

1 April 2025

ASX Announcement

Lotus signs key agreements for Kayelekera power grid connection and binding offtake agreement with North American power utility PSEG Nuclear LLC

Lotus Resources Limited (ASX: LOT, OTCQX: LTSRF) (Lotus or the **Company**) is pleased to announce that it has signed the two key agreements with the Electricity Supply Corporation of Malawi (**ESCOM**) to facilitate the Kayelekera Project being connected to the power grid and the supply of electricity from the grid to the Kayelekera Project.

Lotus is also pleased to announce that it has now signed a binding “Contract for the Sale and Purchase of Natural Uranium Concentrates” with North American power utility PSEG Nuclear LLC reflecting the previously announced term sheets.

HIGHLIGHTS

- Lotus has signed both a Power Implementation Agreement and a Power Supply Agreement with ESCOM
- Lotus’ specialist advisers have completed a tender process for substation works and transmission line construction
- Grid connection to be commissioned in 2026
 - Production restart to utilise existing onsite diesel power station as an interim measure until the grid connection becomes available
 - The complete refurbishment work program of the onsite diesel power station, including the units for redundancy, is well underway
- Connecting to the Malawi electricity grid will minimise Kayelekera’s carbon emissions, as the vast bulk of electricity in Malawi is generated by hydropower with no carbon emissions
- Previously announced term sheets with PSEG Nuclear LLC¹ for the offtake of 1.6M lbs of U₃O₈ for the period 2026 – 2029 is now reflected in a binding and non-conditional “Contract for the Sale and Purchase of Natural Uranium Concentrates”
- Kayelekera’s fully funded restart is progressing as planned with first uranium production on track for Q3 2025

Lotus Managing Director Greg Bittar commented: “This is another terrific milestone towards the optimisation of the Kayelekera Project. Together, these agreements cover the design and construction of a new transmission line and substation infrastructure connecting the Kayelekera site to an upgraded substation in Karonga and the provision of electricity to the mine.

Whilst these agreements were being finalised, Lotus, working with its consultants, electrical engineering group ECG Engineering and ResourcesWA (a specialist energy and mining group), completed a tender for the scope of works for the grid connection and substation works with fixed price proposals now received.”

¹ Refer to ASX Announcements dated 3 September 2024 and 29 January 2025

LOTUS SIGNS KEY AGREEMENTS TO ENABLE GRID CONNECTION

The Power Implementation Agreement (**PIA**) and Power Supply Agreement (**PSA**) (collectively, the **Agreements**), provide for Lotus to finance, design and construct a new transmission line and substation infrastructure at Kayelekera. On completion of construction and commissioning, Lotus will transfer ownership of the entirety of the line and substation infrastructure at Kayelekera to ESCOM.

The transmission line and substation infrastructure will connect Kayelekera to ESCOM's Karonga substation and the Malawi power grid, enabling the supply and purchase of electricity to the mine through the PSA. The PSA is for a 10-year term, however, the Company may terminate earlier by giving at least 30 days prior notice with no penalty. Electricity tariffs are based on the tariffs set by the Malawi Energy Regulatory Authority (MERA) for Malawi domestic consumers.

TENDER PROCESS COMPLETED, CONSTRUCTION CONTRACTS BEING FINALISED

Lotus appointed ECG Engineering Pty Ltd (**ECG**) to project manage the supply of power to the Kayelekera Project and ECG conducted a formal tender process involving:

- the extension of the existing Karonga Substation 66kV bus, installing a new 66kV line feeder bay and associated secondary systems;
- construction of approximately 45km of 66kV transmission line; and
- construction of a new Kayelekera Substation and associated systems,

(together, the **Powerline Project**).

Following tenders, the estimated cost for the Powerline Project is in line with the US\$20.6 million estimated in the Accelerated Restart Plan². This estimated cost excludes any potential battery energy storage system (**BESS**), which the Company estimates will cost circa US\$4million. The Company is still reviewing the feasibility of the BESS as part of its power supply arrangements.

Whilst the Company continues to explore financing, including off balance sheet alternatives, for the power grid connection and potential battery system, the majority of the capital expenditure for the Powerline Project is expected to be spent once production has commenced at Kayelekera.

The Environmental Social Management Plan (ESMP) for the transmission line and substations was approved by the Malawi Environmental Protection Authority (MEPA) in December 2024.

Lotus will now work with ECG and ResourcesWA to finalise the design, construction and supply contracts and commence work to enable the connection to the power grid as soon as possible in 2026.

BINDING OFFTAKE CONTRACT WITH PSEG NUCLEAR LLC

Further to the ASX announcements dated 3 September 2024 and 29 January 2025 regarding the signing of non-binding and conditional term sheets for the offtake of 1.6M lbs in total for the 2026 – 2029 period, the Company has now reflected the term sheets in a binding and non-conditional "Contract for the Sale and Purchase of Natural Uranium Concentrates".

² Refer to ASX Announcement dated 7 October 2024. Grid Connection estimated at US\$16.9 million and Kayelekera Sub-Station estimated at US\$3.7 million.



ABOUT PSEG NUCLEAR LLC

PSEG Nuclear LLC is a subsidiary of Public Service Enterprise Group (PSEG), a publicly traded diversified energy company based in Newark, New Jersey. PSEG Nuclear LLC operates three nuclear generating units in southern New Jersey: Salem Generating Station Units 1 and 2, and the Hope Creek Generating Station. These facilities are located at the Artificial Island site on the Delaware River.

The Salem Generating Station consists of two pressurized water reactors, while the Hope Creek Generating Station has a single boiling water reactor. Together, these plants are significant sources of carbon-free electricity for the region, providing a substantial portion of the electricity consumed in New Jersey and the surrounding areas.

PSEG Nuclear is focused on ensuring the safe, reliable, and efficient operation of its nuclear facilities, while maintaining high standards of safety and environmental protection. The company participates in the PJM Interconnection, a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia, contributing to the region's efforts to reduce carbon emissions and promote clean energy.

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.