

Lotus and A-Cap Receive Approvals from Botswana Regulators on Proposed Scheme of Arrangement

Lotus Resources Limited (ASX: LOT, OTCQB: LTSRF) (Lotus or the Company) is pleased to report that it has received the regulatory approvals, a key conditions precedent to implementing its proposed schemes of arrangement with A-Cap (the **Share Scheme** and the **Option Scheme**, together the **Schemes**), from the Botswanan authorities. Under the Schemes, Lotus would acquire 100% of A Cap's issued shares and listed options pursuant to the scheme implementation deed originally announced by the Company on 13 July 2023 (**SID**) (the **Transaction**).

HIGHLIGHTS

- **Botswana's Minister of Mines and Energy has no objection to the intended change in shareholding of the Letlhakane Mining Licence and Prospecting Licence.**
- **Botswana's Competitions and Consumer Authority unconditionally approved the proposed transaction.**
- **A-Cap meetings to approve each Scheme to be held on Friday, 20 October 2023. The second court hearing is expected one week later, with the implementation date expected in early November.**
 - Once implemented, Lotus will hold Mineral Resources of 241Mlbs U₃O₈ (100% basis), the third largest uranium resource on the ASX¹.
 - According to the Fraser Institute, Botswana is ranked No. 2 in the world on its PPI score.
- **The current uranium price strength is supportive for the execution of Lotus' uranium strategy.**
 - Uranium spot prices increased strongly to end the September quarter at US\$73.50/lb.
 - Lotus remains fully funded to complete its current proposed work activities.

Lotus Managing Director Keith Bowes commented:

"Lotus welcomes the positive response from the Botswanan regulators regarding the proposed Transaction that aims to create a leading African-focused uranium player. This approval is a major step towards the Schemes progressing to the next stage. We are excited to continue to work with the Botswana Government to bring the Letlhakane Uranium Project into production, ensuring the positive impacts of this project are felt at all levels in the country. We look forward to keeping the market updated as we move through the final stages of the Scheme.

¹ See ASX announcement 13 July 2023



“We are fully funded to complete our previously announced Kayelekera project activities, and plan to implement the initial phase of Lethakane project activities after implementing the Transaction and receiving A-Cap’s remaining cash.”

BOTSWANA REGULATORY APPROVALS RECEIVED

Lotus is pleased to announce the receipt of written confirmation from the Republic of Botswana’s Minister of Minerals and Energy that the Minister has no objection to the intended change in shareholding of the holder of the prospecting licence (PL2482/2023) or the mining licence (ML2016/16L), which is to occur upon implementation of the Transaction.

Further, Lotus announces it has received written confirmation from the Competition & Consumer Authority of Botswana that, pursuant to section 53 of the Competition Act (2018), the Authority has unconditionally approved the proposed acquisition of the entire share capital of A-Cap by Lotus.

Accordingly, the condition precedent to the scheme of arrangement between A-Cap and its shareholders (**Share Scheme**) relating to receipt of the Botswana regulatory approvals, as set out in clause 3.1(s) of the SID, has been satisfied.

Further details regarding the conditions precedent to the Share Scheme and Option Scheme can be found in clause 3.1 and clause 3.3 of the SID, respectively.

Implementation of the Schemes remain subject to the satisfaction of certain other conditions as previously announced, including approval of A-Cap shareholders and A-Cap listed optionholders and Court approval.

URANIUM PRICE STRENGTH SUPPORTIVE OF KAYELEKERA REDEVELOPMENT

The uranium spot price has increased during the September quarter from a low of US\$55.40/lb to finish the quarter at US\$73.50/lb, a 33% increase and a multi-year high. The UxC Long-Term price increased by US\$5.00/lb to US\$61.00/lb over the quarter.

These price levels are supportive of Lotus’s near-term Kayelekera redevelopment, and Lotus continues to focus its efforts on redevelopment activities, including finalising a Mine Development Agreement with the Government of Malawi.

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

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ABOUT LOTUS

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 below), and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study² which has determined an Ore Reserve of 23Mlbs U₃O₈ and demonstrated that Kayelekera can support a viable operation.

Kayelekera Mineral Resource Inventory – June 2022³

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 ⁴	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 ⁵	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 Reserve Inventory – July 2022⁶

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

² See ASX announcement dated 11 August 2002 for information on the Definitive Feasibility Study.

³ 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.

⁴ RoM stockpile has been mined and is located near mill facility.

⁵ 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.

⁶ 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".

