

28 January 2025

ASX Announcement

Lotus signs term sheets for up to US\$38.5m to finance working capital as Kayelekera advances to uranium production and operating cashflow

Lotus Resources Limited (ASX: LOT, OTCQX: LTSRF) (Lotus or the Company) is pleased to announce it has signed term sheets with two leading Southern African banks for equipment finance and working capital facilities to support the restart and ramp up of its Kayelekera uranium project in Malawi through to positive cashflow.

HIGHLIGHTS

- **Lotus has signed two equipment finance term sheets for up to US\$18.5m in aggregate with Standard Bank Plc and First Capital Bank Limited**
 - To be used for the purchase or refinance of equipment including cranes, vehicles, machinery and other equipment
- **Lotus has also signed a term sheet for a US\$20m working capital facility with Standard Bank plc**
 - To finance working capital requirements until expected positive cashflow from Kayelekera production
- **Total current funding including these Term Sheets of US\$135.5 million (comprising cash on hand as at 31 December 2024 of US\$82 million¹; US\$38.5 million in equipment and working capital finance term sheets and US\$15 million unsecured loan facility from Curzon Uranium²)**
- Lotus has two conditional uranium offtake arrangements in place for Kayelekera totalling 1.5 million lbs of uranium for 2026 – 2029, at an escalated fixed price², with Tier 1 counterparties Curzon Uranium and PSEG Nuclear LLC
- Lotus continues to advance discussions relating to additional contracts with North American power utilities
- Lotus is on track to restart uranium production at Kayelekera in Q3 CY2025, with all key items of equipment ordered, construction crews and mobile equipment mobilised and works commenced, and 200+ personnel on site.

Managing Director and CEO Greg Bittar commented: *“With the restart capital fully funded to first production by our recently completed A\$130m, two-tranche equity placement, these finance facilities provide Lotus with working capital liquidity and funding flexibility as we rapidly progress our accelerated restart program at the Kayelekera uranium mine.*

The financing banks provided these facilities on very competitive pricing and terms because of the quality of the Kayelekera Project and their confidence in the progress of the restart program, which is on track for first production in Q3 CY25.”

The equipment finance term sheets contain terms customary for equipment finance, including a five-year tenor, commercial interest rate based on Secured Overnight Financing Rate (**SOFR**), arrangement fees, security over equipment (supported by parent company letters of comfort) and quarterly repayments with a 6 month moratorium on principal and interest.

¹ The Company had A\$132.8 million in cash (unaudited), which included US\$55.8 million in cash. Exchange rate assumption AUD:USD: 0.6211.

² See ASX announcement 3 September 2024



The working capital facility term sheet contains terms customary for working capital finance facilities, including up to a two-year tenor, commercial interest rate based on SOFR, arrangement fee, parent company guarantee and monthly repayments.

Concluding the equipment and working capital financing is subject to credit approval by the relevant banks and other customary terms and conditions, and binding documentation.

This ASX announcement was approved and authorised by the Board of Lotus Resources Limited.

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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 Study³ which has determined an Ore Reserve of 23Mlbs U₃O₈ 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^{4,5,6,7,8}

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 ⁹	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 ¹⁰	2.24	290	0.7	1.5
Kayelekera	Total – Kayelekera	42.5	500	21.1	46.3
Letlhakane	Indicated	71.6	360	25.9	56.8
Letlhakane	Inferred	70.6	366	25.9	56.9
Letlhakane	Total – Letlhakane	142.2	363	51.8	113.7
Livingstonia	Inferred	6.9	320	2.2	4.8
Livingstonia	Total – Livingstonia	6.9	320	2.2	4.8
Total	All Uranium Mineral Resources	191,6	392	75.1	164.8

LOTUS ORE RESERVE INVENTORY – JULY 2022¹¹

Project	Category	Mt	Grade	U ₃ O ₈	U ₃ O ₈
			(U ₃ O ₈ 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	15.9	660	10.4	23.0

³ 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.

⁴ 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.

⁵ The Kayelekera Mineral Resource Estimate is inclusive of the Kayelekera Ore Reserves.

⁶ 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.

⁷ See ASX Announcement dated 6 December 2024 for information on the Letlhakane Mineral Resource Estimate.

⁸ 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.

⁹ RoM stockpile has been mined and is located near mill facility.

¹⁰ 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.

¹¹ 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.