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ASX Announcement **31 October 2023**

Lotus and A-Cap Merger approved by Federal Court

Lotus Resources Limited (**ASX: LOT, OTCQB: LTSRF**) (**Lotus** or the **Company**) is pleased to announce that the Federal Court of Australia (**Court**) has approved the scheme of arrangement between A-Cap and its shareholders, under which Lotus will acquire 100% of the shares on issue in A-Cap (**Share Scheme**). The Federal Court also approved the separate scheme of arrangement between A-Cap and its listed optionholders (**Option Scheme**).

HIGHLIGHTS

- **Lotus has sufficient cash to complete all planned work programmes[1]. In addition, Lotus's cash resources will be supplemented by A-Cap's cash post implementation of the Schemes.**
- **The Federal Court of Australia has made orders approving the Share Scheme and the Option Scheme, which have been lodged with the Australian Securities and Investments Commission (ASIC), making the Schemes legally effective**
  - A-Cap shares and listed options have been suspended from trading.
  - Implementation date confirmed as 7 November 2023.
- **Lotus and A-Cap merger creates a leading uranium player with significant scale and resources, positioning Lotus for a market re-rating**
  - Lotus will hold Mineral Resources of 241Mlbs U_3O_8 (100% basis) at Kayelekera and Letlhakane, increasing Lotus's Mineral Resources almost five-fold, the third largest among ASX listed peers[2]
  - The merger positions Lotus for a market re-rating to bring it in line with ASX listed peers on an EV/lb resource basis. Lotus's enlarged project portfolio is also significantly more attractive to potential offtake partners and financiers
  - Lotus will leverage its proven uranium expertise in developing Letlhakane, one of the world's largest undeveloped uranium resources in one of the world's top mining jurisdictions, Botswana.

Lotus Managing Director Keith Bowes commented:

"We are exceptionally pleased that the merger has now become legally effective, with implementation scheduled to occur next week. This merger delivers Lotus a vastly increased resource base of 241Mlb uranium, the bulk of which is located in the top 2 global mining jurisdiction of Botswana.

[1] ASX announcement 25 October 2023
[2] ASX Announcement 13 July 2023

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Although Lotus remains focused on restarting the Kayelekera Project as soon as it practicable, there is significant work that can be done on Letlhakane in the short term to optimise the value of the project, using Lotus's proven uranium expertise and skills.

We look forward to working with our new shareholders as we develop our strong project portfolio to capitalise on the strong and improving uranium thematic."

COURT APPROVAL

On 26 October, the Federal Court made orders approving the Share Scheme and the Option Scheme, pursuant to which Lotus would acquire 100% of A-Cap's issued shares and listed options, as previously announced[3]. A copy of the orders made by the Court approving the Schemes has been lodged with ASIC. Accordingly, pursuant to sub-section 411(10) of the Corporations Act 2001 (Cth), the Schemes are now legally effective.

A-Cap's shares and listed options were suspended from trading on the ASX effective Friday, 27 October 2023.

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

Event	Date
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

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

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[3] ASX Announcement 13 July 2023

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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 U_3O_8, and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study[4] which has determined an Ore Reserve of 23Mlbs U_3O_8 and demonstrated that Kayelekera can support a viable operation.

Kayelekera Mineral Resource Inventory – June 2022[5]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured – RoM Stockpile[6]	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[7]	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 2022[8]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_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***

[4] See ASX announcement dated 11 August 2002 for information on the Definitive Feasibility Study.

[5] 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.

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

7 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.

8 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".

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