

30 January 2025

ASX Announcement

lotusresources.com.au  
ABN: 38 119 992 175

## DECEMBER 2024 QUARTERLY ACTIVITIES REPORT

Lotus Resources Limited (ASX: LOT, OTCQX: LTSRF) (Lotus or the Company) is pleased to provide its quarterly activities report for the quarter ended 31 December 2024 as it continues to progress its Kayelekera uranium project in Malawi towards a 2025 production restart while developing its large-scale Letlhakane uranium project in Botswana.

### HIGHLIGHTS

- **Kayelekera accelerated restart program is in full swing, targeting first uranium in Q3 2025**
  - Lotus' Accelerated Restart Plan reduced time to first uranium production to 10 months (Q3 CY2025) and reduced initial restart capital expenditure to first uranium production to US\$50M.
  - All key equipment ordered, construction crews and mobile equipment mobilised and works commenced, with >200 personnel currently on site.
  - The Company finalised a Community Development Agreement (executed 6 January 2025), the conclusion of several years of broad community engagement.
- **Closing cash balance of A\$132.8M (unaudited), exclusive of restricted cash of US\$10.0M.**
- **Kayelekera restart program fully funded by capital with no debt**
  - Lotus raised \$132.3m (before costs) in a two-tranche strategic equity placement and share purchase plan.
  - Strong demand from domestic and overseas institutional investors resulted in an upsizing of the placement to \$130m from \$110m initially.
- **Lotus continues its advanced discussions regarding potential offtake agreements**
  - Discussions are supported by strong term price of circa US\$80/lb U<sub>3</sub>O<sub>8</sub>, on a stable or increasing trend since 2022. On 29 January 2025, Lotus announced additional offtake arrangements for a total of 800,000 lbs of uranium for 2026-2029, at an escalated fixed price, with North American power utility PSEG Nuclear LLC<sup>1</sup>
- **Letlhakane Mineral Resource Estimate (MRE) update delivered a 65% increase in Measured and Indicated Resource**
  - Revised MRE of 142.2Mt at 363ppm U<sub>3</sub>O<sub>8</sub> for 113.7Mlb<sup>2</sup>, with 65% in the Indicated Resource category.
  - Lotus will use the updated Letlhakane MRE in mining and process flowsheet optimisation studies.
  - The focus remains on developing a two-stage leaching concept that will reduce acid consumption and simplify downstream processing. In-situ recovery (ISR) appears limited based on the results of the initial field permeability tests. However, alternative targets within the deeper Gorgon MRE have the potential to realise greater permeability. Accordingly, ISR remains a potential option for these targets.
- **Ongoing Board and Management transformation continued**
  - Greg Bittar appointed Managing Director.
  - Hayden Bartrop appointed Chief Financial Officer (post quarter end).

<sup>1</sup> Refer to ASX Announcement dated 29 January 2025.

<sup>2</sup> 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 to page 14 of this announcement for a breakdown of classification of the Letlhakane Mineral Resource.

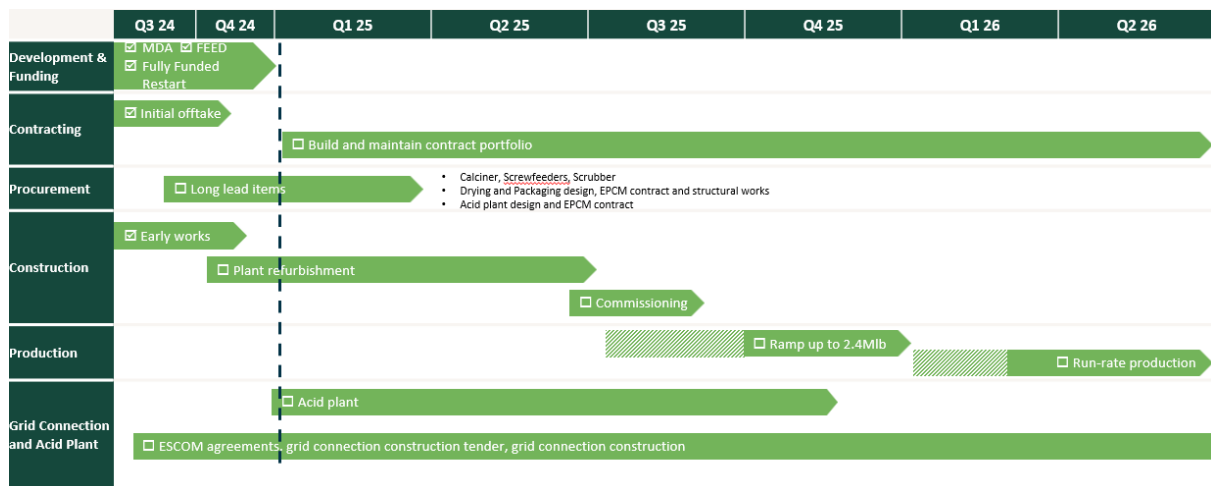
## KAYELEKERA (MALAWI)

### FEED PROGRAM LAYS THE FOUNDATION FOR ACCELERATED RESTART

Lotus completed the Kayelekera FEED program<sup>3</sup>, with the Company now well positioned to conduct a low capital intensity, accelerated restart of Kayelekera.

Time to first uranium production was reduced to 10 months (previously 15 months<sup>4</sup>) 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\$88M<sup>3</sup>), providing an initial restart capital intensity of US\$21.0/lb<sup>5</sup>. 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 upgrade.

The Company plans to achieve first uranium production during Q3 2025 (Q1 FY26) based on the timeline below.



**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 U<sub>3</sub>O<sub>8</sub>, over a 10-year mine life<sup>6</sup>.
- Steady state C1 cash cost of US\$34.5/lb<sup>5,6</sup> and all-in sustaining cost (AISC) of US\$44.8/lb<sup>5,7</sup>.
- Pre-tax and post-tax NPV<sub>8% Real</sub> of US\$439M<sup>5</sup> and US\$301M<sup>5</sup>.
- Pre-tax and Post-tax internal rate of return (IRR) of 80%<sup>4</sup> and 66%<sup>5</sup>.
- Initial capital payback within 2 years of production restart.
- LOM pre-tax and post-tax free cash flow generation of US\$698M<sup>5</sup> and US\$486M<sup>5</sup>.

<sup>3</sup> See ASX Announcement 8 October 2024

<sup>4</sup> Refer to Definitive Feasibility Study announced on ASX on 11 August 2022.

<sup>5</sup> Calculated as US\$50 million in initial restart capex divided by 2.4Mlb pa U<sub>3</sub>O<sub>8</sub> production, being the average production in the first 7 years (excluding ramp up).

<sup>6</sup> 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.

<sup>7</sup> Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4mlbpa U<sub>3</sub>O<sub>8</sub> is expected.



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Lotus has now ordered all of the key equipment needed, mobilised equipment and construction crews to site and completed the early works program.

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 continues to explore separate funding arrangements for the grid connection, substation works and battery energy storage system.

### **LOTUS SECURED A\$132M FROM STRATEGIC PLACEMENT AND SPP TO FULLY FUND RESTART**

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\$110m placement.

A further A\$2.3M was raised via a non-underwritten Share Purchase Plan (SPP) that provided all existing eligible shareholders the opportunity to participate in the capital raising on the same terms as the placement. Placement and SPP issue price was A\$0.25 per new share issued.

### **FINAL INVESTMENT DECISION**

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.

### **COMMUNITY DEVELOPMENT AGREEMENT SIGNED**

In early January, Lotus signed a Community Development Agreement (**CDA**) at a ceremony in Karonga, the local municipal centre closest to Kayelekera. The CDA is the legislated structure by which the local communities will benefit from the mining operation. A minimum of 0.45% of the mine's revenue is allocated to the CDA fund, which is then used for specific projects that have been selected by the communities through the CDA steering committee. This is a significant achievement as it is the first CDA to be executed in Malawi by a mining company.

The CDA signing ceremony was a well-attended and publicised event that was recognised both locally and in the capital Lilongwe, including by Malawi's Presidential Delivery Unit.

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**Figure 2: Signing ceremony for Community Development Agreement – His Royal Highness Paramount Chief Dr Kyungu (centre) with Community and Lotus representatives**

The CDA was negotiated through a comprehensive process of meetings, focused group discussions, one-on-one interviews, and workshops. Participants included the District Commissioner and all Heads of Government Departments in Karonga District, His Royal Highness the Paramount Chief Kyungu, and local communities residing around Kayelekera Mine.

The CDA focuses on ensuring that rights, customs, and traditions of local communities are respected and that communities are actively engaged and benefit from the implementation of mining activities at the Kayelekera Mine.

A CDA Steering Committee has been appointed to implement the CDA and consists of representatives from each Village Development Committee. The CDA Steering Committee will be responsible for determining how the funds will benefit the qualified communities and will contribute to implementing the Village Development Committee's improvement plans which will provide significant health, education and infrastructure benefits to the qualified communities.

### **KAYELEKERA SITE ACTIVITIES**

Key early works completed and long lead orders placed during the quarter 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.

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**Figure 3: 200t crane on site at Kayelekera – the largest crane in Malawi**



**Figure 4: Calciner at Kayelekera is mechanically complete**

Key operations management personnel have been recruited, along with a 200+ construction crew members of both local and expat personnel to ensure the restart is completed on schedule and the Company is ready for operations.

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Figure 5: Team meeting of construction and refurbishment crew

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## LETLHAKANE (BOTSWANA)

### MINERAL RESOURCE ESTIMATE (MRE) UPDATE

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<sup>8</sup>.

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 recoveries<sup>9</sup> (see Figure ).

The 200 ppm U<sub>3</sub>O<sub>8</sub> mineralised zones (domains) as modelled in the May 2024 MRE update<sup>10</sup> were updated to reflect the new infill and exploration drilling conducted at Letlhakane. An updated MRE was completed for Gorgon, Serule West and a newly defined area, Marotobolo. The remaining deposit areas Kraken, Mokobaesi and Serule East remain unchanged from the May 2024 MRE, with no new data.

Targeted exploration at Marotobolo on the western border of the ML has added 4.4Mlbs of new RPEEE-constrained Inferred Mineral Resources<sup>11</sup>.

Drilling has also identified further Mineral Resource growth opportunities which Lotus plans to assess in future drilling campaigns.

The Company will now incorporate the MRE into the various mining and process flowsheet optimisation studies. The study focus for Letlhakane is to develop a two-stage leaching concept that will reduce acid consumption and simplify downstream processing and uranium recovery.

During the quarter, a small-scale testwork program using readily available samples, was completed at ANSTO to test the two-stage leaching concept with the goal of maintaining uranium extraction with reduced acid consumption. Whilst the program was not of the scale that could definitively quantify a reduction in acid consumption, it was successful in demonstrating that the acid consuming nature of the ore could be taken advantage of to reduce the acidity of pregnant leach solution (PLS) from the heap operation. The flowsheet still applies higher acidity at the tail end of the heap leaching process to maximise uranium extraction and the limited exposure to high acidity is expected to reduce overall acid consumption.

A benefit of the alternative approach will be a lower acidity PLS that has the potential to be treated directly by ion exchange. This would be a simplification of the circuit which was the basis for the A-Cap Energy Ltd flowsheet and other work which required solvent extraction (SX) prior to ion extraction (IX) to process the higher acidity PLS.

New samples are currently in transit to ANSTO to test the alternative leaching configuration on a scale that aims to:

- Confirm uranium extractions under conditions with lower acidity at the beginning of the leach;
- Reduce acid consumption by reducing the exposure of ore to high acidity conditions; and
- Generate a lower acidity PLS so that direct IX testwork can also be completed.

<sup>8</sup> Refer to ASX Announcements dated 25 June 2024, 25 July 2024, 15 August 2024, 10 September 2024 and 12 November 2024.

<sup>9</sup> See ASX announcement 6 December 2024 for details and Competent Person Statement

<sup>10</sup> Refer to ASX Announcement dated 9 May 2024

<sup>11</sup> Refer to page 9 of this announcement for a breakdown of the classification and deposits of the Letlhakane Mineral Resource.



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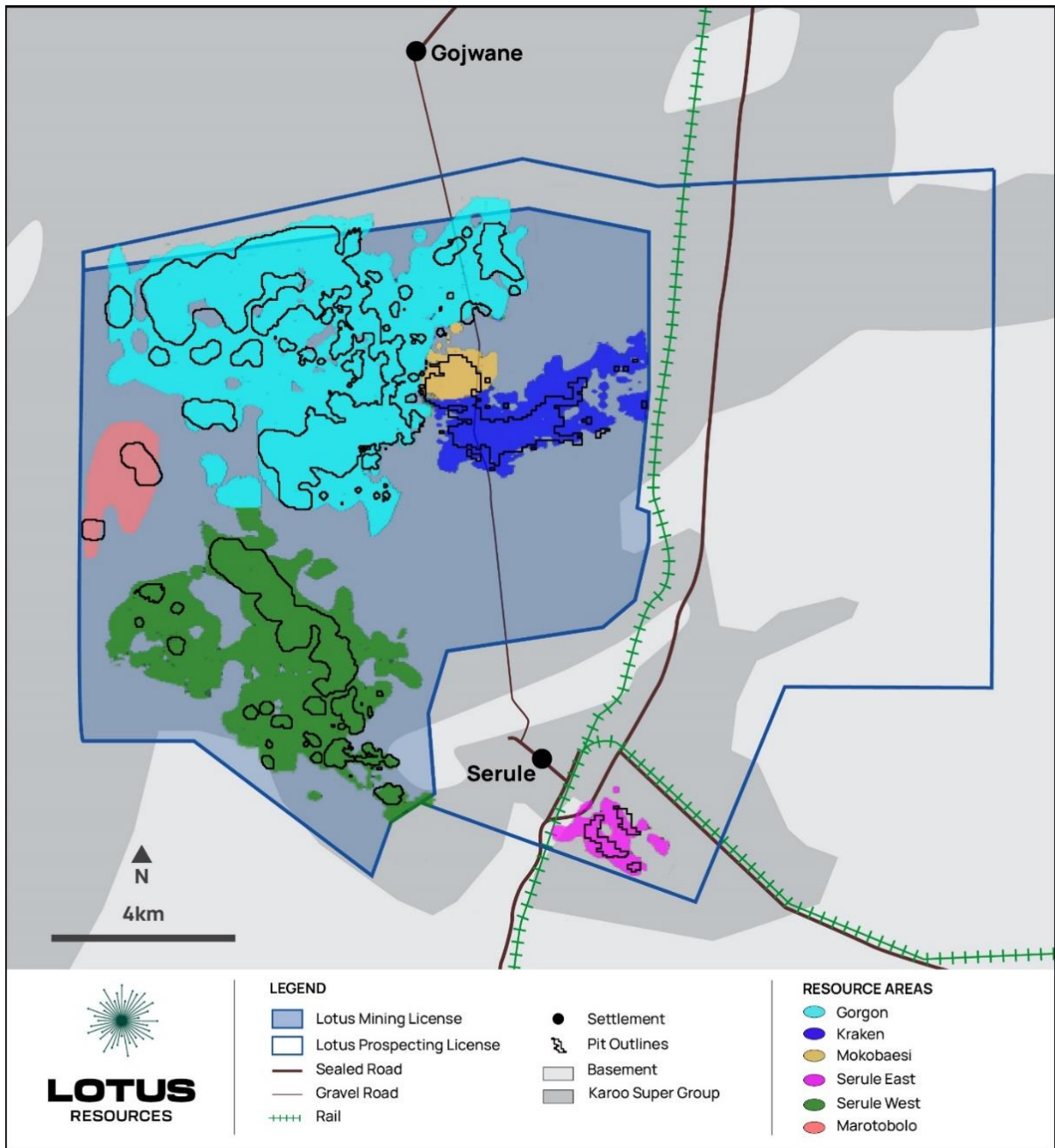


Figure 6: Lethakane Mineral Resource Areas and Optimised Pit Outlines

**Table 1: Letlhakane Optimised MRE reported above a 200ppm cut-off at US\$100/lb<sup>12</sup>**

Material type	Deposit	Indicated			Inferred			Total		
		Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlb	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlb	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlb
Secondary	Mokobaesi	2.1	344	1.6	-	-	-	2.1	344	1.6
	<b>Total Secondary</b>	<b>2.1</b>	<b>344</b>	<b>1.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.1</b>	<b>344</b>	<b>1.6</b>
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
	<b>Total Oxide</b>	<b>15.7</b>	<b>337</b>	<b>11.7</b>	<b>11.1</b>	<b>313</b>	<b>7.7</b>	<b>26.8</b>	<b>327</b>	<b>19.4</b>
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
	<b>Total Primary</b>	<b>53.8</b>	<b>367</b>	<b>43.5</b>	<b>59.5</b>	<b>376</b>	<b>49.3</b>	<b>113.3</b>	<b>372</b>	<b>92.8</b>
<b>Total</b>		<b>71.6</b>	<b>360</b>	<b>56.8</b>	<b>70.6</b>	<b>366</b>	<b>56.9</b>	<b>142.2</b>	<b>363</b>	<b>113.7</b>

**Table 2: Comparison between May 2024 and December 2024 MREs using a 200ppm cut-off at US\$100/lb<sup>12</sup>**

Letlhakane	May 2024 MRE			December 2024 MRE			Change %		
	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlb	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlb	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlb
Indicated	46.1	339	34.4	71.6	360	56.8	55.3	6.2	65.1
Inferred	109.2	348	83.8	70.6	366	56.9	-35.4	5.1	-32.1
<b>Total</b>	<b>155.3</b>	<b>345</b>	<b>118.2</b>	<b>142.2</b>	<b>363</b>	<b>113.7</b>	<b>-8.5</b>	<b>5.2</b>	<b>-3.9</b>

### IN-SITU RECOVERY (ISR)

The prospect of using ISR to recover uranium from the Gorgon deposit was investigated in the quarter by completing field pump tests to assess the permeability of the ore body and use this data in a desktop study on the viability of ISR to supplement the base case production from heap leaching, as discussed in the Letlhakane Scoping Study.

ISR prospectivity appears limited based on the results of the initial field permeability tests. However, alternative targets within the deeper Gorgon MRE have the potential to realise greater permeability than initially measured. Accordingly, ISR remains as a potential option for these deeper areas.

In this context, the immediate focus of the project is to develop a two stage leaching concept that will reduce acid consumption compared to the base case processing configuration developed initially by A-Cap Energy Ltd which was the basis for the Scoping Study completed in 2024.

<sup>12</sup> Letlhakane Mineral Resources reported at 200ppm cut-off grade with optimised pit shells based on US\$100/lb. No forecast is made of actual uranium prices.

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## URANIUM MARKET DEVELOPMENTS

The uranium spot price was range bound during the December quarter, fluctuating between US\$69.85/lb and US\$83.50/lb, finishing the quarter at US\$73.00/lb. The UXC Long-Term price declined by US\$2.00/lb to US\$79.00/lb over the quarter, following a US\$2.00 increase in the previous quarter. Spot transactions volumes were in excess of 10Mlb, following ~12Mlb in previous quarter, and 18 term contracts (totalling in excess of 40Mlb) were signed during the quarter, following 23 contracts in the September 2024 Quarter.

### Key industry developments:

Six more countries endorsed Declaration to Triple Nuclear Energy by 2050 at COP29.

Geopolitical bifurcation of supply:

- 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 August 12.
- The US Department of Energy (DOE) has implemented a number of initiatives to spur the buildout of a US nuclear supply chain, including letting contracts for deconversion services, opening applications for up to US\$900 million in funding to support the initial domestic deployment of Generation III+ small modular reactor (SMR) technologies, and selection of vendors for a US\$2.7B Uranium Enrichment Contract.
- Kazatomprom has concluded a major deal to supply uranium to China National Nuclear Corp. (CNNC).
- Authorities in Niger have taken control of French company Orano's Somair Uranium Mine (>5Mlbpa capacity).

Big tech considering nuclear energy for data centres:

- Kairos Power and Google have signed a Master Plant Development Agreement, creating a path to deploy a US fleet of advanced nuclear power projects totalling 500 MW by 2035.
- Amazon announced it has signed three new agreements to support the development of nuclear energy projects. X-Energy Reactor Company has announced a Series C-1 financing round of about US\$500 million, anchored by Amazon.
- Meta request for proposals seeks 1 GW to 4 GW of new nuclear capacity to be delivered beginning in the early 2030s for new generation capacity.
- California-based nuclear technology company Oklo Inc. and Switch, a provider of data centres, have signed a non-binding Master Power Agreement to deploy 12 GW of Oklo Aurora powerhouse projects through 2044.

News of nuclear power roll outs during the quarter included:

### New reactors:

- Construction of two power units based on Westinghouse's AR1000 technology are underway at the South Ukraine Nuclear Power Plant, the second largest of the country's five nuclear power stations with capacity of 3,000 MWe.
- Construction began on Chashma Unit 5, Pakistan's largest plant with planned capacity of 1,200 MWe.

### Life extensions:

- Spanish authorities have granted a lifetime extension for the Westinghouse-designed 1,003 MWe Trillo Nuclear Power Station to continue operation for another 10 years.
- French state-owned utility EDF will extend the life of four of its British nuclear plants and invest £1.3 billion pounds in its British fleet over 2025-2027. The four sites have a combined capacity of 4.6 GW

### Power ups:

- Japan's Tohoku Electric Power Co. has restarted the 800 MW Unit 2 at the Onagawa Nuclear Power Plant in Miyagi Prefecture, in northern Japan, which had been shut down since 2012 following the Fukushima accident.
- Japan's Chugoku Electric Power has restarted the 800 MW Unit 2 of the Shimane Nuclear Power Plant located in western Japan, which had been shut down since 2012 following the Fukushima accident.

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- The first of two demonstration Guohe One (CAP1400) reactors at Huaneng Group's Shidaowan site in China's Shandong province has been connected to the grid. The 1400 MWe PWR design is intended to be deployed in large numbers across the country, as well as for export
- Flamanville Unit 3 (1,630 MWe EPR), France's most powerful commercial reactor to date, began providing electricity, the first new French reactor in 25 years.

## SUSTAINABILITY

In December 2024, Lotus submitted its 4<sup>th</sup> Annual Sustainability Report. This report details Lotus' corporate ESG activities, and the work undertaken at the Kayelekera Uranium Project in Malawi and the Letlhakane Uranium Project in Botswana. 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 Sustainability report can be accessed at <https://lotusresources.com.au/documents/2024-sustainability-report>.

Another key focus of this quarter was to finalise the Environmental Social Management Plan (ESMP) for the proposed transmission line from the Town of Karonga to the Kayelekera mine site. The draft ESMP was submitted to the Malawi Environmental Protection Authority (MEPA) in October 2024 and was granted in December 2024. 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.

In addition to the transmission line approval, Lotus has been rapidly advancing with the 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 2025.

A significant stakeholder engagement program was undertaken for both approvals processes, with Lotus' community team providing presentations and feedback sessions to government departments, non-governmental organisations and the general public in Lilongwe, the government departments in Karonga and the local communities surrounding the mine site (Figure 7). Village leaders and individual landholders were also consulted, and an economic displacement compensation assessment was undertaken to ensure landholders within the powerline corridor are adequately compensated and no resettlements are required. The stakeholder engagement program was well received with strong support for the Project, and no significant environmental or stakeholder issues were raised.



**Figure 7: Stakeholder engagement meeting undertaken for the transmission line from the Town of Karonga to the Kayelekera mine**

## **CORPORATE**

### **Board and Management Transition**

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 quarter end, Mr Hayden Bartrop was appointed Chief Financial Officer with Mr Michael Ball resigning. Mr Bartrop has extensive mining industry experience working across CFO, General Counsel, Business and Corporate Development, Commercial and Company Secretary roles. Mr Bartrop will continue his responsibilities as Chief Commercial Officer and Company Secretary.

Lotus' Board remains focused on ensuring the right mix of skills and expertise to support the Company's production plans, development and growth at its Kayelekera and Letlhakane projects. Further changes in the composition of the Board are expected before the end of FY2025.

### **Cash position and Expenditure**

As at 31 December 2024, Lotus had cash of A\$132.8M (unaudited)<sup>13</sup>, exclusive of restricted cash of US\$10.0M which forms cash collateral for the Kayelekera environmental bond.

The cash balance increased by A\$107.8M from the 30 September 2024 quarter, as the Company completed a two-tranche placement and Share Purchase Plan to raise A\$125.3m after costs.

The majority of outflows related to the Kayelekera accelerated restart (A\$13.865M), care and maintenance costs at Kayelekera (A\$2.659M), and Letlhakane project related costs, including studies and metallurgical testwork, the updated mineral resource estimate and in-fill and extensional drilling (A\$2.766M).

<sup>13</sup> The Company had US\$55.8m as at 31 December 2024. Exchange rate assumption AUD:USD: 0.6211.



The Kayelekera Final Investment Decision (**FID**) was made in mid-December 2024, and a decision was made to commence classification of development costs from 1 January 2025. Accordingly, there are no development costs with costs classified as exploration and evaluation.

### Debt Financing Process

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

The Company completed a two-tranche equity placement to raise \$132 million (gross) during the Quarter to deliver a fully funded capital budget for the restart of Kayelekera. As a result, the Company is not currently pursuing the proposals received through the Orimco appointed process and has agreed with Orimco to terminate the appointment mandate.

The Company continues to consider debt financing requirements around equipment finance, working capital and other facilities linked to the construction of the powerline and battery energy storage system.

On 28 January 2025, Lotus announced it had executed two non-binding and indicative equipment finance term sheets and a non-binding and indicative working capital facility term sheet and remains in discussions regarding its future financing needs<sup>14</sup>.

### Share Capital

As at 31 December 2024, the Company had 2,362,651,943 ordinary fully paid shares. 529,084,480 ordinary fully paid shares were issued during the quarter, including 529,064,000 shares associated with the two-tranche placement and share purchase plan at an issue price of \$0.25.

The Company had 34,881,466 granted options with various vesting and expiration dates as at 31 December 2024. Except for 6,000,000 options exercisable at \$0.30, all options have a nil exercise price.

### Payments to Related Parties

Mr Grant Davey, who is a Non-Executive Director of the Company, is a Director and shareholder of Matador Capital Pty Ltd (**Matador Capital**). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office services, bookkeeping services, company secretarial services, ESG consulting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus arm's length commercial basis (December quarter \$224,122).

The Company's Non-Executive Chairman, Mr Michael Bowen, is a partner of law firm, Thomson Geer. The Company paid \$14,326 to Thomson Geer during the December quarter on an arm's length commercial basis for legal services.

Ms Dixie Marshall, who is a Non-Executive Director of the Company, is Chief Growth Officer at Marketforce. During the December quarter, there were no services performed by Marketforce for the Company.

Payments to all directors for executive and non-executive directors' fees in the quarter were \$299,005.

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<sup>14</sup> Refer to ASX Announcement dated 28 January 2025.

## TENEMENT INTERESTS

The Company's tenement interests as at 31 December 2024 are shown in Table 3.

**Table 3: Tenement interests as at 31 December 2024**

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

## REFERENCE TO PREVIOUS ASX ANNOUNCEMENTS

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

In relation to information in this announcement that relates to Mineral Resources or Ore Reserves, please refer to page 16 of this announcement.

This Quarterly Report has been authorised for release by the Lotus Board of Directors.

**For more information, visit [www.lotusresources.com.au](http://www.lotusresources.com.au)**

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## FORWARD LOOKING STATEMENTS

This announcement contains certain forward-looking statements. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may", "intends", "guidance", "project", "forecast", "target", "likely", "continue", "objectives" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the certain plans, strategies and objectives of the Company and other matters. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Company and its officers, employees, agents, associates and advisers. This includes any statements about market and industry trends, which are based on interpretations of market conditions. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied in such statements. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to update these forward-looking statements or to provide any other additional or updated information whether as a result of new information, future events or results or otherwise.

To the maximum extent permitted by law, the Company and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of any forward-looking statements, or the likelihood of fulfilment of any forward-looking statement, and disclaim all responsibility and liability for the forward-looking statements (including, without limitation, liability for negligence). There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. The forward-looking statements are based on information available to the Company as at the date of this announcement.

## DISCLAIMER

This announcement 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](http://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.

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## ABOUT LOTUS

Lotus is a leading Africa-focused advanced uranium player with significant scale and Mineral Resources. Lotus is focused on creating value for its shareholders, its customers and the communities in which it operates, working with local communities to provide meaningful, lasting impact. Lotus is **focused on our future**. Lotus owns an 85% interest in the Kayelekera Uranium Project in Malawi, and 100% of the Letlhakane Uranium Project in Botswana.

The Kayelekera Project hosts a current Mineral Resource as set out in the table below, and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study<sup>15</sup> which has determined an Ore Reserve of 23Mlbs U<sub>3</sub>O<sub>8</sub> and demonstrated that Kayelekera can support a viable operation. The Letlhakane Project hosts a current Mineral Resource also as set out in the table below.

### LOTUS MINERAL RESOURCE INVENTORY – DECEMBER 2024<sup>16,17,18,19,20</sup>

Project	Category	Mt	Grade	U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub>
			(U <sub>3</sub> O <sub>8</sub> ppm)	(M kg)	(M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured – RoM Stockpile <sup>21</sup>	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 <sup>22</sup>	2.24	290	0.7	1.5
<b>Kayelekera</b>	<b>Total – Kayelekera</b>	<b>42.5</b>	<b>500</b>	<b>21.1</b>	<b>46.3</b>
Letlhakane	Indicated	71.6	360	25.9	56.8
Letlhakane	Inferred	70.6	366	25.9	56.9
<b>Letlhakane</b>	<b>Total – Letlhakane</b>	<b>142.2</b>	<b>363</b>	<b>51.8</b>	<b>113.7</b>
Livingstonia	Inferred	6.9	320	2.2	4.8
<b>Livingstonia</b>	<b>Total – Livingstonia</b>	<b>6.9</b>	<b>320</b>	<b>2.2</b>	<b>4.8</b>
<b>Total</b>	<b>All Uranium Mineral Resources</b>	<b>191,6</b>	<b>392</b>	<b>75.1</b>	<b>164.8</b>

### LOTUS ORE RESERVE INVENTORY – JULY 2022<sup>23</sup>

Project	Category	Mt	Grade	U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub>
			(U <sub>3</sub> O <sub>8</sub> 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
<b>Kayelekera</b>	<b>Total</b>	<b>15.9</b>	<b>660</b>	<b>10.4</b>	<b>23.0</b>

<sup>15</sup> See ASX announcement dated 11 August 2022 for information on the Definitive Feasibility Study and ASX announcement dated 8 October 2024 in relation to the Accelerated Restart Plan. The Company confirms that all material assumptions underpinning the information in that 8 October 2024 ASX announcement continue to apply and have not materially changed.

<sup>16</sup> See ASX announcement dated 15 February 2022 entitled "Kayelekera mineral resource increases by 23%" for information on the Kayelekera Mineral Resource Estimate. The competent person for that announcement was David Princep.

<sup>17</sup> The Kayelekera Mineral Resource Estimate is inclusive of the Kayelekera Ore Reserves.

<sup>18</sup> See ASX announcement dated 9 June 2022 entitled "Uranium Resource Increases to 51.1Mlbs" for information on the Livingstonia Mineral Resource Estimate. The competent person for that announcement was David Princep.

<sup>19</sup> See ASX Announcement dated 6 December 2024 for information on the Letlhakane Mineral Resource Estimate. The competent person for that announcement was Ian Glacken and Matthew Walker of Snowden Optiro.

<sup>20</sup> 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 15 February 2022, 6 June 2022 and 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.

<sup>21</sup> RoM stockpile has been mined and is located near mill facility.

<sup>22</sup> Low-grade stockpiles have been mined and placed on the medium-grade stockpile and are considered potentially feasible for blending or beneficiation, with initial studies to assess this optionality already completed.

<sup>23</sup> 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 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. Lotus confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the 11 August 2022 announcement.

## Appendix 5B

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

Name of entity

Lotus Resources Limited

ABN

38 119 992 175

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(2,766)	(5,492)
	(b) care & maintenance	(2,659)	(3,715)
	(c) development	-	-
	(d) production	-	-
	(e) staff costs	(627)	(1,283)
	(f) administration and corporate costs	(1,454)	(2,470)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	578	1,188
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and incentives	-	-
1.8	Other (income tax credit)	(58)	(56)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(6,985)</b>	<b>(11,828)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(13,865)	(15,276)
	(d) exploration & evaluation (if capitalised)	(1,028)	(3,928)
	(e) investments	-	-
	(f) other non-current assets	(4)	(4)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(14,897)</b>	<b>(19,208)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	132,266	132,266
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7,202)	(7,202)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>125,064</b>	<b>125,064</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	25,015	34,126
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,985)	(11,828)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14,897)	(19,208)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	125,064	125,064

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	4,643	4,686
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>132,840</b>	<b>132,840</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	89,982	269
5.2	Call deposits	27,858	1,746
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits < 3 Months)	15,000	23,000
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>132,840</b>	<b>25,015</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	299
6.2	Aggregate amount of payments to related parties and their associates included in item 2	238

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

Item 6.1 of \$299k includes payments to all Directors for Directors' fees and salaries (including superannuation). This figure includes wages paid to Mr Greg Bittar who was appointed Managing Director during the quarter and Mr Keith Bowes who resigned as an Executive Director during the quarter.

Item 6.2 of \$238k includes payments made to related including:

- Mr Grant Davey, who is an Executive Director of the Company and who is a Director and shareholder of Matador Capital Pty Ltd (Matador Capital). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office services, bookkeeping services, ESG consulting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus arm's length commercial basis (December quarter \$224,122).
- The Company's Non-Executive Chairman, Mr Michael Bowen, is a partner of law firm, Thomson Geer. The Company paid \$14,327 to Thomson Geer during the December quarter on an arm's length commercial basis for legal services.
- Ms Dixie Marshall, who is a Non-Executive Director of the Company, is Chief Growth Officer at Marketforce. During the December quarter, there were no services performed by Marketforce for the Company.

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

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	24,150	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	24,150	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

US\$15 million unsecured loan facility provided by Curzon Uranium. Refer to ASX announcement dated 3 September 2024 for facility details. The facility becomes available once a specified quantum of restart capital expenditures has been expended.

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(6,985)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,000)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(7,985)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	132,840
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	132,840
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	10.9

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

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

N/A

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

N/A

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

N/A

**Compliance statement**

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

Date: 30 January 2025.....

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

**Notes**

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