

8 October 2026

ASX Announcement

Marketing and Inventory Prepayment Facility Agreed and Export Permitting Progresses

Lotus Resources Limited (ASX: LOT, OTCQX: LTSRF) (Lotus or the **Company**) is pleased to announce it has agreed the key documents for the Mercuria marketing and inventory-backed prepayment agreement facility, and with approvals for the transportation of uranium product from Malawi, through Zambia to Namibia well progressed, provides an update on the current activities at the Kayelekera Uranium Mine.

KEY POINTS

- Signed and executed key full form documentation with Mercuria, providing a marketing platform for up to 3.0 million pounds of U₃O₈ and an inventory-backed prepayment facility of up to US\$30 million.
- Transport permits and approvals received from Namibia's Ministry of Environment, Forestry and Tourism and Ministry of Industries, Mines and Energy with transport approval from the National Radiation Protection Authority being finalised - once received this will complete permits required across all three jurisdictions on the export route.
- Discussions well advanced for the sale of off-specification product inventory with recent product quality improving materially as optimisation initiatives take effect.
- Acid plant successfully producing high concentration sulphuric acid, currently at circa 50–60% of design capacity, with further optimisation work planned to reach name plate.
- Uranium production is expected to broadly align with acid production, reflecting current acid availability constraints and persistent unfavourable acid market conditions.

Lotus' Managing Director Greg Bittar commented:

"We are very pleased to be signing and executing full form documentation for the Mercuria marketing and inventory-backed prepayment facility which will provide additional balance sheet liquidity once shipments commence. We are also looking to finalise the sale of the off-specification product, mainly from early production inventory, shortly.

The process of securing Namibian transit and storage approvals has progressed with several key milestones being achieved, namely transport approvals from Namibia's Ministry of Environment, Forestry and Tourism and the Ministry of Industries, Mines and Energy and the National Radiation Protection Authority authorisation for warehouse storage at Walvis Bay. The remaining approval to be received is for transport from the NRPA.

Accompanied by Lotus' Chairman Michael Bowen, I had the opportunity to meet again with the NRPA in Windhoek, Namibia this week and we look forward to working with the NRPA to secure the final permit. This will represent a terrific milestone for Lotus and will complete the permitting process required across three jurisdictions.

Production optimisation work is ongoing and is delivering strong performance improvements across the plant. Interruptions to onsite power generation have unfortunately disrupted production during August and September.

In addition to conducting the necessary repairs, we are mobilising additional rental generators to site to provide redundancy ahead of our connection to the power grid.

Our acid plant is now producing high quality, high concentration sulphuric acid – a key strategic asset that gives Kayelekera greater supply security, lower reagent costs and far less exposure to third-party disruption.”

EXPORT PERMITTING AND FIRST SHIPMENT

The Company has made significant progress on the key approvals required to transport uranium product from Malawi via Zambia to Namibia and through the Port of Walvis Bay to Orano CE's conversion facility in France. These include approval from the Malawian Atomic Energy Regulatory Agency, receipt of the Zambian transport licence through the Company's logistics partner, Alistair Group, and the necessary approvals from Namibian authorities, the Ministry of Environment, Forestry and Tourism and the Ministry of Industries, Mines and Energy.

Only one key approval - NRPA transportation approval - remains outstanding and we are working with the NRPA to finalise this. Once the final NRPA transport approval is received, the remaining permitting tasks relate to per shipment notifications and approvals in the ordinary course of exporting and will be supported by the approvals described above.

In anticipation, the Company is preparing for its first shipment of four containers, representing approximately 144k lbs of U₃O₈.



Figure 1: First shipment packed & awaiting dispatch from site

MERCURIA MARKETING AGREEMENT AND INVENTORY PREPAYMENT FACILITY

Lotus has signed and executed key full form documentation with Mercuria Energy Trading S.A., for the previously announced marketing agreement and inventory-backed prepayment facility. Upon execution of the full suite of

documents with Mercuria, this will complete the strategic funding package announced to the market on 23 July 2026¹ and further enhance the Company's financial flexibility.

The arrangement provides Lotus with access to a marketing platform covering up to 3 million pounds of U₃O₈ over 30 months and an inventory-backed prepayment facility of up to US\$30 million, further strengthening the Company's liquidity and working capital position.

The Company intends to begin utilising the inventory prepayment facility from its first uranium shipment, accelerating cash conversion and supporting working capital requirements.

POTENTIAL SALE OF OFF-SPEC PRODUCT INVENTORY

As previously disclosed (ASX Announcement 30 July 2026²), inventory of approximately 173k lbs of product produced during Kayelekera's ongoing ramp-up was determined to be off-specification by Orano CE. The Company is in active discussions with a number of parties for the potential near term sale of this product.

The majority of material classified as off-specification was produced during the early stages of commissioning and restart activity. Product quality performance has improved materially as operational improvements and optimisation initiatives have been and continue to be implemented.

ACID PLANT COMMISSIONING PROGRESS

As previously announced on 12 August 2026³, the acid plant and processing plant resumed operations following a period of suspension.

The acid plant is currently operating at approximately 50-60% of design capacity and is providing a critical source of high-quality acid supply to support ongoing uranium production. While regional sulphuric acid market conditions remain challenging and continue to limit the availability of reliable third-party supplies, the acid plant has significantly enhanced Kayelekera's acid supply security and reduced reliance on external suppliers.

Further work to increase acid production is ongoing, with planning underway for additional optimisation initiatives aimed at increasing output towards nameplate capacity. These works, together with the full furnace repair works, are expected to occur in early CY2027.

The acid plant is a key strategic asset for Kayelekera, providing enhanced acid supply security, lower reagent costs and reduced exposure to third-party supply disruptions.

PRODUCTION UPDATE

Following the resumption of processing activities in mid-August, uranium production during August and September was constrained by a combination of acid availability, interruption to onsite power generation and planned optimisation activities.

Despite these constraints, approximately 100k lbs of drummed uranium product was produced over 31 operating days during the period, with September performance demonstrating material improvements in uranium recoveries.

The power generation issues have now largely been addressed through targeted maintenance and component replacement, allowing processing activities to continue. Meanwhile additional rental generators are being mobilised to further enhance power reliability until the grid connection project is completed.

¹ Lotus Resources ASX Announcement [‘Operational and Balance Sheet Reset Through Strategic Funding Package’](#) dated 23 July 2026.

² Lotus Resources ASX Announcement [‘Quarterly Activities and Cash Flow Reports – June 2026’](#) dated 30 July 2026.

³ Lotus Resources ASX Announcement [‘Kayelekera acid plant and uranium processing operations resume’](#) dated 12 August 2026.



Given ongoing constraints in the regional sulphuric acid market, uranium production is expected to broadly align with acid production levels in the near term. The Company's focus remains on increasing acid plant output towards nameplate capacity through planned optimisation initiatives.

Progress on the grid connection project continues, with substation construction at both Kayelekera and Karonga (the tie-in point to the national grid) well advanced and transmission line works progressing well. Commissioning remains expected in Q1 CY2027.



Figures 2 and 3: Grid Connection works

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

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