

A-Cap Shareholders and Optionholders approve Lotus Merger

Lotus Resources Limited (ASX: LOT, OTCQB: LTSRF) (Lotus or the Company) is pleased to announce that at the A-Cap Share Scheme Meeting held on the 20th October 2023 the requisite majorities of A-Cap shareholders voted in favour of the proposed scheme of arrangement between A-Cap and its shareholders under which Lotus proposes to acquire 100% of the shares on issue in A-Cap (**Share Scheme**), as previously announced by the Company to ASX on 13 July 2023.

In addition, the requisite majorities of A-Cap listed optionholders voted in favour of the separate proposed scheme of arrangement between A-Cap and its listed optionholders under which Lotus would acquire 100% of A-Cap listed options (**Option Scheme**), also as previously announced by the Company to ASX on 13 July 2023.

HIGHLIGHTS

- **Lotus retains sufficient cash to complete all planned work programmes. In addition, Lotus's cash resources will be supplemented by A-Cap's cash post implementation of the Schemes**
- **The resolution to approve the Share Scheme was passed by the requisite majorities of A-Cap shareholders**
 - 99.96% of votes cast and 99.04% of shareholders voting¹.
- **The resolution to approve the Option Scheme was passed by the requisite majorities of A-Cap optionholders**
 - 100% of votes cast and 100% of optionholders voting¹,
- **The second court hearing is scheduled for 26 October 2023, with the expected implementation date for the Schemes being 7 November 2023**
 - Once implemented Lotus will begin to execute its strategy for the development of the Letlhakane Uranium Project.
 - The Company will also consider the options available to it with regards to the Wilconi Nickel/Cobalt Project in Western Australia.

Lotus Managing Director Keith Bowes commented:

"The Company is exceptionally pleased with the results of the A-Cap Share and Option holder meetings and recognises the trust that they have put in the Lotus team to manage both the Letlhakane Uranium Project and the Wilconi Ni/Co Project. We take the results as being a strong

¹ See A-Cap ASX Announcement 20 October 2023



endorsement from them to execute the strategy we have put forward in the announcements and presentations made during and after the Scheme Implementation Deed release.

Although Lotus remains focused on restarting the Kayelekera Project as soon as it practicable, it recognises that there is significant work that can be done on Letlhakane and on Wilconi that we believe will add value to the Company in the short term.

We look forward to working with our new shareholders as we develop our strong project portfolio in this ever improving uranium thematic"

VOTING RESULTS

In accordance with ASX Listing Rule 3.13.2 and subsections 251AA(1) and (2) of the Corporations Act 2001 (Cth):

- The resolution to approve the Share Scheme (Share Scheme Resolution), as set out in Annexure E of the explanatory statement providing information on the Share Scheme and Option Scheme released to the ASX on 15 September 2023 and subsequently updated by the Company's ASX release on 18 September 2023 (Scheme Booklet), was passed by the requisite majorities of A-Cap shareholders, with:
 - 99.96% of the votes cast by A-Cap shareholders present and voting (either in person or by proxy, attorney or corporate representative) were in favour of the Share Scheme Resolution; and
 - 99.04% of A-Cap shareholders present and voting (in person or by proxy, attorney or corporate representative) voted in favour of the Share Scheme Resolution.
- The resolution to approve the Option Scheme (Option Scheme Resolution), as set out in Annexure F of the Scheme Booklet, was passed by the requisite majorities of A-Cap listed optionholders, with:
 - 100% of A-Cap listed optionholders present and voting (either in person or by proxy, attorney or corporate representative) were in favour of the Option Scheme Resolution; and
 - 100% of the total amount of debts and claims of all A-Cap listed optionholders present and voting (either in person or by proxy, attorney or corporate representative) at the Option Scheme Meeting voting in favour of the Option Scheme Resolution.

NEXT STEPS

The Schemes remain subject to the approval of the Court at the hearing scheduled for 10:15 am (Perth time) on Thursday, 26 October 2023 (Second Court Hearing), and certain other conditions precedent as previously announced by A-Cap and the Company and further described in the Scheme Implementation Deed between A-Cap and Lotus dated 12 July 2023 (as amended on 11 September 2023 and 12 September 2023) (a summary of which is contained in the Scheme



Booklet). Further details regarding the Second Court Hearing are contained in A-Cap's ASX announcement dated 19 October 2023.

If the outstanding conditions precedent are satisfied or waived (if applicable) prior to the Second Court Hearing, and the Court approves the Schemes, A-Cap proposes to lodge an office copy of the orders of the Court with the Australian Securities and Investments Commission (expected to occur on the next day, being 27 October 2023), at which time the Schemes will become effective. It is expected that A-Cap shares and A-Cap listed options will be suspended from trading on the ASX from close of trading on 27 October 2023 and the Schemes will then be implemented on 7 November 2023.

The key dates expected for the implementation of the Schemes are set out below:

Event	Date
Second Court Hearing to approve Schemes	Thurs 26 October 2023
Effective Date	Fri 27 October 2023
Record Date	Tues 31 October 2023
Implementation Date	Tues 7 November 2023
Termination of official quotation of A-Cap Shares/listed options	Weds 8 November 2023

LETLHAKANE PROPOSED ACTIVITIES

The initial work program being considered by Lotus for Letlhakane will focus on the resource optimisation. Preliminary work undertaken during the due diligence process identified the likelihood of a higher grade zone within the larger (190Mlbs U₃O₈e) JORC compliant mineral resource. Tighter modelling and optimised cut-off grades should reduce "grade smoothing" within the modelling and allow an improved mineral resource to be prepared. This will form the basis for a pit optimisation / mine schedule study and potentially Preliminary Economic Assessment (PEA). At the same time Lotus will continue with beneficiation work program developed by A-Cap on the RoM material, which if successful will also be incorporated into the PEA.

All of the work described above is budgeted in our latest cashflow forecast and can be funded from our existing cash reserves.

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

For further information, contact:

Keith Bowes

Managing Director

keith.bowes@lotusresources.com.au

T: +61 (08) 9200 3427

Martin Stulpner

Business Development

martin.stulpner@lotusresources.com.au

T: +61 (08) 9200 3427

For more information, visit www.lotusresources.com.au



ABOUT LOTUS

Lotus is a leading Africa-focused advanced uranium player with significant scale and 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. The Project hosts a current resource of 51.1Mlbs U₃O₈, 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".

