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Lotus completes A\$25 million placement to accelerate progress at the Kayelekera Uranium Project in Malawi

HIGHLIGHTS

- **Lotus completes institutional placement to raise A\$25 million at \$0.24 per share**
 - 9.1% discount to the 5-day VWAP of A\$0.264, as at 31 August 2022; and
 - 2.6% discount to the 10-day VWAP of A\$0.246 as at 31 August 2022.
- **Proceeds from the Placement, together with existing cash, to be applied to:**
 - Progressing the development of the Kayelekera Project, including finalising the Mine Development Agreement (MDA), advancing offtake negotiation, Front End Engineering Design (FEED) and project financing prior to a Final Investment Decision (FID);
 - Funding the final instalment of rehabilitation bond repayment to Paladin Energy Limited in March 2023; and
 - General maintenance and corporate costs for a period of at least 18 months (2024).
- **Upon completion of the Placement, Lotus will be well-funded with ~A\$28 million in unrestricted cash**

Lotus Resources Limited (ASX: LOT, OTCQB: LTSRF) (Lotus or the Company) is pleased to announce the completion of a placement to sophisticated, professional and institutional investors to raise A\$25 million ("Placement"). The Placement was strongly supported by domestic and international investors, reflecting the strong investor interest in the Company's Kayelekera Uranium Project (Kayelekera or the Project) in Malawi.

The Company is particularly pleased to welcome a number of specialist uranium investors to the register, which is a strong endorsement for the recommencement of uranium production at the Project as outlined in the Company's recently released Definitive Feasibility Study.

Keith Bowes, Lotus' Managing Director said:

"We are very pleased to have received such strong support for the Placement which will enable us to progress offtake negotiations with the various utilities and project funding during a period of significant support for nuclear energy globally.

In particular, the demand received from global sector specialists during the bookbuild provides significant validation for the Company's restart strategy and underscores the value of the project as one of the nearest term producers globally.

I'd also like to thank our existing shareholders for their strong, ongoing support, and welcome all our new shareholders aboard. We look forward to providing further updates on our activities in the coming weeks and months"



Placement details

The Placement will comprise the issue of approximately 104.2 million new fully paid ordinary shares (“**New Shares**”) at an offer price of A\$0.24 per share, which represents a:

- 9.1% discount to the 5-day VWAP of A\$0.264, as at 31 August 2022; and
- 2.6% discount to the 10-day VWAP of A\$0.246 as at 31 August 2022

New Shares will be issued under the Placement pursuant to the Company’s placement capacity under ASX Listing Rule 7.1, and rank pari passu with existing fully paid ordinary shares in Lotus.

The Placement was not underwritten.

Canaccord Genuity (Australia) acted as Sole Lead Manager and Bookrunner to the Placement. BW Equities and Red Cloud Securities acted as Brokers to the Placement.

Timetable

The indicative key dates for the Placement are outlined below:

Event	Time (AEST) / Date
DvP Settlement	Thursday, 8 September 2022
Expected date of ASX Quotation of Placement Securities	Friday, 9 September 2022

Note: The Placement timetable is indicative only and subject to variation. The Company reserves the right to alter the timetable at its discretion and without notice, subject to ASX Listing Rules and the Corporations Act and other applicable law

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

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Lotus Resources Limited (ASX: LOT, OTCQB: LTSRF) owns an 85% interest in the Kayelekera Uranium Project in Malawi. The Project hosts a current resource of 51.1Mlbs U₃O₈ (see Table 1 below), and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Definitive Feasibility Study¹ which has determined an Ore Reserve of 23Mlbs U₃O₈ (see Table 2 below) and has demonstrated that Kayelekera can support a viable long-term operation and has the potential to be one of the first projects to recommence production.

Table 1 - Lotus Mineral Resource Inventory – June 2022²

Project	Category	Mt	Grade (U ₃ O ₈ ppm)	U ₃ O ₈ (M kg)	U ₃ O ₈ (M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured – RoM Stockpile ³	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 ⁴	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

Table 2 - Lotus Ore Reserve Inventory – July 2022⁵

Project	Category	Mt	Grade (U ₃ O ₈ ppm)	U ₃ O ₈ (M kg)	U ₃ O ₈ (M lbs)
Kayelekera	Open Pit - Proved	0.6	902	0.5	1.2
Kayelekera	Open Pit - Probable	13.7	637	8.7	19.2
Kayelekera	RoM Stockpile – Proved	1.6	760	1.2	2.6
Kayelekera	Total	15.9	660	10.4	23.0

¹ See ASX announcement dated 11 August 2002 for information on the Definitive Feasibility Study

² See ASX announcement dated 15 February 2022 for information on the Kayelekera mineral resource estimate. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 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.

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

⁴ 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.

⁵ Ore Reserves are reported based on a dry basis. Proved Ore Reserves are inclusive of RoM stockpiles and are based on a 200ppm cut-off grade for arkose and a 390ppm cut-off grade for mudstone. Ore Reserves are based on a 100% ownership basis of which Lotus has an 85% interest. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 11 August 2022 and that all material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed

