

20 September 2024

Shane Falconer  
Adviser, Listings Compliance  
ASX Perth  
Level 40, Central Park  
152-158 St Georges Tce  
Perth WA 6000

Dear Shane

### Cleansing Notice – Aware Query

I refer to your email and attached letter of 9 September 2024 and comment as follows (using your paragraph numbering and defined terms from your letter):

1. Does LOT consider the Information in the announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities? Answer: No
2. If the answer is “No”:

2.1 The announcement lodged on 10 September was inadvertently marked as “market sensitive”. The information in the announcement formed part of a series of announcements providing results and updates from the continuing drilling program being undertaken at the Company’s Letlhakane Uranium Project, the Company’s secondary project and which is still in the scoping and optimisation stages of development. As such, there was no reasonable basis to consider that the information contained in the announcement would itself be material.

The aim of this program (as a whole and as previously announced) was to infill already well drilled areas of the resource with closer spaced drilling to confirm continuity of the mineralised horizons and upgrade the current *inferred* resources at the project to indicated and/or measured status (refer also to the other update announcements from this campaign released to ASX on 25 June, 25 July and 15 August 2024). The drilling confirmed the continuity of mineralisation as expected, with typical intercepts to those obtained in the past.

The Company also notes there was no unusual trading (both with regard to volume and price) in LOT shares after the announcement was made.

2.2 As referred to in 2.1 above, the release of this announcement was made as part of a prudent continuous disclosure decision seeing that several drilling updates had been released in connection with this particular drilling campaign.

3. The Company became “aware” (as defined in Listing Rule 19.12) of the final Drilling Results after the release of the Cleansing Notice. At the time the Cleansing Notice was issued, the Company had not yet completed the necessary QA / QC and data verification required in order to authorise the release of the data.

LOT undertakes a rigorous quality control review of all raw assay data to ensure accuracy, incorporating the data into our drilling database for validation, analysing, interpreting and modelling the data. Assay results and intercepts are peer reviewed internally. Once finalised, the associated announcement goes through an appropriate internal review and approval process. LOT believes that the process is essential to ensure that the information is sufficiently definite and accurate before release to avoid any potential for misinformation to be provided to investors. Therefore, the timing of any announcement of exploration results will follow completion of this rigorous internal process and then be released at the earliest possible appropriate time following review and approval to ensure compliance with Listing Rule 3.1A.1.

The information involved several sets of results over a period of time. By the time all results had been received by technical staff, intercepts calculated and results compiled (and the total data put through the quality

control process described above), the final results were circulated to the Board during the afternoon of 9 September, after the Cleansing Notice had been released.

The Company Secretary then received the final Board approved announcement after market on 9 September, thus release on market open on the 10<sup>th</sup>.

4. N/A - as noted in the response at 2 above, the information in the announcement was not considered market sensitive, so was not 'excluded information' as defined by sections 708A(7) and (8) of the Act.
5. Yes, LOT considers the Cleansing Notice to have been validly issued for the reasons set out above.
6. LOT is in full compliance with its obligations under Listing Rule 3.1 and has procedures in place to ensure this is the case at all times and that there is no further information that should be given to ASX that has not already been released to the market.
7. LOT confirms that its statements above have been authorised and approved by the Board.

Yours faithfully



Catherine Anderson  
Company Secretary

For personal use only



17 September 2024

Reference: 99915

Mrs Catherine Anderson  
Company Secretary  
Lotus Resources Limited

By email: catherinea@lotusresources.com.au

Dear Mrs Anderson

### Lotus Resources Limited ('LOT'): Cleansing notice – Aware Query

ASX refers to the following:

- A. LOT's announcement titled 'Cleansing Notice' lodged on the ASX Market Announcements Platform ('MAP') on 9 September 2024 (the 'Cleansing Notice'), seeking to 'cleanse' for secondary sale purposes the securities issued under the Cleansing Notice, and stating that there is no excluded information, as defined in section 708A(7) and 708A(8) of the *Corporations Act* (the 'Act') as of the date of the Cleansing Notice.
- B. LOT's announcement entitled 'Thickest continuous mineralisation at Letlhakane' lodged on MAP and released at approximately 09:09 AM AEST on 10 September 2024 and marked as 'price-sensitive' (the 'Announcement') disclosing the following:
  - (i) gamma survey data results from 35 holes drilled at its Letlhakane Uranium Project in Botswana ('Drilling Results');
  - (ii) intersection of some of the thickest (26.1m) continuous zones of mineralisation to date, with this thicker mineralisation starting as shallow as 8.2m ('Continuous Zones of Mineralisation'); and
  - (iii) LOT is progressing Letlhakane development in parallel with restarting uranium production at Kayelekera in Malawi ('Restarting Uranium Production').

C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

D. The definition of 'aware' in Chapter 19 of the Listing Rules. This definition states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B 'When does an entity become aware of information'.

E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*'3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.'*

- F. ASX's policy position on the concept of 'confidentiality' which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* 'Listing Rule 3.1A.2 – the requirement for information to be confidential'. In particular, the Guidance Note states that:

*"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

#### **Request for information**

Having regard to the above, ASX asks LOT to respond separately to each of the following questions and requests for information.

1. It appears that the Cleansing Notice may be defective pursuant to section 708A (10)(a) of the Act because LOT may have been in possession of "excluded information" (as defined in sections 708A(7) and (8) of the Act) at the time LOT lodged the Cleansing Notice on MAP.  
  
Does LOT consider the information disclosed in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities? Please explain the basis for LOT's view.
2. If the answer to question 1 is "no", please:
  - 2.1 advise why LOT marked the Announcement as 'market sensitive' on MAP; and
  - 2.2 explain the Listing Rule or Corporations Act basis necessitating lodging the Announcement on MAP.
3. When did LOT become aware of the Drilling Results?
4. If LOT became aware of the Drilling Results prior to lodging the Cleansing Notice on MAP, please explain the basis for LOT's statement in the Cleansing Notice that there was 'no excluded information' as defined by sections 708A(7) and (8) of the Act.
5. Does LOT consider the Cleansing Notice to have been validly issued? If not, please outline LOT's next steps.
6. Please confirm that LOT is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that LOT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LOT with delegated authority from the board to respond to ASX on disclosure matters.

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### When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1 PM AWST Friday, 20 September 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LOT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require LOT to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in LOT's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in LOT's securities under Listing Rule 17.3.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to LOT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that LOT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

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ASX Compliance