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ASX Announcement

Operational and Balance Sheet Reset Through Strategic Funding Package

Lotus Resources Limited (**ASX: LOT, OTCQX: LTSRF**) (**Lotus** or the **Company**) announces a strategic funding package to de-risk Kayelekera's continued ramp-up and provide financial flexibility as Lotus transitions to steady state production (**Strategic Funding Package**).

The Strategic Funding Package comprises:

- a fully underwritten A$60.1 million accelerated non-renounceable entitlement offer (the **Offer**, **Entitlement Offer, Equity Raise,** or **Equity Raising**);
- a binding agreement (subject to the satisfaction of certain conditions precedent, including shareholder approval) for A$35 million senior unsecured convertible notes from CVI Investments, Inc., an investment entity managed by Heights Capital Management (**Heights**) (or its nominated affiliate) (**Convertible Notes**); and
- a binding commitment letter with Mercuria Energy Trading S.A. (**Mercuria**) in relation to a US$30 million (A$43 million)[1] inventory-backed prepayment facility and marketing agreement.

HIGHLIGHTS

- A complete Strategic Funding Package to reset the balance sheet and provide financial flexibility, de-risking Kayelekera's continued ramp-up as Lotus transitions to steady state production
- Opportunity for shareholders via a fully underwritten 1 for 1 pro rata accelerated non-renounceable entitlement offer to raise approximately A$60.1 million. CVI has agreed to sub-underwrite the Equity Raising on a priority basis for A$5 million
- Binding agreement for A$35 million senior unsecured convertible notes secured with Heights (subject to certain conditions precedent, including shareholder approval)
- Binding commitment letter with Mercuria in respect of the previously announced US$30 million inventory-backed prepayment facility and marketing agreement, establishing cornerstone commercial relationship with a global commodity trader and providing a flexible working capital solution to progress the execution plan and support continuous operations
- The proceeds from the Strategic Funding Package will be utilised to fund capital expenditure and working capital requirements to support the ongoing ramp-up and optimisation of Kayelekera, along with the cash settlement of near-term offtake obligations and corporate and Offer costs
- Strategic Funding Package provides financial flexibility with pro forma A$125.1 million of unaudited cash (30 June 2026) as the Company continues to execute its optimisation plan, with Kayelekera expected to reach steady state production in late CY2026

1. Exchange rate of A$1.00:US$0.69 applied.

Lotus Managing Director Greg Bittar commented:

"The Kayelekera operation is now positioned to deliver the final stages of the ramp up through to steady state production and this funding package completes the balance sheet reset.

Importantly, an entitlement offer ensures all shareholders have the opportunity to participate in this funding to complete the ramp up, key capital projects to optimise operations and provide working capital required for production, export and sales through to cashflow.

The support from CVI Investments, an investment entity managed by Heights Capital Management, as a new cornerstone convertible note investor and also in the Equity Raise, along with Mercuria, who following their technical and commercial due diligence, is supporting Lotus with uranium marketing and inventory prepayment liquidity, represents a strong endorsement of Lotus' strategy and the long-term value presented by the Kayelekera Uranium Mine.

All Directors of the Company have agreed to participate in the Equity Raising, including subscribing for their full entitlements and sub-underwriting additional commitments, up to a combined total of A$400,000.

Funds raised under the Strategic Funding Package, together with existing cash, will be applied to:

- Capital projects to support the continued ramp-up at and optimisation of Kayelekera (including the tailings storage facility lift, grid connection & ore sorter);
- Sustaining and other capital expenditure including critical spares;
- Cash settlements of near-term offtake contracts (maximum liability expected to be ~US$7 million); and
- Working capital, corporate and Offer costs.

EQUITY RAISING

Lotus is launching a fully underwritten 1 for 1 accelerated non-renounceable entitlement offer, comprising the issue of up to approximately 273.4 million fully paid ordinary shares (**New Shares**) to raise approximately A$60.1 million (before costs). The Equity Raising comprises an institutional component of the Entitlement Offer and retail component of the Entitlement Offer.

The Offer Price of A$0.22 per New Share ("**Offer Price**") represents a:

- 66.7% discount to Lotus' last traded price on the ASX of A$0.66 on 17 June 2026 (being the last day Lotus traded prior to entering a trading halt and voluntary suspension); and
- 50.0% discount to the theoretical ex-rights price of A$0.44.

Approximately 273.4 million New Shares are proposed to be issued under the Equity Raising, representing approximately 100% of existing shares on issue. New Shares issued under the Equity Raise will rank equally with the Company's existing fully paid ordinary shares.

A firm commitment to sub-underwrite the Equity Raising on a priority basis for A$5 million has been received from CVI.

All Directors of the Company have agreed to participate in the Equity Raising, including subscribing for their full entitlements and sub-underwriting additional commitments, up to a combined total of A$400,000.

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted today, 23 July 2026 and on 24 July 2026. Eligible institutional shareholders can choose to take up all, part or none of their entitlement. Institutional entitlements cannot be traded on the ASX or be transferred.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible new institutional investors and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

Eligible retail shareholders with registered addresses in Australia or New Zealand as at 7:00pm (AEST) on 27 July 2026 (**Record Date**), who are outside the United States and are not eligible institutional shareholders will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**). The Retail Entitlement Offer will open on 30 July 2026 and is expected to close at 5:00pm (AEST) on 13 August 2026.

Eligible retail shareholders (other than Directors and any other related parties of the Company) who take up their entitlement in full can also apply for additional New Shares in excess of their entitlement up to a maximum of 50% of their entitlement under an oversubscription facility. Additional New Shares will only be available for the oversubscription facility if there is a shortfall between applications received from eligible retail shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer.

Retail entitlements cannot be traded on the ASX or transferred. Eligible retail shareholders who do not take up their entitlements under the Retail Entitlement Offer, in full or in part, will not receive any value in respect to those entitlements not taken up.

Further details about the Equity Raise, including the offer restrictions applicable to the Equity Raise, are outlined in the prospectus which was today lodged with ASIC and released to ASX (**Prospectus**) and the investor presentation released to ASX today (**Investor Presentation**).

Lotus expects to dispatch the Prospectus and personalised entitlement and acceptance forms to eligible retail shareholders on 30 July 2026.

CONVERTIBLE NOTE

The Company has secured a binding commitment for a A$35 million senior unsecured convertible note financing with CVI Investments, Inc., an investment entity managed by Heights Capital Management.

Material terms of the convertible note facility are detailed in section 8 of the Prospectus, and key terms are summarised below:

Term	• Up to 5 years
Noteholder	• CVI Investments, Inc. (**CVI**)
Principal amount	• A$35 million in denominations of A$100,000
Coupon	• Zero (0.00%)
Security	• Unsecured; customary negative pledge while Notes outstanding

LOTUS RESOURCES

Amortisation	• 12 equal quarterly instalments commencing 6 months after issue date; cash or shares at Lotus' election with Noteholder option to defer, 3.5 years total amortisation period (assuming no deferrals) • Reverts to cash payment requirement if share settlement conditions not satisfied, including among other things agreed minimum trading volumes, or if prevailing share price is below the Floor Price • Any share based settlement of amortisation to occur at the applicable Conversion Price • Any cash amortisation will be equal to the quarterly instalment amount divided by 90%
Noteholder Conversion	• Noteholder may, at any time after the issue date, elect to convert any number of Notes into shares at the Conversion Price
Conversion Price	• Initially 115% of Offer Price (15% premium)
Conversion Price Reset and Other Adjustments	• **Quarterly**: The lower of the prevailing Conversion Price and the product of 0.90 multiplied by the lower of (i) the Current Market Price(1) on the previous instalment date (ii) the Current Market Price(1) on the relevant Instalment Date or (iii) the Reference Price • **Floor Price**: all adjustments subject to a minimum floor price equal to 50% of the Offer Price (**Floor Price**)
Noteholder Redemption Rights	• Noteholder redemption rights if event of default, restart failure event, change of control, and on 3rd and 4th anniversary of issuance
Ownership Cap	• CVI capped at 9.9%
Dividend Restrictions	• Dividend restrictions in place (subject to consent not to be unreasonably withheld) during tenor of Notes and Detachable Warrants
Detachable Warrants	• Lotus will issue to CVI 66,287,879 Detachable Warrants exercisable into Shares at an initial strike price of A$0.85 (386% of Offer Price) per Warrant and an exercise period of five years • Typical strike price adjustments in the event of future equity raising or reorganisations of capital • Optionality for Warrant holder to cancel Detachable Warrants for cash in the event of a change of control, calculated using a Black-Scholes based measure • For so long as Detachable Warrants are on issue, with the Company not to declare, pay or make any capital distributions or cash dividends without obtaining the prior written approval of all Warrant holders

About CVI Investments, Inc.

CVI Investments, Inc. is an investment entity managed by Heights Capital Management, Inc., which is an affiliate of Susquehanna International Group of Companies (**SIG**), one of the world's largest privately held financial services firms, formed in 1996 to invest SIG's internal capital through direct investment in listed companies around the world.

MERCURIA BINDING COMMITMENT LETTER

On 16 July 2026, Lotus announced it had executed a binding Commitment Letter with Mercuria in relation to a marketing agreement and inventory-backed prepayment facility. This arrangement forms part of the broader Strategic Funding Package announced today.

Lotus and Mercuria are progressing definitive documentation, with execution anticipated during the current quarter. The Commitment Letter remains subject to completion of legal due diligence, execution of definitive documentation, no material adverse change and other customary conditions precedent for a facility of this nature.

Once completed, the arrangement will provide Lotus with access to a marketing platform covering up to 3 million pounds of U_3O_8 over 30 months, together with an inventory-backed prepayment facility of up to US$30 million, further supporting the Company's liquidity and working capital requirements during the ramp-up of Kayelekera.

CONTINUATION OF SUSPENSION

The Company does not intend this announcement to lift its current suspension from trading in its securities. The Company intends for its present suspension to continue until such time as it announces the results of the institutional component of the Entitlement Offer as detailed in this announcement.

TIMETABLE

An indicative timetable for completion of the Offer is shown in the table below:

Event	Date
Entering into trading halt	18 June 2026
Lodgement of Prospectus with ASIC	23 July 2026
Announcement of Entitlement Offer and lodgement of Investor Presentation and Prospectus with ASX	23 July 2026
Institutional Entitlement Offer and Institutional Bookbuild opens	23 July 2026
Institutional Entitlement Offer and Institutional Bookbuild closes	24 July 2026
Announcement of completion of Institutional Entitlement Offer and trading expected to resume on an ex-entitlement basis	27 July 2026
Record Date for the Retail Entitlement Offer	7.00pm (AEST) on 27 July 2026
Retail Entitlement Offer opens	30 July 2026
Despatch of Prospectus and Entitlement Form to Eligible Retail Shareholders	30 July 2026
Settlement Date for New Securities under the Institutional Entitlement Offer	31 July 2026
Allotment and quotation for New Securities issued under the Institutional Entitlement Offer	3 August 2026

Event	Date
Retail Entitlement Offer closes	5.00pm (AEST) on 13 August 2026
Announcement of results of Retail Entitlement Offer and notification of any shortfall	14 August 2026
Allotment date for New Securities under the Retail Entitlement Offer	20 August 2026
General Meeting	2 September 2026
Allotment of New Securities under Convertible Note Offer, Detachable Warrant Offer and Customer Placement	7 September 2026

Note: The above dates are indicative only and are subject to change. The Company and the Lead Manager reserve the right to alter the above dates at any time, either generally or in particular cases, at its discretion and without notice to you, subject to the ASX Listing Rules, the Corporations Act and any other applicable rules. The commencement of trading and quotation of New Shares under the Entitlement Offer is subject to ASX confirmation. All dates and times refer to Australian Eastern Standard Time (AEST).

ADVISORS

Canaccord Genuity (Australia) Limited is acting as Lead Manager, Underwriter and Bookrunner to the Equity Raising and financial advisor to the Company. Gresham Partners is acting as financial advisor to the Company.

Allens is acting as Australian legal advisor.

ADDITIONAL INFORMATION

Additional information in relation to the Strategic Funding Package and Lotus can be found in the Investor Presentation and Prospectus released to the ASX today, which contains important information, including a breakdown of sources and uses of funds, key risks and foreign selling restrictions with respect to the Equity Raising.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision. All amounts are in Australian dollars unless otherwise indicated.

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

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FORWARD LOOKING STATEMENTS DISCLAIMER

This Announcement includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Lotus Resources Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this announcement, including, without limitation, those regarding Lotus Resources Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Lotus Resources Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for uranium; fluctuations in exchange rates between the U.S. Dollar and the Australian Dollar; uncertainty in the estimation of mineral resources and mineral reserves; the failure of Lotus Resources Limited's suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; the inherent risks and dangers of mining exploration and operations in general; environmental risks; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in government regulations, policies or legislation; foreign investment risks in Malawi; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; reliance on key personnel and the retention of key employees; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production, and financial metrics based on possible production, in this announcement is not intended to be a forecast. They are internally generated goals set by the board of directors of Lotus Resources Limited. The ability of the Company to achieve any targets will be largely determined by the Company's ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary off-take arrangements with reputable third parties. Although Lotus Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Readers should also read the Definitive Feasibility Study announced 11 August 2022 in conjunction with this announcement. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, Lotus Resources Limited does not undertake any obligations to publicly release any updates or revisions to any forward-looking statements contained in this material, whether as a result of any change in Lotus Resources Limited's expectations in relation to them, or any change in events, conditions or circumstances on which any statement is based.

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ABOUT LOTUS

Lotus is a leading Africa-focused uranium producer with significant scale and Mineral Resources. Lotus owns an 85% interest in the Kayelekera Uranium Mine in Malawi, and 100% of the Letlhakane Uranium Project in Botswana.

Kayelekera recommenced production in August 2025 and continues to progress towards sustainable steady-state operations. During 2026, the Company has focused on operational optimisation, infrastructure upgrades, acid plant commissioning and advancing export logistics to support future uranium sales. The Kayelekera Mine hosts current Mineral Resources and Ore Reserves as set out in the tables below and historically produced ~11Mlb of uranium between 2009 and 2014. The Letlhakane Project hosts a current Mineral Resource also as set out in the table below.

LOTUS MINERAL RESOURCE INVENTORY – DECEMBER 2024[2,3,4,5,6] (as at 30 June 2025)

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[7]	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[8]	2.4	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 2022[9] (as at 30 June 2025)

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**

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[2] 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.
[3] The Kayelekera Mineral Resource Estimate is inclusive of the Kayelekera Ore Reserves.
[4] 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.
[5] See ASX Announcement dated 6 December 2024 for information on the Letlhakane Mineral Resource Estimate.
[6] 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.
[7] RoM stockpile has been mined and is located near mill facility.
[8] 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.
[9] 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 and depletion of the Ore Reserve from ongoing operations, 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.