ASX Announcement **6 October 2022**

MAIDEN GREENFIELD DRILL PROGRAM AT THE CHILUMBA PROSPECT HITS URANIUM MINERALISATION

Lotus Resources Limited (**ASX: LOT, OTCQB: LTSRF**) (**Lotus** or the **Company**) is pleased to announce that the inaugural greenfield exploration drill program at the Chilumba Prospect in Malawi has intercepted uranium mineralisation.

The Company's southern project area, including Livingstonia (4.8Mlbs U_3O_8) and Chilumba, has historically been poorly explored. The Company believes this area has strong long-term potential to contain additional uranium mineralisation that could be the basis for a future satellite operation.

HIGHLIGHTS

- **The inaugural greenfield exploration drill program at the Chilumba Prospect, 8km from the Livingstonia deposit, has successfully intercepted uranium mineralisation**
- **The assay results from the 7-hole (1,140m) RC exploratory drill program include:**
  - 3m at 382 ppm U_3O_8 from 43m (CH002)
  - 3m at 138 ppm U_3O_8 from 38m (CH002)
- **The exploration program was designed to test surface radiometric anomalies that had been detected through an aerial program and were responsible for identifying the Livingstonia mineralisation. This is the first ever drill program completed at this prospect**
- **These preliminary results, in addition to the nearby Livingstonia deposit, highlight the potential for additional uranium discoveries at the Company's regional targets**
- **Additional exploration work at these regional targets will be completed in the future**

Keith Bowes, Managing Director of Lotus, commented:

"While the Company's major focus this year has been on the recently completed Definitive Feasibility Study for the Kayelekera Uranium Mine, the Company recognises the opportunity for new discoveries across its entire tenement package. This potential is perhaps greatest in our southern project area, where little to no historical exploration work has been undertaken.

The Chilumba prospect was identified, and subsequently tested through a surface radiometric anomaly, and we are delighted to have successfully encountered uranium mineralisation in our first limited drill program. Whilst further work is clearly required at Chilumba, as well as our other regional targets, the opportunity for new uranium discoveries is clearly there.

The Company is currently reviewing the opportunity to undertake additional exploration work, including more drilling at both Chilumba and Livingstonia, along with a broader regional program.

INAUGURAL CHILUMBA RC DRILLING PROGRAM

The Chilumba Prospect lies within the Chilumba exploration tenement (EL418) which is located in northern Malawi, approximately 80km southeast of the Company's Kayelekera Uranium Mine (Figure 1). Combined with the Company's Livingstonia tenements, this covers 300km^2.

In early 2022, Lotus commenced an inaugural exploration drill program at Chilumba. The program consisted of 1,140 metres of drilling in 7 reverse circulation (RC) holes (3 vertical and 4 angled) that were designed to test surface radiometric anomalism (see Figure 2) that had been identified by previous explorers.

The drilling was carried out by Thompson Drilling Lda (Mozambique) with downhole radiometric (gamma) logging undertaken by experienced local contractors under the supervision of Lotus geologists.

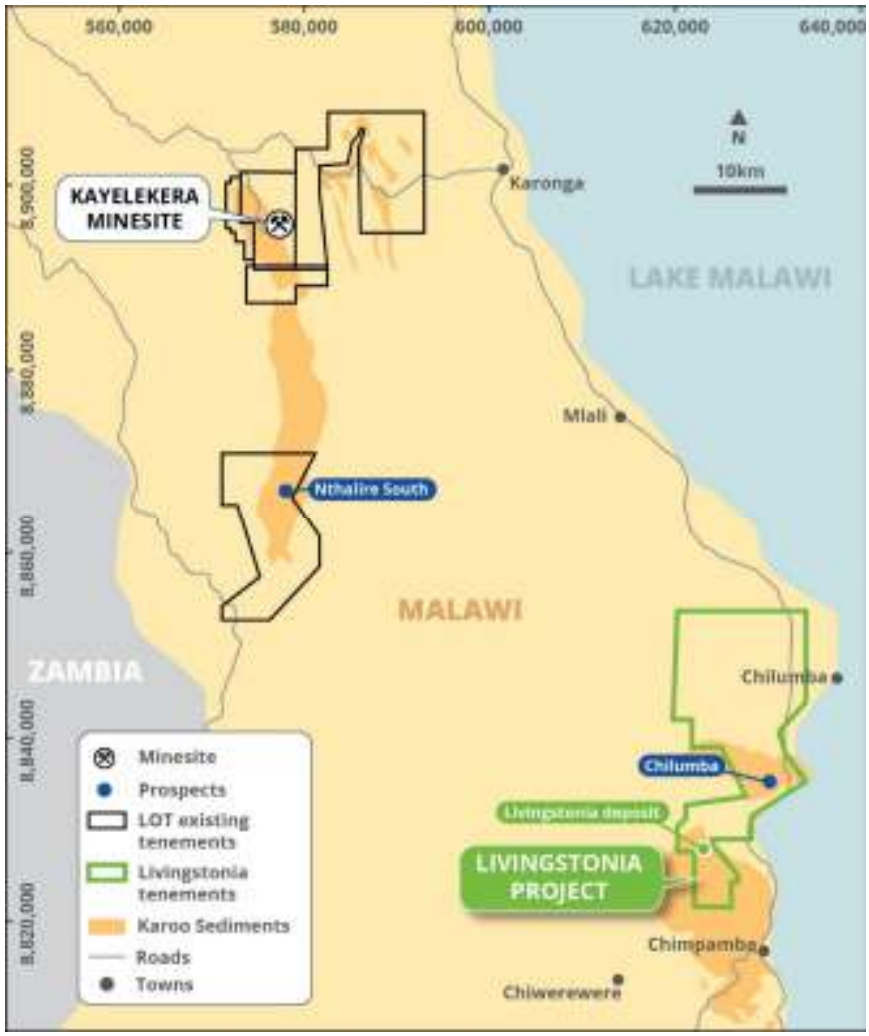

Figure 1: Lotus Tenement Areas

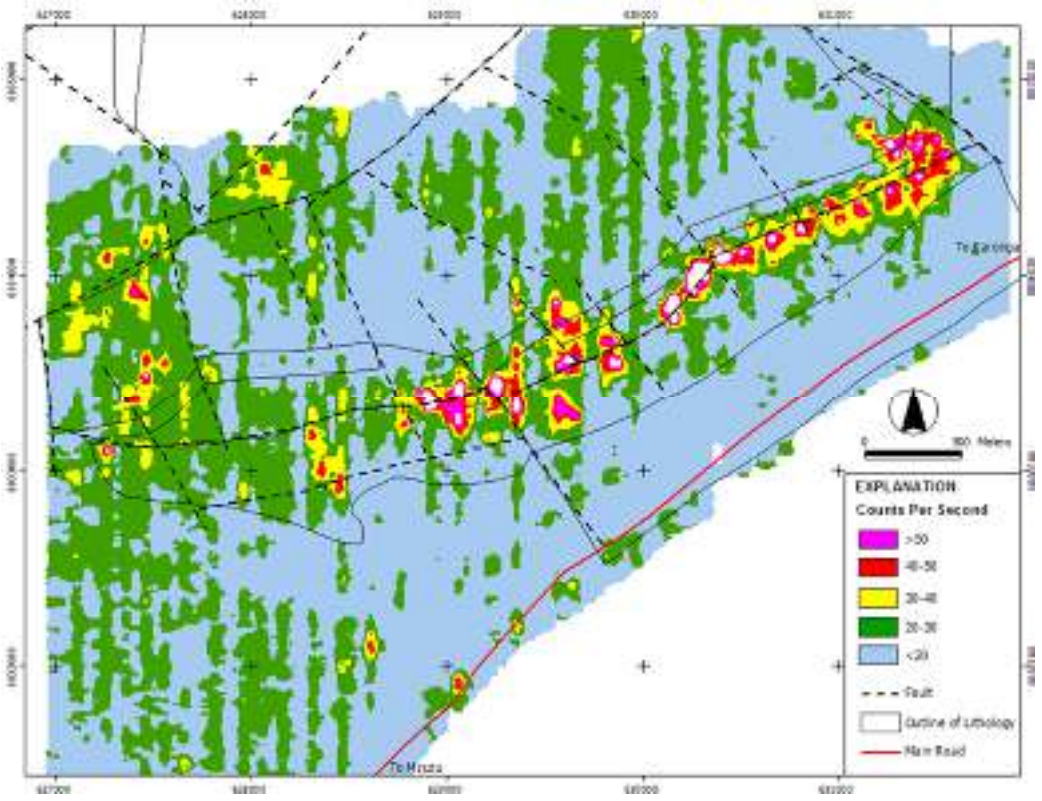

Figure 2: Chilumba Radiometric Survey

Selected mineralised intervals were analysed for uranium by ALS Laboratories in Johannesburg (Table 1). The best results were from drillhole CH002 located to the northwest sector of the prospect (Figure 3) which intersected a 12m thick anomalous zone from 38m to 46m. Two separate zones within the interval, including 3m grading 382 ppm U_3O_8 from 43m, were identified.

Drillholes CH001 and CH003, which both intersected anomalous uranium mineralisation, appear to be located peripheral to an interpreted north-westerly tending channel or NE-SW Fault zone. (Figure 3).

Table 1: Chilumba Significant Drill Intersections

Hole ID	Easting	Northing	Elevation	Depth (m)	From (m)	To (m)	Interval (m)	U (ppm)	U_3O_8 (ppm)
CH001	628838	8836213	775	172	170	171	1.0	104	123
CH002	628759	8835635	767	172	33	34	1.0	170	200
CH002					38	41	3.0	117	138
CH002					43	46	3.0	324	382
CH002					128	129	1.0	169	199
CH003	628187	8835836	727	172	5	6	1.0	108	127
CH003					27	28	1.0	114	134
CH004	628288	8834594	681	157				nsr	
CH005	629459	8834081	681	142				nsr	
CH006	630105	8834502	681	153				nsr	
CH007	630678	8834871	633	172	62	63	1.0	131	154

Note: combined reporting criteria of minimum thickness 1m at 100ppmU cut off

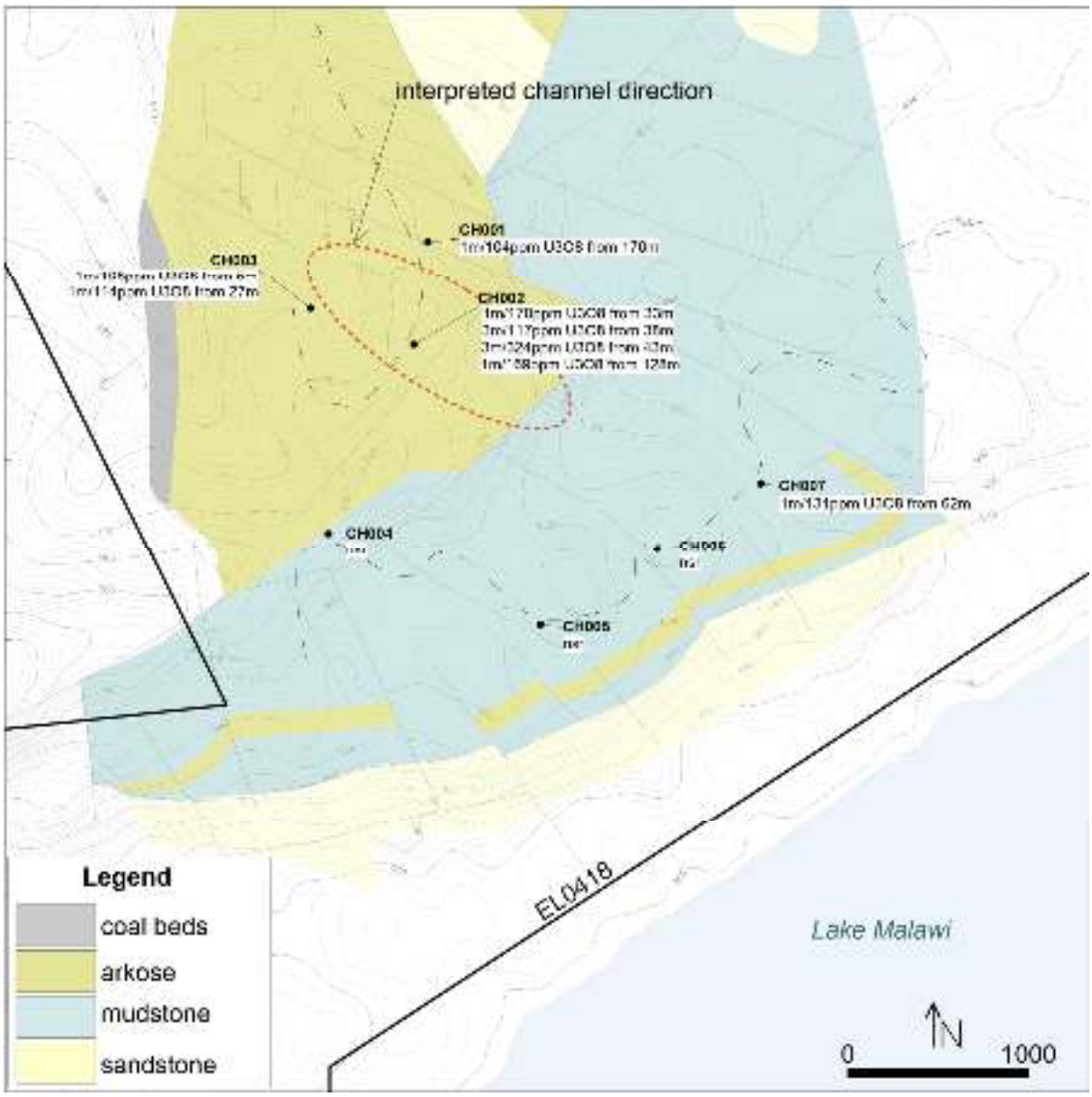

Figure 3: Chilumba drillhole location plan

ADDITIONAL WORK PROGRAM

The Company is currently reviewing the opportunity to undertake additional drilling at Livingstonia to follow up on high grade trends identified in that program. At the same time a program to further delineate the Chilumba mineralisation by following up on the interpreted north-westerly tending channel will be considered.

Competent Persons' Statements

The information in this document that relates to exploration data is based on information provided by Mr Alfred Gillman. Mr. Gillman is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Reserve. Mr. Gillman consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

This announcement has been authorised for release by the Company's board of directors.

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ABOUT LOTUS

Lotus Resources Limited **(ASX: LOT, OTCQB: LTSRF)** owns an 85% interest in the Kayelekera Uranium Project in Malawi. The Project hosts a current resource of 51.1Mlbs U_3O_8 (see table below), and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study[1] which has determined an Ore Reserve of 23Mlbs U3O8 and demonstrated that Kayelekera can support a viable long-term operation and has the potential to be one of the first uranium projects to recommence production in the future.

Lotus Mineral Resource Inventory – June 2022[2]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured – RoM Stockpile[3]	1.6	760	1.2	2.6
Kayelekera	Indicated	29.3	510	15.1	33.2
Kayelekera	Inferred	8.3	410	3.4	7.4
Kayelekera	**Total**	***40.1***	***510***	***20.4***	***44.8***
Kayelekera	Inferred – LG Stockpiles[4]	2.4	290	0.7	1.5
Kayelekera	**Total All Materials**	***42.5***	***500***	***21.1***	***46.3***
Livingstonia	Inferred	6.9	320	2.2	4.8
Total		***49.4***	***475***	***23.3***	***51.1***

Lotus Ore Reserve Inventory – July 2022[5]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Kayelekera	Open Pit - Proved	0.6	902	0.5	1.2
Kayelekera	Open Pit - Probable	13.7	637	8.7	19.2
Kayelekera	RoM Stockpile – Proved	1.6	760	1.2	2.6
Kayelekera	**Total**	***15.9***	***660***	***10.4***	***23.0***

[1] See ASX announcement dated 11 August 2002 for information on the Definitive Feasibility Study

2 See ASX announcement dated 15 February 2022 for information on the Kayelekera mineral resource estimate. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 15 February 2022 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in that announcement continue to apply and have not materially changed.

3 RoM stockpile has been mined and is located near mill facility

4 Low-grade stockpiles have been mined and placed on the medium-grade stockpile and are considered potentially feasible for blending or beneficiation, with studies planned to further assess this optionality.

5 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. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 11 August 2022 and that all material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed

Appendix 1

Downhole Radiometric (gamma) Logging Results (100ppm cut off)

Hole ID	Easting	Northing	Elevation	Depth (m)	From (m)	To (m)	Interval (m)	eU_3O_8
CH001	628838	8836213	775	172	142	143	1.5	174
CH001					160	161	1.2	171
CH001					170	171	1.3	236
CH002	628759	8835635	767	172	33	35	2.0	153
CH002					35	36	1.3	103
CH002					36	38	2.0	118
CH002					39	42	2.9	162
CH002					44	48	3.4	241
CH002					128	129	1.2	291
CH002					149	150	1.3	199
CH003	628187	8835836	727	172	3	5	1.6	146
CH003					5	6	1.3	168
CH003					24	27	2.3	112
CH003					27	29	2.0	169
CH004	628288	8834594	681	157				nsr
CH005	629459	8834081	681	142	3	4	1.2	107
CH005					21	22	1.4	171
CH006	630105	8834502	681	153	50	51	1.0	186
CH006					68	69	1.7	127
CH006					72	73	1.3	111
CH006					98	99	1.2	137
CH007	630678	8834871	633	172	50	52	1.9	170
CH007					56	58	1.6	110
CH007					138	139	1.0	134
CH007					162	163	1.3	106

Appendix 2: JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drilling described in this announcement comprised wholly reverse circulation "RC" drilling. • A total of 7 holes for 1,140 m during 2022. • All holes were geologically logged and down hole gamma logged. • For intervals of interest, samples were collected over a sample length of 1m, each sample weighing approximately 0.5kg. • RC samples were collected via a cone splitter at 1m intervals. All samples were collected and contained in poly-weave or plastic bags. • The nominal drill diameter was 5 inches and all drill samples were bagged from the cyclone and weighed to provide some assessment of the average drill sample recoveries. • All sampling was carried out under Lotus's sampling protocols and QA/QC procedures as per industry best practice. • All samples were riffle split into 80/20 proportions. Larger rejects (>20kg) were stored on site if they appeared mineralised or gave a count value of larger than 750cps on the scintillometer • Certified standards, duplicates and blanks were also inserted in the sample batches. • All samples analysed using pressed powder XRF methods by ALS Laboratory in Edenvale, Johannesburg. • Samples were driven by Lotus personnel to Lilongwe and air freighted by South African Airways to Johannesburg
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core*	• The Chilumba Prospect has been drilled using vertical (3 drill holes) and angled (4 drill holes) RC drilling • RC drilling has utilised a 510 Smith RC rig mounted on a Unimog truck supported by separate truck mounted Ingersol Rand 9000 psi air compressor mounted on

Criteria	JORC Code explanation	Commentary
	diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Smil 100 truck to provide additional air capacity and a Volvo Magirus 8-ton support truck with drill bit size of 5.38 inch..
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For RC drilling, the nominal drill hole size was 5 inches and all drill samples were bagged from the cyclone and weighed to provide some assessment of the average drilling sample recoveries. • All RC drilling is conducted to industry best practice and Lotus QA/QC protocols whereby the hole is cleaned at the end of every metre interval by raising the bit slightly and blowing out the hole before drilling the next metre and ensuring water ingress into the hole whilst drilling is minimised. • No relationship between sample recovery and grade has been observed; studies to date show no correlation exists.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes have been geologically logged (RC on 1m intervals) with recording of lithology, grain size and distribution, sorting, roundness, alteration, oxidation state, and colour, and stored in the database. All holes were logged to a level of detail sufficient to support Mineral Resource estimation, and metallurgical investigations. • No routine geotechnical or structural data has been logged or recorded. • Oxidation, colour, alteration, roundness, sorting, sphericity, alteration and mineralisation are logged qualitatively. All other values are logged quantitatively. • All holes have been logged over their entire length (100%) including any mineralised intersections.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling*	• All sampling was carried out using Lotus sampling protocols and QA/QC procedures as per industry best practice. • All RC samples were riffle split into 80/20 proportions. Larger rejects (>20kg) samples were stored on site if they appeared mineralised or gave a count value of larger than 750cps on the scintillometer • Certified standards, duplicates and blanks were also inserted in the sample batches. • All samples analysed using pressed powder XRF methods by ALS Laboratory in Edenvale, Johannesburg.

Criteria	JORC Code explanation	Commentary
	stages to maximise representivity of samples. • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were driven by Lotus personnel to Lilongwe and air freighted by South African Airways to Johannesburg.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory assays were carried out by ALS Laboratory Edenvale, Johannesburg on selected mineralised intervals that were defined by downhole radiometric logging. • Each sample weighed approximately 0.5kg • Sample preparation comprised the followed procedures: WEI-21 sample weighing LOG-22 barcode sample login SCR-41 sample screened to -180 micron • Analytical Procedures comprised: ME-XRF05 trace level XRF analysis • Every 10th sample comprised a field duplicate • Blank samples were inserted at frequency of 1 in 10. • Duplicate versus original assay results are graphed below • The CP considers the analytical data to be of a high standard with high levels of accuracy and does not exhibit any tendency for bias
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections identified by radiometric logging (>1m and >100ppm U_3O_8) were physically sampled with laboratory analytical techniques used to verify the interval. • Only the analytical results are quoted in this announcement. Radiometric (gamma) logging summaries are provided in Appendix 1. • Data verification was undertaken using specialist mining software • No adjustments to the data were necessary

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole collars were surveyed with DGPS equipment in the MMG Zone 36 South grid. Historical collars were also surveyed where collar identity is recognisable. All holes were drilled vertical. Down-hole probe surveys have been undertaken on most of the holes to validate the down-hole measurements.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Chilumba • All vertical drill holes (3 holes) are approximately perpendicular to the flat dip of the stratigraphy. Similarly all angled holes (4 holes) were drilled perpendicular to the dip of the slightly tilted strata • No orientation-based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by Lotus. • Samples were driven by Lotus personnel to Lilongwe and air freighted by South African Airways to Johannesburg and samples analysed at ALS Laboratory Edenvale, Johannesburg.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data was validated by Lotus whilst loading into database. Any errors within the data are returned to site geologist for validation.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Chilumba Uranium Project is located in Malawi, in East Africa. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Uranium mineralisation was discovered at the nearby Livingstonia Project by Globe Metals & Mining Ltd ("Globe", ASX: GBE) in 2007. • A regional radiometric survey identified surface anomalism in the Chilumba area. • No follow-up was carried out.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation has been interpreted as being contained within a sub-horizontal sedimentary sandstone package bound by a mudstone above and a coal unit below and is modelled based on geological interpretation and delineation of the mineralisation by equivalent uranium grade derived from downhole gamma readings.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	• Refer to Appendix 1 for complete drillhole information

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Metal equivalent values have not been used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The drilling angles employed to the stratified deposit ensured that all drill intercepts can be considered to represent the true width of the mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include,*	• See diagrams in body of announcement.

Criteria	JORC Code explanation	Commentary
	but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration results together with drillhole locations are listed in Appendix 1
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The deposit has previously been the subject of exploration drilling.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Chilumba Project is currently in the exploration phase