uranium imports which became effective on 12 August 2024. Kazatomprom has concluded a major deal to supply uranium to China National Nuclear Corporation (CNNC). During the half-year, government authorities in Niger took control of French company Orano's Somair Uranium Mine (>5Mlbpa capacity) and revoked the operating licence for Orano's Imouraren property. The US Department of Energy (DOE) has implemented a number of initiatives to spur the buildout of a US nuclear supply chain.

The uranium spot price was range bound during the half-year, fluctuating between US\$69.85/lb and US\$86/lb and finishing the half-year at US\$73.50/lb. While spot has corrected from highs above US\$100/lb in 2HCY23, the Long-Term price reported by Tradetech continued its upward trend that has endured since early 2021, and ended the half-year at US\$82.00/lb, up >20% from US\$68/lb in Dec 2023. Spot transaction volumes of ~23Mlb were broadly in line with those reported for 2HCY23, while term contracts totalled 116Mlb in 2024, compared to 2023 volumes of ~160mlb of which ~40mlb was a single contract between Cameco and Kazakhstan entities). 2024 term contracting was less than expected, mostly due to US utilities postponing purchases as a result of uncertainties about supply from Russia, and term contracting by utilities is expected to increase in CY2025. This additional demand should see the term prices supported, and there is evidence of a large supply shortage in the period from 2028 that may be challenging for some utilities to fill.

² Letlhakane Mineral Resources reported at 200ppm cut-off grade within pit shells based on various uranium prices. Refer to ASX Announcement dated 6 December 2024. Refer Table 3 on page 11 of this report for a breakdown of classification of the Letlhakane Mineral Resource.

DIRECTORS' REPORT

REVIEW OF ACTIVITIES (continued)

Although it is difficult to accurately assess the proposed pricing that will be acceptable for these contracts, there is information in the market that floors and ceilings associated with market related contracts have continued to increase.

The current supply chain concerns, the geopolitical issues facing various parties and the strong nuclear reactor build-out plans, reactor life extensions and SMR progress, all point to higher demand and sustained pricing for uranium in the future.

Kayelekera Project Overview - Malawi

The Kayelekera Uranium Project (**Kayelekera**) is located in northern Malawi, southern Africa, 52 kilometres west by road from the town of Karonga (see **Figure 1**). Kayelekera hosts a current Mineral Resource Estimate of 51.1 million pounds³ (Mlbs) U₃O₈ including the resource at Livingstonia and historically produced approximately 11Mlbs U₃O₈ equivalent over a five-year period from 2009-2014, before ceasing production in 2014 and entering into care and maintenance due to low uranium prices.

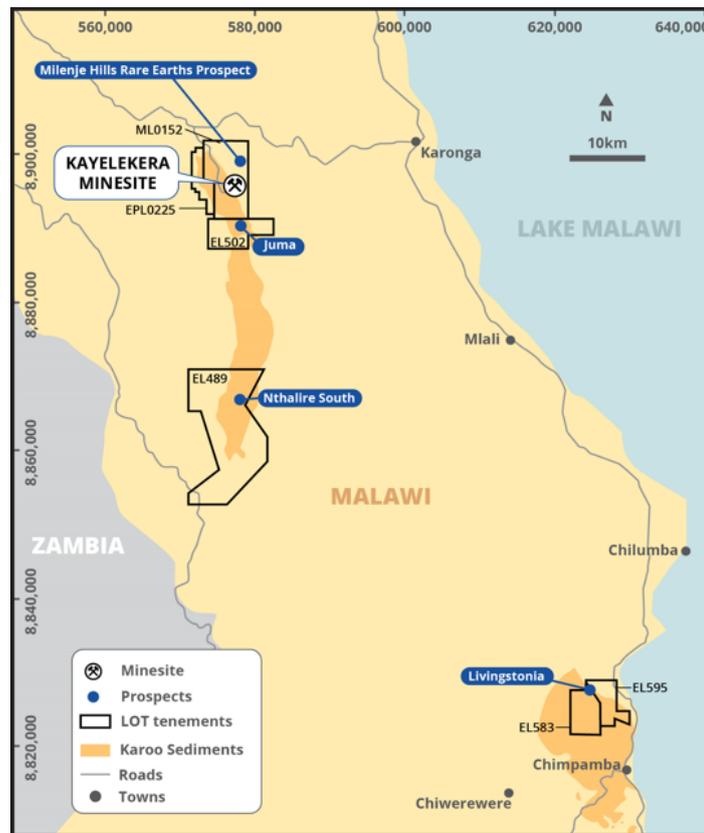


Figure 1: Location of the Kayelekera Uranium Mine and Livingstonia Uranium Tenements

Mine Development Agreement (MDA)

Following extensive discussions and negotiations, the Company and the GoM signed an MDA⁴. The MDA guarantees a Stability Period of 10 years and includes internationally recognised principles relating to legal protection on security of tenure, dispute resolution and expropriation. Key fiscal terms include royalty rate of 5% and a corporate tax rate of 30%. Relief around Resource Rental Tax, Withholding Tax and import/export duties, tariffs and VAT have been incorporated.

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 shareholding in Sovereign Metals, which holds another key mining project in Malawi, it demonstrates the increased attractiveness of Malawi for mining investment.

³ Refer to Table 1 in page 10 for a breakdown of classification of the Kayelekera Mineral Resource

⁴ See ASX announcement 31 July 2024

DIRECTORS' REPORT

REVIEW OF ACTIVITIES (continued)

Front-End Engineering and Design (FEED) completion and Accelerated Restart Program

Time to first uranium production was reduced to 10 months (previously 15 months⁵) 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/lb⁶. Deferred capital (post first uranium production) to deliver improvement projects is US\$40M, which includes costs for ore sorting, grid connection, upgrades to the acid plant for energy recovery and nanofiltration (acid recovery) upgrade.

The Company plans to achieve first uranium production during Q3 2025 (Q1 FY26) - see timeline shown in **Figure 1**.

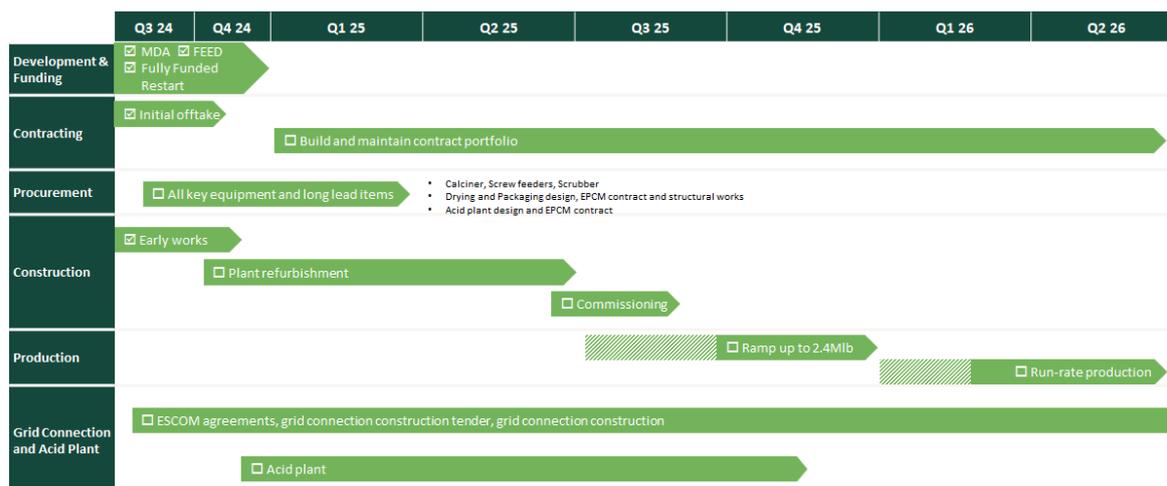


Figure 1: Accelerated project development schedule

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 life⁷.
- Steady state C1 cash cost of US\$34.5/lb and all-in sustaining cost (AISC) of US\$44.8/lb^{7, 8}.
- Pre-tax and post-tax NPV8% Real of US\$439M and US\$301M⁷.
- Pre-tax and post-tax IRR of 80% and 66%⁷.
- Initial capital payback within 2 years of production restart⁷.
- LOM pre-tax and post-tax free cash flow generation of US\$698M and US\$486M⁷.

Lotus secured A\$132m from strategic placement and SPP to fully fund Accelerated Restart Plan

Following completion of the FEED, Lotus raised A\$130 million (before costs) via an equity placement to institutional and sophisticated investors, including existing shareholders. Strong interest from a broad range of overseas and domestic institutional investors prompted the Company to upsize the initially planned A\$110 million placement. A further A\$2.3 million was raised via a non-underwritten SPP that provided all existing eligible shareholders the opportunity to participate in the capital raising on the same terms as the placement. The Placement and SPP issue price was A\$0.25 per new share issued.

Following receipt of funds on 12 December 2024, Lotus' Board approved the FID for the Kayelekera Accelerated Restart Project. Lotus has ordered all key equipment needed, mobilised equipment and construction crews to site and completed the early works program.

Key early works completed, and long lead orders placed during the half-year include:

- Camp infrastructure upgrades including water treatment, sewage system and rooms;
- Orders placed for calciner, scrubber and screw feeder for drying and packaging plant;
- Tools and mobile equipment and plant, including man-lifts and telehandlers for construction crew;
- Purchased 70-tonne and 200-tonne cranes for construction and operations and mobilised to site;
- Engineering, Procurement and Construction Management contract issued for acid plant relocation and refurbishment; and
- Design package awarded for drying and packaging plant with design now largely complete and steelwork in fabrication.

⁵ Refer to Definitive Feasibility Study announced on ASX on 11 August 2022.

⁶ 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).

⁷ 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). Refer to ASX Announcement dated 11 August 2022.

⁸ Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4mlbpa U₃O₈ is expected.

DIRECTORS' REPORT

REVIEW OF ACTIVITIES (continued)

Lotus secured A\$132m from strategic placement and SPP to fully fund Accelerated Restart Plan (continued)

Lotus has signed a grid connection Memorandum of Understanding (MoU) with ESCOM, Malawi's state-owned power utility, and completed the tender process for the appointment of an Engineering, Procurement and Construction (EPC) contractors for the transmission, substation and associated works required for the connection to the power grid. Contracts are expected to be finalised during the current quarter. Lotus is exploring separate funding arrangements for the grid connection; substation works and battery energy storage system.

During this half-year, the site team continued to carry 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.

Offtake

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 price⁹, with Tier 1 counterparties Curzon and 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.

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.

Letlhakane Project Overview – Botswana

The Letlhakane Uranium Project in Botswana is one of the world's largest undeveloped uranium deposits, with a significant JORC 2012 compliant Mineral Resource Estimate of 113.7Mlbs (142.2Mt at 362ppm U₃O₈)¹⁰. The mining license has been in place since 2016 and provisional surface rights have been granted as well as water extraction rights. The asset is located close to high quality infrastructure with a sealed highway, rail line and power line running past the mining license boundary all of which make significant contributions to keeping the capital cost of future developments low. The asset is located within 50 kilometres of Francistown, a major population centre in Botswana (see **Figure 2**).



Figure 2: Location of the Letlhakane Uranium Project

Botswana is a mining friendly jurisdiction, consistently ranking highly in the Fraser Institute Perceptions Index (for the latest report for 2023 it was rated the top mining jurisdiction in Africa and the fourth worldwide (Policy Perceptions Index)).

⁹ See ASX announcement 3 September 2024

¹⁰ See ASX announcement dated 6 December 2024. Refer to page 2 of this announcement for a breakdown of classification of the Letlhakane Mineral Resource

DIRECTORS' REPORT

REVIEW OF ACTIVITIES (continued)

Lethakane Scoping Study confirmed long-life, high value Uranium project

A Scoping Study has defined a base case scenario for the development of the Lethakane uranium project. The Study predominantly focused on the mining elements of the Project using the Mineral Resource Estimate delivered in May 2024¹¹. The process plant and non-process infrastructure were based on a 2015 Technical Study completed by the previous owners A-Cap Energy Ltd¹² 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.

Due to the relatively high strip ratio 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 impact of mining costs (through the percentage of material requiring drill and blast).

Sustainability

Sustainability at Lotus is governed directly by the Board. Lotus' ESG Committee assists the Board to fulfil its responsibilities in relation to environmental, social, and governance matters and to review and assess the effectiveness of the Company's governance program in ensuring compliance with relevant regulatory and legal requirements.

During the half-year the Company issued its fourth annual Sustainability Report, detailing Lotus' corporate ESG activities, and the work undertaken at Kayelekera and Lethakane. This report has been prepared with reference to the 2021 Global Reporting Initiative Sustainability Reporting Standard (GRI Standards), and reports on Lotus' progress towards Sustainable Development Goal (SDG) targets. It also describes Lotus' progress 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 2024. 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.

The Environmental Social Management Plan (ESMP) for the proposed transmission line from the Town of Karonga to the Kayelekera mine site was granted in December 2024 by the Malawi Environmental Protection Authority (MEPA). The proposed transmission line will significantly reduce greenhouse gas emissions at Kayelekera, as it will connect Kayelekera to Malawi's electrical grid which is predominately powered by hydropower. Lotus has been rapidly advancing an updated Environmental and Social Impact Assessment (ESIA) for restarting mining at Kayelekera. This process has involved environmental and social studies, including a surface water assessment, groundwater assessment, macro-invertebrates assessment, air quality modelling, social impact assessment, and a radiation assessment. The updated ESIA is planned to be completed and submitted to MEPA in Q1 CY2025.

¹¹ See ASX announcement 9 May 2024

¹² Lethakane Technical Study announcement June 2015 by A-Cap Resources Ltd

DIRECTORS' REPORT

ORE RESERVES AND MINERAL RESOURCES

Kayelekera Mineral Resources Estimate

The information in this document that relates to Mineral Resources for Kayelekera at the project was reported by the Company in announcements to the ASX dated 15 February 2022 (Kayelekera) and 9 June 2022 (Livingstonia). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 1 - Kayelekera Mineral Resource Inventory - December 2024¹³

Project	Category	Mt	Grade	U ₃ O ₈	U ₃ O ₈
			(U ₃ O ₈ ppm)	(M kg)	(M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured - RoM Stockpile ¹⁴	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 ¹⁵	2.4	290	0.7	1.5
Kayelekera	Total All Materials	42.5	500	21.1	46.3
Livingstonia	Inferred	6.9	320	2.2	4.8
Total		49.4	475	23.3	51.1

Kayelekera Ore Reserves

The Ore Reserve estimate has been developed using the 9 June 2022 Mineral Resource Estimate for Kayelekera only (i.e. excluding the Livingstonia Resource Estimate) and is based on the optimised mine plan and production schedule prepared as part of the Restart Definitive Feasibility Study reported in ASX announcement dated 11 August 2022 and the Accelerated Restart Plan reported in the ASX announcement dated 8 October 2024.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements; and in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 2 - Kayelekera Ore Reserve Inventory - December 2024¹⁶

Project	Category	Mt	Grade	U3O8	U3O8
			(U3O8 ppm)	(M kg)	(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 - Kayelekera	15.9	660	10.4	23.0

¹³ See ASX announcements dated 15 February 2022 and 9 June 2022 for information on the Kayelekera Project and Livingstonia Deposit Mineral Resource Estimates. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 15 February 2022 and 9 June 2022 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in that announcement continue to apply and have not materially changed. The Kayelekera Project Mineral Resource Estimates are reported inclusive of the Kayelekera Project Ore Reserve Estimates. Mineral Resources are based on a 100% ownership basis of which Lotus has an 85% interest.

¹⁴ RoM stockpile has been mined and is located near mill facility.

¹⁵ Low-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.

¹⁶ 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. Except for information included in the Accelerated Restart Plan announced on the ASX on 8 October 2024, 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 and that all material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed.

DIRECTORS' REPORT

ORE RESERVES AND MINERAL RESOURCES (continued)

Letlhakane Mineral Resources Estimate

Lotus and independent mineral resource estimation specialist Snowden Optiro prepared a revised MRE for the Letlhakane deposit that incorporated results of the recently completed 164-hole (12,108m) infill drill program. The revised MRE was reported as Mineral Resources that have "reasonable prospects of eventual economic extraction", or RPEEE, and lie within pit shells defined by cost of mining and processing, as well as other criteria, including losses in mining and metallurgical recoveries¹⁷. Targeted exploration at Marotobolo on the western border of the ML has added 4.4Mlbs of new RPEEE-constrained Inferred Mineral Resources¹⁸.

Table 3 - Letlhakane Optimised MRE reported above a 200ppm cut-off at US\$100/lb - December 2024

Material type	Deposit	Indicated			Inferred			Total		
		Mt	U ₃ O ₈ ppm	U ₃ O ₈ Mlb	Mt	U ₃ O ₈ ppm	U ₃ O ₈ Mlb	Mt	U ₃ O ₈ ppm	U ₃ O ₈ Mlb
Secondary	Mokobaesi	2.1	344	1.6	-	-	-	2.1	344	1.6
	Total Secondary	2.1	344	1.6	-	-	-	2.1	344	1.6
Oxide	Gorgon	8.6	353	6.7	7.0	303	4.7	15.6	330	11.4
	Mokobaesi	3.1	323	2.2	-	-	-	3.1	323	2.2
	Kraken	3.1	307	2.1	0.5	237	0.3	3.6	297	2.4
	Serule East	-	-	-	0.8	239	0.4	0.8	239	0.4
	Serule West	0.9	349	0.7	2.8	371	2.3	3.7	366	3.0
	Total Oxide	15.7	337	11.7	11.1	313	7.7	26.8	327	19.4
Primary	Gorgon	42.8	355	33.4	33.2	321	23.5	76.0	340	56.9
	Mokobaesi	0.3	316	0.2	-	-	-	0.3	316	0.2
	Kraken	5.3	384	4.5	0.5	289	0.3	5.8	376	4.8
	Serule West	5.4	449	5.4	21.8	439	21.1	27.2	441	26.5
	Marotobolo	-	-	-	4.0	495	4.4	4.0	495	4.4
	Total Primary	53.8	367	43.5	59.5	376	49.3	113.3	372	92.8
Total		71.6	360	56.8	70.6	366	56.9	142.2	363	113.7

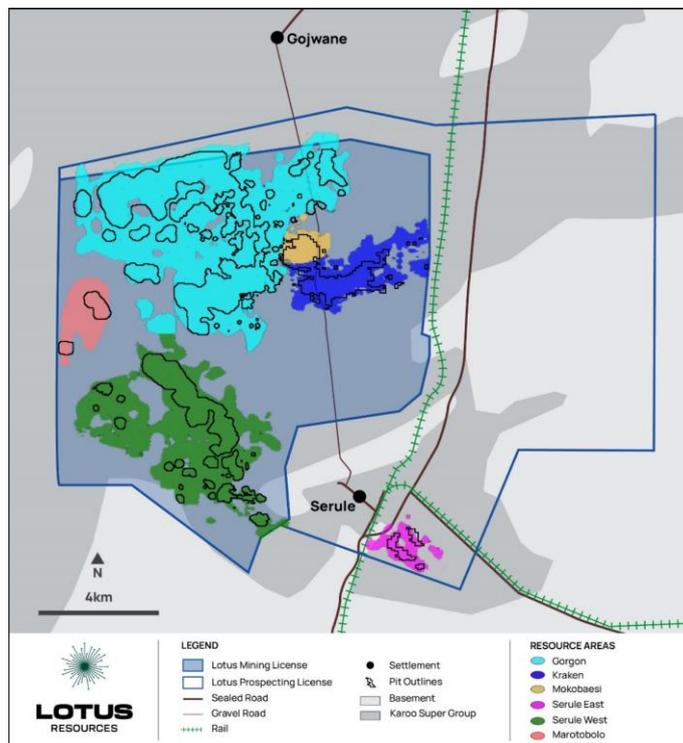


Figure 3: Letlhakane resource areas

¹⁷ See ASX announcement 6 December 2024 for details and Competent Person Statement. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the respective Mineral Resource announcements of 6 December 2024 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimates in those announcements continue to apply and have not materially changed. Lotus confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from those market announcements

¹⁸ Refer to Table 3 above for a breakdown of the classification and deposits of the Letlhakane Mineral Resource.

DIRECTORS' REPORT

BOARD AND MANAGEMENT TRANSITION

On 2 October, Lotus announced a restructure of its Board and senior management team to meet corporate and project delivery objectives. Keith Bowes assumed the role of Technical Director, Grant Davey was appointed as Executive Director, Greg Bittar as Chief Executive Officer (CEO) and Warren King as Kayelekera Project Director - Execution. Hayden Bartrop was appointed as Chief Commercial Officer effective from 11 November 2024 and as Company Secretary from 2 October 2024.

On 12 December, the Company implemented further Board and Management changes to support its transition to a global uranium producer. CEO Greg Bittar was appointed as Managing Director and Technical Director Keith Bowes resigned as a director. Mr Bowes will continue in his executive role until March 2025.

Post half-year end, Mr Hayden Bartrop was appointed Chief Financial Officer.

RESULTS

The Consolidated entity made a loss of A\$9,840,527 after tax for the half-year ended 31 December 2024 (31 December 2023: loss of A\$5,539,697).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the half-year ended 31 December 2024, the Company issued 10,000,000 shares to certain key management personnel and a consultant. In addition, as part of the A\$132.3 million (before costs) equity placement to institutional and sophisticated investors and SPP to existing shareholders, the Company issued 529,064,000 new fully paid ordinary shares at A\$0.25 per share.

Following shareholder approval of Tranche 2 of the A\$130 million (before costs) equity placement to institutional and sophisticated investors on 6 December 2024 and receipt of funds on 12 December 2024, the Board approved the Final Investment Decision for the Kayelekera Accelerated Restart Project

There were no other significant changes in the state of affairs of the Consolidated entity during the half-year ended 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

On 23 January 2025, the Company made an announcement to the market which included:

- the Kayelekera Project restart is progressing as planned with first uranium production on track for Q3 2025.
- Ms Leanne Heywood and Mr Simon Hay had been appointed as Non-Executive Directors of the Company (effective 3 February 2025).
- Mr Hayden Bartrop had been appointed Chief Financial Officer.
- On 6 January 2025, Lotus (Africa) Limited, an 85% owned subsidiary of Lotus Resources Limited, signed a CDA with the qualified communities which was ratified by the GoM as required under the Mines and Minerals Act of Malawi. The CDA establishes a Community Development Fund which is overseen by a Steering Committee.

On 28 January 2025, the Company announced that it had signed equipment finance term sheets for up to US\$18.5 million in aggregate with Standard Bank Plc and First Capital Bank Limited. It was also announced that the Company signed a term sheet for a US\$20 million working capital facility with Standard Bank Plc. The terms sheet is non-binding and subject to credit approval.

On 29 January 2025, the Company announced that it had secured a non-binding terms sheet for further offtake arrangements with PSEG for a total of 800,000 lbs for uranium for 2026 - 2029 at an escalated fixed price.

Other than the above there have been no further significant post-balance date events.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

Section 307C of the Corporations Act 2001 requires our auditor, RSM Australia Partners, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' report for the six months ended 31 December 2024.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3)(a) of the Corporations Act 2001.



Greg Bittar
Managing Director

Dated at Perth, Western Australia, this 27th day of February 2025.



RSM Australia Partners

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T +61 (0) 8 9261 9100

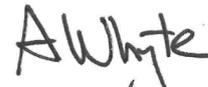
www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Lotus Resources Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

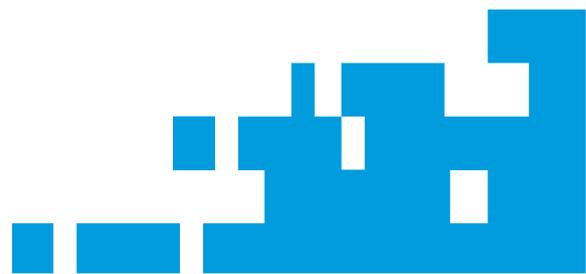
RSM
RSM AUSTRALIA


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 27 February 2025

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RSM Australia Partners ABN 36 965 185 036
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Note	Consolidated 31 December 2024 \$	Consolidated 31 December 2023 \$
Other income		4,201,280	650,097
Care and maintenance costs		(3,290,692)	(1,434,416)
Exploration and evaluation expenses		(4,032,371)	(279,934)
Corporate and administrative expenses	3	(3,392,907)	(1,709,176)
Impairment charges - plant and equipment		(99,147)	(1,366,325)
Depreciation charges		(5,298)	(10,844)
Finance costs - accretion of interest		(710,025)	(657,580)
Finance costs - others		-	(25,322)
Share-based payments expense	12	(2,937,023)	(1,088,735)
Loss before tax		(10,266,183)	(5,922,235)
Tax expense		(56,245)	(26,731)
Loss for the half-year		(10,322,428)	(5,948,966)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange differences on translating foreign operations		6,452,123	(2,962,923)
Total other comprehensive income/(loss)		6,452,123	(2,962,923)
Total comprehensive loss for the half-year		(3,870,305)	(8,911,889)
Loss attributable to:			
Non-controlling interests		(481,901)	(409,269)
Members of the parent		(9,840,527)	(5,539,697)
		(10,322,428)	(5,948,966)
Total comprehensive loss attributable to:			
Non-controlling interests		(369,339)	(726,813)
Members of the parent		(3,500,966)	(8,185,076)
		(3,870,305)	(8,911,889)
Loss per share:			
Basic and diluted loss per ordinary share (cents)		(0.50)	(0.42)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Note	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
CURRENT ASSETS			
Cash and cash equivalents	4	132,840,465	34,125,776
Inventories		653,632	136,986
Other current assets		4,683,048	1,215,557
Total Current Assets		138,177,145	35,478,319
NON-CURRENT ASSETS			
Right-of-use asset	5	135,362	-
Plant and equipment	6	15,524,667	164,480
Exploration and evaluation assets	7	128,023,476	118,178,228
Other financial assets		16,100,389	14,999,903
Total Non-Current Assets		159,783,894	133,342,611
TOTAL ASSETS		297,961,039	168,820,930
CURRENT LIABILITIES			
Trade and other payables	8	4,105,594	3,087,556
Lease liability		53,618	-
Provisions	9	473,816	135,996
Total Current Liabilities		4,633,028	3,223,552
NON-CURRENT LIABILITIES			
Lease liability		78,952	-
Provisions	9	41,723,877	38,202,500
Total Non-Current Liabilities		41,802,829	38,202,500
TOTAL LIABILITIES		46,435,857	41,426,052
NET ASSETS		251,525,182	127,394,878
EQUITY			
Contributed equity	10	389,449,344	263,785,659
Reserves		(24,138,328)	(32,681,683)
Accumulated losses		(111,003,698)	(101,296,301)
Equity attributable to owners of the Company		254,307,318	129,807,675
Non-controlling interests		(2,782,136)	(2,412,797)
TOTAL EQUITY		251,525,182	127,394,878

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**



Consolidated 2024	Contributed equity \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Capital reserves \$	Non-controlling interest \$	Total equity \$
At 1 July 2024	263,785,659	3,175,819	(911,542)	(101,296,301)	(34,945,960)	(2,412,797)	127,394,878
Loss for the half-year	-	-	-	(9,840,527)	-	(481,901)	(10,322,428)
Other comprehensive income	-	-	6,339,561	-	-	112,562	6,452,123
Total comprehensive income/(loss) for the half-year	-	-	6,339,561	(9,840,527)	-	(369,339)	(3,870,305)
Transactions with equity holders in their capacity as equity holders							
Shares issued on capital raisings (note 10)	132,266,000	-	-	-	-	-	132,266,000
Share issue costs (note 10)	(7,202,414)	-	-	-	-	-	(7,202,414)
Share-based payments (note 10)	-	2,937,023	-	-	-	-	2,937,023
Share issued to employees (note 10)	124,044	(124,044)	-	-	-	-	-
Exercise of options (note 10)	476,055	(476,055)	-	-	-	-	-
Expiry of employee share scheme options (note 10)	-	(133,130)	-	133,130	-	-	-
At 31 December 2024	389,449,344	5,379,613	5,428,019	(111,003,698)	(34,945,960)	(2,782,136)	251,525,182

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**



Consolidated 2023	Contributed equity \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Capital reserves \$	Non-controlling interest \$	Total equity \$
At 1 July 2023	143,537,936	2,995,081	373,178	(76,866,298)	(34,945,960)	(1,409,047)	33,684,890
Loss for the half-year	-	-	-	(5,539,697)	-	(409,269)	(5,948,966)
Other comprehensive loss	-	-	(2,645,379)	-	-	(317,544)	(2,962,923)
Total comprehensive loss for the half-year	-	-	(2,645,379)	(5,539,697)	-	(726,813)	(8,911,889)
Transactions with equity holders in their capacity as equity holders							
Shares issued on acquisition of A-Cap Energy Ltd	88,622,108	-	-	-	-	-	88,622,108
Shares issued to advisors	802,202	-	-	-	-	-	802,202
Share-based payments	-	286,533	-	-	-	-	286,533
Exercise of options	1,747,280	(1,197,280)	-	-	-	-	550,000
Expiry of employee share scheme options	-	(77,447)	-	77,447	-	-	-
At 31 December 2023	234,709,526	2,006,887	(2,272,201)	(82,328,548)	(34,945,960)	(2,135,860)	115,033,844

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Consolidated 31 December 2024 \$	Consolidated 31 December 2023 \$
Cash flows from operating activities		
Interest received	1,188,354	665,538
Other income received	-	8,651
Payments to suppliers and employees	(3,753,099)	(1,744,461)
Payments for care and maintenance	(3,649,911)	(1,020,421)
Payments for exploration and evaluation activities	(5,492,376)	(439,189)
Finance costs paid	-	(92)
Income tax paid	(56,245)	(26,731)
Net cash used in operating activities	<u>(11,763,277)</u>	<u>(2,556,705)</u>
Cash flows from investing activities		
Purchases of plant and equipment	(15,428,558)	(1,366,323)
Payments for exploration	(3,926,871)	(590,983)
Payments of lease liability	(3,880)	-
Cash acquired from acquisition of A-Cap Energy Ltd	-	1,237,533
Payments for acquisition-related costs	-	(360,644)
Net cash used in investing activities	<u>(19,359,309)</u>	<u>(1,080,417)</u>
Cash flows from financing activities		
Proceeds from issue of shares	132,266,000	-
Proceeds from the exercise of options	-	550,000
Share issue transaction costs	(7,202,414)	-
Net cash from financing activities	<u>125,063,586</u>	<u>550,000</u>
Net increase/(decrease) in cash and cash equivalents	<u>93,941,000</u>	<u>(3,087,122)</u>
Cash and cash equivalents at the beginning of the period	<u>34,125,776</u>	<u>15,519,217</u>
Effects of exchange rate changes on cash and cash equivalents	4,773,689	(64,617)
Cash and cash equivalents at the end of the period	<u>132,840,465</u>	<u>12,367,478</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICIES

Basis of Preparation

These general-purpose financial statements for the half-year ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. In addition, any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SEGMENT REPORTING

During the half-year ended 31 December 2024, the Consolidated entity operated in three (31 December 2023: four business segments, including nickel-cobalt exploration, evaluation and development in Australia) business segments and two geographical locations (31 December 2023: two), being the exploration, evaluation and development of Uranium assets in Africa (comprising the geographical locations Malawi and Botswana) and Corporate activities in Australia.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

An operating segment is a component of the Consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Consolidated entity's components.

Consolidated	Operating	Total	Total
31 December 2024	Loss	Assets	Liabilities
	\$	\$	\$
Uranium - Malawi	(3,212,675)	79,796,968	(44,962,025)
Uranium - Botswana	(1,063)	80,879,039	(293,154)
Nickel - Cobalt - Australia	(39,801)	-	-
Corporate	(7,068,889)	137,285,032	(1,180,678)
	(10,322,428)	297,961,039	(46,435,857)

Consolidated	Operating	Total	Total
31 December 2023	Loss	Assets	Liabilities
	\$	\$	\$
Uranium - Malawi	(2,728,459)	53,960,410	(37,100,025)
Uranium - Botswana	(23,353)	76,533,784	(109,531)
Nickel - Cobalt - Australia	(2,764)	10,099,263	(353,667)
Corporate	(3,194,390)	12,849,202	(845,592)
	(5,948,966)	153,442,659	(38,408,815)

3. CORPORATE AND ADMINISTRATIVE EXPENSES

	Consolidated	Consolidated
	31 December	31 December
	2024	2023
	\$	\$
Salaries and wages, including provision for pre-production bonus of \$285,000 (31 December 2023: Bonus of Nil)	1,526,895	611,994
Other administrative expenses	1,866,012	1,097,182
	3,392,907	1,709,176

NOTES TO THE FINANCIAL STATEMENTS

4. CASH AND CASH EQUIVALENTS

	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
Cash at banks and on hand	117,840,465	625,776
Term deposits	15,000,000	33,500,000
	<u>132,840,465</u>	<u>34,125,776</u>

5. RIGHT-OF-USE ASSET

	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
Office right-of-use asset	143,324	-
Less: Accumulated amortisation	(7,962)	-
	<u>135,362</u>	<u>-</u>

6. PLANT AND EQUIPMENT

	Furniture and Fixtures \$	Mine Plant and Equipment \$	Motor Vehicles \$	Construction- in-progress \$	Total \$
At 31 December 2024					
Cost	192,438	3,343,664	202,692	15,229,614	18,968,408
Accumulated depreciation and impairment	(160,160)	(3,132,589)	(150,992)	-	(3,443,741)
Net carrying amount	<u>32,278</u>	<u>211,075</u>	<u>51,700</u>	<u>15,229,614</u>	<u>15,524,667</u>
Period ended 31 December 2024					
At 1 July 2024, net of accumulated depreciation	24,372	44,151	95,957	-	164,480
Additions	77,638	198,393	-	15,160,464	15,436,495
Depreciation charge for the period	(5,506)	(13,708)	(14,207)	-	(33,421)
Impairment charged for the period	(56,910)	(6,163)	-	-	(63,073)
Disposal	(821)	-	-	-	(821)
Foreign exchange movements	(6,495)	(11,598)	(30,050)	69,150	21,007
At 31 December 2024, net of accumulated depreciation	<u>32,278</u>	<u>211,075</u>	<u>51,700</u>	<u>15,229,614</u>	<u>15,524,667</u>
At 30 June 2024					
Cost	122,116	3,156,869	232,742	-	3,511,727
Accumulated depreciation and impairment	(97,744)	(3,112,718)	(136,785)	-	(3,347,247)
Net carrying amount	<u>24,372</u>	<u>44,151</u>	<u>95,957</u>	<u>-</u>	<u>164,480</u>
Year ended 30 June 2024					
At 1 July 2023, net of accumulated depreciation	3,797	-	-	-	3,797
Acquisition of Lotus Marula Group	20,044	31,043	130,987	-	182,074
Additions (note 9)	12,074	1,428,157	-	-	1,440,231
Depreciation charge for the financial year	(2,740)	-	-	-	(2,740)
Depreciation capitalised to exploration and evaluation assets	(3,690)	(5,265)	(31,250)	-	(40,205)
Impairment charge for the financial year	(8,404)	(1,415,527)	-	-	(1,423,931)
Foreign exchange movements	3,291	5,743	(3,780)	-	5,254
At 30 June 2024, net of accumulated depreciation	<u>24,372</u>	<u>44,151</u>	<u>95,957</u>	<u>-</u>	<u>164,480</u>

INDEPENDENT AUDITOR'S REVIEW REPORT

7. EXPLORATION AND EVALUATION ASSETS

	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
Exploration and evaluation expenditure carried forward in respect of areas of interest (net of amounts written off)	<u>128,023,476</u>	<u>118,178,228</u>

Reconciliation

Carrying amount - 1 July	118,178,228	39,532,314
Exploration and evaluation expenditures	3,037,863	5,302,666
Provision for impairment	(36,073)	(13,509,366)
Change in estimates provision for rehabilitation and closure costs	-	(246,782)
Acquisition of Lotus Marula Group	-	88,607,578
Movement in exchange rates	6,843,458	(1,508,182)
Carrying amount - 31 December / 30 June	<u>128,023,476</u>	<u>118,178,228</u>

8. TRADE AND OTHER PAYABLES

	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
Trade payables	1,711,725	1,177,188
Other payables and accruals	2,393,869	1,910,368
	<u>4,105,594</u>	<u>3,087,556</u>

9. PROVISIONS

	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
Current:		
Annual leave	188,816	111,048
Termination benefits	-	24,948
Provision for pre-production bonus	285,000	-
	<u>473,816</u>	<u>135,996</u>
Non-current:		
Rehabilitation and closure provision	41,723,877	38,167,789
Long-service leave	-	34,711
	<u>41,723,877</u>	<u>38,202,500</u>
Reconciliation - Rehabilitation and closure provision:		
Opening balance - 1 July	38,167,789	37,257,958
Decrease in provision for closure cost	-	(246,782)
Accretion of interest	710,025	1,309,702
Foreign currency movements	2,846,063	(153,089)
Closing balance - 31 December/ 30 June	<u>41,723,877</u>	<u>38,167,789</u>

INDEPENDENT AUDITOR'S REVIEW REPORT

10. CONTRIBUTED EQUITY

	Consolidated 31 December 2024		Consolidated 30 June 2024	
	\$		\$	
Fully paid ordinary shares	<u>389,449,344</u>		<u>263,785,659</u>	
	Consolidated 31 December 2024 Number of Shares	Consolidated 30 June 2024 Number of Shares	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
Movements during the period/year:				
At beginning of period/year	1,831,216,106	1,343,982,044	263,785,659	143,537,936
Issue of shares - capital raising	529,064,000	100,000,000	132,266,000	30,000,000
Shares issued to employees upon exercise of options	1,766,744	12,236,879	476,055	2,101,230
Shares issued as employees' bonus	605,093	-	124,044	-
Shares issued to acquiree's financial advisor in lieu of fees	-	3,274,294	-	802,201
Exercise of options by shareholders	-	10,000,000	-	550,000
Issue of shares - acquisition of Lotus Marula Group	-	361,722,889	-	88,622,108
Share issue costs	-	-	(7,202,414)	(1,827,816)
At end of period/year	<u>2,362,651,943</u>	<u>1,831,216,106</u>	<u>389,449,344</u>	<u>263,785,659</u>

11. SHARE-BASED PAYMENTS

	Consolidated 31 December 2024		Consolidated 30 June 2024	
	Number		Number	
Movement in options:				
At beginning of period/year	31,107,999		31,131,780	
Granted	10,000,000		23,895,506	
Exercised	(1,766,744)		(22,236,879)	
Expired	(2,459,789)		(1,682,408)	
At end of period/year	<u>36,881,466</u>		<u>31,107,999</u>	
Weighted average exercise price of outstanding options (Cents)	0.02		3.86	
Weighted average remaining life of outstanding options (Years)	<u>2.63</u>		<u>2.99</u>	

Details of the 10,000,000 options granted during the half-year ended 31 December 2024 are set out below (including the assumptions used in fair value estimation).

Below are options granted during the period with a service-related vesting condition.

Number of Options	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
1,000,000	21/08/2024	22/08/2027	\$0.30 each	\$0.23 each	Nil	3.72%	\$0.08 each
1,000,000	21/08/2024	22/08/2027	\$0.30 each	\$0.23 each	Nil	3.72%	\$0.08 each
1,000,000	12/11/2024	08/10/2027	\$0.30 each	\$0.23 each	Nil	3.98%	\$0.15 each
1,000,000	12/11/2024	08/10/2027	\$0.30 each	\$0.23 each	Nil	3.98%	\$0.15 each

Below are options granted during the period that had both service condition and market-based vesting criteria related to closing share price during the term.

Number of Options	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
3,000,000	30/08/2024	08/08/2027	\$0.00 each	\$0.23 each	Nil	3.72%	\$0.23 each
3,000,000	30/08/2024	08/08/2027	\$0.00 each	\$0.23 each	Nil	3.72%	\$0.23 each

INDEPENDENT AUDITOR'S REVIEW REPORT

12. DIVIDENDS

No dividends were declared or paid during the half-year ended 31 December 2024 (2023: Nil).

13. COMMITMENTS

Exploration Project commitments

Commitments for tenement rentals and expenditure commitments due within one year amounted to \$6,436,000 (30 June 2024: \$5,519,000). The expenditure commitments as at 31 December 2024 predominately comprise purchase orders issued for the Kayelekera Project accelerated restart plan workstreams and minimum tenement expenditures at both Kayelekera and Letlhakane.

14. CONTINGENT LIABILITIES AND ASSETS

Kayelekera Uranium Project

As at 31 December 2024, the Company had three agreements providing royalty payments to local government and former owners for production from the Kayelekera Uranium Project. Royalties payable on production comprises an uncapped royalty on revenue to the Malawi Government of 5%, a 3.5% royalty on revenue capped at \$5,000,000 to Paladin Energy Limited and an uncapped 0.75% royalty on revenue to Power Resources Inc, a subsidiary of Cameco Corporation. Liability to make royalty payments only arises upon the restart of production from Kayelekera. The Company also has in place a US\$10,000,000 cash backed environmental performance bond of \$16,100,389 (June 2024: \$14,999,903). The bond is restricted cash to cover closure and rehabilitation costs of the project. The bond is the minimum amount required to be maintained in accordance with the terms of the Mine Development Agreement for the Kayelekera Uranium Project and relevant local regulations. During the period Lotus (Africa) Limited, an 85% owned subsidiary of Lotus Resources Limited, signed a CDA with the qualified communities which was ratified by the GoM as required under the Mines and Minerals Act of Malawi. The CDA establishes a Community Development Fund of no less than 0.45% of annual gross sales revenue generated from production sourced from the Kayelekera mining licence, overseen by a Steering Committee, which are to be used for projects which deliver the objectives of the CDA.

Letlhakane Uranium Project

As required under the Mines and Minerals Act of Botswana to enable the grant of a mining licence, Lotus Marula Pty Ltd (or referred to as "Lotus Marula" and formerly A-Cap Energy Limited) provided a parent company guarantee for wholly owned subsidiary Lotus Marula Botswana Proprietary Limited (formerly A-Cap Resources Botswana Pty Ltd) (**A-Cap Botswana**), the holder of the Letlhakane Uranium Project, for the performance of A-Cap Botswana's obligations under the mining licence and Mines and Minerals Act of Botswana. The guarantee was provided on 14 August 2015 and will remain in place for the duration of the mining licence.

Curzon Offtake Agreement

On 3 September 2024, the Company announced it had (via subsidiary Lotus (Africa) Limited) signed a binding sales agreement and US\$15 million unsecured loan facility from Curzon to provide part of overall funding for the Kayelekera restart. As part of Curzon's binding agreement to buy 700,000 lbs of uranium, Curzon is 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.

The unsecured loan facility provides that the repayment of the facility must occur 12 months from the first utilisation date (unless extended to 18 months from the first utilisation date as elected by Lotus). The terms of the binding sales agreement include a seller's liability for shortfall clause which enables Curzon to require Lotus (Africa) Limited to deliver physical pounds of uranium product, delay delivery until the following year or purchase the equivalent quantity of the shortfall at the prevailing spot price and recover any difference between the price paid and the agreed sales price, plus all actual and reasonable direct costs incurred.

INDEPENDENT AUDITOR'S REVIEW REPORT

15. EVENTS SUBSEQUENT TO REPORTING DATE

On 23 January 2025, the Company made an announcement to the market which included:

- the Kayelekera Project restart is progressing as planned with first uranium production on track for Q3 2025.
- Ms Leanne Heywood and Mr Simon Hay had been appointed as Non-Executive Directors of the Company (effective 2 February 2025).
- Mr Hayden Bartrop had been appointed Chief Financial Officer.
- On 6 January 2025, Lotus (Africa) Limited, an 85% owned subsidiary of Lotus Resources Limited, signed a CDA with the qualified communities which was ratified by the GoM as required under the Mines and Minerals Act of Malawi. The CDA establishes a Community Development Fund of no less than 0.45% of annual gross sales revenue generated from production sourced from the Kayelekera mining licence, overseen by a Steering Committee, which are to be used for projects which deliver the objectives of the CDA.

On 28 January 2025, the Company announced that it had signed equipment finance term sheets for up to US\$18.5 million in aggregate with Standard Bank Plc and First Capital Bank Limited. It was also announced that the Company signed a term sheet for a US\$20 million working capital facility with Standard Bank Plc. The terms sheet is non-binding and subject to credit approval

On 29 January 2025, the Company announced that it had secured a non-binding terms sheet for further offtake arrangements with PSEG for a total of 800,000 lbs for uranium for 2026 - 2029 at an escalated fixed price.

Other than the above there have been no further significant post-balance date events.

16. REFERENCE TO PREVIOUS ASX ANNOUNCEMENTS

The information in this announcement that relates to the Mineral Resource Estimate at Kayelekera was announced on 9 June 2022 and 15 February 2022. The information in this announcement that relates to the Mineral Resource Estimate at Letlhakane was announced on 6 December 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 9 June 2022 and 15 February 2022 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in that announcement continue to apply and have not materially changed. The information in this announcement that relates to the Ore Reserve Estimate at Kayelekera was announced on 11 August 2022. Except for information in the Accelerated Restart Plan announced on the ASX on 8 October 2024, the Company 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 and that all material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed.

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

17. FORWARD LOOKING STATEMENTS AND DISCLAIMER

This Directors Report includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Lotus Resource Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this announcement, including, without limitation, those regarding Lotus Resource Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Lotus Resource Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the timeframe and within estimated costs currently planned; variations in global demand and price for uranium; fluctuations in exchange rates between the U.S. Dollar and the Australian Dollar; uncertainty in the estimation of mineral resources and mineral reserves; the failure of Lotus Resource Limited's suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; the inherent risks and dangers of mining exploration and operations in general; environmental risks; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in government regulations, policies or legislation; foreign investment risks in Malawi; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; reliance on key personnel and the retention of key employees; the impact of the outbreak of disease on the Company's business and operations; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this announcement is not intended to be a forecast. They are internally generated goals set by the Board of Directors of Lotus Resource Limited. The ability of the Company to achieve any targets will be largely determined by the Company's ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary offtake arrangements with reputable third parties. Although Lotus Resource Limited believes that its expectations reflected in these

INDEPENDENT AUDITOR'S REVIEW REPORT

17. FORWARD LOOKING STATEMENTS AND DISCLAIMER (continued)

forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

This Directors' Report has been prepared by the Company based on information from its own and third-party sources and is not a disclosure document. It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. It should be read in conjunction with, and full review made of, the Company's disclosures and releases lodged with the Australian Securities Exchange (**ASX**) and available at www.asx.com.au under the Company's ticker code (ASX: LOT). Each recipient must make its own independent assessment of the Company and should seek professional advice before acquiring any shares in the Company.

Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, officers, employees, advisers and agents (each a **Lotus Party**) disclaim and accept no responsibility for, or makes any representation or warranty, express or implied, with respect to the accuracy, reliability or completeness of the information contained in this presentation and none of those parties have or assume any obligation to provide any additional information or to update this presentation. Whilst care has been exercised in preparing this announcement, to the fullest extent permitted by law, the Company and each Lotus Party:

- make no representation, warranty or undertaking, express or implied, as to the adequacy, accuracy, currency, completeness, reliability or reasonableness of this announcement; and
- expressly disclaims all responsibility and liability for any expenses, losses, damages or costs (whether direct, indirect or contingent) arising in respect of your reliance on this presentation including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this presentation, its accuracy, completeness, currency or reliability.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 31 December 2024 and of its performance for the six months ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Greg Bittar
Managing Director

Dated at Perth, Western Australia this 27th day of February 2025.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LOTUS RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Lotus Resources Limited (the Company) which comprises the consolidated interim statement of financial position as at 31 December 2024, the consolidated interim statement of profit or loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lotus Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lotus Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

The directors of Lotus Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

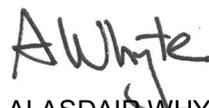
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Perth, WA
Dated: 27 February 2025

RSM
RSM AUSTRALIA


ALASDAIR WHYTE
Partner

