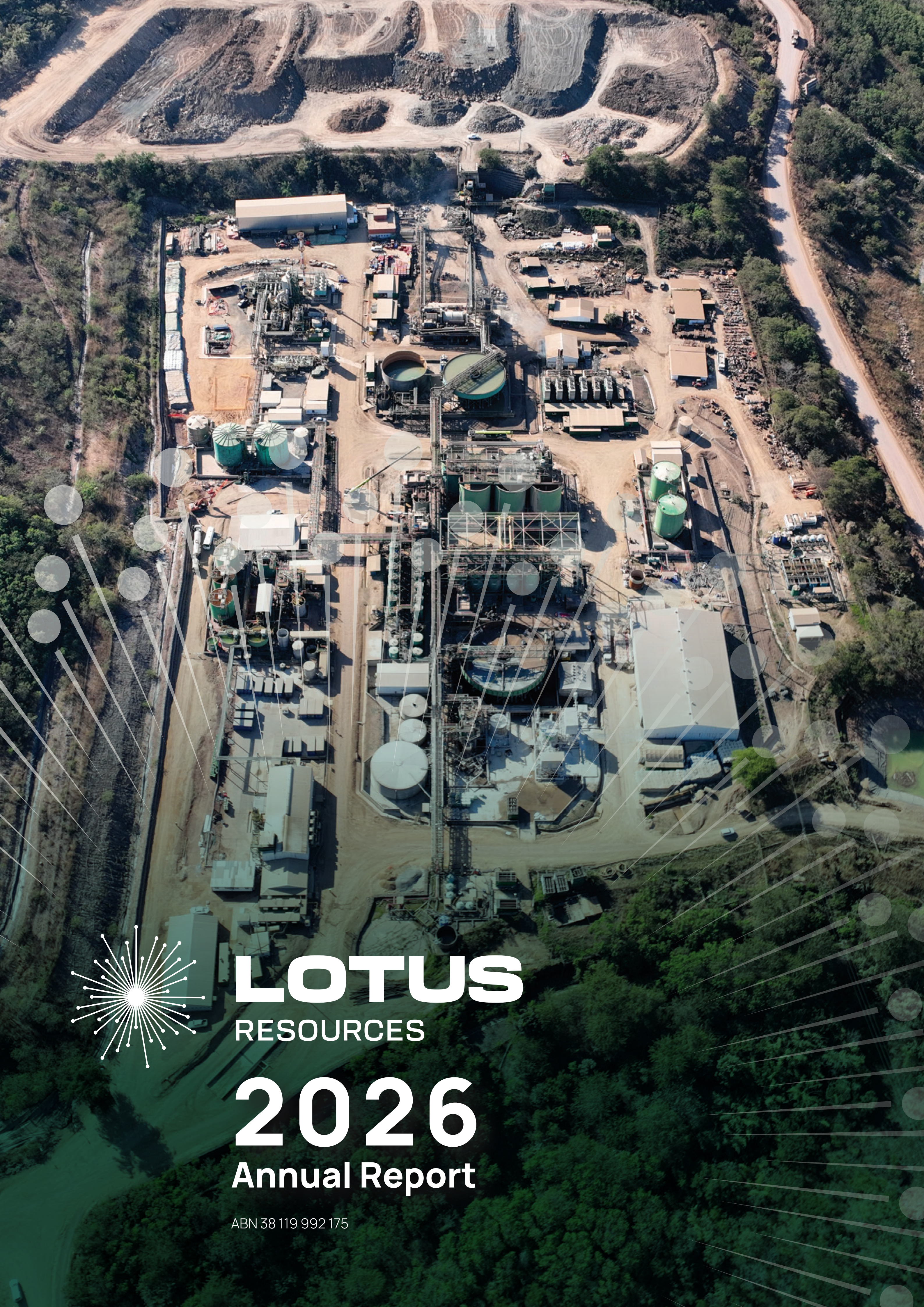

LOTUS RESOURCES

2026 Annual Report

ABN 38 119 992 175

Corporate Directory

Directors

Mr Michael Bowen	Non-Executive Chairman
Mr Gregory Bittar	Managing Director
Mr Simon Hay	Non-Executive Director
Ms Leanne Heywood	Non-Executive Director

Chief Executive Officer
Mr Gregory Bittar

Company Secretary
Mr Fletcher Hancock (appointed 21 September 2026).
Mr Hayden Bartrop resigned 11 September 2026.
Ms Melissa Roberts acted as Company Secretary from 11 September 2026 to 21 September 2026.

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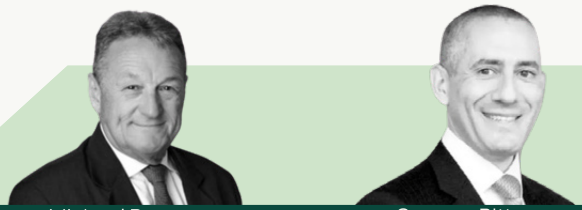
Contents

Letter from the Chairman and Managing Director



Dear Fellow Shareholders,

FY2026 was a year of both progress and considerable challenge for Lotus Resources. The successful restart of the Kayelekera Uranium Mine in Northern Malawi and first uranium production since 2014 represented major milestones for the Company and the culmination of several years of planning, investment and effort. However, while these achievements were important, the progression from restart and commissioning to sustainable operations has proved considerably more challenging than anticipated, and the Company did not achieve all of the objectives it set at the beginning of the year.

The transition from first production to sustainable operations was impacted by a range of factors, including processing plant performance and reliability challenges, disruptions due to sulphuric acid supply (including from the delay in commissioning Kayelekera's sulphuric acid plant), and complexities associated with product qualification and export logistics. Together, these issues have delayed achieving steady-state production, first exports, revenue and cash flow and resulted in higher operating costs.

During the year, the Company also identified deficiencies within aspects of its sampling and measurement systems, metallurgical accounting and production reconciliation processes, resulting in revisions to previously reported operating information. While these matters were disappointing, the Company acted decisively, engaging independent specialists to review the relevant systems and implementing enhanced controls, reporting procedures and governance frameworks. These improvements have strengthened confidence in the integrity of future operational reporting and reflect our ongoing commitment to transparency and accountability.

The Board and management recognise the extent to which these operational challenges and delays have impacted shareholders. We understand the frustration felt by you as the pathway to sustainable production, exports, revenue generation and positive cash flow has proven longer and more challenging than originally anticipated, requiring additional funding initiatives to support the business. Rebuilding confidence through operational execution, transparent communication and disciplined delivery will remain a key focus in FY2027.

Maintaining an appropriate balance between operational progress, financial discipline and liquidity was a major focus throughout the year. As ramp-up progressed more slowly than anticipated and cash generation was delayed, the Company undertook additional funding initiatives during and after the financial year to strengthen the balance sheet and ensure completion of critical infrastructure projects. Following year end, Lotus announced a strategic funding package comprising an underwritten entitlement offer, convertible notes and an inventory-backed prepayment facility and marketing arrangement designed to support operational optimisation and provide the flexibility required to progress to sustainable production and cash flow generation.

The Board carefully considered the alternatives available to the Company. While maintaining liquidity was essential to protecting the long-term value of Kayelekera and preserving strategic flexibility, we recognise that these funding initiatives came at a significant cost to existing shareholders. These decisions were not taken lightly, and our focus remains firmly on restoring value through operational performance, improved reliability and disciplined capital management.

Despite these challenges, FY2026 delivered a number of important achievements.

Most notably, Kayelekera produced its first uranium concentrate since 2014, marking the successful transformation of Lotus from uranium developer to uranium producer. Restarting a uranium mining and processing operation that had been on care and maintenance for more than a decade was a significant undertaking and one that required the dedication and commitment of our employees, contractors, government stakeholders, host communities and shareholders.

Mining recommenced in November 2025 under an owner-operated model, providing greater flexibility and stronger integration between mining, processing and construction activities. During the year, we established multiple mining areas, mobilised the mining fleet and progressively increased mining rates to support both processing operations and the ongoing development of key infrastructure.

We strengthened the operational leadership team and invested in additional capability across engineering, maintenance, metallurgical and technical services functions.

Importantly, operational performance improved materially as the year progressed. Monthly uranium production increased from 14.2 thousand pounds in January 2026 to 73.6 thousand pounds in May 2026, representing the strongest monthly production performance since restart. While production remained below our long-term expectations, the improvement reflected strengthening reliability, maintenance execution and processing performance and provided evidence that the operational initiatives implemented during the year were delivering measurable results.

The Company also achieved product acceptance with Orano Chimie-Enrichissement, providing an important pathway toward future uranium exports and revenue generation. Significant progress was made across several key infrastructure projects that will support the long-term competitiveness of the operation, including the sulphuric acid plant, tailings storage facility expansion, grid power connection project and laboratory improvement programme. Collectively, these initiatives are expected to improve operating reliability, strengthen reagent security, reduce operating costs and enhance operational performance over the long term.

Safety remained our highest priority throughout a year characterised by mine restart activities, major construction programs, commissioning work and production ramp-up. We are proud of the commitment demonstrated by our workforce and contractors in maintaining a strong safety culture throughout this period. We also continued to invest in local employment, training, community development and environmental management. Our relationships with the Government of Malawi, local communities and other key stakeholders remain fundamental to the long-term success of Kayelekera.

Beyond Kayelekera, the Company continued to advance the Letlhakane Uranium Project in Botswana. Metallurgical optimisation studies, resource conversion drilling and technical development activities progressed during the year and further strengthened our confidence in the long-term potential of one of the world's largest undeveloped uranium projects.

Looking ahead, Lotus is completing the final stages of the Kayelekera restart in a considerably stronger uranium market than that which existed when the restart strategy was first conceived. Governments around the world continue to extend reactor operating lives and commit to new nuclear generation capacity in support of energy security and decarbonisation objectives. At the same time, increasing electricity demand driven by electrification, artificial intelligence and data centre growth is contributing to a favourable long-term outlook for nuclear energy and uranium demand.

The opportunity before Lotus remains significant. The foundations for a successful operation are now in place; however, we recognise that our success will ultimately be measured not by the achievement of milestones, but by our ability to deliver consistent production, exports, revenue and positive cash flow.

Our priorities are clear: achieving sustainable steady-state production, exporting and sales, optimising operational performance and costs, and rebuilding shareholder value through disciplined execution and delivery.

While considerable work remains ahead of us, both the Board and management remain confident in the quality of our assets, the capability of our people and the long-term outlook for the uranium sector and Lotus. On behalf of the Board and management team, we thank our employees, contractors, government partners, host communities and shareholders for their continued support, patience and commitment throughout this important year.

Yours sincerely

Michael Bowen
Non-Executive Chairman

Gregory Bittar
Managing Director

Review of Activities

Review of Activities

FY2026 Highlights and Key Outcomes

Production & Operations

- **Produced first uranium concentrate (yellowcake) at Kayelekera in September 2025,** marking the first uranium production from the operation since 2014.
- **Produced 332k lb U_3O_8 during FY2026** as the operation progressed through commissioning and ramp-up.
- **Recommenced mining operations under an owner-operated model,** including completion of the first production blast, delivery of first high-grade ore to the ROM pad and mining of 302.8kt of ore and 1,481.5kt of waste during FY2026.
- **Achieved progressive improvements in plant performance through the ramp-up period,** with monthly uranium production increasing from 14.2k lb U_3O_8 in January 2026 to 73.6k lb U_3O_8 in May 2026.
- **Improved process plant performance during ramp-up,** achieving periods of operation approaching nameplate throughput while progressively improving plant reliability, maintenance systems and operating discipline.
- **Completed process plant refurbishment and commissioning activities,** achieving mechanical and electrical completion of the restart project.
- **Achieved initial product qualification and acceptance with Orano Chimie-Enrichissement,** supporting future uranium exports and commercial deliveries while continuing to optimise product quality and converter acceptance during ramp-up.
- **Progressed export logistics pathways through Walvis Bay,** including advancement of transport permits, logistics contracts and export preparations required to support future shipments.
- **Built and mobilised a substantial workforce at Kayelekera,** over 90% of whom are Malawian nationals.

Infrastructure & Optimisation

- **Advanced the Kayelekera sulphuric acid plant from construction through commissioning,** achieving first acid production during June 2026 and progressing works required to support reliable long-term operation.
- **Progressed construction of the Tailings Storage Facility expansion and continued development of the grid connection project,** both designed to improve long-term operating performance and sustainability outcomes.
- **Completed the Main Tailings Storage Facility (TSF) grout curtain** and progressed TSF embankment expansion works to support future production requirements.
- **Progressed implementation of the Laboratory Improvement Project,** including upgrades to analytical capability, quality systems and metallurgical accounting processes.
- **Enhanced operational capability and technical leadership,** including strengthened metallurgical, laboratory, maintenance and technical services functions.
- **Improved processing plant reliability,** including achieving mill availability of 97.4% during June 2026 prior to the processing interruption.

Review of Activities

Funding & Commercial

- **Raised A$65 million (before costs) through an institutional placement in September 2025** to fund value-enhancing initiatives and strengthen the Company's balance sheet.
- **Raised a further A$79 million (before costs) through an institutional placement and Share Purchase Plan in February 2026** to support operational ramp-up, key infrastructure projects and working capital requirements.
- **Finalised equipment finance facilities with First Capital Bank Plc,** including an equipment finance facility of US$8.5 million, of which US$7.4 million was drawn during the year, while continuing to evaluate inventory-backed and working capital funding solutions to support the transition to sustainable production.
- **Executed a non-binding term sheet with Mercuria Energy Trading S.A.** relating to a proposed US$30 million inventory-backed prepayment facility and marketing arrangement. Following year end, the parties executed a binding commitment letter.

Growth

- **Completed metallurgical optimisation testwork for the Letlhakane Uranium Project at Australian Nuclear Science and Technology Organisation,** demonstrating the potential to reduce acid consumption by approximately 70% while simplifying the proposed processing flowsheet.
- **Completed the first phase of the Letlhakane resource conversion drilling programme,** targeting the conversion of additional Inferred Mineral Resources to higher-confidence resource categories.
- **Continued activities supporting an updated Mineral Resource Estimate** and future advancement of the Letlhakane Project toward a Pre-Feasibility Study.

Sustainability

- **Maintained strong safety performance throughout FY2026,** including no Lost Time Injuries during the reporting period and continued improvement in total recordable injury frequency rates (TRIFR).
- **Continued investment in local employment,** community development, healthcare, education and environmental stewardship initiatives across Malawi and Botswana.
- **Participated in the S&P Global Corporate Sustainability Assessment,** improving on the last three years.

Operational Challenges & Response

- **Managed a number of operational challenges during ramp-up,** including sulphuric acid supply disruptions, delays in sulphuric acid plant commissioning, product specification variability and lower-than-expected recoveries.
- **Implemented corrective actions and operational improvement programmes** focused on plant reliability, recoveries, laboratory capability, metallurgical accounting and production reporting systems.
- **Temporarily suspended processing operations in June 2026** following sulphuric acid stockouts and acid plant commissioning delays while remediation and optimisation activities were undertaken.

Uranium Market

FY2026 was another constructive year for the uranium sector, with governments, utilities and private industry continuing to strengthen their commitment to nuclear energy as a source of reliable, low-carbon and secure electricity generation. Growing electricity demand, energy security concerns and the rapid expansion of artificial intelligence and data infrastructure continued to support a favourable long-term outlook for uranium demand.

The uranium spot price traded between US$70.50/lb and US$101.50/lb during FY2026, ending the year at approximately US$84.85/lb. The published long-term uranium price increased from US$81.00/lb at the start of the financial year to approximately US$95.50/lb at year end, continuing the positive trend observed in recent years.

Government support for nuclear energy strengthened across several key markets during the year. In the United States, significant policy initiatives and funding commitments were announced to accelerate nuclear deployment, strengthen domestic fuel cycle security and expand enrichment capacity. China continued the world's largest nuclear construction programme, while India continued securing long-term uranium supply agreements to support growth of its nuclear fleet.

Private sector participation in the nuclear sector accelerated during the year. Major technology companies, including Meta, Google and Amazon, announced investments, partnerships and power purchase arrangements linked to nuclear generation as they seek long-term access to reliable electricity for artificial intelligence and data centre infrastructure. These developments represent a significant evolution in the demand outlook for nuclear energy, extending support beyond traditional utilities and government policy initiatives.

During the year, the World Nuclear Association (WNA) released its updated Nuclear Fuel Report, which reinforced the increasingly favourable outlook for uranium markets. Compared with the previous edition, the WNA increased its long-term demand forecasts while delaying expected supply growth, resulting in forecast uranium supply deficits emerging later this decade. The WNA's Reference Scenario projects global nuclear generating capacity increasing from approximately 372GWe today to approximately 686GWe by 2040, more than doubling annual uranium requirements over the same period.

Long-term contracting activity also remained supportive during FY2026 as utilities continued to focus on fuel security and supply chain diversification. The need to secure future uranium supply continued to support demand for long-term supply agreements and investment in both new and restarted uranium production capacity.

The uranium market was supported during FY2026 by long project development lead times, limited growth in primary mine supply and the increasing strategic importance of secure fuel supply chains. Together, these factors are expected to underpin long-term uranium demand and support continued investment in existing and new uranium production capacity.

Against this backdrop of strengthening long-term demand and increasing focus on security of supply, FY2026 marked a significant milestone for Lotus with the successful restart of the Kayelekera Uranium Mine and the Company's transition to producer status. While uranium prices remained volatile during the year, the combination of supportive long-term market fundamentals, increasing utility contracting activity and forecast supply deficits reinforces the strategic value of Lotus' portfolio. With a producing asset at Kayelekera and the long-term development potential of the Letlhakane Project in Botswana, Lotus believes it is well positioned to benefit from strengthening uranium market fundamentals over the coming decades.

Kayelekera Project Overview

The Kayelekera Uranium Mine is located in northern Malawi, approximately 52km by road west of the town of Karonga. Lotus holds an 85% interest in the operation.

Kayelekera hosts Mineral Resources of 44.9Mlbs U_3O_8 and Ore Reserves of 22.5Mlbs U_3O_8. Combined with the Company's Livingstonia Project, Lotus' Malawi uranium portfolio contains 49.8Mlbs U_3O_8 of Mineral Resources. Across Malawi and Botswana, Lotus' portfolio contains total Mineral Resources of 163.5Mlbs U_3O_8.

Kayelekera historically produced approximately 11Mlbs U_3O_8 between 2009 and 2014 before being placed on care and maintenance during a prolonged period of depressed uranium prices.

During FY2025, Lotus implemented its Accelerated Restart Plan with the objective of returning Kayelekera to production in a disciplined and capital-efficient manner. The programme culminated in first uranium concentrate production in September 2025, marking the first production from the operation in more than a decade and the successful transition of Lotus from uranium developer to uranium producer.

FY2026 was the first year of production from Kayelekera since 2014. Activities during the year focused on production ramp-up, recommencement of mining activities, operational optimisation, product qualification and advancement of key infrastructure projects. The following sections provide a review of the major operational milestones and activities undertaken during the year.

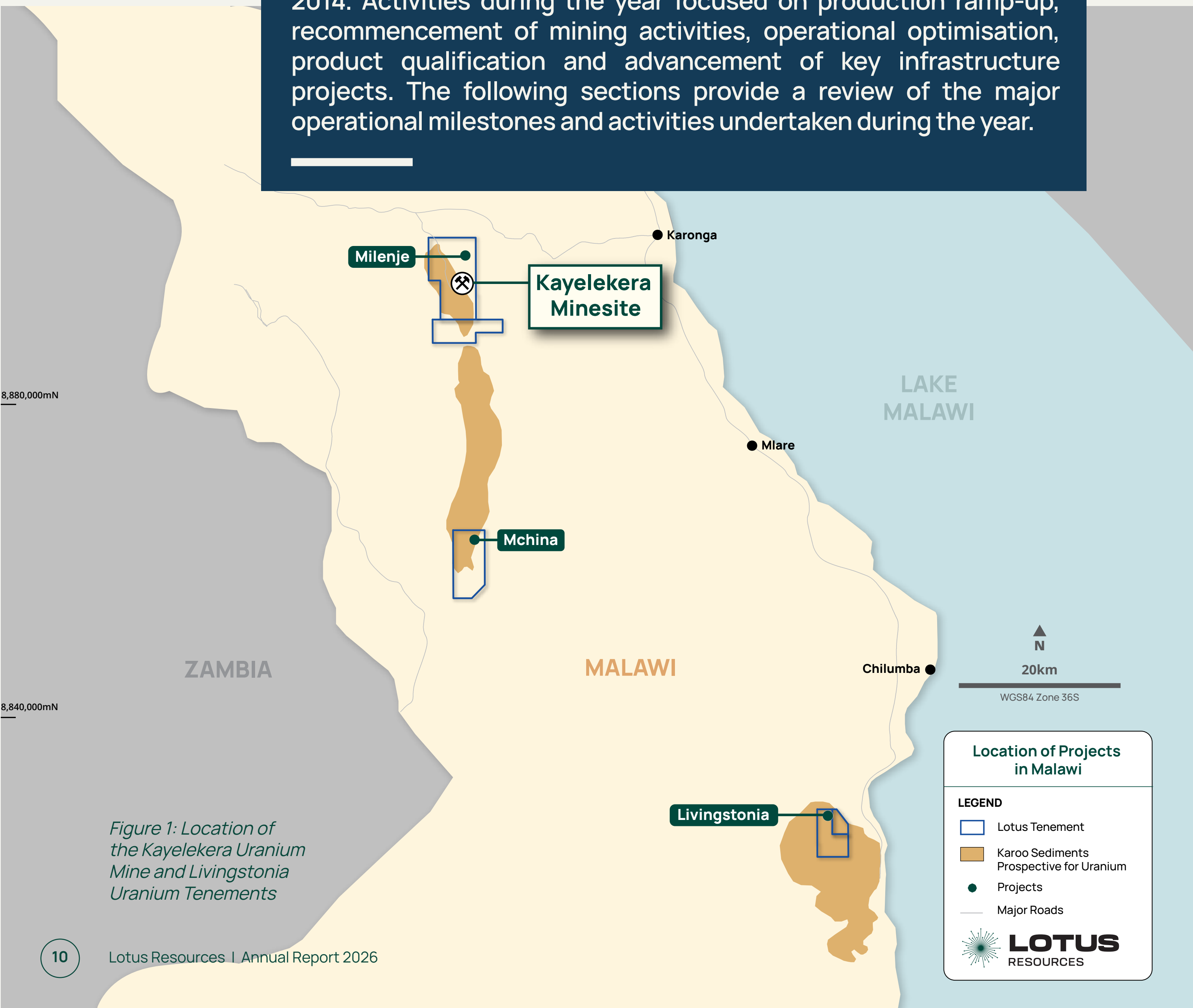


Figure 1: Location of the Kayelekera Uranium Mine and Livingstonia Uranium Tenements

Figure 2: Kayelekera ROM pad, process plant and process water pond

Plant commissioning and first yellowcake production

During the first quarter of FY2026, Lotus successfully completed commissioning of the Kayelekera processing plant, representing the culmination of the Accelerated Restart Plan and a major milestone in the Company's transition from uranium developer to uranium producer.

Commissioning activities were completed across all major processing circuits following extensive refurbishment and upgrade works undertaken as part of the restart programme. Ore was progressively introduced into the plant, while processing systems were tested, calibrated and optimised to support the safe and reliable production of uranium concentrate. The commissioning programme also included verification of plant control systems, instrumentation and supporting infrastructure required for ongoing operations.

In September 2025, Kayelekera produced its first uranium concentrate since 2014, marking the first yellowcake production from the operation in more than a decade. This achievement represented a significant milestone for the Company and established Kayelekera as one of a limited number of operating uranium mines globally.

The restart was delivered on schedule and within budget and was formally recognised in August 2025 at an inauguration ceremony attended by the President of the Republic of Malawi, together with government representatives, regulators, local community leaders and other project stakeholders, highlighting the significance of Kayelekera's return to production to both the Company and Malawi.

Following first production, the operation transitioned to ramp-up activities focused on increasing production rates, recommencing mining operations, improving plant reliability and advancing key infrastructure projects required to support sustainable long-term production.

Figure 3: Kayelekera drummed yellowcake

Mining

During FY2026, Lotus successfully re-established mining operations at Kayelekera following more than a decade of care and maintenance. The restart of mining represented a significant milestone in the Company's transition to producer status and established the foundation for sustainable long-term operations. Significant work was undertaken during the year to mobilise the owner-operated mining fleet, recruit and train personnel, establish mining systems and procedures, and develop the operational capability required to support production ramp-up.

The owner-operated mining model was selected to provide greater operational flexibility, improved integration between mining and processing activities, and lower life-of-mine costs compared with conventional contract mining arrangements. Throughout the year, the Company continued building in-house mining capability, expanding operational capacity and embedding the systems and processes required to support long-term mining operations.

All major mining equipment required for the restart was procured, mobilised and commissioned during the year. Pit access ramps were completed to provide access to the initial mining stages, while an in-pit grade control programme was established to support ore delineation, mine planning and reconciliation processes. The explosives supply contract was finalised and a mobile manufacturing unit was commissioned on site to support ongoing blasting activities.

A significant milestone was achieved in November 2025 with the first mining blast at Kayelekera since mining operations ceased in 2014. This was followed by delivery of first high-grade ore to the Run-of-Mine (ROM) pad in December 2025, marking the transition from stockpile-based processing toward mining-supported production.

Table 1: Kayelekera Mining Performance FY2026

Kayelekera	Unit	1H FY2026	2H FY2026	FY2026
Mining				
Mined Grade	ppm	506	944	936
Ore Mined	kt	5.1	297.7	302.8
Waste Mined	kt	232.1	1,249.4	1,481.5

Mining activity continued to increase throughout the year, with operations progressively advancing across multiple mining stages. During FY2026, total material movement amounted to 1.8Mt, comprising 0.3Mt of ore mined and 1.5Mt of waste mined. Mining activity during the year focused on establishing multiple mining fronts and opening up future mining areas, resulting in a strip ratio above the projected life-of-mine average strip ratio of approximately 1.8. As mining activities mature and ore production increases, the strip ratio is expected to trend towards life-of-mine assumptions.

As anticipated, wet season conditions impacted mining productivity and construction activities during portions of the year. However, advance planning and operational preparation enabled mining activities to continue safely and broadly in line with operational requirements. At 30 June 2026, ore stockpiles totalled approximately 1.5Mt, including higher-grade material immediately available for processing. The stockpiles will provide operational flexibility and support for future processing requirements. The operation had also established multiple active mining areas to facilitate the resumption of production. This provided operational flexibility and positioned the mine for continued ramp-up once processing operations resumed.

Figure 4: First mining blast – December 2025

Processing

FY2026 represented the first year of uranium production from Kayelekera since the operation was placed on care and maintenance in 2014. Following first yellowcake production in September 2025, processing activities focused on increasing throughput, improving plant reliability and recoveries, and progressing toward sustainable production levels.

During FY2026, Kayelekera milled 398kt of ore and produced 332.1klb U_3O_8 as the operation progressed through commissioning and ramp-up. Processing performance improved progressively throughout the year as operating experience increased, technical capability was strengthened and plant optimisation initiatives were implemented.

Table 2: Kayelekera Processing Performance FY2026

Kayelekera	Unit	1H FY2026	2H FY2026	FY2026
Processing				
Ore Milled	kt	154.6	243.5	398.1
Head Grade	ppm	976	920	942
Recovery	%	43%	49%	47%
Uranium Produced	klb	98.0	234.1	332.1

Plant recoveries improved during the second half of FY2026 as commissioning activities progressed and optimisation initiatives were implemented. Improvements in process control, laboratory capability, maintenance execution and operational discipline contributed to stronger performance, although recoveries remained below long-term expectations and continued to be a key focus area throughout the ramp-up period.

During the year, the Company also identified opportunities to strengthen sampling systems, metallurgical accounting and production reconciliation processes. Independent specialists were engaged to review these systems and support implementation of enhanced controls, reporting procedures and laboratory improvements. While these matters resulted in revisions to previously reported operating metrics during the year, the improvements implemented have strengthened confidence in operational reporting and provided a more robust framework to support future production reconciliation and performance monitoring.

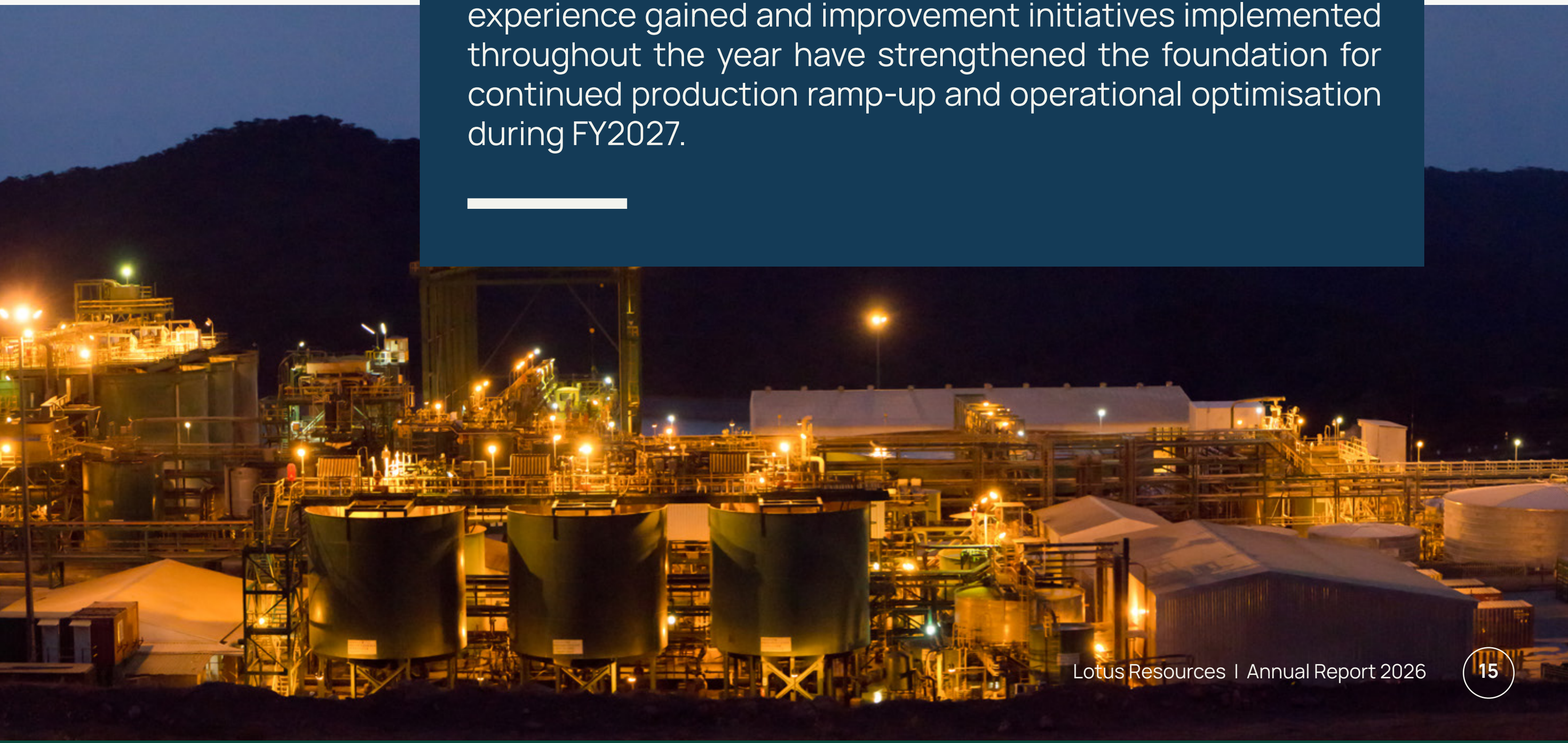
Operational performance improved progressively throughout FY2026 as technical capability was strengthened, plant optimisation initiatives were implemented and operating experience increased. Monthly uranium production increased materially through the second half of the financial year, rising from 14.2klb U_3O_8 in January 2026 to 73.6klb U_3O_8 in May 2026. While production remained below targeted steady-state levels, the improvement reflected strengthening plant performance and the benefits of the optimisation and reliability initiatives implemented during ramp-up.

Production ramp-up was affected by a number of challenges typical of restarting and commissioning a complex processing operation after more than a decade of care and maintenance. These included sulphuric acid supply shortages, delays associated with acid plant commissioning, product specification variability and lower-than-expected recoveries.

During the December 2025 and March 2026 quarters, processing performance was constrained by sulphuric acid supply shortages resulting from production challenges in Zambia, which was then the primary source of acid for the operation. In response, Lotus diversified its procurement strategy, securing supplies from both Zambia and South Africa while simultaneously progressing commissioning of the Kayelekera acid plant.

By early 2026, acid supply constraints had largely been mitigated. However, during the June quarter, ongoing geopolitical tensions in the Middle East adversely impacted the availability, reliability and cost of sulphur and sulphuric acid across global markets. These disruptions resulted in delayed and, in some cases, unfulfilled contracted deliveries, contributing to a temporary production pause while the Company worked with suppliers to secure alternative supply arrangements and complete acid plant remediation works.

Despite these challenges, significant operational progress was achieved during FY2026. Plant reliability improved, product qualification and acceptance milestones were achieved, and significant progress was made across the Company's key infrastructure projects. The operational experience gained and improvement initiatives implemented throughout the year have strengthened the foundation for continued production ramp-up and operational optimisation during FY2027.



Product qualification and export route

Product qualification and export readiness are critical to commercial uranium sales and future revenue generation. Qualification with a western uranium converter is required before product can be delivered into the nuclear fuel cycle and supports the permitting and logistics arrangements necessary for export.

Throughout FY2026, Lotus worked closely with Orano Chimie-Enrichissement (Orano CE) to qualify and optimise Kayelekera uranium concentrate for acceptance into Orano's conversion facilities. Following completion of an extensive qualification process, Orano CE formally accepted Kayelekera product in April 2026, representing an important commercial milestone in Kayelekera's transition from restart and commissioning activities toward commercial uranium sales. At 30 June 2026, Orano CE had accepted 159.5klb of the 332.1klb U_3O_8 produced to date, while work continued to optimise product specifications and maximise future converter acceptance.

While the Company will continue pursuing product qualification with the other two western uranium converters, ConverDyn and Cameco, qualification with Orano CE provides Lotus with significant commercial flexibility. Material can be exchanged or transferred between converter accounts, allowing the Company to efficiently meet existing and future customer delivery obligations.

Export of U_3O_8 via the port of Dar es Salaam in Tanzania formed the basis of the Company's original export strategy due to its proximity to Kayelekera and established logistics corridor. However, global shipping disruptions and the unavailability of the traditional shipping route from Dar es Salaam to the trans-shipment hub in Singapore during FY2026 required Lotus to establish an alternative export pathway. The Company worked closely with road transport provider Alistair Group and freight forwarder Orano NPS to develop a logistics solution via Walvis Bay, Namibia.

While the Walvis Bay route involves a longer overland transport leg, it benefits from a significantly shorter and more direct shipping route to international conversion facilities, eliminating the need for trans-shipment through Singapore. As a result, the route is expected to reduce shipping costs and shorten the working capital cycle associated with product delivery. The successful development of this export route represents an important step in establishing a reliable and commercially competitive pathway for future uranium exports from Kayelekera.

The Company made significant progress during FY2026 in securing the permits, approvals and logistics arrangements required to support exports through Walvis Bay, including transport approvals, shipping contracts and regulatory submissions across the relevant jurisdictions. At the date of this report, Lotus is continuing to progress the final permitting and logistics requirements necessary for first export shipments from Kayelekera. Timing remains dependent on completion of regulatory approvals, product preparation requirements and shipping arrangements across the export corridor; however, the Company believes the work completed during FY2026 has substantially advanced export readiness and established a clear pathway to future commercial uranium exports from Kayelekera.

Offtake Agreements

Lotus entered FY2026 with a portfolio of binding uranium sales agreements covering approximately 3.8Mlbs U_3O_8 across the 2026 to 2029 period. These agreements provide an important commercial foundation for the operation while preserving exposure to future uranium market upside through a significant proportion of uncontracted production.

As Kayelekera progressed through commissioning and ramp-up, delays to production and export permitting affected the Company's ability to meet its initial delivery schedule. At 30 June 2026, Lotus had contractual delivery obligations of approximately 1.0Mlbs U_3O_8 during the second half of calendar year 2026.

In response, the Company engaged proactively with customers to restructure delivery schedules, negotiate settlement arrangements where appropriate and reduce near-term delivery commitments. Discussions remained ongoing at the date of this report and reflected the collaborative relationships Lotus has established with its customer base, together with an appreciation of the challenges associated with restarting a uranium operation following an extended period of care and maintenance.

Importantly, the Company's offtake portfolio continues to provide flexibility as Kayelekera advances through ramp-up. Under the existing agreements, undelivered material remains available for future sale once produced, preserving the long-term value associated with those pounds while providing the Company with additional flexibility in managing future delivery obligations.

The Company remains focused on progressing product qualification, export readiness and sustainable production to support future customer deliveries and maximise the value of its contracted and uncontracted uranium inventory.

Tailings Storage Facility (TSF)

The TSF expansion was a major infrastructure focus during FY2026. Detailed engineering work completed by Lotus and SLR Consulting confirmed the ability to expand the facility by approximately 12.8Mt, providing sufficient capacity to support the current 10-year mine plan.

The expansion has been designed in accordance with the Australian National Committee on Large Dams (ANCOLD) Guidelines on Tailings Dams (2019) and aligns with the principles of the Global Industry Standard on Tailings Management (GISTM).

Development is planned across six phases over the life of mine, with Phase 1 divided into Phases 1A and 1B to optimise construction sequencing and support operational ramp-up. Phase 1A comprised the north embankment top-hat raise, west embankment profiling and downstream lining works, while Phase 1B includes widening of the north embankment to its full life-of-mine footprint and supporting future expansion stages.

During FY2026, Lotus completed the Phase 1A top-hat raise and substantially progressed Phase 1B embankment widening, lining and associated civil works. The Company also completed the Main TSF grout curtain and substantially completed the Seepage Pond grout curtain, representing important milestones in the long-term development of the facility. These activities materially increased available tailings storage capacity, supported ongoing operational requirements and established the foundation for future life-of-mine TSF expansions.

Figure 5: TSF expansion works, June 2026

Figure 6: Acid Plant – March 2026

Acid Plant

The sulphuric acid plant was a major infrastructure focus during FY2026 and represents a key component of Kayelekera's long-term operating strategy. Refurbishment activities progressed throughout the year, including completion of new raft foundations and installation of major plant and equipment. The decision to decouple the acid plant refurbishment from the process plant restart enabled Lotus to achieve first yellowcake production in September 2025 while continuing construction and commissioning activities in parallel. During this period, sulphuric acid requirements were supplied by third-party providers.

Following a comprehensive cold and hot commissioning programme, the rebuilt acid plant produced its first acid in June 2026, marking an important milestone in the development of the Kayelekera operation. During final commissioning activities, however, refractory brick failures were identified within the sulphur furnace, resulting in delays to the commissioning schedule and contributing to the Company's continued reliance on externally sourced acid. Specialist engineers were engaged to investigate the issue and implement remediation works, with a pathway established to support ongoing commissioning activities and a full furnace reline during a planned maintenance shutdown currently expected in Q4 CY2026.

The challenges encountered during commissioning reinforced the strategic importance of the acid plant to the operation. Once fully operational, the facility is expected to materially improve reagent security, reduce operating costs and lessen the Company's exposure to third-party sulphuric acid supply constraints. In addition to the economic benefits, the project simplifies the inbound logistics supply chain, as each tonne of sulphur delivered to site can produce approximately three tonnes of sulphuric acid. The transportation of solid sulphur also reduces reliance on long-distance haulage of liquid sulphuric acid and is expected to improve overall supply chain reliability and operational resilience.

Connection to Malawi National Power Grid

The Kayelekera processing plant has an average power demand of approximately 7MW and currently relies on a refurbished on-site diesel power station to supply continuous power to operations.

As part of the 2022 Definitive Feasibility Study, Lotus identified a significant opportunity to reduce operating costs and carbon emissions by connecting Kayelekera to Malawi's national electricity grid. The grid connection will provide access to power generated predominantly from renewable and low-carbon sources, including hydroelectric generation from the Shire River system and an increasing contribution from utility-scale solar projects across Malawi.

The grid connection project was deliberately decoupled from the Accelerated Restart Plan to enable the earliest possible return to uranium production while maintaining flexibility to develop the project in parallel with operational ramp-up. As a result, Kayelekera successfully restarted using its existing diesel-powered generation infrastructure while development of the grid connection continued.

Significant progress was achieved during FY2026. Engineering, procurement and construction activities advanced substantially, with long-lead equipment orders placed and construction commencing on both the transmission line and supporting substation infrastructure. Community consultation and stakeholder engagement activities also continued along the proposed powerline corridor to support project development and future construction activities.

Once completed, the grid connection is expected to materially reduce power costs, lower greenhouse gas emissions and improve the long-term competitiveness of the Kayelekera operation. The project is also expected to enhance the sustainability profile of the operation through increased utilisation of renewable and low-carbon energy sources. In addition, the powerline has the potential to generate broader social and economic benefits through improved electricity infrastructure in communities located along the transmission corridor.

Completion of the grid connection project is currently targeted for early CY2027 and remains an important component of the Company's strategy to improve operational efficiency, reduce costs and support sustainable long-term production at Kayelekera.

Equity Financing

During FY2026, Lotus undertook a number of financing initiatives to support the restart and ramp-up of the Kayelekera Uranium Mine, strengthen the Company's balance sheet and advance strategic infrastructure projects.

In September 2025, Lotus successfully completed a placement raising A$65 million (before costs). The proceeds were directed towards a range of value-enhancing initiatives, including the grid connection project, accelerated TSF expansion and establishment of the owner-operated mining fleet. The funding also strengthened the Company's liquidity position as Kayelekera progressed through commissioning and ramp-up activities.

In February 2026, Lotus completed a further A$76 million institutional placement and subsequently raised an additional A$3 million through a Share Purchase Plan. These funds provided additional financial flexibility to support completion of the acid plant and grid connection projects, fund operational ramp-up activities and provide working capital support during the normal uranium sales cycle, which can involve a significant delay between production and receipt of sales proceeds.

The additional funding undertaken during FY2026 reflected the impact of production and revenue generation occurring more slowly than originally anticipated as the operation progressed through commissioning and ramp-up. Maintaining a strong liquidity position was considered essential to supporting operational optimisation initiatives, completing key infrastructure projects and preserving the long-term value of the Kayelekera operation.

Subsequent to year end, the Company further strengthened its balance sheet through a strategic funding package comprising an entitlement offer, convertible notes and an inventory-backed prepayment facility to support operational optimisation and the transition to sustainable production.

Collectively, these capital raisings strengthened Lotus' financial position and enabled the Company to continue investing in initiatives designed to improve operational performance, reduce long-term operating costs and support the transition to sustainable uranium production.

Debt Financing

In November 2025, Lotus finalised a US$8.5 million equipment finance facility with First Capital Bank Plc, of which US$7.4 million had been drawn by 30 June 2026.

The facility was used to support the owner-operated mining strategy and acquisition of key mobile mining equipment required for the restart and ramp-up of operations. The financing package was secured on commercial terms and included a five-year tenor, interest linked to the Secured Overnight Financing Rate (SOFR), plus margin, customary financing fees, security over financed equipment and scheduled quarterly repayments following an initial repayment moratorium.

The facility provided an efficient source of equipment funding while preserving shareholder capital and maintaining flexibility as the Company advanced toward sustainable production.

Marketing agreement with prepayment facility

In June 2026, Lotus executed a non-binding term sheet with Mercuria Energy Trading S.A. (Mercuria), one of the world's leading independent commodity trading companies, covering a proposed 30-month uranium marketing arrangement for up to 3.0Mlbs U_3O_8 and an associated inventory-backed prepayment facility.

Subsequent to year end, the parties executed a binding commitment letter in relation to a US$30 million inventory-backed prepayment facility and marketing agreement, as part of the Company's broader strategic funding package.

Under the proposed marketing arrangement, Mercuria will market uranium on behalf of Lotus at market-linked pricing, while Lotus retains control, subject to certain notice requirements, over customer selection and deliveries into existing utility offtake contracts.

The inventory-backed prepayment facility is expected to support working capital requirements as Kayelekera progresses from production to sustained commercial sales. Subject to satisfaction of the relevant conditions and execution of definitive documentation, the facility is expected to provide additional financial flexibility during ramp-up and throughout the normal uranium sales cycle.

The Mercuria arrangement followed an extensive technical due diligence process, including site visits and independent technical review, providing further validation of the quality of the Kayelekera operation and Lotus' strategy of transitioning to a sustainable uranium producer.

Letlhakane Project Overview

The Letlhakane Uranium Project, located in Botswana, is one of the largest undeveloped uranium projects globally and represents Lotus' primary long-term growth opportunity. The project hosts a JORC 2012 compliant Mineral Resource Estimate of 113.7Mlbs U_3O_8 (142.2Mt at 363ppm U_3O_8), comprising 56.8Mlbs in the Indicated category and 56.9Mlbs in the Inferred category. Together with Kayelekera, Letlhakane provides Lotus with a substantial uranium resource base and a long-term pathway toward becoming a multi-asset uranium producer.

The project benefits from an advanced permitting position, with a Mining Licence granted in 2016 and key approvals already in place, including provisional surface rights, water abstraction rights and permits for installation of water bores. Letlhakane is also well served by existing infrastructure, with a sealed highway, rail line and power transmission infrastructure located adjacent to the project area and the regional centre of Francistown situated less than 50 kilometres away. These advantages have the potential to support lower capital intensity and reduced development risk relative to many peer development projects.

Botswana remains one of the premier mining jurisdictions globally, recognised for its political stability, transparent regulatory framework and long history of supporting responsible resource development. In the Fraser Institute Annual Survey of Mining Companies 2025, Botswana ranked as the highest-rated mining jurisdiction in Africa and second globally, reinforcing the attractiveness of the jurisdiction for long-term investment and mine development.

Following the successful restart of Kayelekera, Lotus continued to advance Letlhakane during FY2026 through metallurgical optimisation studies, resource conversion drilling and development planning activities aimed at improving project economics and supporting future development decisions. These activities are discussed in further detail below.

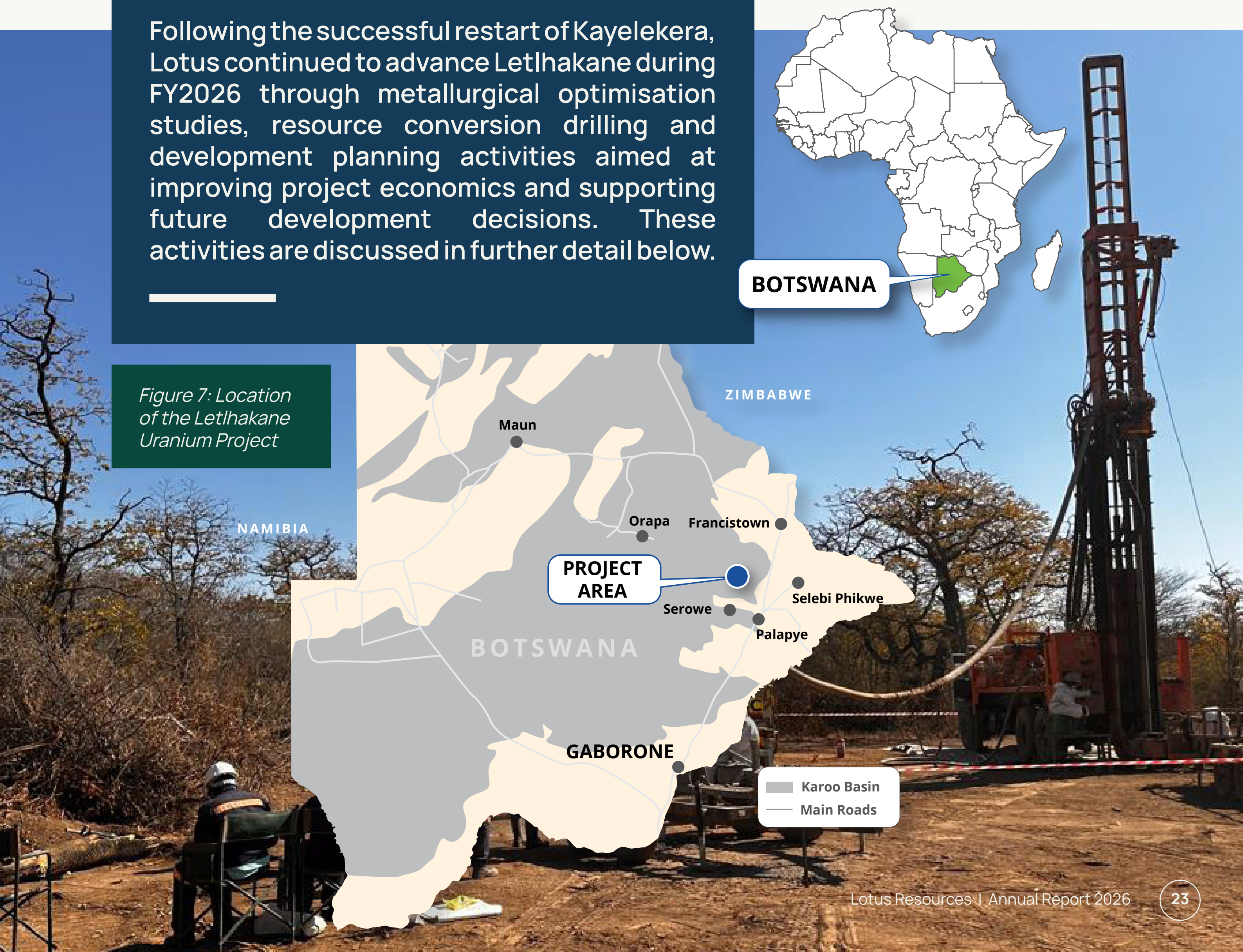


Figure 7: Location of the Letlhakane Uranium Project

Metallurgical Optimisation

A key focus of FY2026 was improving the potential economics of the Letlhakane Project through metallurgical optimisation studies.

Previous technical studies completed by A-Cap Energy Limited (A-Cap) were based on a high-acidity leach process, requiring acid consumption of approximately 40kg/t of ore. Given acid is expected to be one of the project's largest operating cost inputs, Lotus identified acid reduction as a priority workstream to improve project economics.

To evaluate alternative processing options, Lotus commissioned Australian Nuclear Science and Technology Organisation (ANSTO) to undertake a series of metallurgical testwork programmes at its Lucas Heights facilities in Sydney. The programme focused on validating a two-stage leaching process designed to significantly reduce acid consumption while maintaining acceptable uranium recoveries.

The testwork included:

- **Column Leaching** – testing a two-stage leach configuration where intermediate leach solution from one column was used to irrigate the first stage of a second column.
- **Ion Exchange Studies** – utilising pregnant leach solution generated from column testing to assess uranium recovery, purification and concentration through ion exchange technology.

The results demonstrated the potential to reduce acid consumption by approximately 70% compared with the flowsheet contemplated in the 2015 A-Cap study, while reducing uranium recovery by only approximately 6-8%.

Importantly, the resulting pregnant leach solution was successfully processed using ion exchange technology and subsequently precipitated into an acceptable uranium concentrate product. The results indicate that uranium can be recovered efficiently under significantly lower acid conditions while simplifying downstream processing requirements.

Based on the ANSTO testwork, Lotus believes a revised process flowsheet could materially improve the economics of the Letlhakane Project through lower reagent consumption, reduced operating costs and a simplified plant configuration. The revised approach also has the potential to remove the solvent extraction stage from the process circuit, reducing both capital and operating complexity while aligning the project more closely with conventional uranium processing operations.

The outcomes of this work will be incorporated into future development studies and have the potential to materially enhance project economics through lower reagent consumption, simplified processing and reduced operating costs. As a result, the metallurgical optimisation programme represented one of the most significant value-enhancing initiatives undertaken at Letlhakane during FY2026.

Infill Drilling Programme

During FY2026, Lotus commenced a resource conversion drilling programme at the Letlhakane Uranium Project with the primary objective of upgrading Inferred Mineral Resources to higher-confidence Indicated and Measured Resource categories. Approximately half of the current Mineral Resource Estimate is classified as Inferred, and increasing confidence in these resources is an important step towards future development studies and project optimisation.

The programme was focused on the Gorgon and Serule West deposits, which contain the majority of the current Inferred Mineral Resources within the Letlhakane Mineral Resource Estimate. The programme initially comprised approximately 180 holes for 12,000m of drilling and was subsequently refined and streamlined to optimise coverage and drilling efficiency.

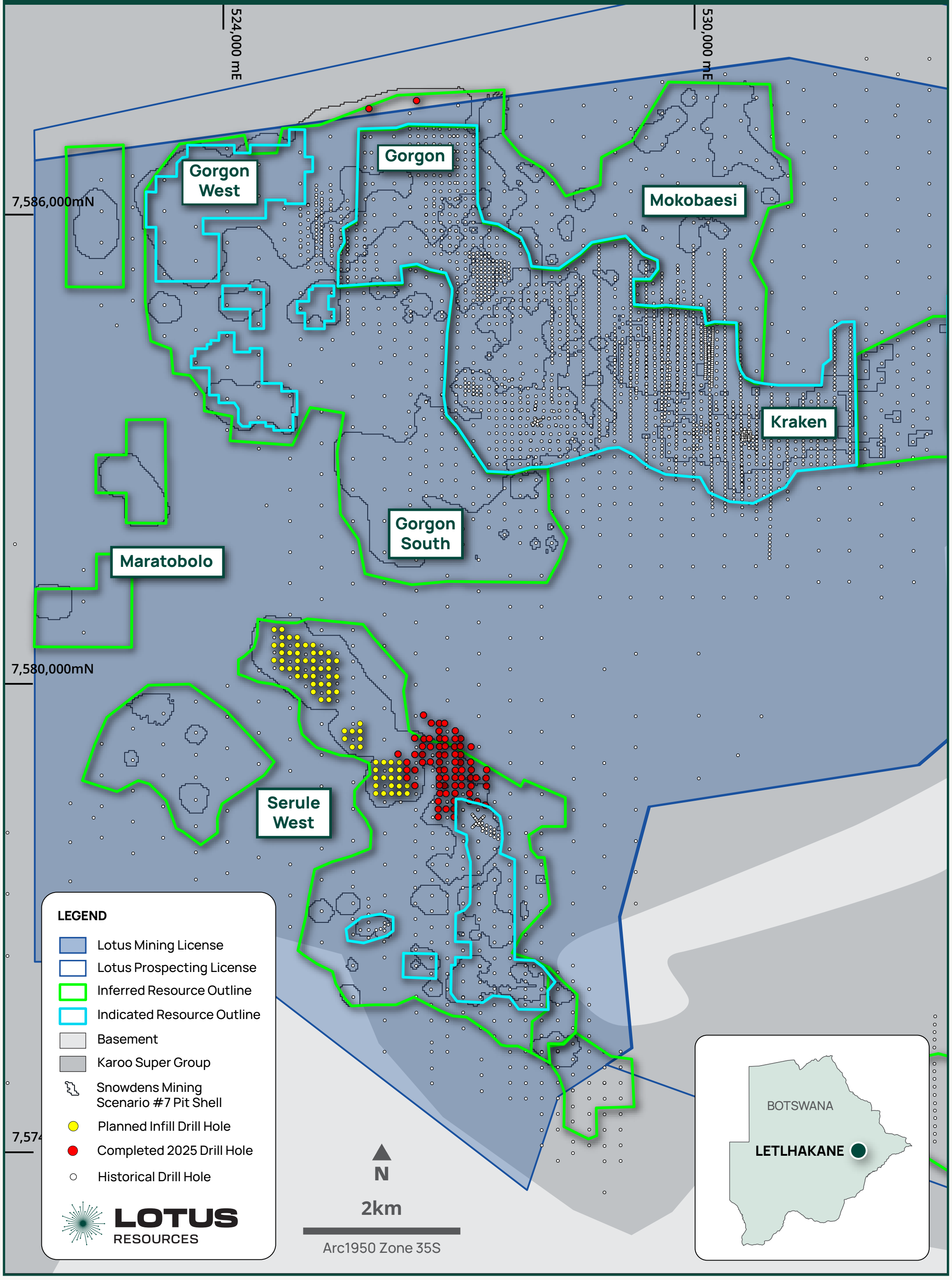
Phase 1 of the programme was completed during FY2026 and focused on the Serule West area, comprising 65 reverse circulation holes and eight diamond drill holes for a total of 4,553m drilled.

Results were encouraging, with all holes intersecting uranium mineralisation and supporting confidence in the continuity of mineralisation across the deposit. The drilling is expected to support an updated Mineral Resource Estimate and future development studies.

Activities were paused during the seasonal wet season and are expected to resume with completion of the second phase of drilling.

Figure 8: Reserve Circulation drill rig commences first hole at Letlhakane's Serule West

Figure 9: Letlhakane Infill drill programme



Outlook

Following the successful restart of Kayelekera, Letlhakane remains Lotus' primary long-term growth project. Activities during FY2026 focused on improving project economics, increasing resource confidence and advancing the technical work required to support future development decisions. The Company expects ongoing metallurgical studies, completion of the infill drilling programme and an updated Mineral Resource Estimate to provide important inputs into future project studies and development planning, supporting the continued advancement of Letlhakane as Lotus' primary long-term growth project.

Sustainability and ESG

Lotus' Vision

To be a responsible uranium producer by building strong local communities, a safe and healthy work environment and making a positive contribution to a carbon-free future.

We act like an owner

We care

We continuously improve

We deliver

Sustainability at Lotus

Lotus embeds sustainable practices across its operations to protect the safety and wellbeing of its people, support thriving communities and safeguard the environment. The Company takes a balanced approach to economic, environmental and social priorities, guided by integrity, transparency and cultural sensitivity. Sustainability is central to Lotus' strategy and embedded in its vision and values, which shape its culture and guide behaviour across the organisation.

Sustainability Governance

The Board is ultimately accountable for the Company's sustainability strategy and overall performance. The ESG Committee guides the Board and senior leadership on ESG matters, helping ensure the Company's performance and disclosures align with leading practice in the mining sector. Its responsibilities include guiding policies, ensuring compliance systems are in place, overseeing monitoring, addressing sustainability risks and opportunities, and tracking progress against commitments. The Audit and Risk Committee oversees risk management, including climate-related risk.

Lotus' policies define the Company's commitments on specific sustainability topics. Both the ESG Committee Charter and its governance policies can be found at www.lotusresources.com.au

Reporting performance

Lotus will publish its FY2026 Sustainability Report and associated Sustainability Databook in Q4 2026. These provide details on the Company's approach to creating sustainable value, its management of each material topic, and the performance of its projects and operations. The Report is prepared with reference to the Global Reporting Initiative (GRI) Standards, drawing on the GRI 14 Mining Sector Standard, with the GRI content index published in the FY2026 Sustainability Databook.

This year's reporting reflects Lotus' transition to an operating company, and the Company is candid about what is still developing. Lotus has not yet set quantitative environmental targets, as targets set against ramp-up data would not be representative and these will be established once Kayelekera reaches steady-state operations. No external assurance was sought for the FY2026 Sustainability Report, and Lotus will develop its assurance approach as its reporting matures.

Health, safety and wellbeing

Lotus prioritises the safety and wellbeing of its people through a risk management framework applied across the full mining life cycle. The Health and Safety Management System aligns with legislation in Western Australia, Malawi and Botswana and applies to employees, contractors and visitors. Regular health surveillance, including tailored medical examinations, is provided to individuals exposed to occupational hazards.

The restart took the Kayelekera workforce from tens to hundreds of people alongside a contractor workforce, and managing safety through that growth was the operational focus of the year. In Malawi, malaria remains a significant health risk, which Lotus manages through indoor residual spraying, habitat treatment, prophylaxis for personnel from non-endemic regions, and prevention training at induction.

Lotus recorded a Lost Time Injury Frequency Rate (LTIFR) of zero across the Group for the reporting period, achieved during a year in which exposure hours rose materially through the restart and ramp-up of Kayelekera. Kayelekera has now worked approximately 4.8 million hours without a lost time injury, extending its LTI-free record to more than 2,282 consecutive days. Letlhakane has likewise maintained a zero LTIFR since its acquisition in 2024. The Group's rolling 12-month TRIFR improved from 6.63 to 3.91 reflecting sustained safety leadership, workforce engagement and the operational controls embedded through the ramp-up period.

Radiation management

Managing radiation exposure from naturally occurring radioactive material is inherent to uranium mining. Across the full life cycle, from mining and processing through to closure, Lotus controls radiation at every source and monitors the pathways by which it could reach its workforce, the surrounding communities and the environment. Lotus' Radiation Management Policy ensures exposure to workers and the public remains within internationally accepted limits and as low as reasonably achievable, governed by site-specific Radiation Management Plans aligned with international standards and national legislation.

Labour management and community

Lotus is committed to fair and lawful employment practices in line with national and international standards, and to a workplace free from discrimination and harassment. The Company prioritises local employment and draws the majority of its workforce from within the country of operation.

Diversity of Group:

13% of all Lotus employees are females

93% of all Lotus employees are local nationals

Lotus builds respectful, transparent relationships with its host communities through consultation and open dialogue, with grievance mechanisms at each site. Under the Kayelekera Community Development Agreement entered in January 2025, a portion of Kayelekera revenue is directed to a Steering Committee of community representatives, who determine how funds benefit the communities around the mine. During FY2026, the Committee was established and trained ahead of contributions beginning once sales revenue flows.

Environmental management

Because mining carries environmental risk, Lotus' environmental management approach is built on identifying, assessing and mitigating those risks across the full mining life cycle, applying the precautionary principle. The approach spans water, tailings and waste, climate and energy, biodiversity, and rehabilitation and closure, supported by an environmental management system aligned with ISO 14001 and by site Environmental Management Plans. Lotus' policies set applicable in-country legislation as the minimum standard while integrating good international practice.

Tailings management

Kayelekera's TSF returned to active deposition during FY2026. It is managed to Australian National Committee on Large Dams (ANCOLD) guidelines under an Engineer of Record and an Independent Tailings Review Board, and is operated under a formal Operations, Maintenance and Surveillance (OMS) Manual with an Emergency Preparedness and Response Plan. Aligning with the Global Industry Standard on Tailings Management (GISTM) is a priority as operations continue.

Water stewardship

Water is central to the Company's operations and to the communities around them. Lotus' sites face opposite challenges namely managing surplus safely through the wet season at Kayelekera and securing scarce supply at Letlhakane. Water is managed under site Water Management Plans that govern abstraction, use, recycling and discharge, with the protection of shared catchments and downstream communities as the guiding priority, supported by surface and groundwater monitoring.

Climate and energy

Uranium is a low-carbon energy source and Lotus recognises its role in supporting the global shift away from fossil fuels. The Company's own operations also generate emissions, which rose with the restart and are currently met by diesel generation. Reducing our emissions centres on Lotus' transition from diesel to grid power at Kayelekera, and the Company will establish emissions targets once operations reach steady state. Recognising the financial as well as environmental risks that climate change presents, Lotus is building its capability to report under the Australian Sustainability Reporting Standards.

1. Consecutive LTI-free days at Kayelekera since Lotus' acquisition of the operation in March 2020.

Biodiversity protection

Guided by its Environmental Policy, Lotus applies the mitigation hierarchy across its operations, considering ecological impacts at design stage, minimising disturbance, controlling clearing through ground clearance permits, and rehabilitating using locally propagated species. Biodiversity matters to Lotus operationally and socially as well as environmentally. At Kayelekera, the surrounding Miombo woodland is a resource local communities rely on, so minimising what is cleared protects both the ecosystem and the people who depend on it.

Rehabilitation and closure

Lotus rehabilitates progressively, not only at closure, working to return disturbed land to a safe, self-sustaining condition that reflects the surrounding environment, using species propagated from local stock. Kayelekera operates under a mine closure plan reflecting the current phase of operations, and detailed closure planning at Letlhakane will be developed as the project advances. The provision for closure at Kayelekera is recognised in the Company's financial statements. In FY2026, Kayelekera propagated over 5,500 native seedlings for use during the FY2027 planting season.

Responsible transport

As Lotus moves from production into sales, transporting uranium oxide concentrate from a remote inland site to port becomes a core responsibility. Movement proceeds only under the route approvals required in each country of origin, transit and export, with route risk assessed ahead of each shipment and product accompanied in line with international transport regulations for radioactive material.

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Responsible product

Lotus' product is uranium oxide concentrate, an early-stage material that is not enriched and cannot be used in a reactor or a weapon without further processing under international safeguards. Lotus sells only to established converters and utilities, in jurisdictions covered by the appropriate international non-proliferation agreements, supporting the safe and peaceful use of nuclear fuel.

Cultural Heritage

In November 2025, Lotus attended the Karonga–Chitipa Heritage Cultural Festival and provided a donation of MWK 8 million towards the event. Lotus was also invited to establish a booth at the festival to display project-related information and community engagement activities.

Figure 10: Philippus Schoeman, Acting General Manager, attending the Karonga-Chitipa Festival.

Emergency relief for flood-affected households

In April 2026, Lotus delivered emergency relief to 271 flood-affected households, 128 of which were sheltering at a relief camp. Supplies included maize, soya pieces, cooking oil and salt; soap, chlorine and handwashing stands; plates, cups, spoons, basins and cooking pots; water buckets, torches, 40 mattresses and 200 mosquito nets. The team was received by Paramount Chief Kyungu.

Figure 11: Emergency relief supplies delivered to flood-affected households and families displaced by severe flooding

Empowering Youth through Education

Education-focused initiatives remain a regional priority for Lotus. In October 2025, Lotus donated backpacks, water bottles and stationery to each student across 10 schools in the surrounding communities.

Figure 12: Students from local communities receiving backpacks, water bottles and stationery provided by Lotus.

Figure 13: the Lotus Marula Giants

The Lotus Marula Giants soccer team

In November 2025, the Lotus Marula Giants, a team comprising Botswana-based employees and contractors, participated in a community fundraising football tournament organised by the Gojwane Old Stars Social Club. The initiative raised funds for the purchase of essential hygiene items for Bonwatlou Junior Secondary School in Serule. Lotus' participation supported community engagement and contributed to improved access to basic necessities for female students.

As part of the fundraising arrangements, each participating team contributed through the purchase of food plates, with all proceeds directed to the cause. The Lotus Marula Giants were pleased to take part in the event and were successful in winning their fixtures.

Corporate Governance

Overview

The Board of Directors is committed to maintaining a strong corporate governance framework that promotes accountability, transparency, ethical conduct and responsible decision-making. Effective governance supports the long-term success of the Company by ensuring the interests of shareholders and other stakeholders are appropriately considered and protected.

The Board believes that a strong governance culture underpins sustainable business performance and helps maintain the Company's social licence to operate. While the Board is ultimately responsible for establishing and overseeing Lotus' governance framework, effective governance is the responsibility of everyone across the organisation.

The governance framework supports the delivery of Lotus' strategy and provides clear guidance on decision-making, risk management and expected standards of conduct. Central to this framework is the Company's Corporate Code of Conduct ("Code"), which reflects our values and reinforces our commitment to acting with integrity, honesty and respect in all business activities. The Code provides the foundation for responsible behaviour and guides interactions with shareholders, employees, contractors, suppliers, governments, regulators and the communities in which we operate.

The Company regularly reviews its governance practices, policies and procedures to ensure they remain aligned with the Company's growth strategy, regulatory obligations, ASX Corporate Governance Principles and evolving stakeholder expectations.

Details of the Company's governance framework, policies and charters are available on the Company's website at www.lotusresources.com.au/corporate/corporate-governance/. The Board remains committed to the continuous improvement of governance practices and maintaining high standards of corporate conduct across all areas of the business.

Our Stakeholders

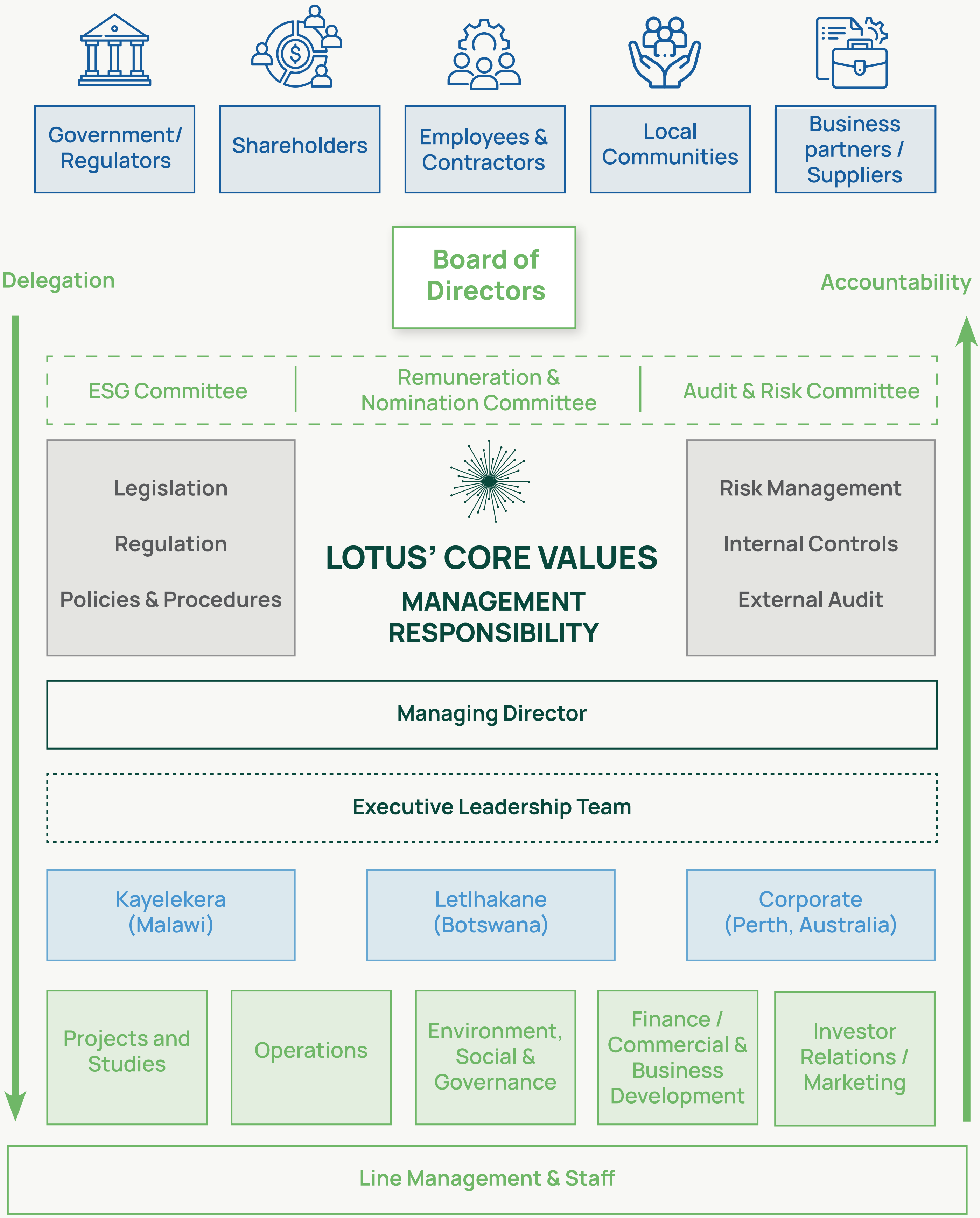

Figure 14: Lotus' Values framework

Governance Changes in FY2026

FY2026 was a transformational year for Lotus as the Company transitioned from uranium developer to uranium producer. As part of this transition, Lotus continued to strengthen its leadership team, governance framework and operating systems to support the growing scale and complexity of the business.

The executive team was strengthened during the year through the appointment of Melissa Roberts as Chief Financial Officer in July 2025, with Hayden Bartrop returning to the role of Chief Commercial Officer and Company Secretary. In January 2026, Gustav du Toit was appointed General Manager - Kayelekera, bringing significant operational experience to support the ramp-up of the Kayelekera Uranium Mine.

During the year, the Company also invested significantly in operational and governance systems. This included implementation of the Company's enterprise resource planning (ERP) platform, Pronto, which was successfully deployed during July 2025 and now provides a more robust platform for financial management, procurement, inventory control and operational reporting.

As Lotus progressed from care and maintenance to construction and operating activities, additional systems and processes were implemented to support health, safety, operational risk management and sustainability reporting. The Company also expanded its ESG capability through the appointment of a dedicated ESG Manager and continued enhancement of environmental, social and governance frameworks across the organisation.

Shareholders approved a number of governance initiatives during FY2026, including adoption of a new Constitution and implementation of a share consolidation. These changes reflect the Company's evolution into an ASX-listed uranium producer and support more effective governance, shareholder engagement and capital markets positioning as Lotus continues to grow.

ASX Corporate Governance Council's Principles and Recommendations

The Company supports the intent of the 4th Edition of the ASX Corporate Governance Council's Principles and Recommendations (Recommendations). The Board has adopted governance policies and practices that it considers appropriate for the Company's current size, operational profile and stage of development.

As Lotus transitioned into production during FY2026, the Board continued to review and enhance governance practices to reflect the increasing scale and complexity of the business. This process includes regular review of governance policies, Board and committee structures, risk management frameworks and disclosure practices.

The Company's governance framework and 2026 Corporate Governance Statement are available on the Company's website at www.lotusresources.com.au/corporate/corporate-governance/.

The Board remains committed to the continuous improvement of governance practices and reviews compliance with the Recommendations on an ongoing basis, taking into account the Company's circumstances, strategic objectives and stakeholder expectations. Details of any departures from the Recommendations and the reasons for those departures are outlined in the 2026 Corporate Governance Statement.

Serious Misconduct Reporting

Lotus maintains a strong commitment to ethical conduct, transparency and accountability through its Corporate Code of Conduct, Whistleblower Policy and Anti-Bribery and Corruption Policy.

During FY2026, no matters were reported or referred under the Corporate Code of Conduct, Whistleblower Policy or Anti-Bribery and Corruption Policy. The Board considers this outcome reflects the strong ethical culture and governance framework maintained across the organisation during a period of significant growth and operational change.

Risk Management

Lotus is committed to the active management of risk and recognises that effective risk management is fundamental to achieving its strategic objectives and creating long-term shareholder value.

The Board is responsible for determining the Company's risk appetite and overseeing the effectiveness of the Risk Management Framework, internal control systems and compliance processes. Responsibility for detailed oversight of risk management has been delegated to the Audit and Risk Committee, which regularly reviews the Company's risk profile and reports to the Board.

The Company's Risk Management Framework provides a structured approach for identifying, assessing, monitoring and mitigating risks across all areas of the business. Risk management is integrated into strategic planning, operational decision-making and project execution, supporting the Company's transition from uranium developer to uranium producer.

The key risks described below are those considered most relevant to the Group's operations, strategy and future performance. These risks are not exhaustive and may change over time as the business evolves and external conditions change.

Key Business Risks

The Board regularly reviews the Company's risk profile as part of its risk management framework. The risks outlined below represent those considered most relevant to Lotus' strategy, operations and future performance at the date of this report. They are not intended to be an exhaustive list of all risks that may affect the Company. As Lotus continues to grow and evolve as a uranium producer, existing risks may change and new risks may emerge.

Operations and Production Reliability and Performance

The Group's financial performance is dependent on the successful ramp-up and optimisation of operations at the Kayelekera Uranium Mine. Risks include lower-than-expected plant performance, delays in achieving steady-state production, equipment reliability issues, accelerated ground movement activity or lower than expected outcomes from ground stability management plans, workforce capability constraints and infrastructure performance. Such events may impact production, operating costs, cash flow and profitability.

Supply Chain and Logistics

Kayelekera operates within a complex regional and international supply chain. The Company relies on the availability of critical inputs including sulphur, sulphuric acid, diesel, lime and other processing reagents, together with logistics providers responsible for transportation of materials and uranium product.

The supply disruptions experienced during FY2026 highlighted the importance of securing resilient supply chains and maintaining diversified procurement strategies to mitigate this ongoing area of risk.

Funding and Liquidity

The Company requires sufficient funding to support operational ramp-up, working capital requirements, infrastructure projects and future growth initiatives. Delays to production, shipments or revenue generation may increase funding requirements and impact liquidity. The Company continues to actively manage capital requirements to support revenues from operations, through a combination of operating cash flow, debt facilities, marketing arrangements and equity capital as appropriate.

Marketing, Offtake and Revenue Generation

The Group's future revenue is dependent on uranium production, export capability and performance of counterparties under existing offtake agreements. Delays to product qualification, permitting, logistics or customer deliveries may affect revenue timing and cash flow.

As a uranium producer, the Company is also exposed to the length of the uranium sales cycle, which can result in a significant delay between production and receipt of sales proceeds.

Uranium Market Risk

The uranium market is influenced by factors outside the Company's control, including global supply and demand, nuclear energy policy, geopolitical events, utility contracting activity, fuel cycle developments and broader economic conditions.

Changes in uranium prices may impact project economics, cash flow generation, development decisions and the value of Mineral Resources and Ore Reserves.

Health, Safety and Radiation Management

Mining, processing and transportation of uranium involve inherent occupational health, safety and radiation risks. Failure to effectively manage these risks may result in injury, illness, operational disruption, regulatory action, reputational damage or financial loss.

Environmental and Tailings Management

The Company's activities involve environmental risks associated with mining, processing, water management, tailings storage, waste management and rehabilitation obligations. Failure to effectively manage these risks could result in environmental harm, regulatory action, increased costs or reputational impacts.

Climate Change

The Company is exposed to both physical and transition risks associated with climate change. Physical risks include extreme weather events, flooding, changes in rainfall patterns and disruption to infrastructure or operations. Transition risks include changes in climate-related regulation, emissions reporting requirements, carbon pricing mechanisms and stakeholder expectations.

Community and Social Licence to Operate

The success of Lotus' operations depends on maintaining constructive relationships with governments, regulators, employees, contractors, traditional leaders and host communities. Failure to maintain community support or respond appropriately to stakeholder concerns could affect operational performance, permitting and future project development.

Talent and Organisational Capability

The Company's ability to achieve its objectives depends on attracting, retaining and developing skilled personnel across operational, technical, commercial and corporate functions. Recruitment challenges, workforce turnover or capability gaps could impact operational performance and strategic execution.

Resource, Reserve and Development Risk

Mineral Resources and Ore Reserves are estimates based on geological interpretations, technical assumptions and economic inputs. Actual results may differ from estimates, requiring revisions to mine plans, production forecasts, project economics or development strategies.

Political, Regulatory and Sovereign Risk

The Company operates in Malawi and Botswana and is subject to the laws, regulations and policies of those jurisdictions. Changes in legislation, taxation frameworks, permitting requirements, mining policies, environmental regulation or political conditions could impact operations, project development and financial performance.

Emerging Risks

The Company continues to monitor emerging risks that may impact future performance, including cybersecurity threats, geopolitical instability, changes to international trade arrangements, evolving sustainability reporting requirements and disruptions to global supply chains.

Ground Stabilization at Kayelekera

An existing issue at Kayelekera is the ground movement that occurs on the plant terrace. This was identified as early as 2012 by the previous owners of Kayelekera. The DFS provided details of the issue and work undertaken. Based on work undertaken as part of the FEED program some of the measures have been reconsidered and other measures that were recommended, will be implemented over the initial years of operation. In addition, Lotus is currently performing earthworks in the area where the majority of the movement has occurred, to remove material that encroached on plant infrastructure during the care and maintenance period and to construct a gabion wall in order to avoid encroachment on the infrastructure. Certain civil and earthwork design changes are being designed to allow for a level of movement tolerance and a management plan implemented to monitor movement to ensure Lotus is able to proactively implement measures to deal with any effects of the movement.

There is no guarantee that these plans for the ground movement will be sufficient or that ongoing geotechnical work will continue to support the current plan. This may result in increased costs to attempt to mitigate the issue, impacts on plant downtime and increased costs to rectify any issues if the management plan fails e.g. any accelerated ground movement or business interruption to operations.

Annual Statement of Ore Reserves and Mineral Resources

Mineral Resources and Ore Reserve Governance

Lotus Resources reviews its Mineral Resource Estimates and Ore Reserve Estimates annually, or more frequently where circumstances warrant. The reporting date for Mineral Resources and Ore Reserves is 30 June each year, consistent with the Company's financial reporting period.

Mineral Resources and Ore Reserves are prepared and reported in accordance with the JORC Code (2012 Edition) and the requirements of the ASX Listing Rules. The Competent Persons responsible for the estimates are suitably qualified professionals and members of recognised professional organisations, including the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

The Company engages appropriately qualified external consultants and Competent Persons to prepare and review Mineral Resource and Ore Reserve estimates. The resulting estimates, assumptions and supporting technical information are reviewed by management and the Board prior to approval and public disclosure.

As part of the annual review process, the Company assesses whether there have been any material changes to geological interpretations, exploration results, mining assumptions, metallurgical performance, modifying factors, operating costs, commodity prices, exchange rates or other relevant technical information that may impact previously reported Mineral Resources or Ore Reserves. Where a material change is identified, the relevant estimate is reviewed and updated as required.

FY2026 Annual Review

During FY2026, Lotus completed its annual review of Mineral Resources and Ore Reserves across its project portfolio.

At Kayelekera, the review incorporated geological, mining, metallurgical and economic information obtained following the restart and ramp-up of operations. An updated Mineral Resource Estimate was completed to incorporate depletion associated with mining activities since restart and to reflect the latest available operational and geological information.

At Letlhakane, ongoing optimisation studies and resource conversion drilling activities were reviewed as part of the Company's broader assessment of project development progress and future study requirements.

Following completion of the review, the Company confirms that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates remain appropriate and have been incorporated into the updated estimates where relevant. Changes to the Kayelekera Mineral Resource Estimate and Ore Reserve primarily reflect depletion associated with mining and processing activities, together with routine updates arising from information obtained during the year.

Mineral Resources

Lotus' global Mineral Resource inventory as at 30 June 2026 is presented in Table 1 and comprises the Kayelekera Uranium Mine and Livingstonia Project in Malawi, together with the Letlhakane Uranium Project in Botswana.

The Company's flagship assets, Kayelekera and Letlhakane, provide a combined Mineral Resource base of approximately 163.5Mlbs U_3O_8. Letlhakane remains one of the world's largest undeveloped uranium deposits, while Kayelekera successfully transitioned to production during FY2026 following completion of the Company's Accelerated Restart Plan.

Although resource conversion drilling continued at Letlhakane during FY2026, the programme was not completed by 30 June 2026 and has therefore not been incorporated into the Mineral Resource Estimates reported below. Results from the programme are expected to be incorporated into a future Mineral Resource Estimate update following completion of drilling, geological interpretation and resource modelling.

Table 1 - Lotus Mineral Resource Inventory – June 2026[1]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Kayelekera	Measured	0.8	810	0.6	1.4
Kayelekera	Measured – RoM Stockpile[2]	1.5	730	1.1	2.3
Kayelekera	Indicated	28.6	510	14.7	32.3
Kayelekera	Inferred	8.3	410	3.4	7.4
Kayelekera	Total	39.2	500	19.7	43.4
Kayelekera	Inferred – LG Stockpiles[3]	2.4	290	0.7	1.5
Kayelekera	**Total – Kayelekera**	**41.6**	**490**	**20.4**	**44.9**
Livingstonia	Inferred	6.9	320	2.2	4.8
Livingstonia	**Total – Livingstonia**	**6.9**	**320**	**2.2**	**4.8**
Kayelekera Project Total[4,5]		**48.5**	**470**	**22.6**	**49.8**
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**
Total	**All Uranium Resources**	**190.7**	**390**	**74.4**	**163.5**

1. Cut-off grade used for all Mineral Resources is 200ppm.

Some figures may not add due to rounding.

2. RoM stockpile has been mined and is located near mill facility. Further, a balance adjustment from prior year's RoM stockpiles has occurred.

3. 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.

4. Kayelekera Mineral Resources are based on a 100% ownership basis of which Lotus has an 85% interest and are reported at a 200ppm cut-off grade.

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

Ore Reserves

The Company's Ore Reserve inventory as at 30 June 2026 is presented in Table 2.

The Ore Reserves relate to the Kayelekera Uranium Mine and have been prepared in accordance with the JORC Code (2012 Edition). Ore Reserves are derived from Measured and Indicated Mineral Resources and incorporate consideration of all relevant modifying factors, including mining, processing, metallurgical, infrastructure, environmental, social, legal, permitting and economic assumptions.

During FY2026, the Company completed its annual review of Ore Reserves, taking into account operational information obtained following the restart and ramp-up of Kayelekera together with updated mining, processing and cost assumptions where applicable.

The annual review also considered operational information gathered during the year, including enhancements to metallurgical accounting and reconciliation processes implemented during FY2026. The review concluded that these matters did not result in a material change to the underlying Ore Reserve estimate, with movements during the year primarily attributable to mining depletion associated with production activities.

Table 2 - Lotus Resources Ore Reserve Inventory – June 2026[6,7]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Kayelekera	Open Pit – Proved	0.6	879	0.5	1.2
Kayelekera	Open Pit – Probable	13.3	646	8.6	18.9
Kayelekera	RoM Stockpile – Proved[8]	1.5	730	1.1	2.3
Kayelekera	**Total**	**15.4**	**663**	**10.2**	**22.5**

6. 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.

7. Some figures may not add due to rounding.

8. Note: a balance adjustment from prior year's RoM stockpiles has occurred.

Comparison Against Previous Year

Changes to the Kayelekera Mineral Resource Estimate primarily reflect depletion associated with mining and processing activities following the successful restart of operations. Resource conversion drilling continued at Letlhakane but was not completed by 30 June 2026 and has therefore not yet been incorporated into the reported estimates.

Changes to the Kayelekera Ore Reserve estimate primarily reflect mining depletion and associated reserve consumption during FY2026.

Table 3 – Mineral Resource Comparison – Previous vs Current[7]

Category	June 2025 Mineral Resources				June 2026 Mineral Resources			
	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)	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	0.8	810	0.6	1.4
Kayelekera ROM stockpile Measured[8]	1.6	760	1.2	2.7	1.5	730	1.1	2.3
Kayelekera Indicated	29.3	510	15.1	33.2	28.6	510	14.7	32.3
Kayelekera Inferred	8.3	410	3.4	7.4	8.3	410	3.4	7.4
Kayelekera Inferred LG stockpile	2.4	290	0.7	1.5	2.4	290	0.7	1.5
Livingstonia Inferred	6.9	320	2.2	4.8	6.9	320	2.2	4.8
Total – Kayelekera	**49.4**	**472**	**23.3**	**51.2**	**48.5**	**470**	**22.6**	**49.8**
Letlhakane Indicated	71.6	360	25.9	56.8	71.6	360	25.9	56.8
Letlhakane Inferred	70.6	366	25.9	56.9	70.6	366	25.9	56.9
Total – Letlhakane	**142.2**	**363**	**51.8**	**113.7**	**142.2**	**363**	**51.8**	**113.7**
Total	**191.6**	**392**	**75.1**	**164.8**	**190.7**	**390**	**74.4**	**163.5**

Table 4 below shows a comparison between the previous and current Kayelekera Ore Reserves.

Table 4 – Ore Reserve Comparison – Previous vs Current[9]

Category	June 2025 Ore Reserve				June 2026 Ore Reserve			
	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Open Pit – Proved	0.6	902	0.5	1.2	0.6	879	0.5	1.2
Open Pit – Probable	13.7	637	8.7	19.2	13.3	646	8.6	18.9
RoM Stockpile – Proved[10]	1.6	760	1.2	2.6	1.5	730	1.1	2.3
Total	**15.9**	**660**	**10.4**	**23.0**	**15.4**	**663**	**10.2**	**22.5**

Following completion of the annual review, the Company believes its Mineral Resource and Ore Reserve inventory continues to provide a strong foundation for ongoing production at Kayelekera and future development opportunities at Letlhakane.

7. Some figures may not add due to rounding.
8. Note: a balance adjustment from prior year's RoM stockpiles has occurred.
9. Some figures may not add due to rounding.
10. Note: a balance adjustment from prior year's RoM stockpiles has occurred.

Competent Persons Statement

The information in this Annual Report relating to Mineral Resources and Ore Reserves has been extracted from the ASX announcements referenced below. The Company confirms that it is not aware of any new information or data that materially affects the information contained in those announcements, that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates continue to apply and have not materially changed, and that the form and context in which the Competent Persons' findings are presented have not been materially modified.

The Mineral Resource estimate for the Kayelekera deposit was previously reported by the Company in ASX announcements dated 15 February 2022, 9 June 2022 and 9 May 2024 and was prepared by David Princep of Gill Lane Consulting. David Princep has visited the Kayelekera Project on numerous occasions since 2003, with the most recent being in October 2013 prior to the Project being placed on care and maintenance. Mr Princep is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Princep approves of, and consents to, the inclusion of the information in this report in the form and context in which it appears.

The Mineral Resource estimate for the Livingstonia deposit was previously reported by the Company in ASX announcements dated 15 February 2022 and 9 June 2022 and was prepared by David Princep of Gill Lane Consulting. David Princep has visited the Livingstonia Project on two occasions, with the most recent being in October 2013 prior to the adjacent Kayelekera Project being placed on care and maintenance. Mr Princep is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code 2012. Mr Princep approves of, and consents to, the inclusion of the information in this report in the form and context in which it appears.

The Mineral Resource estimate for the Letlhakane deposit was previously reported by the Company in an ASX announcement dated 6 December 2024 and was prepared by Ian Glacken and Matthew Walker of Snowden Optiro. Mr Glacken has visited the Letlhakane Project on several occasions since 2009, with the most recent being in 2010. Mr Glacken is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional in Geology. Mr Walker is a Member of the Australasian Institute of Mining and Metallurgy and a Chartered Professional in Geology. Mr Glacken and Mr Walker have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the JORC Code 2012. Mr Glacken and Mr Walker approve of, and consent to, the inclusion of the information in this report in the form and context in which it appears.

The Ore Reserve estimate for the Kayelekera deposit was previously reported by the Company in ASX announcements dated 11 August 2022 and subsequent reserve updates and was prepared by Ryan Locke of Orelogy Consulting. Mr Locke visited the Kayelekera Project between 29 April and 30 April 2022 while the Project was on care and maintenance. Mr Locke is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Locke has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code 2012. Mr Locke approves of, and consents to, the inclusion of the information in this report in the form and context in which it appears.

Information relating to uranium exploration results is based on information compiled by Mr Harry Mustard, a contractor to Lotus Resources Limited and Competent Person who is a Member of the Australian Institute of Geoscientists (MAIG). Mr Mustard has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the JORC Code 2012. Mr Mustard consents to the inclusion of the matters based on his information in this report in the form and context in which they appear.

Forward Looking Statements

This Activities Report 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 Resource 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 Resource 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 Resource 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 timeframe 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 Resource 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; the impact of the outbreak of disease on the Company’s business and operations; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning 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 Resource 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 offtake arrangements with reputable third parties. Although Lotus Resource 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.

Directors' Report

Directors' Report

The Directors present their report, including the Remuneration Report and Financial Report of Lotus Resources Limited (the "Company" or "Lotus" or "Lotus Resources") and its subsidiaries (the "Consolidated Entity" or "Group") for the year ended 30 June 2026, and the auditor's report thereon.

Directors' Profiles

The Directors of the Company at any time during or since the end of the financial year are:

Mr Michael Bowen
Bachelors of Law, Jurisprudence and Commerce, and Certified Public Accountant

Non-Executive Chairman – Since appointment on 22 February 2021

Experience and expertise	Mr Bowen is a partner of the national law firm Thomsons. He practices primarily corporate, commercial and securities law with over 40 years of experience and emphasis on mergers, acquisitions, capital raisings and resources. Mr Bowen holds a Bachelor of Law, Jurisprudence and Commerce from the University of Western Australia. He has been admitted as a barrister and solicitor of the Supreme Court of Western Australia since 1979 and is also admitted as a solicitor of the High Court of Australia. He is a Certified Public Accountant and member of the Australian Society of Accountants. Mr Bowen is regularly engaged to advise on a broad range of domestic and cross-border transactions including mergers and acquisitions, capital raisings, re-constructions, risk management, due diligence and general commercial and corporate law. His clients operate in a range of sectors, including resources, technology, property, contracting and construction.
Other current directorships	Genesis Minerals Limited (Non-Executive Director) Emerald Resources NL (Non-Executive Director)
Former directorships in the last 3 years	N/A
Special responsibilities	Board Chairman (from 22 February 2021) Member of Audit and Risk Committee (from 1 July 2022) Member of Remuneration and Nomination Committee (from 9 August 2024)
Interests in shares and options	
Ordinary shares	1,291,338
Unlisted Options	Nil

Ms Leanne Heywood
Bachelor of Business in Accounting, Master of Business Administration, Certified Practising Accountant

Non-Executive Director - Since appointment on 3 February 2025

Experience and expertise	Ms Heywood is an experienced non-executive director, audit and risk committee, and people and remuneration committee chair, with broad general management experience gained through an international career in the mining sector, including 10 years with the Rio Tinto Copper Group. Her experience includes strategic marketing, business finance and compliance and she has led organisational restructures, mergers, acquisitions and disposals at both the executive and board level. Additionally, she has significant experience in complex cross-cultural negotiations and stakeholder relationships management, including governments and investment partners and leadership expertise in China, Japan, Mongolia, Singapore and South America. Ms Heywood received a Medal of the Order of Australia in 2021 and was named 2019 NSW Business Woman of the Year. She holds a Bachelor of Business (Accounting), an Executive MBA (Melbourne Business School) and is a member of the Australian Institute of Company Directors (GAICD) and CPA Australia (FCPA).
Other current directorships	Firefly Metals Limited (Non-Executive Director) Deterra Royalties Limited (Non-Executive Director) Snowy Hydro Limited (Non-Executive Director) Denison Gas Limited (Non-Executive Director) Advanced Engineered Materials Limited (Non-Executive Director)
Former directorships in the last 3 years	MAC Copper Limited (Non-Executive Director) Arcadium Lithium PLC (Non-Executive Director) Midway Limited (Non-Executive Director) Quickstep Holdings Limited (Non-Executive Director) Symbio Limited (Non-Executive Director) Allkem Limited (Non-Executive Director)
Special responsibilities	Chair of Audit and Risk Committee (from 1 May 2025) Member of Remuneration and Nomination Committee (from 5 June 2025)
Interests in shares and options	
Ordinary shares	52,266
Unlisted Options	Nil

Mr Simon Hay
Bachelor of Science in Chemistry, Master of Applied Science, Graduate Diploma in Management

Non-Executive Director – Since appointment on 3 February 2025

Experience and expertise	Mr Hay is a highly experienced minerals industry executive with more than 30 years of management and technical experience gained across Australia and international markets. His expertise spans resource development, project delivery, operations, strategy and corporate leadership across the mining and critical minerals sectors. He has held senior executive and board positions with a range of listed and private companies and has extensive experience in the development and financing of major resource projects. Mr Hay is Chairman and Chief Executive Officer of ASX-listed WhiteRock Lithium Corp., a Canadian critical minerals exploration company. Until February 2026, he was Executive Chairman of Leo Lithium Ltd, where he led the development of the Goulamina Lithium Project in Mali, West Africa, through to production and subsequent sale to its joint venture partner. From July 2019 to November 2021, Mr Hay was Chief Executive Officer of Galaxy Resources Ltd, where he led the company through its merger with Orocobre to create a leading global lithium producer. Prior to this, he was Head of Resource Development for Iluka Resources Limited, with responsibility for development projects including the construction of two mineral sands concentrators in Sierra Leone, West Africa. Mr Hay has significant experience in project development, mergers and acquisitions, capital markets, corporate strategy and international operations within the resources sector.
Other current directorships	WhiteRock Lithium Corp (Executive Chair and Chief Executive Officer) Encounter Resources Limited (Non-Executive Chair)
Former directorships in the last 3 years	Leo Lithium Limited (Executive Chair) Battery Future Acquisition Corp. (Non-Executive Chair)
Special responsibilities	Chair of Remuneration and Nomination Committee (from 1 May 2025) Chair of ESG Committee (from 5 June 2025), Member of ESG Committee (from 3 February 2025) Member of Audit and Risk Committee (from 5 June 2025)
Interests in shares and options	
Ordinary shares	85,348
Unlisted Options	Nil

Mr Gregory Bittar
Bachelors of Economics and Law, and Master of Finance

Chief Executive Officer and Managing Director – since appointment on 12 December 2024

Experience and expertise	Mr Bittar is an accomplished capital markets, finance and resource industry executive with over 25 years of experience. He has extensive experience gained through senior roles across investment banking, metals and mining and energy companies, with particular focus on funding, exploration, mergers and acquisitions, project evaluation and project development studies. Mr Bittar has held positions with Bankers Trust, Baring Brothers Burrows and Morgan Stanley. Mr Bittar holds a Bachelor of Economics (BEc) and a Bachelor of Law (LLB) from the University of Sydney, and a Master of Finance from London Business School.
Other current directorships	Horizon Oil Limited (Non-Executive Director)
Former directorships in the last 3 years	Brightstar Resources Limited (Executive Chair)
Special responsibilities	Member of ESG Committee (from 12 December 2024)
Interests in shares and options	
Ordinary shares	186,990
Unlisted options	917,553
Performance Rights	243,266

COMPANY SECRETARY

Mr Fletcher Hancock
General Counsel & Company Secretary – Appointed Company Secretary on 21 September 2026

Experience and expertise	Mr Fletcher Hancock is a corporate and commercial lawyer with more than 15 years' experience advising ASX-listed and privately held resources companies across Australia and internationally. His experience spans the mining, energy and natural resources sectors, with particular expertise in corporate and commercial matters, legal and regulatory compliance, governance and risk management. Earlier in his career, Mr Hancock was Legal Counsel with Hancock Prospecting and Corporate Counsel with Verve Energy and practised in the energy and resources team at Ashurst (formerly Blake Dawson). His experience includes involvement in major Australian resources projects, including the Roy Hill Iron Ore Project, Nicholas Downs Manganese Project and proposed Mulga Downs Iron Ore Project. Mr Hancock was appointed General Counsel and Company Secretary of Lotus Resources Limited effective 21 September 2026.

Ms Melissa Roberts
Chief Financial Officer & Company Secretary – Appointed Company Secretary on 11 September 2026 until 21 September 2026

Experience and expertise	Ms Roberts has more than 20 years' experience in the global resources sector, with leadership roles across multiple commodities in Australia, North America, Europe and Africa. She most recently served as Chief Financial Officer of ASX-listed Talga Group and previously held the role of General Manager, Commercial and Investor Relations at Iluka Resources. Ms Roberts holds a Bachelor of Commerce (Honours) from the University of Western Australia, an Executive MBA from the Australian Graduate School of Management (UNSW),and is a graduate of the Australian Institute of Company Directors.

Mr Hayden Bartrop
Chief Commercial Officer & Company Secretary – Appointed on 2 October 2024 until 11 September 2026

Experience and expertise	Mr Bartrop has extensive managerial, commercial, corporate/business development and legal experience across the mining industry working across Chief Financial Officer, General Counsel, Business and Corporate Development, Commercial and Company Secretary roles. Mr Bartrop holds a Bachelor of Law and Commerce from Murdoch University, and a Master of Business Administration from Curtin University.

Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

	Board of Directors		Audit and Risk Committee		Remuneration and Nomination Committee		ESG Committee	
Director	Meetings Held[1]	Meetings Attended[2]	Meetings Held[1]	Meetings Attended[2]	Meetings Held[1]	Meetings Attended[2]	Meetings Held[1]	Meetings Attended[2]
Michael Bowen	9	9	4	4	2	2	-	-
Gregory Bittar	9	9	-	-	-	-	2	2
Leanne Heywood	9	9	4	4	2	2	2	2
Simon Hay	9	9	4	4	2	2	2	2

Current Chair   Current / Former Member

Notes:

1. Number of meetings held during the time the Director held office eligible to attend, or was a member of the Board Committee and was eligible to attend.

2. All Non-Executive Directors have a standing invitation to the Committees.

Principal Activity

The principal activity of the Group during the financial year was the development and ramp up of operating activities of the Group's Kayelekera Uranium Project in Malawi and exploration activities at the Letlhakane Uranium Project in Botswana.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant or material changes to the Consolidated Entity's state of affairs during the financial year ended 30 June 2026, other than as disclosed below:

- In September 2025, the Company successfully restarted production at the Kayelekera Uranium Mine in Malawi and achieved first uranium production, marking the transition of Lotus from developer to producer.
- In September 2025, the Company completed a placement to institutional and sophisticated investors, raising approximately A$65 million (before costs) through the issue of approximately 29.7 million new shares at $2.185 per share. Funds were raised to strengthen working capital for the Kayelekera Uranium Project and support the ongoing advancement of the Letlhakane Uranium Project.
- During the financial year, ramp-up activities at Kayelekera continued, including mining, processing plant optimisation, infrastructure development and commissioning activities aimed at achieving steady-state processing production, which the Company had not achieved by year-end.
- The Company continued construction and commissioning activities associated with the Kayelekera processing plant and the construction of a new acid plant, a strategic project designed to improve acid supply security and reduce operating costs.
- In January 2026, the Company completed a consolidation of the Company's issued capital on a 11.5 for 1 basis.
- In February 2026, the Company completed a placement to new and sophisticated investors to raise A$76 million (before costs) through the issue of approximately 35.4 million new shares at $2.15 each and a share purchase plan, raising approximately $3 million through the issue of approximately 1.4 million new shares at $2.15 each.
- In April 2026, the Company achieved formal product acceptance from Orano Chimie-Enrichissement, providing an important pathway toward future uranium exports and revenue generation, with permitting of uranium product still in progress.
- In June 2026, production at the Kayelekera Uranium Mine was temporarily suspended due to disruptions in sulphuric acid supply and delays in acid plant commissioning. The Company continued to progress remediation works and alternative acid supply arrangements and investigate equity and quasi-equity financing solutions.

Operating and Financial Overview

A review of the Company's exploration and development activities during the year is discussed in the Review of Activities section included in this Annual Report.

A review of the Company's material business risks during the reporting period, and relevant to executing the Company's strategy, is discussed in the Risk Management section included in this Annual Report.

Profit or Loss

The Group incurred a loss after income tax of $100,133,861 for the financial year (2025: loss after income tax of $15,583,795). The current year loss is primarily attributable to the Company's corporate and administrative expenses including share-based payments; operating expenditures at its Kayelekera Project; and exploration and evaluation expenses at its African subsidiaries.

Financial Position

As at 30 June 2026, the net current assets and net assets of the Group amounted to $41,111,808 (2025: $77,104,968) and $257,827,640 (2025: $235,528,162), respectively.

In relation to the net current assets, cash and cash equivalents decreased during the year by $23,906,579 to $30,185,667 as at 30 June 2026 (2025: $54,092,246). Short-term investments (term deposits greater than 3 months) decreased to nil (2025: $21,841,538). The decrease in cash and cash equivalents and short-term investments was attributable to the expensing of Project expenditure through to profit and loss.

The increase in net assets is largely attributable to the capitalisation of expenditures relating to the accelerated restart of operations at Kayelekera.

Cash Flows

Net cash outflow from operating activities for the year was $114,904,036 (2025: $10,316,885), with the increase mainly attributed to payments to suppliers and employees relating to operating activities.

Net cash outflow used in investing activities amounted to $47,048,763 (2025: $85,238,055), with the decrease attributable to the balance of term deposits greater than 3 months of $21,841,538 being reclassified to operating activities.

Net cash inflows from financing activities was $146,090,519 (2025: $125,006,102), the increase resulting from the receipt of net proceeds from two capital raising through the issuance of shares to raise $144,477,687 (before costs) and the draw down in proceeds of $10,857,076 for a mining equipment financing facility with First Capital Bank Plc, in Malawi.

Likely Developments and Expected Results of Operations

In the opinion of the Directors, there is nothing material further to report, except as outlined in the Directors' Report, which relates to likely developments in the operations of the Group and the expected results of those operations in financial year subsequent to 30 June 2026.

Matters Subsequent to the end of the Financial Year

On 16 July 2026, the Company provided an update on the Kayelekera Uranium Mine, advising that acid plant remediation works had been completed and that production restart activities were progressing, with operations expected to resume in early August 2026, subject to financing.

On 23 July 2026, the Company announced a Strategic Funding Package comprising:

- a fully underwritten A$60.1 million accelerated non-renounceable entitlement offer at an offer price of $0.22 per share;
- a binding agreement (subject to satisfaction of certain conditions precedent, including shareholder approval) for A$35 million senior unsecured convertible notes and detachable warrants to CVI Investments, Inc; and
- a binding commitment letter with Mercuria Energy Trading S.A. in relation to a US$30 million inventory-backed prepayment facility and marketing agreement.

On 27 July 2026, the Company announced the successful completion of the institutional component of the entitlement offer, raising approximately $34.2 million (before costs) and issued 155.5 million new shares on 3 August 2026. On 17 August 2026, the Company announced the successful completion of the retail component of the entitlement offer, and issued 117.9 million new shares on 20 August 2026. Combined, the Company raised $60.1 million (before costs) and issued 273.4 million shares.

On 2 September 2026, the shareholders approved the A$35 million senior unsecured convertible notes and detachable warrants to CVI Investments, Inc. On 9 September 2026, the Company completed the issue of 350 convertible notes (with a face value of $100,000 each and expiry of 7 September 2031, exercisable at a variable price calculated quarterly, with a floor price of $0.11) and 66,287,879 detachable warrants (with an exercise price of $0.85 and expiry of 7 September 2031) to CVI Investments, Inc and the Company raised $35 million (before costs).

On 3 September 2026, the Company advised of the appointment of Mr Fletcher Hancock as Company Secretary & General Counsel effective 21 September 2026, the permanent appointment of Mr Sam Penglis as Chief Operating Officer and the resignation of Mr Hayden Bartrop as Company Secretary & Chief Commercial Officer effective from 11 September 2026. Lotus' CFO, Ms Melissa Roberts will assume the role of Company Secretary from 11 September 2026 until 21 September 2026.

Other than the matters disclosed above, there have been no matters or circumstances that have arisen since 30 June 2026 that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Shares and Securities on Issue

At the date of this report, the Company has 547,045,342 fully paid ordinary shares on issue.

The following performance rights and options over ordinary shares in the Company were on issue at the date of the Directors' report:

Unlisted Security	Number	Issue Date	Expiry Date	Exercise Price Per Option
Options	7,860	30 October 2023	31 October 2026	$0.00
Options	173,914	20 May 2024	20 May 2027	$3.45
Options	173,914	20 May 2024	20 May 2027	$3.45
Options	86,957	21 August 2024	22 August 2027	$3.45
Options	86,957	21 August 2024	22 August 2027	$3.45
Options	260,870	30 August 2024	8 August 2027	$0.00
Options	260,870	30 August 2024	8 August 2027	$0.00
Options	86,957	12 November 2024	8 October 2027	$3.45
Options	197,938	23 January 2025	30 June 2027	$0.00
Options	301,869	23 January 2025	30 June 2029	$0.00
Options	71,183	12 March 2025	30 September 2027	$0.00
Performance Rights	765,818	10 December 2025	30 June 2030	$0.00
	2,475,107	**Total Unlisted Options and Performance Rights**		

The number of shares that were issued during the financial year on the conversion of options or performance rights was 430,971 (2025: 8,971,810), with 434,783 issued since the end of the financial year. The weighted average exercise price of these options and performance rights was 0.00 cents (2025: 0.00 cents).

There were 1,542,027 (2025: 5,669,303) options and performance rights that were forfeited or cancelled during the financial year and 312,960 since the end of the financial year. There were no (2025: nil) options or performance rights that lapsed unexercised during the financial year or since the end of the financial year.

There were 350 convertible notes with a face value of $100,000 each, an expiry of 7 September 2031, with the convertible note exercisable into fully paid ordinary shares at a variable price calculated quarterly (with a floor price of $0.11 per share). The 350 convertible notes were issued after the end of the financial year (2025: nil).

There were 66,287,879 warrants with an exercise price of $0.85 per warrant and expiry of 7 September 2031, which were issued after the end of the financial year (2025: nil).

Dividends

No dividends were paid to members during the financial year and the Directors do not recommend the payment of a dividend.

Environmental Regulation and Performance

The Group's exploration and mining activities are governed by a range of environmental legislation and regulations. Lotus is not yet subject to the public reporting requirements of environmental legislation and regulations. To the best of the directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Indemnification of Officers and Auditors

Indemnification of Officers

The Company has agreed to indemnify the current Directors and Executives of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Executives of the Company, except where the liability arises out of conduct involving a lack of good faith or gross misconduct.

The agreement stipulates that the Company will meet to the maximum extent permitted by law the full amount of any such liabilities, including costs and expenses.

Indemnification of Auditor

To the extent permitted by law, Lotus Resources has agreed to indemnify its auditor, RSM Australia Partners (RSM), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). The Directors have not provided RSM with any indemnities. No payment has been made to indemnify RSM during or since the end of the financial year.

Insurance Premiums

The Company paid a premium during the financial year in respect of a Directors and Officers liability insurance policy, insuring the Directors and Officers of the Company against a liability incurred by such a Director or Officer to the extent permitted by the *Corporations Act 2001*. The Directors have not included details of the nature of the liabilities covered in respect of the Directors' and Officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-Audit Services

Details of amounts paid or payable to the Company's auditor, RSM Australia Partners, for audit and non-audit services provided during the financial year are set out in note 26.

The Board is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

a. all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and

b. none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

Rounding of Amounts

Lotus Resources Limited is a type of company that is referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2026/183 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Remuneration Report

The Remuneration Report set out on pages 59 to 85 forms part of the Directors' Report and is signed as part of it.

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

Auditor

RSM Australia Partners continues in office in accordance with Section 327 of the *Corporations Act 2001.*

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

Signed in accordance with a resolution of the directors:

Mr Gregory Bittar
Managing Director

25 September 2026

Remuneration Report

Message from the Chair of the Remuneration and Nomination Committee

Dear Shareholders,

On behalf of the Board, I present the Lotus Resources Limited Remuneration Report for the financial year ended 30 June 2026. This report outlines the remuneration arrangements for Directors and Key Management Personnel (KMP), explains how those arrangements aligned with the Company's strategy and performance, details incentive outcomes for FY2026, and summarises remuneration for FY2027.

Following the Board's decision to restart operations at Kayelekera in October 2024, the Company drummed its first uranium in September 2025. While this represented an important operational milestone, the year was marked by a range of operational and logistical challenges that prevented the Company from achieving key production, operating and cost objectives. These outcomes were reflected in a significant decline in shareholder value during the year.

The Committee's responsibility is to ensure remuneration outcomes appropriately reflect the Company's performance and shareholder experience. After careful consideration, the Committee is satisfied that the remuneration outcomes for FY2026 are aligned with those principles.

FY2026 Remuneration Outcomes

The Company did not achieve a number of its key production, cost and growth objectives for FY2026. Accordingly, the Remuneration Committee determined that no Short-Term Incentive (STI) or Long-Term Incentive (LTI) awards would vest for the period. The Committee considers this outcome appropriate given the Company's overall performance against measures established by the Board.

FY2026 Short-Term Incentive Objectives and Outcomes

- The Company maintained a strong safety performance, recording no fatalities, life-changing injuries or significant environmental or community incidents. The TRIFR was 3.9 per million hours worked, which was below the maximum award target of 5.0 (with the maximum award target representing a 25% improvement on FY2025). While five Level 3 (low to medium consequence) environmental incidents occurred during the year, performance met the threshold environmental target established by the Board;
- The Company partially achieved its operational readiness and operating practice objectives. While, meaningful progress was made, further improvement is required in several key areas;
- The Company did not achieve its monthly steady state production target of 200,000 lbs of U_3O_8 by the third quarter of FY2026, nor did it meet the cost per pound targets approved by the Board; and
- Key capital projects were generally delivered within budget, with the exception of the grid transmission project. However, delays associated with the acid plant and grid transmission projects adversely affected operational performance and resulted in higher overall economic costs to the Company.

FY2024-FY2026 Long-Term Incentive Objectives and Outcomes

The Assessment of the FY2024-FY2026 LTI performance period considered the following factors:

- The Company made meaningful progress in strengthening its environmental, social and governance (ESG) and health and safety frameworks, supporting the achievement of a partial award under those measures;
- The Letlhakane Project delivered a 127% increase in Measured and Indicated categories of its Mineral Resources Estimate, exceeding the maximum performance target of at a 50% increase in Measured and Indicated Mineral Resources;
- Despite the growth in Measured and Indicated Mineral Resources, the Company did not achieve the targeted 100% increase in Ore Reserves following publication of the Kayelekera Definitive Feasibility Study; and
- Relative Total Shareholder Return (TSR) performance over the three-year period was significantly below expectations, with the Company finishing in the bottom quartile of its uranium peer group and delivering a negative TSR outcome.

While certain non-market performance measures were achieved, the Company's relative TSR performance did not support the vesting of any LTI awards. The Committee determined that no vesting outcome was warranted in the circumstances.

Chief Financial Officer, Melissa Roberts received an increase in fixed remuneration in FY2026 (refer to Table 5 on page 66). There were no other increases to Executives fixed remuneration in FY2026 and there are none proposed for FY2027.

During the year, the Board undertook a review of Non-Executive Director fees. In undertaking this review, the Board was mindful of the need to ensure remuneration remains appropriate to attract and retain Directors with the calibre of skills and experience required to oversee the Company's operations, including the Kayelekera Uranium Mine in Malawi.

As part of this review, the Company had regard to the size of the Board, the number of Non-Executive Directors and fees against a relevant peer group of ASX-listed resources companies.

The increase in NED fees reflects a number of considerations:

- A transition to fully cash-based fee arrangements consistent with recognised governance practices;
- A simplification of the Company's NED fee structure, with both Committee and special exertion fees previously payable to Non-Executive Directors for additional work and travel outside the ordinary scope of Board duties now removed and incorporated into base fees;
- A Board size of four Directors (three Non-Executive Directors) resulting in each Non-Executive Director carrying a greater proportion of Board and Committee responsibilities than would typically be the case on a larger board;
- The Board recognises that the location and nature of the Company's operations present a level of complexity not typically encountered by Directors of comparable ASX-listed companies, and that this has necessitated offering remuneration sufficient to attract Directors with the specific technical, operational and governance expertise required; and
- The time commitment required of NEDs was also considered a significant factor, with Directors expected to commit multiple weeks each year to site visits to Kayelekera, Government meetings, industry conferences and investor engagement, reflecting the Company's status as an ASX-listed uranium producer with its principal operating asset located in Malawi.

No increase in Non-Executive Director fees is proposed for FY2027.

First Strike at 2025 Annual General Meeting

At the 2025 Annual General Meeting, shareholders delivered a “first strike” against the non-binding resolution to adopt the Remuneration Report.

The Board and the Committee take shareholder feedback seriously and have carefully considered the concerns raised by shareholders and proxy advisers. Feedback was primarily focused on the sign-on options granted to the Chief Executive Officer on 30 August 2024, together with concerns regarding certain cash bonus payments made to employees.

Key concerns raised included:

- The CEO sign-on options were in addition to options issued under the FY2025 STI and FY2025-FY2027 LTI arrangements; and
- The structure of the share price performance condition attached to the sign-on options. While shareholders generally acknowledged the stretch nature of the share price targets, being linked to share prices of $4.02 and $5.17 respectively, concerns were raised regarding the relatively short measurement period based on a five-day volume weighted average price (VWAP) and the availability of retesting provisions, which could potentially result in vesting following short-term share price movements rather than sustained value creation.

The Company has not granted any additional options to KMP outside its established STI and LTI framework since 2024.

No cash bonuses were paid to KMP during FY2026.

The Committee remains committed to ensuring that remuneration outcomes are aligned with Company performance and shareholder value creation. Our focus in FY2027 will be on supporting the successful delivery of operational objectives at Kayelekera while maintaining a remuneration framework that is transparent, performance-based and aligned with shareholder interests.

On behalf of the Committee, I thank our shareholders for their ongoing support and engagement. We value your feedback and remain committed to continuing to improve the transparency and quality of our remuneration reporting.

Simon Hay
Chair – Remuneration and Nomination Committee
25 September 2026

1. Remuneration Report - Audited

This Remuneration Report outlines the director and executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its Regulations. This information has been audited as required by Section 308 (3C) of the Act.

For the purposes of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Group.

2. Key Management Personnel

The following were KMP of the Group at any time during the financial year and unless otherwise indicated were KMP for the entire financial year:

Name	Position held
Executives	
Mr Gregory Bittar	Managing Director and CEO (appointed 12 December 2024)
Ms Melissa Roberts[1]	Chief Financial Officer (from 28 July 2025)
Mr Hayden Bartrop[2]	Company Secretary and Chief Commercial Officer (from 28 July 2025) Company Secretary, Chief Commercial Officer, and Chief Financial Officer (23 January 2025 until 27 July 2025)
Mr Michael da Costa[3]	Chief Operations Officer (resigned 15 May 2026)
Non-Executive Directors	
Mr Michael Bowen	Non-Executive Chairman
Ms Leanne Heywood	Non-Executive Director
Mr Simon Hay	Non-Executive Director

1. Ms Roberts was appointed as interim Company Secretary from 11 September 2026 to 21 September 2026.
2. Mr Bartrop resigned on 11 September 2026, and Mr Fletcher Hancock was appointed to the role of General Counsel and Company Secretary commencing on 21 September 2026.
3. Mr Sam Penglis was appointed interim Chief Operations Officer on a part-time service arrangement on 18 May 2026. Mr Penglis was appointed as Chief Operations Officer as an employee on 17 August 2026.

3. Remuneration Governance

3.1 Roles and Responsibilities

The roles and responsibilities of the Board, Nomination and Remuneration Committee and external advisors in relation to remuneration for KMP and employees at Lotus are outlined below.

A. Board of Directors

The Board of Directors of the Company are responsible for determining and reviewing remuneration policies for the directors and executives and ensuring alignment with the Company's purpose, values, strategic objectives and risk appetite. The Board has established a Nomination and Remuneration Committee (the Committee) which operates as a subcommittee of the Board. The Board reviews, and as appropriate approves, recommendations from the Committee.

3. Remuneration Governance (continued)

3.1 Roles and Responsibilities (continued)

B. Nomination and Remuneration Committee

The Committee's primary function is to assist the Board in fulfilling its responsibility to shareholders, in accordance with the Committee Charter, by reviewing and recommending a remuneration policy for the directors and KMP. The Committee also reviews and recommends to the Board the proposed remuneration arrangements (including incentive awards, equity awards and service contracts) for each KMP. The Committee regularly assesses remuneration in light of remuneration trends, market conditions and peer companies.

During the financial year, the members of the Nomination and Remuneration Committee were Non-Executive Directors Simon Hay (Chair), Michael Bowen and Leanne Heywood.

Further information on the Committee's role, responsibilities and membership in relation to remuneration and composition is set out in Company's Corporate Governance Statement.

C. Managing Director and CEO

The Managing Director and CEO makes recommendations to the Committee regarding remuneration for Executives such as incentive targets and outcomes, and for non-KMP short-term incentive and long-term incentive participation, individual remuneration and contractual arrangements.

D. External Advisors

The Committee also seeks independent advice as required on the appropriateness of remuneration arrangements given trends in comparable companies and in accordance with the objectives of the Company from time to time.

3.2 Engagement of Remuneration Consultants

The Committee seeks advice from independent remuneration consultants from time to time as required to assist in discharging its duties, including periodically testing the market competitiveness of the remuneration policy and framework by benchmarking against comparable companies.

The Reward Group was last engaged in July 2024 by the Committee to undertake a remuneration benchmarking review for KMP and a review of incentive structures. The Company did not engage remuneration consultants in FY2026.

3.3 Voting of Shareholders at last year's Annual General Meeting

At the 2025 Annual General Meeting (AGM), the non-binding resolution for the adoption of the Remuneration Report for the financial year ended 30 June 2025 received its "first strike" (a vote of 25% of more "against" the Remuneration Report), with 34.90% against. The voting against aligned with several key shareholders following the recommendations of the proxy advisor, Institutional Shareholder Services (ISS), recommendation against the adoption of the Remuneration Report (which was in contrast to Glass Lewis' and Ownership Matters/Australian Council of Superannuation of Superannuation Investors' recommendation "for" the adoption of the Remuneration Report).

3. Remuneration Governance (continued)

3.3 Voting of Shareholders at last year's Annual General Meeting (continued)

The key concerns of ISS were in relation to the sign-on options granted to the CEO on 30 August 2024, being:

- the size of the sign-on options for the Chief Executive Officer, which were valued at $389,268 at the time of grant and were in addition to options issued in connection with the FY2025 STI and LTI awards; and
- despite the shareholder value targets being sufficiently rigorous (50% at $0.35 pre-consolidation / $4.02 post-consolidation, and 50% at $0.45 pre-consolidation / $5.17 post-consolidation), the share price was based on a 5-day VWAP at any time during the option validity period (3 years), which was not considered a sufficiently long duration and a rolling retesting introduces the possibility for a windfall vesting as a result of brief share price spike rather than sustained share price appreciation.

ISS also identified other concerns in relation to:

- cash bonuses awarded to the former Managing Director and former Chief Financial Officer, as these were in addition to existing remuneration bonuses despite ISS noting they were relatively low in quantum ($30,000 and $20,000, respectively); and
- a potential cash bonus available to the former Chief Operating Officer in relation to the restart and production at Kayelekera, which was in addition to existing remuneration bonuses and there was limited disclosure of the specific target.

Similar concerns around additional cash bonuses were noted by Glass Lewis and Ownership Matters.

In FY2026:

- the Company has not issued any sign-on options or incentives. The Company notes the specific concerns regarding the short period and rolling testing and does not intend to utilise a structure similar to this in the future. To the extent the Committee believes sign-on options or incentives are necessary to attract and retain any KMP, the Company will consider alternative vesting criteria; and
- The Company has not paid any cash bonuses (and has not paid any cash bonuses since calendar year 2025).

3.4 Director Security Issues

Under ASX Listing Rules 10.14, the Company is required to seek shareholder approval for an issue of an equity securities under an employee incentive scheme.

The Company issued the below equity securities during FY2026 to Directors under ASX Listing Rule 10.14, which were subject to shareholder approval at the 2025 AGM. For further details of the FY2026 Targets and Performance Outcomes, please refer to section 5.4(D) and (H) of the Remuneration Report.

Table 2: FY2026 Director Security Issues

Name	Number	Equity Security	Incentive Scheme	Details
Mr Gregory Bittar	81,234[1]	Options	FY2025 STI	Nil exercise price, expiry 30 June 2027
	140,665[1]	Options	FY2025-27 LTI	Nil exercise price, expiry 30 June 2029
	145,960[1]	Performance Rights	FY2026 STI	Nil exercise price, expiry 30 June 2028
	243,266[1]	Performance Rights	FY2026-28 LTI	Nil exercise price, expiry 30 June 2030

1. These securities were issued prior to the consolidation of the Company's issued capital on a 11.5 for 1 basis, which occurred on 22 January 2026. This number is a post-consolidation number.

4. Group Performance

4.1 FY2026 Group Performance

The Group had a loss for FY2026 of $83,518,268 attributable to members of the parent, primarily associated with significant expenditure at Kayelekera. The Company had a total shareholder return of negative 71%[1], which was primarily due to the Company failing to meet its operational and cost targets associated with the ramp-up of Kayelekera.

4.2 Five-Year Group Performance

A summary of the Group's performance for the current financial year and previous four financial years is provided below:

Table 3: Five-Year Group Performance

	2026	2025	2024	2023	2022
Loss for the year attributable to members	(83,518,268)	(13,760,170)	(24,507,450)	(9,916,736)	(11,996,177)
Loss per share (cents)	34.19	7.36[1]	17.71[1]	8.74[1]	11.85[1]
Share price at year end ($)	0.66	2.24[1]	3.91[1]	2.13[1]	2.47[1]
Total Shareholder Return (% p.a.)	(71%)	(43%)	84%	(14%)	13%
JORC 2012 Mineral Resource (contained uranium Mlbs)	163.5	164.8	169.3	51.1	51.1
JORC 2012 Ore Reserve (contained uranium Mlbs)	22.5	23.0	23.0	23.0	-

1. These numbers are post-consolidation.

5. Principles Of Remuneration

5.1 Overview

The remuneration structures explained below are competitively set to attract and retain highly skilled and experienced executives and staff, and to drive a high-performance culture. The structures are designed to reward the achievement of strategic objectives and achieve the broader objective of sustainable creation of long-term value for shareholders.

Given the stage of the Group's development, being pre-commercial production, the overall level of compensation does not have regard to the earnings of the Group.

5.2 Executive Service Agreements

The Company has entered into executive service agreements with its executives. The employment agreements outline the components of remuneration paid to the executives and are reviewed on an annual basis. All employment agreements with executives are for an unlimited duration. All executives are entitled to any accrued but untaken annual and long-service leave on cessation of employment.

1. The Company's share price as at 30 June 2026 was $0.66. However, the Company had not traded since 17 June 2026 due to operational issues and funding uncertainty and was in voluntary suspension as at 30 June 2026. The Company recommenced trading on the ASX on 27 July 2026.

5. Principles of Remuneration (continued)

5.2 Executive Service Agreements (continued)

Table 4: Termination Provisions of Executives

Name	Resignation notice	Termination Notice for cause[1]	Termination Notice without cause	Diminution of responsibility (severance pay)
Gregory Bittar	6 months	No notice period	6 months	12 months
Melissa Roberts	3 months	No notice period	3 months	3 months
Michael da Costa	3 months	No notice period	3 months	6 months
Hayden Bartrop	3 months	No notice period	3 months	6 months

1. No notice is required if the executive wilfully breaches a material term of their employment; is responsible for gross or wilful serious misconduct, dishonesty, insubordination or gross neglect; becomes bankrupt; is convicted of any criminal offence involving dishonesty or fraud; is guilty of any conduct which in the reasonable opinion of the Company would injure the reputation or the business of the Company, or a court has made an order prohibiting the executive from being a director or involved in the management of the Company.

The Company did not make any termination payments to executives during FY2026. All contractual termination benefits comply with the provisions of the *Corporations Act 2001.*

5.3 Total Fixed Remuneration (TFR)

TFR consists of base compensation (which is calculated on a total cost basis and excludes any fringe benefits charges related to employee benefits) as well as employer contributions to superannuation funds.

TFR is set to provide a market competitive base salary and is reviewed annually (or as required) through a process that considers individual and overall performance of the Group, with reference to benchmarking information from ASX listed resources companies. Other factors taken into consideration include market conditions, competition for talent, individual's relevant skills and experience, and the scope and complexity of the role.

A. Executive Total Fixed Remuneration

Executive TFR is set out below. There are no changes to TFR anticipated for FY2027.

Table 5: FY2026 Executive Total Fixed Remuneration and Incentives

Name	TFR as at 30 June 2026	TFR as at 30 June 2025	STI (% of TFR) for FY2026	LTI (% of TFR) for FY2026	Total at risk (% of TFR) for FY2026
Gregory Bittar	$550,000	$550,000	60%	100%	160%
Melissa Roberts[1]	$450,000	N/A	40%	75%	115%
Hayden Bartrop	$450,000	$450,000	40%	75%	115%
Michael da Costa[2]	N/A	$450,000	40%	75%	115%

1. Ms Roberts commenced on 28 July 2025 with a TFR of $400,000. Ms Roberts' TFR was increased to $450,000 on 1 October 2025. Ms Roberts' STI and LTI for FY2026 was calculated on a TFR of $450,000.

2. Mr Da Costa resigned on 15 May 2026.

The executives are also provided a car park and mobile phone. Executives do not receive any retirements benefits, except superannuation which is included in the TFR.

5. Principles of Remuneration (continued)

5.3 Total Fixed Remuneration (continued)

B. Non-Executive Director Remuneration – FY2026

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The maximum total remuneration for all non-executive directors is $800,000, which was approved at the 2023 AGM.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation which is included in the Base Fees set out below. Non-Executive Directors have no entitlement to termination payments in the event of removal for misconduct or gross negligence.

Non-executive director fees are reviewed annually by the Board taking into account comparable roles and market data. The Board recognises the importance of retaining key personnel and providing an appropriate remuneration to deliver the Company's objectives.

In FY2026, the Board approved an increase in the Board fees per annum in recognition of:

- the reduced size of the Board (from 5 at the commencement of FY2025 to 4 at the end of FY2025), and the increased workload of the non-executive directors;
- the commencement of production at Kayelekera and the increased demands on directors as the Group's activities have become more complex;
- fee arrangements are entirely cash-based to align with recommended best practice;
- Directors' fees cover all main board activities and membership of committees; and
- the fees cover travel time for international travel to the Company's sites, investor meetings, or uranium conferences, and special exertion fees will no longer be paid for this activity.

Fees for FY2026 were as follows:

Table 6: FY2026 Non-Executive Director Fees

Name	Base Fees (Annual)	Term of Agreement	Notice Period
Mr Michael Bowen	$195,000	No fixed term	Statutory
Ms Leanne Heywood	$150,000	No fixed term	Statutory
Mr Simon Hay	$150,000	No fixed term	Statutory

For FY2027, there is no change planned for the Non-Executive Director Fees.

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements

A. Overview

Annual equity incentives are set at a maximum of 160% of TFR for the Managing Director and CEO and 115% for other KMP in FY2026. The target remuneration mix for FY2026 is shown in Table 5 above.

The Group utilises both short-term and long-term incentive programs to balance the short and long-term aspects of business performance, to reflect market practice, to attract and retain key talent and to ensure a strong alignment between the incentive arrangements of executives and the creation and delivery of shareholder return. Both short-term incentives and long-term incentives were issued under the Employee Incentive Plan in the 2026 financial year.

Short-Term Incentives are assessed over a 12-month period and are awarded as Performance Rights (previously Options) with a nil exercise price, an expiry of 2 years after vesting and linked 100% to Company objectives. Long-term incentives are designed to promote long-term alignment with shareholder returns. Long-term incentives are assessed over a 36-month period and are also awarded as Performance Rights (previously Options) with a nil exercise price, an expiry of 2 years after vesting but are linked 100% to total shareholder returns (a mix of absolute and relative total shareholder returns).

B. Employee Incentive Plan

The Group adopted an Employee Incentive Plan which was approved by the shareholders at the 2025 Annual General Meeting. The Group considers performance-based remuneration to be a critical component of the overall remuneration framework by providing remuneration structure that rewards employees for achieving goals that are aligned to the Group's strategy and objectives and seek to generate long term shareholder value. The table below sets out the key terms of the Employee Incentive Plan and Performance Rights issued under the Employee Incentive Plan.

Table 7: Summary of Employee Incentive Plan

Plan Term	Description of Term
Termination of Employment	Where a Participant who holds Performance Rights becomes a Leaver, all unvested Performance Rights will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Performance Rights to vest. The Company's current policy is that an employee will be deemed a "good leaver" unless a Participant resigns, is terminated for cause or is subject to a genuine performance management plan or review at the time of termination (unless otherwise determined by the Board). "Good leavers" are entitled to a pro-rata portion of the unvested incentives (based on the proportion of performance period that has lapsed up to the date of cessation).
Change of Control	If a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Performance Rights will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event. The Company's current policy is that unless determined otherwise by the Board before the Change of Control Event occurs, the default position will be that all of the Participant's unvested incentives will vest and become immediately exercisable immediately before the Change of Control Event or such earlier date as agreed with any counterparty in connection with the Change of Control.

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

Table 7: Summary of Employee Incentive Plan (continued)

Plan Term	Description of Term
Board Discretion	All incentives offers and final outcomes are subject to the full discretion of the Board (or Nomination and Remuneration Committee as its delegate).
Forfeiture and Clawback	Under the terms and conditions of the Employee Incentive Plan rules, the Board (or Nomination and Remuneration Committee as its delegate) has discretion to determine forfeiture of unvested equity awards in certain circumstances (e.g. unlawful, fraudulent or dishonest behaviour or a serious breach of obligations to the Company). In the FY2026 incentives (and FY2025 incentives), the Board included claw back requirements in the invitation documentation. If the Board becomes aware that the Performance Rights should not have vested (Affected Performance Rights), the Board may require a participant to pay to the Company the after tax value of the Affected Performance Rights which have been converted into Shares, cancel the Affected Performance Rights or adjust a participant's fixed remuneration, incentives or participation in the Plan in the current year or in any future year to take account of the after tax value of the Affected Performance Rights.

C. Short-term incentives Overview

The Managing Director, Key Management Personnel and other employees have the opportunity to earn an annual Short-Term Incentive (STI) if predefined targets are achieved.

Table 8: Summary of STI Scheme

STI Term	Description of Term
Who participates in the STI Plan?	All executives, senior managers and managers are eligible for the STI. The Board may invite other employees, from time to time, at its discretion.
What is the objective of the STI Plan?	• To attract, reward and retain high calibre employees. • To incentivise employees towards meeting the Company's short-term objectives.
How is the award delivered?	Performance Rights issued under the Lotus Employee Incentive Plan are the vehicle used for the FY2026 STI for executives, senior management and corporate staff. The nominal value of a performance right is the closing share price of the Company immediately prior to the performance period (the Company uses a 10-day volume weighted average share price, which was $2.2609 per Performance Right)[1]. Employees in Malawi and Botswana can be rewarded under the short-term incentive by cash payment instead of performance rights.

1. Pre-consolidated basis

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

Table 8: Summary of STI Scheme (continued)

STI Term	Description of Term
How much can Executives earn?	The STI opportunity is measured as a percentage of TFR. Refer to Table 5 setting out the FY2026 STI opportunity for individual KMP opportunities.
What is the performance period?	The STI is issued annually and relates to performance over the period 1 July 2025 to 30 June 2026.
How was performance measured?	Performance is measured against pre-determined measurable financial and non-financial performance targets as set out in the scorecard below.
When are the outcomes determined?	The outcomes for the FY2026 STI were determined at the end of the performance period following a review by the Committee and Board of performance against the STI performance targets. The Board determined the final STI bonus based on this assessment of performance.
What happens if an Executive leaves?	For retention purposes, the participant must remain an employee, office bearer or consultant of the Company at the date the outcomes are determined. However, if the participant's employment or consultancy with the Company is terminated prior to this time, the Board retains the discretion to award or forfeit any STI on a case-by-case basis, taking into account longevity and the reasons for leaving. Refer to the Employee Incentive Plan above regarding the Board's policy on "good leavers".

D. FY2026 Short-Term Incentive Targets and Performance Outcomes

The STI awards for the executive team in the 2026 financial year were based on the scorecard measures and weighting as disclosed below. Targets were approved by the Committee through a rigorous process to align the Company's strategic and business objectives. The Committee has the discretion to adjust short-term incentives downwards in light of unexpected or unintended circumstances.

The pre-determined performance conditions relating to the financial year 2026 STI opportunity for eligible KMP and the outcomes as assessed by the Committee are set out in the table below.

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

Table 9: Summary of FY2026 Incentive Targets and Performance Outcomes

Area	Weighting	Target	Reason Metric Selected	Outcome

Safety and Environment	20%	Zero score if there is a fatality, life changing injury or major environmental incident
		• **10%: Company Wide Total Recordable Injury Frequency Rate (TRIFR) per million hours worked**
		  • 50%: Company Wide TRIFR ‹ 6.0
		  • 100%: Company Wide TRIFR ‹ 5.0.
		  • Pro-rata score between 5.0 and 6.0 (50% to 100%)
		• **10%: Environmental Incidents**
		  • 50%: five Level 3 environmental incidents
		  • 100%: two or less Level 3 environmental incidents
		  • Pro-rata score between 2 and 5 Level 3 incidents (50% to 100%)
			To demonstrate its commitment to safety and environmental responsibility by aiming to reduce injury rates and prevent serious incidents, aligning with good industry practice and stakeholder expectations.
			TRIFR threshold is a 10% improvement on FY2025 (6.63) and the maximum is 25% improvement on FY2025.
				0% (0% weighted)
				Total recordable injuries for the year: **3.9** (per million hours worked).
				There were no Level 4 or 5 environmental incidents and there were **five** Level 3 environmental incidents
				There were no reportable environmental incidents, and no life changing injuries or fatalities.

Operational Readiness and ESG	20%	Implementation and compliance with key operational requirements as part of recommencement of operations: • **10% weighting - ESIA and Radiation Licence:** full monitoring and reporting regime implemented by Board targeted date, and compliance with process. • **5% weighting – Enterprise Resource Planning System:** complete adoption including maintenance and inventory modules, interfacing with other core systems by Board targeted date, and compliance with process. • **5% weighting – Ground Monitoring:** Implementation of ground monitoring system by Board targeted date. 100% will be awarded if completed by Board targeted date. Board has discretion to partially award if completed within a specified time after Board targeted date. If implemented and non-compliant with core processes, this will not be deemed implemented.	As part of the operational readiness to ensure Kayelekera is able to operate safely, efficiently and effectively, and to provide the necessary tracking and reporting systems in accordance with good industry practice and stakeholder expectations.	**0% (0% weighted)** Despite some metrics being achieved (or partially achieved), the general operational performance at Kayelekera meant that an award was not deemed warranted by the Board.

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

Table 9: Summary of FY2026 Incentive Targets and Performance Outcomes (continued)

Area	Weighting	Target	Reason Metric Selected	Outcome
Kayelekera Production	40%	• **30% weighting – Steady State Production:** Achievement of one month of production at an average rate of >90% of maximum annualised rate (2.4Mlbs) by Board targeted date. 100% will be awarded if completed by Board targeted date. Board has discretion to partially award if completed within a specified time after Board approved date. • **10% weighting – AISC per pound:** All-in Sustaining Cost per pound in accordance with Board approved budget range. 100% for at or below Board approved range, 0% for above high range and pro-rata between high range and low range.	To ensure discipline and focus on the restart of Kayelekera and production by Q3 CY2025. Ensuring the progress remains on time is also a critical control for cost control of the project.	**0% (0% weighted)** Kayelekera has not achieved steady state production by financial year end. As a result of Kayelekera not achieving steady state production, AISC has been substantially higher than forecast.
Kayelekera Capital Costs	20%	Key capital projects include Acid Plant, Tailings Storage Facility, Mining, and Powerline Project. • **12% weighting - Budget:** Completion of capital projects including deferred capital programs (assessed on a total basis incorporating forecast cost to complete where sub-projects have not been complete by 30 June 2026) in accordance with Board approved budgets. 100% will be awarded if completed within Board approved budget. Board has discretion to partially award if completed outside Board approved budget. • **8% weighting – Schedule:** Capital projects are completed (or where relevant, forecast to be completed) by Board targeted date and without impact to production. 100% will be awarded if completed by Board targeted date. Board has discretion to partially award if completed within a specified time after Board targeted date	To ensure discipline and cost control associated with the significant expenditure associated with the major capital costs at Kayelekera, the Company's key asset.	**0% (0% weighted)** Although capital costs were generally well managed, the delay of some key projects has meant a substantially higher operating impact to the Company, offsetting the benefits of managing capital costs.
Total	**100%**		**Total Vesting Outcome**	**0%**

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

Table 10: Short Term Incentive Opportunity and Outcomes by KMP

KMP	Maximum STI Opportunity (as % of TFR as at 30 June 2026)	Proportion Achieved (% out of 100)	Proportion Forfeited (% out of 100)	PERFs Vested (#)[1]	Value of PERFs (included in Rem Report) ($)
Gregory Bittar	60%	0%	100%	Nil	Nil
Melissa Roberts	40%	0%	100%	Nil	Nil
Hayden Bartrop	40%	0%	100%	Nil	Nil
Michael da Costa[2]	40%	Nil	100%	Nil	Nil

1. The nominal value of performance rights to calculate the number granted to each individual was $2.2609 (post-consolidation basis), being the 10-day VWAP prior to 1 July 2025 ($0.1966 on pre-consolidated basis, multiplied by 11.5). The number of performance rights vested is an individual's TFR x Maximum STI (% of TFR) x Proportion Achieved / $2.2609 (post-consolidation basis).
2. Mr Da Costa resigned on 15 May 2026 and forfeited all entitlements to STI Performance Rights. Accordingly, no value is included in the Remuneration Report.

E. Restart and Production Cash Bonus

The Company established a Restart and Production Bonus for key personnel engaged in the accelerated restart of Kayelekera and its ramp-up to nameplate capacity of 2.4 million pounds per annum. The bonus was to be in addition to STIs and LTIs. Mr Mike Da Costa was the only KMP eligible for this cash bonus, and his maximum eligible entitlement was A$550,000.

The Restart and Production Bonus consisted of two elements:

Table 11: Restart and Production Bonus

Objective	Weighting	Details
Retention	Gateway	Eligible participants have not resigned or signalled an intention to resign as at 30 June 2026.
First Production and Capital Cost	50%	First production by Board approved date and achieved within Board approved capex budget
Nameplate Capacity	50%	Nameplate capacity achieved within Board approved date and within Board approved capex budget

The Board determined that the criteria for the Restart and Production Bonus were not met and no cash bonuses were awarded.

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

F. Long-Term Incentives Overview

The LTI is designed to focus executives on delivering long-term sustainable shareholder returns. The key elements of the plan are summarised below. As the LTI is issued under the Company's Employee Incentive Plan, the key terms for the Plan are also relevant.

Table 12: Summary of LTI Scheme

LTI Term	Description of Term
Who participates in the LTI Plan?	Executives and nominated senior management are eligible to participate being the employees who are most able to influence shareholder value. The Board may invite other employees, from time to time, at its discretion.
What is the objective of the LTI Plan?	• To align Executive and shareholder interests through share ownership, focussing on Group results through award of long term, at risk, deferred equity. • To reward Executives for the achievement of strategic objectives that position the Company for future long term sustainable success. • To attract, reward and retain high calibre executives and drive a high-performance driven culture.
How is the award delivered?	Performance Rights issued under the Employee Incentive Plan are the vehicle used under the LTI Plan. The nominal value of a Performance Right is the closing share price of the Company immediately prior to the performance period (the Company used a 10-day volume weighted average share price for FY2026 awards, which was $2.2609 per Performance Right on post-consolidated basis).
How often are awards made?	LTI awards are granted on an annual basis to eligible participants.
How much can Executives earn?	The LTI opportunity is measured as a percentage of TFR. Refer to Table 5 setting out the FY2026 LTI opportunity for individual KMP opportunities.
What is the performance period?	The performance period is a three-year period from 1 July to 30 June. The FY2026 LTI performance period is from 1 July 2025 to 30 June 2028.
How is performance measured?	Performance is measured against pre-determined measurable performance targets including Absolute and Relative Total Shareholder Return targets. Previously, LTI performance targets included Relative Total Shareholder Return and company specific strategic milestones or targets.
When are the outcomes determined?	The outcomes for the FY2024 LTI were determined at the end of the performance period following a review by the Committee and the Board of performance against the LTI performance targets. The Board determined the final LTI bonus based on this assessment of performance. The outcomes for the FY2026 LTI will be assessed at the end of the performance period (i.e. after 30 June 2028).
What happens if Executive leaves?	For retention purposes, the executive must remain an employee, office bearer or consultant of the company at the date the outcomes are determined. However, if an executive's employment or consultancy with the Company is terminated prior to this time, the Board retains the discretion to award or forfeit any LTI on a case-by-case basis, taking into account longevity and the reasons for leaving. Refer to Employee Incentive Plan above regarding the Board's policy on "good leavers".

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

G. FY2024 Long Term Incentive Targets and Performance Outcomes

The pre-determined performance conditions relating to the financial year 2024 LTI opportunity for eligible KMP and the outcomes as assessed by the Committee are set out in the table below. The performance period ran from 1 July 2023 to 30 June 2026.

Table 13: Summary of FY2024 Incentive Targets and Performance Outcomes

KPI	Weighting	Target	Reason Metric Selected	Outcome
Shareholder Return	50%	Relative Total Shareholder Return (TSR) Share price growth over the period compared with peer group: • <50th percentile = 0% vest • 50th - 75th percentile = 50%-100% pro-rata vesting • >75th percentile = 100% vest	A relative performance measure was chosen instead of an absolute metric to exclude commodity price, which is a substantial driver of shareholder returns but outside the control of management.	**0% Achieved** The Company ranked 11th out of 12 (bottom quartile), with a total shareholder return of negative 71% (which compared to an average return of 40% and median of 31%.
Company Strategy	15%	Ore Reserve Growth Increase the Company's Ore Reserve, with the DFS released on 11 August 2022 as the base (23Mlbs of U3O8), with a minimum of 100% growth to achieve the target. Growth includes Ore Reserve depletion.	The metric was chosen to drive accretive growth of the Company beyond Kayelekera.	**0% Achieved** There has been no growth in Ore Reserves for the Company.
	15%	Mineral Resource Confidence Increase the Measured and Indicated Resources at Letl-hakane from 22% (2015 Mineral Resource Estimate) to 33% (i.e. a 50% increase in Measured and Indicated Resources).	The metric was cho-sen to drive potential Ore Reserve increase at Letlhakane and a revised technical study linked to the Ore Reserve assumptions.	**0% Achieved** The Company's Measured and Indicated Resources at Letlhakane increased by 127% (to 50% of the Mineral Resource). However, the Board has exercised its discretion not to award vesting due to share price performance of the Company and the Board's perception that the market hasn't appropriately valued this Mineral Resource conversion.
	20%	ESG • 10%: Effective reporting against the adopted ESG framework, demonstrating year-on-year improvement over the majority of targets. • 10%: Effective reporting against the adopted Health and Safety framework, demonstrating year-on-year improvement over the majority of targets.	The metric was chosen to increase focus on ESG and ESG reporting, to align with good industry practice and stakeholder ex-pectations	**0% Achieved** S&P Global ESG score was 33 in FY2023, 39 for the FY2024, and 44 in FY2025, showing year-on-year improvement. For H&S, Group TRIFR reduced from 6.63 to 3.91, with year-on-year improvement. The Board has exercised its discretion not to award vesting.
Total	**100%**	**Total Vesting Outcome**		**0%**

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

G. FY2024 Long Term Incentive Targets and Performance Outcomes (continued)

The Peer Group used for the financial year 2024 Relative TSR measure is set out in the table below. In selecting the Peer Group, the Committee (at the time) considered an investor perspective for a uranium focussed company seeking to transition to production.

Table 14: FY2024 LTI Peer Group

	Company	Exchange: Code		Company	Exchange: Code
1.	Paladin Energy Limited	ASX:PDN	**6.**	Alligator Energy Limited	ASX:AGE
2.	Boss Energy Limited	ASX:BOE	**7.**	Berkeley Energia	ASX:BKY
3.	Peninsula Energy Limited	ASX:PEN	**8.**	Energy Fuels Inc.	TSX:EFR
4.	Deep Yellow Limited	ASX:DYL	**9.**	UR Energy Inc.	TSX:URE
5.	Bannerman Limited	ASX:BMN	**10.**	Uranium Energy Corp.	NYSE:UEC

Note that some companies in the above peer group listing have multiple listings and details of only one listing is provided.

Table 15: FY2024 Long Term Incentive Opportunity and Outcomes by KMP

KMP	Maximum LTI Opportunity (as % of TFR as at 30 June 2023)	Proportion Achieved (% out of 100)	Proportion Forfeited (% out of 100)	Options Vested (#)[1]	Value of Options (included in Rem Report) ($)
Nil[1]	N/A	N/A	N/A	N/A	N/A

1. There were no KMP engaged in FY2026 which were eligible for the FY2024 LTI.

H. FY2026-FY2028 Long Term Incentive Targets and Grants

In FY2025, with the change in composition of the Board, the Company changed the performance hurdles for its long term incentive scheme to align outcomes more closely with those of shareholders. This structure was adopted again in FY2026, with a 50% weighting for an Absolute Total Shareholder Return metric and a 50% weighting for a Relative Total Shareholder Return metric (which effectively eliminates matters outside of the control of participants, being the performance of equity markets and uranium commodity price).

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

H. FY2026-FY2028 Long Term Incentive Targets and Grants (continued)

Table 16: Summary of FY2026-2028 LTI Scheme

KPI	Weighting	Target
Relative Total Shareholder Return	50%	Total shareholder return over the period compared with the peer group: • <50th percentile = 0% vest • 50th - 75th percentile = 50%-100% pro-rata vesting • >75th percentile = 100% vest
Absolute Total Shareholder Return	50%	Total shareholder return over the vesting period from 1 July 2024 to 30 June 2027: • Below 10% per annum = 0% vest • >10% - 20% per annum = 50%-100% pro rate vesting • >20% per annum = 100% vest
Total	**100%**	

The Peer Group used for the FY2026-2028 Relative TSR measure is set out in the table below. In selecting the Peer Group, the Committee considered an investor perspective for a uranium focussed company seeking to transition to production.

Table 17: FY2026 LTI Peer Group

	Company	Exchange: Code		Company	Exchange: Code
1.	Paladin Energy Limited	ASX:PDN	**8.**	Global Atomic Corporation	TSX:GLO
2.	Boss Energy Limited	ASX:BOE	**9.**	NextGen	ASX:NXE
3.	Peninsula Energy Limited	ASX:PEN	**10.**	Energy Fuels Inc.	TSX:EFR
4.	Deep Yellow Limited	ASX:DYL	**11.**	Isoenergy Ltd	TSX:ISO
5.	Bannerman Limited	ASX:BMN	**12.**	Ur-Energy Inc	NYSE:URG
6.	Alligator Energy Limited	ASX:AGE	**13.**	Denison Mines Corp	TSX:DML
7.	Aura Energy Limited	ASX:AEE	**14.**	Uranium Energy Corp.	NYSE:UEC

Note that some companies in the above peer group listing have multiple listings and details of only one listing is provided.

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

H. FY2026-FY2028 Long Term Incentive Targets and Grants (continued)

The following LTI Performance Rights grants were made to KMP in FY2026:

Table 18: FY2026 LTI Option Grants to KMP

KMP	Maximum LTI Opportunity (as % of TFR as at 30 June 2026)	PERFs Granted (#)[1]	Value of LTI PERFs (included in Rem Report) ($)
Gregory Bittar	100%	243,266[2]	$58,207
Melissa Roberts	75%	149,277[2]	$35,718
Hayden Bartrop	75%	149,277[2]	$35,718
Michael Da Costa	75%	149,277[2]	–[3]

1. The nominal value of Performance Rights to calculate the number granted to each individual was $2.2609 (post-consolidation basis), being the 10 day volume weighted average price of Lotus shares prior to 1 July 2025 ($0.1966 on pre-consolidated basis, multiplied by 11.5). The number of PERFs granted is an individual's TFR x Maximum STI (% of TFR) / $2.2609 (post-consolidation).

2. These securities were issued prior to the consolidation of the Company's issued capital on a 11.5 for 1 basis, which occurred on 22 January 2026. This number is a post-consolidation number.

3. Mr Da Costa resigned on 15 May 2026 and forfeited all entitlements to LTI Performance Rights. Accordingly, no value is included in the Remuneration Report.

Table 19: FY2025 LTI Option Grants to KMP

KMP	Maximum LTI Opportunity (as % of TFR as at 30 June 2025)	PERFs Granted (#)	Value of LTI PERFs (included in Rem Report) ($)
Gregory Bittar	100%	140,665[1]	$31,104

1. The grant of options to Mr Bittar was approved by the shareholders during the 2025 AGM.

I. Onboarding and Service Options

No Onboarding or Services Options were issued in FY2026.

In FY2025, Mr Bartrop was granted onboarding options to compensate him for the forfeiture of incentives by resigning from his former employer. Mr Bittar was granted commencement options as part of his appointment as Chief Executive Officer on 9 August 2024.

5. Principles of Remuneration (continued)

5.4 Incentive Arrangements (continued)

I. Onboarding and Service Options (continued)

Table 20: FY2025 Onboarding and Service Option Grants to KMP

Name	Quantity	Grant Date	Vesting Date	Exercise Price	Expiry Date	Vesting Hurdles	Value of Options (included in Rem Report) ($)
Gregory Bittar	260,870[1]	30-Aug-24	9-Aug-25 (earliest)	Nil	8-Aug-27	Continuous service for 12 months and Lotus share price at or above $4.025[2] for 5 consecutive days during option period	$159,847
Gregory Bittar	260,870[1]	30-Aug-24	9-Aug-26 (earliest)	Nil	8-Aug-27	Continuous service for 24 months and Lotus share price at or above $5.175[2] for 5 consecutive days during option period	$229,421
Hayden Bartrop	86,957[1]	12-Nov-24	8-Oct-25	$3.45[2]	8-Oct-27	Continuous service for 12 months	$108,000
Hayden Bartrop	86,957[1]	12-Nov-24	8-Oct-26	$3.45[2]	8-Oct-27	Continuous service for 24 months	$108,000

1. These securities were issued prior to the consolidation of the Company's issued capital on a 11.5 for 1 basis, which occurred on 22 January 2026. This number is a post-consolidation number.

2. This number is a post-consolidation number.

6. Remuneration of Key Management Personnel

Details of the nature and amount of the remuneration of the key management personnel of the Group are:

Table 21: Statutory Remuneration

		SHORT-TERM			POST-EMPLOYMENT	SHARE-BASED PAYMENTS		Proportion of Performance Based Remuneration	
		Salary, Fees & Leave $	Non-Monetary $	Cash Bonus $	Superannuation & Long Service Leave $	Options / Performance Rights $	Total $	STI %	LTI %
Non-Executive Directors									
Mr M Bowen	2026	174,108	-	-	20,892	-	195,000	-	-
	2025	119,764[1]	-	-	7,746	470,675[2]	598,185	-	-
Ms L Heywood[3]	2026	133,932	-	-	16,068	-	150,000	-	-
	2025	46,712	-	-	5,372	-	52,084	-	-
Mr S Hay[4]	2026	133,932	-	-	16,068	-	150,000	-	-
	2025	46,712	-	-	5,372	-	52,084	-	-
Executive Director									
Mr G Bittar[5]	2026	520,000	1,594	-	33,059	373,920	928,573	17%	24%
	2025	479,203	-	-	30,758	691,336	1,201,297	-	-
Other KMP									
Ms Roberts[6]	2026	382,029	7,429	-	28,338	35,718	453,514	-	8%
	2025	-	-	-	-	-	-	-	-
Mr H Bartrop[7]	2026	420,000	9,296	-	32,453	183,821	645,570	-	28%
	2025	296,297	4,149	-	23,885	249,480	573,811	20%	4%
Mr M da Costa[8]	2026	404,372	3,967	-	27,132	(25,531)	409,940	-	(6%)
	2025	434,632	8,716	-	46,413	604,626	1,094,387	12%	2%
Total KMP	**2026**	**2,168,373**	**22,286**	**-**	**174,010**	**567,928**	**2,932,597**	**5%**	**14%**
	2025	1,423,320	12,865	-	119,546	2,016,117	3,571,848	7%	1%

1. Includes a special exertion fee approved by the Board.

2. Options entitled the holder to the right to acquire one ordinary share with a nil exercise price after vesting. The Options were granted on 28 November 2023 following shareholder approval, vested on 31 March 2025 and expire on 30 September 2026. The options had a service condition but did not have performance-based vesting conditions to ensure director independence was maintained. The Options had a fair value at grant of $3.22 (post-consolidation basis) per Option.

3. Ms Heywood commenced on 3 February 2025

4. Mr Hay commenced on 3 February 2025

5. Mr Bittar commenced as CEO on 9 August 2024 and Managing Director and CEO on 12 December 2024. Prior to his appointment as CEO, Mr Bittar was employed as a Corporate Advisor, working 3 days per week starting on 6 May 2024.

6. Ms Roberts commenced on 28 July 2025

7. Mr Bartrop commenced as KMP on 2 October 2024

8. Mr Da Costa resigned on 15 May 2026

7. Equity Remuneration

7.1 Securities Issued During Financial Year to Key Management Personnel

The table below sets out details of securities granted to the KMP, where the vesting criteria did not contain any market conditions.

Table 22: Securities Issued to KMP – Non-market Conditions

Security Type and Scheme	Number of Securities	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
Managing Director and CEO - Gregory Bittar								
Options - FY2025 STI[1]	81,234	19-Nov-25	30-Jun-27	$0.00 each	$1.90	Nil	3.64%	$1.90
PERFs - FY2026 STI[1]	145,960	10-Dec-25	30-Jun-28	$0.00 each	$1.96	Nil	3.97%	$1.96
Chief Financial Officer - Melissa Roberts								
PERFs - FY2026 STI[1]	79,614	10-Dec-25	30-Jun-28	$0.00 each	$1.96	Nil	3.97%	$1.96
Chief Commercial Officer - Hayden Bartrop								
PERFs - FY2026 STI[1]	79,614	10-Dec-25	30-Jun-28	$0.00 each	$1.96	Nil	3.97%	$1.96
Chief Operations Officer - Michael da Costa								
PERFs - FY2026 STI[1]	79,614	10-Dec-25	30-Jun-28	$0.00 each	$1.96	Nil	3.97%	$1.96

1. These securities were issued prior to the consolidation of the Company's issued capital on a 11.5 for 1 basis, which occurred on 22 January 2026. All figures are on post-consolidation basis.

The table below sets out details of the securities granted to KMP that contained market based vesting criteria related to total shareholder return (absolute or performance against a peer group). A Monte-Carlo simulation was performed to estimate the fair value.

7. Equity Remuneration (continued)

7.1 Securities Issued During Financial Year to Key Management Personnel (continued)

Table 23: Securities Issued to KMP – Market Conditions

Security Type and Scheme	Number of Securities	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
Managing Director and CEO– Gregory Bittar								
Options - FY2025 LTI[1]	140,665	19-Nov-25	30-Jun-29	$0.00 each	$1.78	Nil	4.22%	$0.58
PERFs - FY2026 LTI[1]	243,266	10-Dec-25	30-Jun-30	$0.00 each	$1.96	Nil	4.37%	$1.11
Chief Financial Officer – Melissa Roberts								
PERFs - FY2026 LTI[1]	149,277	10-Dec-25	30-Jun-30	$0.00 each	$1.96	Nil	4.37%	$1.11
Chief Commercial Officer – Hayden Bartrop								
PERFs - FY2026 LTI[1]	149,277	10-Dec-25	30-Jun-30	$0.00 each	$1.96	Nil	4.37%	$1.11
Chief Operations Officer – Michael da Costa								
PERFs - FY2026 LTI[1]	149,277	10-Dec-25	30-Jun-30	$0.00 each	$1.96	Nil	4.37%	$1.11

1. These securities were issued prior to the consolidation of the Company's issued capital on a 11.5 for 1 basis, which occurred on 22 January 2026. All figures are on post-consolidation basis.

7.2 Exercise of Securities Granted as Compensation

During the reporting period, the following shares were issued on exercise of securities previously granted as compensation. No amounts are unpaid on any shares issued on the exercise of securities.

Table 24: Securities exercised

Scheme	Security Exercised	Number of shares	Amount Paid
Chief Commercial Officer – Hayden Bartrop			
FY2025 STI	Option	19,565[1]	Nil

1. These securities were exercised prior to the consolidation of the Company's issued capital on a 11.5 for 1 basis, which occurred on 22 January 2026. This number is on post-consolidation basis. The value per share on the exercise of the securities was $2.42.

7. Equity Remuneration (continued)

7.3 Options holdings of key management personnel

For the year ended 30 June 2026, the outstanding options granted by the Company to KMP are set out below. The options carry no dividend or voting rights.

Table 25: Option Holdings of Key Management Personnel[1]

	Held at 30 June 2025							Held at 30 June 2026	
KMP Name and Grant Date	Unvested	Vested	Granted as compensation	Vested	Exercised	Lapsed	Other Changes[2]	Unvested	Vested and exercisable at 30 June 2026
Mr Michael Bowen	**-**	**260,870**	**-**	**-**	**-**	**-**	**-**		**260,870**
28-Nov-2023	-	260,870	-	-	-	-	-		260,870
Ms Leanne Heywood	-	-	-	-	-	-	-	-	-
Mr Simon Hay	-	-	-	-	-	-	-	-	-
Mr Gregory Bittar[3]	**521,740**	**173,914**	**221,899**	**342,104**	**-**	**-**	**-**	**401,535**	**516,018**
20-May-2024	-	173,914	-	-	-	-	-	-	173,914
30-Aug-2024	521,740	-	-	260,870	-	-	-	260,870	260,870
19-Nov-2025	-	-	81,234	81,234	-	-	-	-	81,234
19-Nov-2025	-	-	140,665	-	-	-	-	140,665	-
Ms Melissa Roberts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mr Hayden Bartrop	**250,640**	**40,921**	**-**	**86,957**	**(19,565)**	**(1,535)**	**-**	**163,683**	**106,778**
12-Nov-2025	173,914	-	-	86,957	-	-	-	86,957	86,957
23-Jan-2025	-	40,921	-	-	(19,565)	(1,535)	-	-	19,821
24-Jan-2025	76,726	-	-	-	-	-	-	76,726	-
Mr Michael da Costa[4]	**86,317**	**219,949**	**-**	**-**	**-**	**(1,726)**	**(304,540)**	**-**	**-**
20-May-2025		173,913	-	-	-	-	(173,913)	-	-
23-Jan-2025		46,036	-	-	-	(1,726)	(44,310)	-	-
05-Feb-2025	86,317	-	-	-	-	-	(86,317)	-	-

1. All numbers are on a post consolidation basis. On 22 January 2026, the Company consolidated its issued capital on a 11.5 for 1 basis.
2. These amounts were the options held by the KMP as at the date of retirement/resignation and have been disclosed as a reduction.
3. 173,914 options at an exercise price of $3.45; 521,740 options vest upon a closing price for 5 consecutive days of greater than $4.025 (50% of the options) and $5.175 (50% of the options); and 140,665 have Total Shareholder Return vesting hurdles.
4. Mr Da Costa resigned on 15 May 2026

7. Equity Remuneration (continued)

7.4 Performance Rights holdings of key management personnel

For the year ended 30 June 2026, the outstanding performance rights granted by the Company to KMP are set out below. The performance rights carry no dividend or voting rights.

Table 26: STI and LTI Performance Rights of Key Management Personnel[1]

	Held at 30 June 2025							Held at 30 June 2026	
KMP Name and Grant Date	Unvested	Vested	Granted as compensation	Vested	Exercised	Lapsed	Other Changes[2]	Unvested	Vested and exercisable at 30 June 2026
Mr Michael Bowen	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Ms Leanne Heywood	-	-	-	-	-	-	-	-	-
Mr Simon Hay	-	-	-	-	-	-	-	-	-
Mr Gregory Bittar	**-**	**-**	**389,226**	**-**	**-**	**(145,960)**		**243,266**	**-**
10-Dec-2025	-	-	145,960	-	-	(145,960)		-	-
10-Dec-2025	-	-	243,266	-	-	-	-	243,266	-
Ms Melissa Roberts	**-**	**-**	**228,891**	**-**	**-**	**(79,614)**		**149,277**	**-**
10-Dec-2025	**-**	**-**	**79,614**	**-**	**-**	**(79,614)**		**-**	**-**
10-Dec-2025	**-**	**-**	**149,277**	**-**	**-**	**-**	**-**	**149,277**	**-**
Mr Hayden Bartrop	**-**	**-**	**228,891**	**-**	**-**	**(79,614)**		**149,277**	**-**
10-Dec-2025	-	-	79,614	-	-	(79,614)		-	-
10-Dec-2025	**-**	**-**	**149,277**	**-**	**-**	**-**	**-**	**149,277**	**-**
Mr Michael da Costa[3]	-	-	228,891	-	-	-	(228,891)	-	-
10-Dec-2025	-	-	79,614	-	-	-	(79,614)	-	-
10-Dec-2025	-	-	149,277	-	-	-	(149,277)	-	-

1. All numbers are on a post consolidation basis. On 22 January 2026, the Company consolidated its issued capital on a 11.5 for 1 basis.
2. These amounts were the options held by the KMP as at the date of retirement/resignation and have been disclosed as a reduction.
3. Mr Da Costa resigned on 15 May 2026

7. Equity Remuneration (continued)

7.5 Shareholdings of key management personnel

The table below sets out the shareholdings of KMP and the movements for the year ended 30 June 2026.

Table 27: Shareholdings of key management personnel

Name	Held at 1 July 2025	Acquired at market value	Received on exercise of options	Disposal	Other Changes[1]	Held at 30 June 2026
Non-Executive Directors						
Mr Michael Bowen	466,957	48,277	-	-	-	515,234
Ms Leanne Heywood	7,826	18,307	-	-	-	26,133
Mr S Hay	17,391	25,283	-	-	-	42,674
Executive Directors						
Mr Gregory Bittar	45,217	48,278	-	-	-	93,495
Other KMP						
Ms Melissa Roberts	-	-	-	-	-	-
Mr Hayden Bartrop	17,826	2,826	19,565	-	-	40,217
Mr Michael da Costa	-	-	-	-	-	-

1. These amounts were the shares held by the KMP as at the date of retirement/resignation and have been disclosed as a reduction.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lotus Resources Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 25 September 2026

Financial Report

Contents

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Interest income	3	2,742,206	3,375,162
Foreign currency gains and losses	3	6,278,938	196,559
Other income	3	67,102	-
Expenses			
Operating costs	4(a)	(92,024,477)	(7,528,582)
Corporate and other expenses	4(b)	(8,579,412)	(6,792,127)
Impairment charges – plant and equipment	4(c),9	-	(64,387)
Impairment charges – exploration and evaluation assets	4(c),10	-	(36,073)
Share-based payments expense	25	(1,125,472)	(4,615,000)
Finance costs		(831,549)	-
Interest expense		(1,478,585)	-
Loss before income tax		**(94,951,249)**	**(15,464,448)**
Income tax expense	5	(5,182,612)	(119,347)
Loss after income tax		**(100,133,861)**	**(15,583,795)**
Other comprehensive loss *Items that may be reclassified subsequently to profit or loss:*			
Foreign exchange differences on translating foreign operations		(14,510,867)	(5,949,315)
Total other comprehensive loss, net of tax		**(14,510,867)**	**(5,949,315)**
Total comprehensive loss for the financial year		**(114,644,728)**	**(21,533,110)**
Loss attributable to:			
Non-controlling interests		(16,615,593)	(1,823,625)
Members of the parent		(83,518,268)	(13,760,170)
		(100,133,861)	**(15,583,795)**
Total comprehensive loss attributable to:			
Non-controlling interests		(17,094,700)	(2,786,742)
Members of the parent		(97,550,028)	(18,746,368)
		(114,644,728)	**(21,533,110)**
Loss per share			
Basic and diluted loss per share (cents)	29	(34.19)	(7.36)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position
as at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Current Assets			
Cash and cash equivalents	6	30,185,667	54,092,246
Other current assets	7	2,473,772	22,749,059
Inventories	8	46,524,253	4,841,074
Total Current Assets		**79,183,692**	**81,682,379**
Non-Current Assets			
Right-of-use assets	15	339,604	466,258
Plant and equipment	9	111,491,751	41,952,519
Exploration and evaluation assets	10	84,079,070	124,039,288
Mine properties	11	30,442,390	-
Other financial assets	12	14,463,136	15,310,489
Other non-current assets	7	16,260,166	15,984,092
Total Non-Current Assets		**257,076,117**	**197,752,646**
Total Assets		**336,259,809**	**279,435,025**
Current Liabilities			
Trade and other payables	13	32,879,396	4,230,989
Income tax payable	5	2,371,918	-
Lease liabilities	15	130,040	103,457
Provisions	14	554,501	242,965
Borrowings	17	2,136,029	-
Total Current Liabilities		**38,071,884**	**4,577,411**
Non-Current Liabilities			
Lease liabilities	15	220,526	352,000
Deferred tax liability	18	2,668,417	-
Provisions	16	29,130,629	38,977,452
Borrowings	17	8,340,713	-
Total Non-Current Liabilities		**40,360,285**	**39,329,452**
Total Liabilities		**78,432,169**	**43,906,863**
Net Assets		**257,827,640**	**235,528,162**
Equity			
Contributed equity	19	528,446,867	391,398,796
Reserves	20	(50,421,805)	(35,747,754)
Accumulated losses	21	(201,314,700)	(118,334,858)
Equity attributable to owners of the Company		276,710,362	237,316,184
Non-controlling interest	20	(18,882,722)	(1,788,022)
Total Equity		**257,827,640**	**235,528,162**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2026

Consolidated 2026	Contributed Equity $	Share-Based Payment Reserve $	Foreign Currency Reserve $	Accumulated Losses $	Capital Reserves $	Non-Controlling Interest $	Total Equity $
Balance at 1 July 2025	**391,398,796**	**5,095,946**	**(5,897,740)**	**(118,334,858)**	**(34,945,960)**	**(1,788,022)**	**235,528,162**
Loss after income tax	-	-	-	(83,518,268)	-	(16,615,593)	(100,133,861)
Other comprehensive loss	-	-	(14,031,760)	-	-	(479,107)	(14,510,867)
Total comprehensive loss for the financial year	**-**	**-**	**(14,031,760)**	**(83,518,268)**	**-**	**(17,094,700)**	**(114,644,728)**
Transactions with equity holders in their capacity as equity holders							
Ordinary shares issued – capital raising	144,477,687	-	-	-	-	-	144,477,687
Share issue costs	(8,658,953)	-	-	-	-	-	(8,658,953)
Share-based payments	-	1,125,472	-	-	-	-	1,125,472
Shares issued on exercise of options	1,229,337	(1,229,337)	-	-	-	-	-
Lapse/expiry of unexercised options	-	(538,426)	-	538,426	-	-	-
Balance at 30 June 2026	**528,446,867**	**4,453,655**	**(19,929,500)**	**(201,314,700)**	**(34,945,960)**	**(18,882,722)**	**257,827,640**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2026

Consolidated 2025	Contributed Equity $	Share-Based Payment Reserve $	Foreign Currency Reserve $	Accumulated Losses $	Capital Reserves $	Non-Controlling Interest $	Total Equity $
Balance at 1 July 2024	**263,785,659**	**3,175,819**	**(911,542)**	**(101,296,301)**	**(34,945,960)**	**(2,412,797)**	**127,394,878**
Loss after income tax	-	-	-	(13,760,170)	-	(1,823,625)	(15,583,795)
Other comprehensive loss	-	-	(4,986,198)	-	-	(963,117)	(5,949,315)
Total comprehensive loss for the financial year	**-**	**-**	**(4,986,198)**	**(13,760,170)**	**-**	**(2,786,742)**	**(21,533,110)**
Transactions with equity holders in their capacity as equity holders							
Ordinary shares issued – capital raising	132,266,000	-	-	-	-	-	132,266,000
Ordinary shares issued - A-Cap staff	124,043	(124,043)	-	-	-	-	-
Reclassification of historical allocation of NCI and accumulated losses	-	-	-	(3,411,517)	-	3,411,517	-
Share issue costs	(7,214,606)	-	-	-	-	-	(7,214,606)
Share-based payments	-	4,615,000	-	-	-	-	4,615,000
Shares issued on exercise of options	2,437,700	(2,437,700)	-	-	-	-	-
Lapse/expiry of unexercised options	-	(133,130)	-	133,130	-	-	-
Balance at 30 June 2025	**391,398,796**	**5,095,946**	**(5,897,740)**	**(118,334,858)**	**(34,945,960)**	**(1,788,022)**	**235,528,162**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities			
Other income received		67,102	-
Interest received		2,742,206	3,348,086
Payments to suppliers and employees - inclusive of GST		(116,982,738)	(7,017,426)
Payments for care and maintenance and exploration costs		-	(5,976,328)
Payments for pre-production costs		-	(551,870)
Finance costs paid		(588,329)	-
Income tax paid		(142,277)	(119,347)
Net cash used in operating activities	30	**(114,904,036)**	**(10,316,885)**
Cash flows from investing activities			
Payments for exploration costs		(2,339,932)	(5,574,768)
Purchases of plant and equipment		(66,550,369)	(57,821,749)
Purchase of short-term investment		-	(21,841,538)
Proceeds of matured short-term investment		21,841,538	-
Net cash used in investing activities		**(47,048,763)**	**(85,238,055)**
Cash flows from financing activities			
Proceeds from issue of shares		144,477,687	132,266,000
Proceeds from loan facility		10,857,076	-
Principal payment of loan facility		(448,243)	-
Share issue transaction costs		(8,658,953)	(7,214,606)
Payment of lease liabilities		(137,048)	(45,292)
Net cash from financing activities		**146,090,519**	**125,006,102**
Net (decrease)/increase in cash and cash equivalents		**(15,862,280)**	**29,451,162**
Cash and cash equivalents at the beginning of the financial year		**54,092,246**	**34,125,776**
Effect of exchange rate changes on cash and cash equivalents		(8,044,299)	(9,484,692)
Cash and cash equivalents at the end of the financial year	6	**30,185,667**	**54,092,246**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Statement of Material Accounting Policy Information

This financial report includes the consolidated financial statements and notes of Lotus Resources Limited and controlled entities (consolidated entity or the Group). The separate financial statements and notes of Lotus Resources Limited as an individual parent entity (Company or Lotus Resources) have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in note 34.

The financial report was authorised for issue on 25 September 2026 by the Directors of the Company.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of any changes to accounting standards and interpretations did not have any significant impact on the financial performance or position of the Company.

- *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements – effective date 1 July 2025*
    - Amends AASB 136 Impairment of Assets and AASB 137 Provisions, Contingent Liabilities and Contingent Assets to provide additional illustrative examples on how entities apply the requirements of those Standards in the presence of uncertainty.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2026. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

- *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and measurement of Financial Instruments – effective date 1 January 2026*
    - Provides clarification of the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment systems. The amendment also provides an exception if certain criteria are met, for the timing of derecognition of certain financial liabilities settled using an electronic payment system;
    - Provides clarification of the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics; and
    - Requires additional disclosure requirements with regard to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent features.
- *AASB 18 Presentation and Disclosure in Financial Statements – effective date 1 January 2027*
    - Aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.
- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between Investor and its Associate or Joint Venture – effective date 1 January 2028*
    - Amendments require the full gain or loss to be recognised when assets transferred meet the definition of a 'business' under AASB 3 Business Combinations (whether housed in a subsidiary or not).

1. Statement of Material Accounting Policy Information (continued)

Basis of Preparation

The consolidated financial statements are a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.*

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. The principal accounting policies adopted in the preparation of the financial report are set out either in the respective notes or below. They have been consistently applied unless otherwise stated.

The financial report covers Lotus Resources and its subsidiaries and has been prepared in Australian dollars. Lotus Resources is a listed public company, incorporated and domiciled in Australia.

Historical cost convention

The financial report has been prepared under the historical cost convention, except as otherwise disclosed below or on the respective notes.

Critical accounting estimates

The preparation of the financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 22.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group reported a loss after tax of $100.1 million and cash outflows from operating activities of $114.9 million and investing activities of $47.0 million, respectively, offset by cash inflows from financial activities of $146.1 million.

The Directors have prepared cash flow forecasts covering at least twelve months from the date of approval of this financial report. The forecasts incorporate assumptions regarding the timing and level of uranium production and sales, uranium prices, operating costs, capital expenditure, working capital requirements and the timing and availability of funding arrangements.

The Group has undertaken a number of financing initiatives to support its liquidity position and the continued ramp-up of Kayelekera. These include the A$60.1 million equity entitlement offer, the A$35 million convertible note facility and the proposed US$30 million inventory-backed prepayment facility. The Directors have considered the extent to which these funding arrangements, together with available cash resources and forecast operating cash flows, provide sufficient liquidity to meet the Group's obligations during the going concern assessment period.

The Directors have also considered a range of reasonably possible downside scenarios which may give rise to material uncertainties, including delays in achieving steady-state production, lower than forecast uranium production or sales, adverse movements in uranium prices, higher operating and capital costs, further interruptions to processing operations, delays in the availability or utilisation of funding facilities and delays in the receipt of forecast uranium sales proceeds. The Directors also recognize the current material uncertainties specifically related to finalizing export permitting and timing of shipments, as well as execution of the Mercuria inventory prepayment facility documentation.

1. Statement of Material Accounting Policy Information (continued)

Going Concern (continued)

Under the Group's base case forecast, the Directors consider that the Group will have sufficient liquidity to meet its obligations as they fall due throughout the going concern assessment period. The Directors have identified a number of alternative funding options available should additional capital be required beyond that currently committed. These include, but are not limited to: further equity raisings, sale of current inventory not on specification for acceptance by Orano CE, negotiation of prepayment arrangements with new customers and scaling back and/or rephasing of capital expenditure to preserve liquidity. The Directors are of the view that, based on the Group's track record of accessing capital and given ongoing commercial discussions, one or more of these initiatives is reasonably capable of being executed although there is no certainty that any such initiatives would be able to be completed on acceptable terms to all.

Notwithstanding the above, the Group's ability to continue as a going concern remains dependent upon the successful execution of its operational and funding plans. In particular, the Group is dependent upon Kayelekera achieving the forecast level of production and cash generation, maintaining reliable processing operations, managing expenditure within forecast levels and maintaining access to the funding required to meet its obligations.

The Directors have discretion regarding the level and timing of expenditure to be incurred against forecast expenditure. Steps can be taken to contain operating and investment activities, ensuring the Group's ability to manage the timing of cash flows to meet committed obligations of the business as when they fall due.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Lotus Resources as at 30 June 2026 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when they are exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Inventories

Work in progress inventories are measured at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct materials, direct labour, depreciation and an appropriate portion of fixed and variable production overhead expenditure, the latter being allocated on the basis of normal operating capacity.

1. Statement of Material Accounting Policy Information (continued)

Inventories (continued)

Consumables are valued at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of weighted average costs. Any allowance for obsolescence is determined. Any inventories which are not expected to be processed or sold in the 12 months after the financial period, are classified as non-current inventory.

Mine Properties

Mine properties represent the costs incurred in preparing mines for production and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are depreciated and amortised using the units-of-production method based on the estimated ore mined included in the life of mine plan to which they relate or are written off if the mine property is abandoned. Any proceeds from sales in the pre-production phase are recognised in the statement of comprehensive income.

Capitalised mine properties costs include expenditures incurred to develop new ore bodies, to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mine properties also include costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mine properties is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is either expected to be settled in the consolidated entity's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Foreign currency

Functional and presentation currency

Both the functional and presentation currency of Lotus Resources Limited and its subsidiaries are Australian Dollars ($), with the exception of Lotus (Africa) Limited (LAL) and Lotus Marula Botswana Proprietary Limited (formerly A-Cap Resources Botswana (Pty) Ltd) (LMB) whose functional currency for both Companies is United States Dollars (US$). The consolidated financial statements are presented in Australian Dollars (AUD), which is the Group's presentation currency.

1. Statement of Material Accounting Policy Information (continued)

Foreign currency (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its' carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

The consolidated entity's financial assets during the financial year comprised other receivables and a security deposit.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

1. Statement of Material Accounting Policy Information (continued)

Investments and other financial assets (continued)

Impairment of financial assets (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Derecognition of financial assets

The consolidated entity derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or

- the consolidated entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Goods and Services Tax (and other similar taxes)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the tax authority. In these circumstances GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the tax authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Asset acquisition

If an entity acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of AASB 3 *Business Combinations* because it cannot meet the definition of a business combination. Such transaction is accounted for as an asset acquisition in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition and does not give rise to a goodwill. Transaction costs are capitalised into the carrying value of individual assets, rather than being expensed as is the case for business combinations.

1. Statement of Material Accounting Policy Information (continued)

Asset acquisition (continued)

In addition, the acquisition of non-financial assets that does not constitute a business in exchange for equity instruments is in scope of AASB 2 *Share-based Payment*, where the entity shall measure the goods or services received, and the corresponding increase in equity, directly at the fair value of the goods or services received, unless the fair value cannot be estimated reliably.

If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their fair value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

2. Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the consolidated entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers, being the Board of Directors.

During the financial year ended 30 June 2026, the Consolidated entity operated in three business segments and two geographical locations, being the exploration, evaluation and development of Uranium assets in Africa (comprising the geographical locations Malawi and Botswana), evaluation and development in Australia, and Corporate activities in Australia.

2. Segment Reporting (continued)

Consolidated - 2026	Uranium Malawi $	Uranium Botswana $	Nickel-Cobalt Australia $	Corporate Australia $	Total $
Revenue	-	-	-	-	-
Interest and other income	390,141	272	-	2,418,895	2,809,308
Forex exchange gains/(losses)	7,206,186	(70,749)	-	(856,499)	6,278,938
Total segment revenue	**7,596,327**	**(70,477)**	**-**	**1,562,396**	**9,088,246**
Expenditure					
Depreciation and amortisation	(2,999,715)	-	-	(141,274)	(3,140,989)
Mining costs	(12,119,181)	-	-	-	(12,119,181)
Processing costs	(35,015,031)	-	-	-	(35,015,031)
General and administrative costs	(37,133,299)	-	-	-	(37,133,299)
Other operating costs	(4,615,977)	-	-	-	(4,615,977)
Employee salaries and superannuation	-	-	-	(4,069,375)	(4,069,375)
Directors' fees and superannuation	-	-	-	(1,055,293)	(1,055,293)
Corporate and administrative costs	(31,615)	-	-	(3,423,129)	(3,454,744)
Share-based payments	-	-	-	(1,125,472)	(1,125,472)
Interest expense	(1,446,186)	(8,286)	-	(24,113)	(1,478,585)
Finance costs	(792,677)	(1,698)	-	(37,174)	(831,549)
Loss before income tax expense	(86,557,354)	(80,461)	-	(8,313,434)	(94,951,249)
Income tax expense	(142,277)	(2,668,417)	-	(2,371,918)	(5,182,612)
Loss after income tax expense	**(86,699,631)**	**(2,748,878)**	**-**	**(10,685,352)**	**(100,133,861)**
Segment Assets					
Segment operating assets	221,496,204	84,514,538	-	30,249,067	336,259,809
Total segment assets	**221,496,204**	**84,514,538**	**-**	**30,249,067**	**336,259,809**
Segment Liabilities					
Segment operating liabilities	(72,131,877)	(2,790,934)	-	(3,509,358)	(78,432,169)
Total segment liabilities	**(72,131,877)**	**(2,790,934)**	**-**	**(3,509,358)**	**(78,432,169)**
Segment net assets	**149,364,327**	**81,723,604**	**-**	**26,739,709**	**257,827,640**

2. Segment Reporting (continued)

Consolidated - 2025	Uranium Malawi $	Uranium Botswana $	Nickel-Cobalt Australia $	Corporate Australia $	Total $
Revenue	-	-	-	-	-
Interest and other income	600,493	4,770	-	2,769,899	3,375,162
Foreign exchanges gains/(losses)	(965,237)	(6,316)	-	1,168,112	196,559
Total segment revenue	**(364,744)**	**(1,546)**	**-**	**3,938,011**	**3,571,721**
Expenditure					
Depreciation and amortisation	(566,160)	-	-	(11,308)	(577,468)
Mining costs	(5,121,546)	-	-	-	(5,121,546)
Processing costs	(1,209,274)	-	-	-	(1,209,274)
General and administrative costs	(720,754)	-	-	-	(720,754)
Employee salaries and superannuation	-	-	-	(2,217,334)	(2,217,334)
Directors' fees and superannuation	-	-	-	(774,197)	(774,197)
Corporate and administrative costs	-	-	(39,801)	(3,760,795)	(3,800,596)
Share- based payments	-	-	-	(4,615,000)	(4,615,000)
Loss before income tax expense	(7,982,478)	(1,546)	(39,801)	(7,440,623)	(15,464,448)
Income tax expense	(119,347)	-	-	-	(119,347)
Loss after income tax expense	**(8,101,825)**	**(1,546)**	**(39,801)**	**(7,440,623)**	**(15,583,795)**
Segment Assets					
Segment operating assets	121,842,074	80,283,030	4,139,845	73,170,076	279,435,025
Total segment assets	**121,842,074**	**80,283,030**	**4,139,845**	**73,170,076**	**279,435,025**
Segment Liabilities					
Segment operating liabilities	(42,796,762)	(234,471)	-	(875,630)	(43,906,863)
Total segment liabilities	**(42,796,762)**	**(234,471)**	**-**	**(875,630)**	**(43,906,863)**
Segment net assets	**79,045,312**	**80,048,559**	**4,139,845**	**72,294,446**	**235,528,162**

3. Income

	Consolidated 2026 $	Consolidated 2025 $
Interest income	2,742,206	3,375,162
Foreign currency gain	6,278,938	196,559
Other income	67,102	-
	9,088,246	3,571,721

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Foreign currency gain or loss on financial assets and financial liabilities

Finance costs attributable to qualifying assets are capitalised as part of the asset (e.g. interest on borrowings). All other finance gains or losses are realised when earned or expensed in the period in which they are incurred, respectively. These are mainly foreign currency gains or losses on financial assets and financial liabilities.

4. Expenses

	Consolidated 2026 $	Consolidated 2025 $
(a) Operating Costs		
Mining costs	(12,119,181)	(5,121,543)
Processing costs	(35,015,031)	(1,209,274)
General and administration costs	(37,133,299)	(720,757)
Take-or-pay settlement (*)	(4,615,977)	-
Depreciation	(2,288,747)	(477,008)
Mine amortisation	(852,242)	-
	(92,024,477)	(7,528,582)

Note (*): During the year, the Group recognised expenses and payables in relation to the settlement of certain take-or-pay obligations arising under its uranium offtake arrangements in respect of 300,000 lbs of undelivered U3O8 product. A further 100,000 lbs of deliverable U3O8 offtake product remain uncertain at reporting date and has been disclosed at note 32 Contingent Liabilities.

(b) Corporate and Administration Costs		
Employee salaries and superannuation	(4,069,375)	(2,217,334)
Director fees and superannuation	(1,055,293)	(774,197)
Corporate and administration costs	(3,454,744)	(3,800,596)
	(8,579,412)	(6,792,127)

(c) Impairment Charges

In accordance with AASB 136 Impairment of Assets and internal policies, the Group is required to assess at each reporting date whether there is any indication that its assets may be impaired. In considering impairment, assets are grouped together based on their capability of producing independent cash inflows and are referred to as Cash Generating Unit (CGU).

Management has identified that the Group has two CGUs of which one CGU being the Kayelekera Uranium Project, which comprises the majority of the plant and equipment expenditure for the Group at 30 June 2026.

As at 30 June 2026, the net assets of the Group exceeded its market capitalisation which gave rise to indicator of potential impairment in relation to the Kayelekera Project CGU. In assessing impairment, the Group is required to estimate the recoverable amount as the higher of value in use (VIU), being the net present value of expected future cashflows of the CGU in its current condition, and the fair value less cost of disposal (FVLCD). The following summarises the outcome from the impairment testing conducted on the Kayelekera CGU as of 30 June 2026.

Group CGU	Indicator for Impairment		Valuation Method of Recoverable Amount		Impairment Charge $	
	2026	2025	2026	2025	2026	2025
Kayelekera Project[1]	N	Y	VIU	VIU	-	(64,387)
Wilconi Nickel-Cobalt Project[2]	-	Y	-	VIU	-	(36,073)
					-	(100,460)

1. The recoverable amount of the Kayelekera Project CGU was determined using a value in use model with key assumptions comprising:

- Life of mine – 6 years
- Real, post-tax discount rate – 12.7%
- Spot price for uncommitted sales at $81.20 to $92.70.

2. Not considered a CGU in 2026. Refer to note 10.

5. Taxation

	Consolidated 2026 $	Consolidated 2025 $
The prima facie tax on loss before income tax is reconciled to the income tax expense as follows:		
Withholding tax expense on interest payments	142,277	119,347
Current tax	2,371,918	-
Deferred tax – origination and reversal of temporary differences	2,668,417	-
	5,182,612	119,347
Deferred tax included in income tax expense comprises:		
Increase in deferred tax liabilities (note 18)	2,668,417	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax	(94,951,249)	(15,464,448)
Tax at the statutory tax rate of 30%	(28,485,375)	(4,639,334)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	337,642	1,384,500
Attributed foreign income	205,412	180,452
Non-deductible expenditure	27,388	361,373
Thin capitalisation adjustment (foreign)	5,715,534	-
Non-assessable income	(138,409)	-
Differences in corporate tax rates	525,285	503,567
Unrecognised movement in temporary differences	26,047,592	2,209,442
Utilisation of previously unrecognised deferred tax asset on losses	(1,863,151)	-
Recognition of previously unrecognised deferred tax liability	2,668,417	-
Withholding tax expense on interest payments	142,277	-
Income tax expense	5,182,612	-

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

5. Taxation (continued)

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Lotus Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

6. Cash and Cash Equivalents

	Consolidated 2026 $	Consolidated 2025 $
Cash at bank and on hand	30,185,667	17,657,561
Term deposits	-	36,434,685
	30,185,667	54,092,246

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

During the year, the Group's term deposits have original maturity dates ranging from one to six months (2025: up to three months). Term deposits with original maturities exceeding three months are not classified as cash and cash equivalents and are instead presented as short-term investments under "Other current assets" in the balance sheet.

7. Other Current Assets

	Consolidated 2026 $	Consolidated 2025 $
Current		
Short-term investments	-	21,841,538
GST receivables	2,234,836	348,243
Security deposits	80,781	154,820
Other receivables	158,155	404,458
	2,473,772	22,749,059
Noncurrent		
Prepayments	16,260,166	15,984,092

Short-term investments

Short-term investments consist of term deposits with banks that have original maturities exceeding three months but not more than twelve months. While these investments are highly liquid and carry low credit risk, they do not meet the definition of cash and cash equivalents under AASB 107 *Statement of Cash Flows* due to their original maturity being greater than three months from the date of acquisition.

During the year, the term deposits have original maturities ranging from 4 to 6 months. These deposits earn interest at rates between 3.22% and 4.55% and are placed with counterparties having a minimum credit rating of A-1+ (High grade).

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses. The Group's exposure to credit risk related to other receivables is disclosed in note 23.

Prepayments

These advance payments relate to project-related costs in Kayelekera, including prepayments for materials, equipment, and services under contractual arrangements with third-party suppliers. The projects primarily involve cost related plant refurbishment and acquisition of mobile equipment.

The advances are made in accordance with contractual milestones and are expected to be utilized within the next 12 months, in line with the delivery of goods or rendering of services. Upon receipt of the goods or completion of services, the prepayments will be reclassified to the appropriate asset or expense categories, such as capital work-in-progress or property plant and equipment.

Allowance for expected credit losses

The Group did not recognise any losses (2025: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

8. Inventories

	Consolidated 2026 $	Consolidated 2025 $
Finished goods – net realisable value	27,163,234	-
Ore stockpiles – net realisable value	1,783,952	-
Spare parts, supplies and consumables – at cost	17,577,067	4,841,074
	46,524,253	4,841,074

Finished goods comprise uranium that has been drummed and is stored at the Kayelekera Project site at the reporting date, ready for transportation to a converter and is recognised at the lower of cost and net realisable value.

Ore stockpiles comprise run-of-mine (ROM) stockpiles at the Kayelekera Project and is recognised at the lower of cost and net realisable value.

Spare parts, supplies and consumables are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average cost method. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition.

9. Plant and Equipment

	Furniture and Fixtures $	IT Equipment $	Mine Plant and Equipment $	Motor Vehicles $	WIP Assets $	Total $
At 30 June 2026 (Consolidated)						
Cost	8,678,140	546,327	561,550,739	9,672,652	58,404,638	638,852,496
Accumulated depreciation and impairment	(7,865,157)	(192,764)	(514,244,247)	(5,058,577)	-	(527,360,745)
Net carrying amount	**812,983**	**353,563**	**47,306,492**	**4,614,075**	**58,404,638**	**111,491,751**
Year ended 30 June 2026 (Consolidated)						
At 1 July 2025, net of accumulated depreciation	790,832	-	33,940,582	3,296,663	3,924,442	41,952,519
Additions	17,623	546,327	15,304,808	1,535,047	54,480,196	71,884,001
Depreciation charge for the financial year	(4,337)	(190,543)	(1,752,116)	(215,339)	-	(2,162,335)
Depreciation capitalised to exploration and evaluation assets	-	(2,221)	(82,678)	(2,296)	-	(87,195)
Impairment charge for the financial year	-	-	-	-	-	-
Foreign exchange movements	8,865	-	(104,104)	-	-	(95,239)
At 30 June 2026, net of accumulated depreciation	**812,983**	**353,563**	**47,306,492**	**4,614,075**	**58,404,638**	**111,491,751**
At 30 June 2025 (Consolidated)						
Cost	8,660,517	-	546,245,931	8,137,605	3,924,442	566,968,495
Accumulated depreciation and impairment	(7,869,685)	-	(512,305,349)	(4,840,942)	-	(525,015,976)
Net carrying amount	**790,832**	**-**	**33,940,582**	**3,296,663**	**3,924,442**	**41,952,519**
Year ended 30 June 2025 (Consolidated)						
At 1 July 2024, net of accumulated depreciation	24,372	-	44,151	95,957	-	164,480
Additions	880,202	-	34,040,482	3,508,990	3,924,442	42,354,116
Depreciation charge for the financial year	(49,271)	-	(148,218)	(279,519)	-	(477,008)
Depreciation capitalised to exploration and evaluation assets	(84)	-	(42,185)	(28,765)	-	(71,034)
Impairment charge for the financial year	(64,387)	-	-	-	-	(64,387)
Foreign exchange movements	-	-	46,352	-	-	46,352
At 30 June 2025, net of accumulated depreciation	**790,832**	**-**	**33,940,582**	**3,296,663**	**3,924,442**	**41,952,519**

9. Plant and Equipment (continued)

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Items of plant and equipment are depreciated using the straight-line method over their estimated useful lives of each part of an item of plant and equipment. The useful lives for each class of asset for the current period are as follows:

- Motor vehicles 5 years
- Furniture and fixtures 3-5 years
- Mine plant and equipment 9 years

Depreciation method, useful lives and residual values are reassessed at the reporting date.

Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of value-in-use (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs of disposal'.

In determining value-in-use, future cash flow forecasts for each cash generating unit (i.e. each mine) are prepared utilising management's latest estimates of mine life, mineral resource and ore reserve recovery, operating and development costs, royalties and taxation, and other relevant cash inflows and outflows. Cash flow scenarios for a range of commodity prices and foreign exchange rates are assessed using internal and external market forecasts, and the present value of the forecast cash flows is determined utilising a discount rate based on industry weighted average cost of capital.

The Group's cash flows are most sensitive to movements in uranium prices, the discount rate and key operating costs. Variations to the expected future cash flows, and the timing thereof, could result in material changes to any impairment assessment or losses recognised, if any, which could in turn impact future financial results.

Derecognition

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

10. Exploration and Evaluation Assets

	Consolidated 2026 $	Consolidated 2025 $
Exploration and evaluation expenditure carried forward in respect of areas of interest (net of amounts written off)	84,079,070	124,039,288
Reconciliation		
Carrying amount – 1 July	124,039,288	118,178,228
Exploration and evaluation expenditures	2,339,932	3,655,442
Provision for impairment	-	(36,073)
Change in estimates provision for rehabilitation and closure costs (note 16)	-	(42,784)
Reclassification to mine development assets	(40,396,707)	-
Movement in exchange rates	(1,903,443)	2,284,475
Carrying amount – 30 June	84,079,070	124,039,288

Exploration and evaluation assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full and charged to profit or loss in the financial year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

11. Mine Properties

	Consolidated 2026 $	Consolidated 2025 $
Transfer from exploration and evaluation assets	30,442,390	-
Reconciliation		
Carrying amount – 1 July	-	-
Reclassification from exploration and evaluation expenditure	40,396,707	-
Accumulated amortisation	(852,242)	-
Change in estimates provision for rehabilitation and closure costs (note 16)	(9,089,937)	-
Movement in exchange rates	(12,138)	
Carrying amount – 30 June	30,442,390	-

During the year, the Group achieved technical feasibility and commercial viability of the Kayelekera Project in Malawi, as evidenced by the completion of feasibility studies and receipt of all required regulatory approvals. These milestones mark the point at which the recognition criteria under AASB 6 *Exploration for and Evaluation of Mineral Resources* ceased to apply. Accordingly, the related Exploration and Evaluation (E&E) assets were reclassified to Mine Properties.

Method and assumptions utilised for the impairment assessment on reclassification are materially consistent with those disclosed in Note 4(c), other than a real, post-tax discount rate of 8%.

12. Other Financial Assets

	Consolidated 2026 $	Consolidated 2025 $
Security deposit	14,463,136	15,310,489

Security Deposit

Security deposit consists of a collateral deposit provided by subsidiary Lotus (Africa) Limited to support a bond issued for rehabilitation obligations of the Kayelekera Uranium Project in Malawi in the amount of US$10,000,000 (2025: US$10,000,000).

The security for environmental protection, rehabilitation and closure costs has been provided in the form required by the relevant Malawian authorities. The bond was transferred to the Group as part of the Kayelekera Uranium Project acquisition in 2020.

13. Trade and Other Payables

	Consolidated 2026 $	Consolidated 2025 $
Trade payables	22,085,070	704,278
Other payables and accruals	10,794,326	3,526,711
	32,879,396	4,230,989

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

The Group's exposure to liquidity risk related to trade and other payables are disclosed in note 23.

14. Provisions – Current

	Consolidated 2026 $	Consolidated 2025 $
Annual leave provision	554,501	242,965

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

14. Provisions – Current (continued)

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave (refer to note 14 and note 16) not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

Termination benefits are expensed at the earlier of when the consolidated entity can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Defined contribution superannuation

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as part of corporate and administrative expenses in profit or loss in the year during which related services are rendered by employees.

15. Lease Liabilities

Group as a Lessee

The Group has entered into lease agreements for office properties located in Perth and Botswana. The lease term for the Perth office is five (5) years, while the Botswana office lease has a term of three (3) years. Both leases include options to renew upon expiry.

Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period:

	Consolidated 2026 $	Consolidated 2025 $
Right-of-use Assets		
At the beginning of the year	466,258	-
Additions	5,859	492,928
Depreciation charge for the year	(126,412)	(26,670)
Foreign exchange movements	(6,101)	-
Closing balance - 30 June	339,604	466,258

	Consolidated 2026 $	Consolidated 2025 $
Lease liabilities		
At the beginning of the year	455,457	-
Additions	5,859	492,928
Accretion of interest	26,298	7,821
Payments	(137,048)	(45,292)
Closing balance – 30 June	350,566	455,457
Current	130,040	103,457
Non-current	220,526	352,000
Total	350,566	455,457

16. Provisions - Non-Current

	Consolidated 2026 $	Consolidated 2025 $
Rehabilitation and closure provision	29,055,686	38,915,305
Long-service leave	74,943	62,147
	29,130,629	38,977,452
Reconciliation – Rehabilitation and closure provision		
Opening balance – 1 July	38,915,305	38,167,789
Decrease in provision for closure cost	(9,089,937)	(42,784)
Accretion of interest	1,446,186	-
Foreign currency movements	(2,215,868)	790,300
Closing balance – 30 June	29,055,686	38,915,305

Rehabilitation and closure provision

The Group has obligations to dismantle and remove certain items of property, plant and equipment and to restore and rehabilitate the land on which they sit. Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision is raised for the estimated cost of settling the rehabilitation and restoration obligations existing at reporting date, discounted to present value using an appropriate pre-tax discount rate. Where the obligation is related to an item of property, plant and equipment, its cost includes the present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located. Costs that relate to obligations arising from waste created by the production process are recognised as production costs in the period in which they arise.

The provisions are reassessed at least annually. A change in any of the assumptions used to determine the provisions could have a material impact on the carrying value of the provision.

As part of the planning for the intended restart of operations at the Kayelekera mine a closure cost estimate was prepared in the previous financial year. The cost estimate was prepared by independent technical experts using the base case mine design and mine plan detailed in the DFS, and management's estimate of the likely timing of the expenditures. Similarly with the previous financial year, the cost estimate was inflated using long-term inflation rates applicable to the expected currency denomination that the outflows are expected to be influenced by. The future value was then discounted to present value using the long-term risk-free rate that best matched the currency and timing of the expected outflows.

The resulting adjustment to the provision was adjusted against mine properties.

The Company also has in place a cash-backed environmental performance bond of $14,463,136 (2025: $15,310,489) or US$10,000,000 as outlined in note 12. The bond is restricted cash to cover closure and rehabilitation costs of the project. The bond is the minimum amount required to be maintained in accordance with the terms of the Mine Development Agreement for the Kayelekera Uranium Project and relevant local regulations.

17. Borrowings

	Consolidated 2026 $	Consolidated 2025 $
Current portion	2,136,029	-
Noncurrent portion	8,340,713	-
Loan Facility	10,476,742	-

During the year, the Group entered into a facility agreement with First Capital Bank Plc, for a total borrowing facility of US$8.5 million to finance the acquisition of various mining assets and equipment. During the year a total of US$7,498,601 (A$10,857,076 equivalent) of the facility was drawn down which includes US$7,393,093 in loan principal and US$105,508 in interest. Interest is paid monthly in arrears at a rate linked to SOFR plus margin. As at the reporting date, the remaining undrawn facility available for borrowing amounted to US$1,106,907.

Loan covenants

The loan facility is subject to certain covenants. The loan facility will be repayable immediately if the covenants are breached. The Consolidated entity is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

18. Deferred Tax Liability

	Consolidated 2026 $	Consolidated 2025 $
Deferred tax liability comprises temporary differences attributable to:		
Right-of-use assets	18,268	-
Exploration expenditure	7,033,525	-
Others	6,430	-
	7,058,223	-
Deferred tax asset comprises temporary differences attributable to:		
Lease liability	(13,792)	-
Unrealised FX differences	(20,339)	-
Foreign tax losses	(4,355,675)	-
	(4,389,806)	-
Net deferred tax liability	**2,668,417**	**-**
Movements:		
Opening balance	-	-
Charge to profit or loss (note 5)	2,668,417	-
Closing balance	**2,668,417**	**-**

Unused tax losses for which no deferred tax asset has been recognised amounted to $195,733,709.

19. Contributed Equity

	Consolidated 2026 $	Consolidated 2025 $
Fully paid ordinary shares	528,446,867	391,398,796

	2026 Number of Shares	2025 Number of Shares	2026 $	2025 $
Movements during the year:				
Opening balance – 1 July[2]	206,074,522	159,236,183	391,398,796	263,785,659
Issue of shares – capital raising	66,712,830	46,005,565	144,477,687	132,266,000
Shares issued to employees upon exercise of options	430,971	780,157	1,229,337	2,437,700
Shares issued for staff bonus (ex A-Cap Energy Staff)	-	52,617	-	124,043
Share issue costs	-	-	(8,658,953)	(7,214,606)
Closing balance – 30 June	273,218,323	206,074,522	528,446,867	391,398,796

Ordinary shares

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Company in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary securities present at a shareholder meeting in person or by proxy is, entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

2. On 22 January 2026, a consolidation of capital was completed on a 11.5 to 1 basis. Comparatives have been restated for this purpose.

20. Reserves and Non-Controlling Interest

	Consolidated 2026 $	Consolidated 2025 $
Share-based payment reserve	4,453,655	5,095,946
Capital reserve	(34,945,960)	(34,945,960)
Foreign currency reserve	(19,929,500)	(5,897,740)
	(50,421,805)	(35,747,754)
Movement in reserves:		
Share based payment reserve		
Opening balance – 1 July	5,095,946	3,175,819
Share-based payment expense	1,125,472	4,490,957
Transferred to share capital from exercise of options	(1,229,337)	(2,437,700)
Transferred to accumulated losses upon expiry of options	(538,426)	(133,130)
Closing balance – 30 June	4,453,655	5,095,946
Capital reserve		
Opening and closing balance	(34,945,960)	(34,945,960)
Foreign exchange reserve		
Opening balance – 1 July	(5,897,740)	(911,542)
Foreign exchange differences on translation of foreign operations	(14,031,760)	(4,986,198)
Closing balance – 30 June	(19,929,500)	(5,897,740)
Non-controlling interest		
Opening balance – 1 July	(1,788,022)	(2,412,797)
Loss after income tax and other comprehensive loss	(17,094,700)	(2,786,742)
Reclassification of historical allocation of NCI and accumulated losses	-	3,411,517
Closing balance – 30 June	(18,882,722)	(1,788,022)

	Post Consolidation 2026 Number	Post Consolidation 2025 Number	Pre Consolidation 2025 Number
Movement in securities:			
Opening balance – 1 July[3]	3,032,790	2,705,091	31,107,999
Granted	2,163,058	1,600,839	18,409,647
Exercised	(430,971)	(780,157)	(8,971,810)
Cancelled/forfeited	(1,542,027)	(492,983)	(5,669,303)
Closing balance – 30 June	3,222,850	3,032,790	34,876,533

Weighted average exercise price of outstanding securities (Cents)	6.48	6.88
Weighted average remaining life of outstanding securities (Years)	1.59	2.27

3. On 22 January 2026, a consolidation of capital was completed on a 11.5 to 1 basis. Comparatives have been restated for this purpose

20. Reserves and Non-Controlling Interest (continued)

Share-based payments reserve

This reserve is used to record the value of equity-settled share-based payments provided to employees and directors as part of their remuneration.

Capital reserve

This reserve is used to record the value of equity instruments issued to a non-controlling interest as part of the acquisition of an additional 20% interest in the Kayelekera Uranium Mine on 30 July 2021.

Securities cancelled and forfeited

1,542,027 securities were cancelled or forfeited during the year (2025: 492,983).

Foreign currency translation reserve

The foreign currency translation reserve records exchange rate differences on translating foreign operations.

21. Accumulated Losses

	Consolidated 2026 $	Consolidated 2025 $
Balance - 1 July	(118,334,858)	(101,296,301)
Loss for the financial year	(83,518,268)	(13,760,170)
Reclassification of historical allocation of NCI and accumulated losses	-	(3,411,517)
Transfer from share-based payments reserve – cancellation of securities	538,426	133,130
Closing balance – 30 June	(201,314,700)	(118,334,858)

22. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial report. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors it believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payments transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

22. Critical Accounting Judgements, Estimates and Assumptions

Impairment of non-financial assets

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations could affect the carrying amount of this provision.

Inventories

The determination of cost and net realisable value of inventories requires a degree of estimation and judgement. Costs incurred in or benefits of the productive process are accumulated as stockpiles, uranium and other metals in process, ore on leach pads and product inventory. Net realisable value tests are performed and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number contained metal ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

Although the quantity of recoverable metal is reconciled by comparing the grades of the ore to the quantities of metals actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

23. Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. There has been no change from the prior year in relation to all of the exposures.

The Group's risk management framework is supported by the Board and management. The Board is responsible for approving and reviewing the Group's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Board is responsible for identifying, monitoring and managing significant business risks faced by the Group and considering the effectiveness of its internal control system.

The Board has established an overall Risk Management Policy which sets out the Group's system of risk oversight, management of material business risks and internal control.

Financial risk management objectives

The overall financial risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents. For the Company, it arises from receivables due from subsidiaries.

The Group does not hold any credit derivatives to offset its credit exposure.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	Consolidated 2026 $	**Consolidated 2025 $**
Cash and cash equivalents	30,185,667	54,092,246
Other assets (excluding prepayments, GST receivables)	-	21,841,538
Other financial current assets (security deposits)	14,463,136	15,310,489
	44,648,803	91,244,273

23. Financial Risk Management (continued)

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments. Cash flows for assets and liabilities without fixed amount or timing are based on conditions existing at year end.

	Carrying amount	Contractual cash flows	1 year	2-5 years	>5 years
Consolidated - 2026					
Financial Liabilities					
Trade and other payables	(32,879,396)	(32,879,396)	(32,879,396)	-	-
Borrowings	(10,476,742)	(12,536,207)	(2,950,541)	(9,585,666)	-
Lease Liability	(350,566)	(491,046)	(157,196)	(333,850)	-
	(43,706,704)	(45,906,649)	(35,987,133)	(9,919,516)	-
Consolidated – 2025					
Financial Liabilities					
Trade and other payables	(4,230,989)	(4,230,989)	(4,230,989)	-	-
	(4,230,989)	(4,230,989)	(4,230,989)	-	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from costs incurred in currencies other than the functional currency of the Company and the Group entities.

The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures to the United States dollar, Malawi Kwacha and Botswana Pula.

23. Financial Risk Management (continued)

Interest rate risk

The Group's exposure to interest rates primarily relates to the Group's cash and cash equivalents and held to maturity investments. The Group manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying Amount	
	Consolidated 2026 $	Consolidated 2025 $
Variable rate instruments		
Financial assets	29,034,852	13,698,520

The Group's variable rate instruments comprise the cash and cash equivalents and security deposit.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The Board assessed a 100-basis point movement as being reasonably possible based on short-term historical movements. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2025.

	+100 basis points		-100 basis points	
	Profit $	Equity $	Profit $	Equity $
Consolidated 2026				
Financial instruments with variable interest rate				
Financial assets	290,349	290,349	(290,349)	(290,349)
Consolidated 2025				
Financial instruments with variable interest rate				
Financial assets	136,985	136,985	(136,985)	(136,985)

The weighted average effective interest rate on variable rate instruments was 5.58% (2025: 5.09%).

23. Financial Risk Management (continued)

Fair value measurements

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

24. Capital Risk Management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, pay dividends to shareholders, issue new shares or sell assets.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

25. Share-Based Payments

Share-based payment accounting policy

Equity-settled and cash-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

25. Share-Based Payments (continued)

Share-based payment accounting policy (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

An award with a service-related condition requires the counterparty to complete a specified period of services. The fair value at grant date is trued up for failure to satisfy the condition. The service condition is considered not met if the counterparty receiving an award, regardless of reason ceases to provide the service during the vesting period and the Board does not exercise its discretion otherwise. If the Group terminates the services of an employee and prevents the required service from being provided, then such termination is accounted for as a forfeiture.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Share-based payment transactions

Share based compensation benefits are provided to employees via the Group's incentive plans. The incentive plans consist of short term and long-term incentive plans for Executive Directors, other Executives and senior management and the short-term incentive plan for all other employees. The equity instruments used for the Group incentive plans are zero exercise priced options. Information relating to these plans is set out in the Remuneration Report and below.

25. Share-Based Payments (continued)

Share-based payment transactions (continued)

The following tables illustrate the number and weighted average fair value of, and movements in, options relating to share-based payments during the financial year

	2026	
	Options No.	Weighted average fair value
Balance - 1 July (Pre-consolidation)	34,876,533	$0.203
Balance - 1 July (Post-consolidation)[4]	3,032,790	$2.335
Granted during the financial year	2,163,058	$1.580
Vested and exercised during the financial year	(430,971)	$2.951
Cancelled or expired during the financial year	(1,542,027)	$2.263
Closing balance – 30 June	3,222,850	$2.035

	2025	
	Options No.	Weighted average fair value
Balance - 1 July	31,107,999	$0.259
Granted during the financial year	18,409,647	$0.203
Vested and exercised during the financial year	(8,971,810)	$0.266
Cancelled or expired during the financial year	(5,669,303)	$0.218
Closing balance – 30 June	34,876,533	$0.203

	Consolidated 2026 $	Consolidated 2025 $
Share-based payments expense	1,125,472	4,615,000

4. On 22 January 2026, a consolidation of capital was completed on a 11.5 to 1 basis. Comparatives have been restated for this purpose

25. Share-Based Payments (continued)

Share-based payment transactions (continued)

Below are securities granted by the Company during the financial year where the vesting criteria did not contain any market conditions. The Black-Scholes-Merton model was used to determine the estimated fair value of these securities.

Quantity	Security Type	Incentive Scheme	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
34,783	Options	Service	19/11/2025	30/09/2027	$0.00 each	$1.898	Nil	3.635%	$1.898
120,743	Options	FY2025 STI	19/11/2025	30/06/2027	$0.00 each	$1.898	Nil	3.635%	$1.898
1,456	Options	Service	18/12/2025	30/09/2027	$0.00 each	$1.840	Nil	3.929%	$1.840
756,107	PR's	FY2026 STI	10/12/2025	30/06/2028	$0.00 each	$1.955	Nil	3.971%	$1.955

The pre-determined performance conditions relating to the above options include:

- Onboarding and Service incentive schemes have a continuous service period condition only (e.g. 1 year);
- FY2026 STI have the following performance conditions:
  - 20% weighted to safety and environment performance conditions;
  - 20% weighted to operational readiness conditions;
  - 40% weighted to Kayelekera production conditions, including steady-state production (30% weight) and cost performance against budget (10% weight); and
  - 20% weighted to Kayelekera capital costs conditions, including budget (12% weight) and schedule (8% weight).
  - a continuous service condition until vesting, unless a "good leaver" exemption applies.

Below are the securities granted during the financial year that had market based vesting criteria. For the valuation of the Total Shareholder Return (TSR) Options and TSR Performance Rights, the Company used Hoadley's Hybrid ESO model - Relative TSR vs Peer Group for valuing the Relative TSR and Hoadley's Hybrid ESO model – Multiple Share Price Targets for valuing the Absolute TSR of which, both models involve a Monte Carlo simulation.

Quantity	Security Type	Incentive Scheme	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
83,331	Options	FY2025-27 LTI	19/11/2025	30/06/2029	$0.00 each	$1.783	Nil	4.220%	$0.628
83,332	Options	FY2025-27 LTI	19/11/2025	30/06/2029	$0.00 each	$1.783	Nil	4.220%	$0.538
541,654	PR's	FY2026-28 LTI	10/12/2025	30/06/2030	$0.00 each	$1.955	Nil	4.370%	$0.972
541,655	PR's	FY2026-28 LTI	10/12/2025	30/06/2030	$0.00 each	$1.955	Nil	4.370%	$1.239

25. Share-Based Payments (continued)

Share-based payment transactions (continued)

The pre-determined performance conditions relating to the above options include FY2026 LTI incentive scheme that has the following performance conditions:

- 50% weighted to the Company's absolute total shareholder return;
- 50% weighted to the Company's relative total shareholder return to a specified list of uranium peers; and
- a continuous service condition until vesting, unless a "good leaver" exemption applies.

Below are options granted during the previous financial year where the vesting criteria did not contain any market conditions. The Black-Scholes-Merton model was used to determine the estimated fair value of those options.

Options Number	Incentive Scheme	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
2,000,000	Onboarding	21/08/2024	22/08/2027	$0.30 each	$0.235	Nil	3.526%	$0.113
2,000,000	Onboarding	12/11/2024	08/10/2027	$0.30 each	$0.230	Nil	3.790%	$0.108
3,160,272	FY2025 STI	23/01/2025	30/06/2027	$0.00 each	$0.250	Nil	3.912%	$0.250
535,814	Service	12/03/2025	30/09/2026	$0.00 each	$0.170	Nil	3.754%	$0.170
190,321	FY2025 STI	19/03/2025	30/06/2027	$0.00 each	$0.185	Nil	3.912%	$0.185

Below are options granted during the previous financial year that had market based vesting criteria. The ESO5 option valuation model was applied to options under the commencement incentive scheme, while the 4A Hybrid (Relative TSR) and 2 Hybrid (Absolute TSR) ESO models were used for the FY2025-27 LTI Options.

Options Number	Incentive Scheme	Grant date	Expiry date	Exercise Price	Spot Price at Grant Date	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
3,000,000	Commencement	30/08/2024	08/08/2027	$0.00 each	$0.230	Nil	3.540%	$0.053
3,000,000	Commencement	30/08/2024	08/08/2027	$0.00 each	$0.230	Nil	3.540%	$0.076
4,302,274	FY2025-27 LTI	23/01/2025	30/06/2029	$0.00 each	$0.250	Nil	3.940%	$0.162
220,966	FY2025-27 LTI	19/03/2025	30/06/2029	$0.00 each	$0.250	Nil	3.940%	$0.162

26. Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by RSM Australia, the auditor of the Group, its network firms and unrelated firms:

	Consolidated 2026 $	Consolidated 2025 $
Audit services - RSM Australia		
Audit and review of the financial statements	208,936	78,000
Audit services - Audit Consult Malawi*		
Audit of the financial statements of local statutory accounts	49,898	-
Audit services - Ernst and Young Malawi		
Audit of the financial statements of local statutory accounts	-	24,395
Audit services - Grant Thornton Botswana		
Audit of the financial statements of local statutory accounts	11,272	6,027
Total auditor's remuneration	270,106	108,422

* Audit Consult is a correspondent firm of RSM International.

27. Related Party Disclosures

(a) Ultimate parent

Lotus Resources Limited is the ultimate Australian entity.

(b) Subsidiaries

Interests in subsidiaries are set out in note 33.

(c) Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2026 $	Consolidated 2025 $
Short-term employee benefits	2,190,659	1,436,185
Post-employment benefits	174,010	119,546
Share-based payments	567,928	2,016,117
	2,932,597	3,571,848

(d) Loans to related parties

No loans were advanced to related parties during the reporting year (2025: Nil).

(e) Amounts owed to related parties

As at the reporting date, no amounts were owed to related parties (2025: $22,046) as disclosed in detail below.

27. Related Party Disclosures (continued)

(f) Other key management personnel transactions with the Group

Mr Michael Bowen, who is a Non-Executive Director of the Company is a Partner of national law firm Thomsons. The Company used Thomsons for general legal services and also transactional support. The services provided by Thomsons were performed on an arm's length basis and on normal commercial terms. During the financial year, the Company incurred costs under this arrangement totalling $2,338 which predominately related to matters which the firm had prior knowledge of the Company or specific expertise (2025: $34,682). There was no balance owing to Thomsons as at 30 June 2026 in relation to the provision of services (2025: Nil).

There were no other related party transactions with key management personnel during the year, including loans to any key management personnel.

28. Commitments

Commitments for tenement rentals and expenditure commitments due within one year amounted to $17,493,197 (2025: $7,588,039). The expenditure commitments at 30 June 2026 predominantly comprise purchase orders issued for the Kayelekera restart involving significant capital expenditures to refurbish and upgrade processing facilities, camp infrastructure, mining equipment, and supporting utilities. This also includes contractual commitments relating to the Letlhakane drilling program in progress in Botswana.

As at 30 June 2026, the Company's 85% owned subsidiary, Lotus (Africa) Limited (LAL), had firm commitments for the delivery of 3.81Mlbs of uranium concentrate (U_3O_8) over the four period 2026 to 2029 (inclusive) with five counterparties (PSEG Nuclear LLC, Curzon Uranium Limited and three North American power utilities) in connection with signed offtake contracts. Refer to note 13 Trade and Other Payables where the Company has raised an accrual in respect of 300,000lbs out of 3.81Mlbs of U_3O_8. Refer to note 32 Contingent Liability where the Company has a contingent liability in respect of 350,000lbs of U_3O_8 out of 3.81Mlbs of U_3O_8. Excluding the commitments under the Provision or Contingent Liability, the remaining commitment is 3.41Mlbs of U_3O_8 with five utilities over the four period 2026 to 2029 (inclusive), which includes 200,000lbs to be delivered in 1H FY2027 and 1,120,000lbs to be delivered in calendar year 2027.

All offtake contracts entered into have a fixed US dollar price based on the published long-term prices of leading nuclear market research and analysis companies (the long-term price was approximately US$80 per pound at the time of signing), less a non-material discount, and with a fixed price escalation commencing from first delivery in line with the Reserve Bank of Australia long term inflation target. If LAL fails to deliver uranium concentrate under the offtake agreements (except in limited force majeure circumstances), LAL at the election of the counterparty may be required to:

- source the uranium concentrate from another source at its cost; or
- pay to the counterparty the difference between the price purchased by the counterparty for the non-delivered uranium concentrate and the price required to be paid by the counterparty to LAL.

29. Earnings Per Share

	Consolidated 2026 $	Consolidated 2025 $
Reconciliation of earnings to profit or loss:		
Loss attributable to owners of the Company	(83,518,268)	(13,760,170)
Loss after income tax used for basic and dilutive loss per share	**(83,518,268)**	**(13,760,170)**
Weighted average number of ordinary shares outstanding during the financial year used in calculating basic and dilutive loss per share[5]	**244,285,339**	**187,395,518**

5. On 22 January 2026, a consolidation of capital was completed on a 11.5 to 1 basis. Comparatives have been restated for this purpose.

29. Earnings Per Share (continued)

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

30. Reconciliation of Cash Flows Used In Operating Activities

	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities		
Loss after income tax	(100,133,861)	(15,583,795)
Adjustments for:		
Depreciation expense	2,288,747	477,008
Share based payments	1,125,472	4,615,000
Provision for rehabilitation - accretion of interest	1,446,186	-
Impairment charges	-	100,460
Adjusted operating loss before changes in working capital	(95,273,456)	(10,391,327)
Change in other current assets, including inventories	(21,822,565)	(1,068,992)
Change in trade and other payables	2,191,985	1,143,434
Net cash used in operating activities	**(114,904,036)**	**(10,316,885)**

31. Changes in Liabilities Arising from Financing Activities

	Borrowings $	Lease Liability $	Total $
Consolidated			
Balance at 1 July 2024	-	-	-
Net cash used in financing activities	-	(45,292)	(45,292)
Acquisition of leases	-	492,928	492,928
Other changes	-	7,821	7,821
Balance at 30 June 2025	-	455,457	455,457
Net cash from (used in) financing activities	10,408,834	(137,048)	10,271,786
Acquisition of leases	-	5,859	5,859
Other changes	67,908	26,298	94,206
Balance at 30 June 2026	**10,476,742**	**350,566**	**10,827,308**

32. Contingent Liabilities

Kayelekera Uranium Project

As at 30 June 2026, the Company had three agreements providing royalty payments to local government and former owners for sold production from the Kayelekera Uranium Project. Royalties payable on sold production comprise an uncapped royalty on revenue to the Malawi Government of 5.00%, a 3.50% royalty on revenue capped at $5,000,000 to Paladin Energy Limited and an uncapped 0.75% royalty on revenue to Power Resources Inc, a subsidiary of Cameco Corporation, which steps up to 1.25% once all capital is repaid. Liability to make royalty payments only arises upon the restart of production from Kayelekera.

The Company also has in place a US$10,000,000 cash-backed environmental performance bond of $14,463,136 (2025: $15,310,489) as outlined in note 12. The bond is restricted cash to cover closure and rehabilitation costs of the project. The bond is the minimum amount required to be maintained in accordance with the terms of the Mine Development Agreement for the Kayelekera Uranium Project and relevant local regulations.

Letlhakane Uranium Project

As required under the Mines and Minerals Act of Botswana to enable the grant of a mining licence, Lotus Marula Pty Ltd (or referred to as "Lotus Marula" and formerly A-Cap Energy Limited) provided a parent company guarantee for wholly owned subsidiary Lotus Marula Botswana Proprietary Limited (formerly A-Cap Resources Botswana Pty Ltd) (A-Cap Botswana), the holder of the Letlhakane Uranium Project, for the performance of A-Cap Botswana's obligations under the mining licence and Mines and Minerals Act of Botswana. The guarantee was provided on 14 August 2015 and will remain in place for the duration of the mining licence.

Uranium Offtake Agreements

LAL has entered into a number of binding uranium offtake agreements in respect of uranium production from the Kayelekera Project. The agreements provide for the sale and delivery of specified quantities of U_3O_8 over periods commencing in calendar year 2026 and extending through to calendar year 2029 and, in certain circumstances, beyond. The counterparties include North American nuclear utilities and uranium trading entities.

The offtake agreements contain customary contractual provisions relating to delivery obligations, specifications, pricing, force majeure and other events of default. In circumstances where the Group is unable to fulfil its contractual delivery obligations, the relevant agreements may give rise to contractual claims or other financial consequences, including potential requirements to procure replacement uranium at LAL's cost or pay the counterparty the difference between the price purchased by the counterparty for the non-delivered uranium and the price required to be paid by the counterparty to LAL.

During the year ended 30 June 2026, Kayelekera experienced operational disruptions and delays which affected LAL's production and consequentially its ability to meet certain contracted delivery commitments. Management has assessed the potential consequences of these events, including the contractual provisions applicable to the relevant offtake agreements and the circumstances giving rise to the delays.

At 30 June 2026, the Group has recognised a cash-settled payable of US$3.24 million (A$4.62 million) in relation to non-delivery of 300,000lbs of U_3O_8. No material liability or contingent liability arises in relation to future commitments under these off-take contracts.

The Group will continue to monitor the position and will recognise a provision where a present obligation arising from past events is established, an outflow of economic benefits becomes probable and the amount can be reliably estimated.

33. Interest In Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Country of incorporation	Ownership Interest 2026 %	Ownership Interest 2025 %
Lily Resources Pty Ltd	Australia	100%	100%
Lotus Marula Pty Ltd[1]	Australia	100%	100%
Lotus (Africa) Limited	Malawi	85%	85%
Lotus Marula Botswana Proprietary Limited[2]	Botswana	100%	100%

1. Formerly A-Cap Energy Limited
2. Formerly A-Cap Resources Botswana Proprietary Limited

Lotus Marula Pty Ltd and Lotus Marula Botswana Proprietary Limited are the entities within A-Cap Group which the Company acquired effective 7 November 2023.

Summarised financial information

Summarised financial information of the subsidiary with non-controlling interest that are material to the consolidated entity are set out as below:

	Lotus (Africa) Limited	
	2026 $	2025 $
Statement of profit or loss and other comprehensive income		
Revenue	-	-
Expenses	(107,434,294)	(18,435,166)
Loss before income tax	(107,434,294)	(18,435,166)
Tax expense	(142,277)	(119,347)
Loss after income tax	(107,576,571)	(18,554,513)
Other comprehensive income/(loss)	(3,194,046)	(6,420,780)
Total comprehensive loss	**(110,770,617)**	**(24,975,293)**
Statement of financial position		
Current assets	49,669,086	24,798,841
Non-current assets	211,030,224	136,246,338
Total assets	**260,699,310**	**161,045,179**
Current liabilities	(57,388,038)	(8,040,064)
Non-current liabilities	(329,196,086)	(164,925,265)
Total liabilities	**(386,584,124)**	**(172,965,329)**
Net assets/(liabilities)	**(125,884,814)**	**(11,920,150)**
Other information		
Loss attributable to non-controlling interest	16,615,593	1,823,625
Accumulated non-controlling interest at the end of reporting period	18,882,722	1,788,022

34. Parent Entity Disclosures

Set out below is the supplementary information about the parent entity.

	2026 $	2025 $
Statement of profit or loss and other comprehensive income		
Profit/(Loss) after income tax	(103,716,206)	(25,380,967)
Total comprehensive income/(loss)	**(103,716,206)**	**(25,380,967)**
Statement of financial position		
Total current assets	51,534,501	76,597,301
Total assets	261,336,997	226,696,220
Total current liabilities	(3,280,364)	(585,075)
Total liabilities	(3,509,357)	(875,630)
Net assets	**257,827,640**	**225,820,590**
Equity		
Issued capital	528,446,867	391,398,794
Share-based payments reserve	4,453,655	5,095,946
Foreign currency reserve	-	682,526
Accumulated losses	(275,072,882)	(171,356,676)
Total equity	**257,827,640**	**225,820,590**

Guarantees

On 18 March 2025, the Company provided a guarantee in favour of PSEG Nuclear LLC (Buyer) in consideration of, and as an inducement for entering the Contract for the Sale and Purchase of Natural Uranium Concentrates with Lotus (Africa) Limited (Seller). Under the terms of the guarantee, the Company undertakes to assume specified obligations in the event that the Seller fails to meet its contractual commitments which includes failure to deliver the product at the specified time to the Buyer.

Other Commitments and Contingencies

Lotus Resources Limited has no other commitments and contingencies other than as disclosed in notes 28 and 32.

35. Events Occurring After The Reporting Date

On 16 July 2026, the Company provided an update on the Kayelekera Uranium Mine, advising that acid plant remediation works had been completed and that production restart activities were progressing, with operations expected to resume in early August 2026, subject to financing.

On 23 July 2026, the Company announced a Strategic Funding Package comprising:

- a fully underwritten $60.1 million accelerated non-renounceable entitlement offer at an offer price of $0.22 per share;
- a binding agreement (subject to satisfaction of certain conditions precedent, including shareholder approval) for $35 million senior unsecured convertible notes and detachable warrants to CVI Investments, Inc; and
- a binding commitment letter with Mercuria Energy Trading S.A. in relation to a US$30 million inventory-backed prepayment facility and marketing agreement.

On 27 July 2026, the Company announced the successful completion of the institutional component of the entitlement offer, raising approximately $34.2 million (before costs) and issued 155.5 million new shares on 3 August 2026. On 17 August 2026, the Company announced the successful completion of the retail component of the entitlement offer, and issued 117.9 million new shares on 20 August 2026. Combined, the Company raised $60.1 million (before costs) and issued 273.4 million shares.

On 2 September 2026, the shareholders approved the $35 million senior unsecured convertible notes and detachable warrants to CVI Investments, Inc. On 9 September 2026, the Company completed the issue of 350 convertible notes (with a face value of $100,000 each and expiry of 7 September 2031, exercisable at a variable price calculated quarterly, with a floor price of $0.11) and 66,287,879 detachable warrants (with an exercise price of $0.85 and expiry of 7 September 2031) to CVI Investments, Inc and the Company raised $35 million (before costs).

On 3 September 2026, the Company advised of the appointment of Mr Fletcher Hancock as Company Secretary & General Counsel effective 21 September 2026, the appointment of Ms Melissa Roberts as Company Secretary during the interim period following Mr Hayden Bartrop's resignation, the permanent appointment of Mr Sam Penglis as Chief Operating Officer and the resignation of Mr Hayden Bartrop as Company Secretary & Chief Commercial Officer effective from 11 September 2026.

Other than the matters disclosed above, there have been no matters or circumstances that have arisen since 30 June 2026 that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated Entity Disclosure Statement

The consolidated entity disclosure statement as at 30 June 2026 were as follows:

Name***	Country of Incorporation	Ownership Interest (%)	Tax Residency	Jurisdiction for Foreign Tax Resident
Lotus Resources Limited	Australia	Parent Entity	Australia	N/A
Lily Resources Pty Ltd	Australia	100%	Australia	N/A
Lotus Marula Pty Ltd *	Australia	100%	Australia	N/A
Lotus (Africa) Limited	Malawi	85%	Foreign	Malawi
Lotus Marula Botswana Pty Limited**	Botswana	100%	Foreign	Botswana

*Formerly A-Cap Energy Limited
**Formerly A-Cap Resources Botswana Proprietary Limited
*** All entities are body corporates.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001,* the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as stated in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statements is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001.*

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001.*

On behalf of the directors

Mr Gregory Bittar
Managing Director

Dated at Perth, Western Australia this 25th day of September 2026.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOTUS RESOURCES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Lotus Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RSM

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Group's ability to continue as a going concern remains dependent upon the successful execution of its operational and funding plans. In particular, the Group is dependent upon Kayelekera achieving the forecast level of production and cash generation, maintaining reliable processing operations, managing expenditure within forecast levels and maintaining access to the funding required to meet its obligations. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Life of Mine estimate and recoverable amount of Mining Properties and Property, Plant and Equipment Refer to Note 9 & 11 in the financial statements.	
The Group has property, plant and equipment, as well as mining properties with a carrying value of $111,491,751 and $30,442,390 respectively as at 30 June 2026. AASB 136 *Impairment of Assets* requires management assess the existence of indicators of impairment with respect to non-current assets. Where indicators of impairment are identified, a full impairment assessment is undertaken. As at 30 June 2026, the market capitalisation of the company fell below the net assets of the Group. This represents an impairment trigger and an impairment test under AASB 136 was undertaken. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset, including: • Identifying appropriate CGUs of the Group and then determining the assets and liabilities associated with the Kayelekera Project CGU; and • Assessing the methods, assumptions and data utilised in the development of the AASB 136 compliant impairment model, including discount rate, life of mine, operating cash flows and capex.	Our audit procedures included: • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Considering whether any indicators of impairment had arisen as at 30 June 2026 with respect to the Kayelekera Project CGU; • Testing the methods, assumptions and data utilised by management in the development of the AASB 136 compliant impairment model for the Kayelekera Project CGU, including use of RSM Corporate Finance specialists; • Assessing management's sensitivity analysis over the key assumptions used in the impairment model; • Checking the mathematical accuracy of the impairment model and reconciling input data to supporting documentation; and • Assessing the appropriateness of disclosures in the financial statements.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Assets Refer to Note 10 in the financial statements.	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $84,079,070 as at 30 June 2026. AASB 6 *Exploration for and Evaluation of Mineral Resource*, the Group is explicitly required a mandatory impairment test for capitalised exploration and evaluation expenditure when this expenditure is re-classified to mine development. In addition, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: • determining the date on which capitalised exploration and evaluation expenditure is re-classified to mine development properties; • determining the methods, assumptions and data to be utilised by management in the development of the AASB 136 compliant impairment model for the reclassified exploration and evaluation expenditure; • determining whether the exploration and evaluation assets can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined; and • assessing whether any indicators of impairment are present and, if so, judgment applied to determine and quantify any impairment loss	Our audit procedures included: • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Obtaining management's reconciliation of capitalised exploration and evaluation expenditure by area of interest and agreeing to the general ledger; • Critically assessing the management's determination of the date on which capitalised exploration and evaluation expenditure is re-classified to mine development properties; • Testing the methods, assumptions and data utilised by management in the development of the AASB 136 compliant impairment model for the reclassified exploration and evaluation expenditure, including use of RSM Corporate Finance specialists; • Assessing whether the right to tenure of the area of interest is current; • Testing a sample of additions to supporting documentation and ensuring the amounts capitalised during the year comply with the Group's accounting policy and relate to the area of interest; • Assessing and evaluating management's assessment that no indicators of impairment existed for those tenements where the Group has rights of tenure; • Through discussions with the management and reading relevant supporting documentation, assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; and • Assessing the appropriateness of the related financial statements disclosure.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

RSM

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Lotus Resources Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 25 September 2026

ASX Additional Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 21 September 2026.

The Company has 5 classes of securities, being ordinary fully paid shares and unquoted options.

1. Registered office and principal administrative office

The address of the registered office and principal administrative office:
Level 4, 225 St Georges Terrace
Perth, WA, 6000, Australia

2. Register of securities are held at the following address:

Computershare Investor Services Pty Ltd
Level 17, 221 St George's Terrace Perth
Western Australia, 6000

3. Restricted Securities

There are no restricted securities as at 21 September 2026.

4. On-market buy back

There is no current on market buy-back.

5. On-market purchases

No securities were purchased on market for the purposes of an employee incentive scheme or to satisfy the entitlements of Option holders under an employee incentive scheme.

6. Shareholding Information

6.1 Distribution of equity security holders

Ordinary Shares

Category (size of holding)	Total holders	Units	% of Issued Capital
1 - 1,000	4,500	1,634,887	0.30
1,001 - 5,000	3,017	7,816,869	1.43
5,001 - 10,000	1,152	8,748,051	1.60
10,001 - 50,000	1,656	39,553,392	7.23
50,001 – 150,000	516	46,622,027	8.52
150,001 Over	253	442,670,116	80.92
Total	**11,094**	**547,045,342**	**100.00**

6. Shareholding Information (continued)

6.1 Distribution of equity security holders (continued)

Options

Category (size of holding)	Total holders	Units	% of Total Options
1 - 1,000	0	0	0.00
1,001 - 5,000	2	4,139	0.24
5,001 - 10,000	1	5,246	0.31
10,001 - 50,000	7	134,231	7.85
50,001 – 150,000	3	230,807	13.50
150,001 Over	4	1,334,866	78.10
Total	**17**	**1,709,289**	**100.00**

Performance Rights

Category (size of holding)	Total holders	Units	% of Total
1 - 1,000	0	0	0.00
1,001 - 5,000	2	5,304	0.69
5,001 - 10,000	1	9,469	1.24
10,001 - 50,000	8	238,740	31.17
50,001 – 150,000	3	269,039	35.13
150,001 Over	1	243,266	31.77
Total	**15**	**765,818**	**100.00**

6.2 Less than marketable parcels of shares

There are 5,621 holders of a less than marketable parcel of shares (as at 21 September 2026), representing a total of 3,233,595 shares. A less than marketable parcel is 1,961 shares ($0.255 per unit).

6.3 Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares

On a show of hands, every member present in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Options

Options do not carry any voting rights.

Performance Rights

Performance Rights do not carry any voting rights.

6. Shareholding Information (continued)

6.4 Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% Units
1	CITICORP NOMINEES PTY LIMITED	70,223,864	12.84
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	57,531,899	10.52
3	BNP PARIBAS NOMS PTY LTD	40,201,755	7.35
4	BNP PARIBAS NOMINEES PTY LTD	33,735,363	6.17
5	BNP PARIBAS NOMINEES PTY LTD	22,132,043	4.05
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,236,913	3.88
7	OLD BLOOD AND GUTS PTY LTD	17,380,000	3.18
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	16,195,229	2.96
9	MR THOMAS FRITZ ENSMANN	9,000,000	1.65
10	DESERTFOX PTY LTD	8,165,990	1.49
11	HUICEN CAPITAL PTY LIMITED	7,843,983	1.43
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	7,544,789	1.38
13	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	6,368,796	1.16
14	BUTTONWOOD NOMINEES PTY LTD	4,644,753	0.85
15	OUYANG & HU PTY LTD <OUYANG FAMILY A/C>	3,000,000	0.55
16	MRS YINA ZHU	3,000,000	0.55
17	BAS INVESTMENTS AUST PTY LTD <SIMPSON FAMILY A/C>	2,500,000	0.46
18	QUIETEK INTERNATIONAL PTY LTD	2,361,783	0.43
19	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	2,184,693	0.40
20	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,166,750	0.40
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**339,917,820**	**62.14**
Total Remaining Holders Balance		**207,127,522**	**37.86**

6.5 Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) as disclosed in substantial holding notices given to the Company is set out below:

Name	Date	Number of Shares	%
State Street	31-Aug-26	60,948,593	11.14
Sprott Inc	31-Aug-26	63,815,718	11.67
JPMorgan Chase & Co.	28-Aug-26	29,841,562	5.46

7. Company Secretary

The name of the Company Secretary is Fletcher Hancock, appointed on 21 September 2026.

8. Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange ('LOT')

The Company also has over the counter trading via OTCQX under the code: LTSRF.

9. Unquoted securities

ASX Code	Description	Number	Number of holders
LOTAA	Performance Rights	765,818	15
LOTAAC	Unlisted Options Exp 31 Oct 2026 Ex Nil	7,860	2
LOTAAF	Unlisted Options Exp 20 May 2027 Ex $3.45	347,828	2
LOTAAG	Unlisted Options Exp 22 Aug 2027 Ex $3.45	173,914	1
LOTAAH	Unlisted Options Exp 8 Aug 2027 Ex Nil	521,740	1
LOTAAI	Unlisted Options Exp 9 Oct 2027 Ex $3.45	86,957	1
LOTAAJ	Unlisted Options Exp 30 Jun 2027 Ex Nil	197,938	8
LOTAAK	Unlisted Options Exp 30 Jun 2029 Ex Nil	301,869	11
LOTAAL	Unlisted Options Exp 30 Sep 2027 Ex Nil	71,183	1
Total		**2,475,107**	

10. Unquoted securities holdings greater than 20%

All unquoted securities were issued under an employee incentive scheme.

11. Interest in Mining Tenements

As at 21 September 2026, the Company's tenement interests are shown in the table below.

Tenement	Ownership	Area km^2	Registered Holder	Location
ML0152 - Kayelekera	85%	55.5	Lotus Africa Limited	Malawi
EL812 - Nthalire	85%	32.65	Lotus Africa Limited	Malawi
EL502 - Juma-Miwanga	85%	24.95	Lotus Africa Limited	Malawi
EL595 - Livingstonia	85%	5.64	Lotus Africa Limited	Malawi
EL583 - Livingstonia West	85%	17.42	Lotus Africa Limited	Malawi
PL 2482/2023	100%	86.62	Lotus Marula Botswana Pty Ltd	Botswana
ML 2016/16L	100%	131.187	Lotus Marula Botswana Pty Ltd	Botswana


LOTUS
RESOURCES

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Perth, Western Australia, 6000

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