

11 May 2026

ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Attention: Mr Dale Allen
Manager, ASX Supervision

Via Email: ListingsCompliancePerth@asx.com.au

Dear Mr Allen,

Lotus Resources Limited (ASX:LOT) – ASX Aware Letter

We refer to your letter dated 6 May 2026 regarding when Lotus Resources Limited (**Company** or **LOT**) become aware of certain information.

Regarding answers to your questions below, we respond as follows:

1. Does LOT consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities

The response to whether a matter is material or not needs to be considered in the circumstances and previous disclosures of the Company.

To provide context, the Company announced an Accelerated Restart of the Kayelekera mine in October 2024¹ which had been in care and maintenance for approximately 10 years. The budgeted estimated cost of the Accelerated Restart was US\$49.7 million, with Kayelekera expenditure to date of US\$47.1 million at 31 March 2026 and minor expenditure remaining on the acid plant. Initial first uranium drummed was forecast in Q3 CY2025, which the Company announced it achieved on 1 September 2025. As part of that announcement, the Company forecast that it was targeting ramp-up to steady state production levels of 200,000 lbs per month in Q1 CY2026.

The ramp-up of mining and processing operations traditionally encounters challenges unique to the nature of their mineralisation; structure, size and design and mining and processing operations; workforce skills and availability; geographic location; jurisdiction; and global events. Refurbishment rather than replacement also introduces higher risk from a maintenance reliability perspective. Specifically, the age and condition of the plant presents challenges in gauging the likelihood of a successful refurbishment until the plant and equipment has operated under normal operating conditions, with some equipment replaced, some refurbished and other parts restarted with minimal work if it generally performed in initial testing.

The Company considers the above factors to have influenced the current operating performance of the Kayelekera mine and processing facilities and ongoing pursuit of steady-state production. Ramp-up difficulties arising, at least in part, from these unique influences are commonly cited

¹ Refer to ASX Announcement dated 8 October 2024



by the Company's peers and other proponents in the global uranium industry. It is for this reason that the Company forecast a period of 4-7 months to achieve a rate of 200,000 lbs per month.

The Company subsequently reported that the ramp-up to steady state operations had been impacted by the disruption to the supply of sulphuric acid, which was first disclosed by the Company on 4 December 2025, and which impacted November 2025 and was forecast to impact December 2025 production.

An update was announced on 23 December 2025, disclosing that expected production limitations for the month of January 2026 would be partially attributable to the sulphuric acid shortfall, but that a significant step up in production was planned in February 2026. The Company provided a further update on 29 January 2026, namely: "that sulphuric acid supply logistics [were] reaching levels necessary to achieve ramp-up to steady state production...".

The announcement on 23 December 2025 also noted capital upgrades, "...the Company continues to undertake plant works, repairs and improvements, to ensure the long term reliability and performance of the Kayelekera processing plant". This was again stated in December 2025 Quarterly Activities Report².

The sulphuric acid supply and capital upgrades were determining factors which led to a change in guidance for steady state operations expected to be reached in Q2 CY2026, which was disclosed in the December 2025 Quarterly Activities report.

The Company disclosed processing plant performance on 10 March 2026, in which the Company noted the processing plant operated at 80% utilisation for the second half of February, with processing / milled rate of 65% steady state level, illustrating that plant was interrupted for the first half of February and then the plant was operating at lower than full utilisation and lower than full run-rate.

The material production metric for the Company is "Uranium Produced". The Company has not provided monthly or quarterly guidance on Uranium Produced in the ramp-up period. The Company has disclosed the Uranium Produced in the December 2025 Quarterly Activities Report, updated the Uranium Produced on 1 April 2026 for the period to 31 December 2025 following reconciliation with independent laboratory tests, and disclosed the Uranium Produced in the March 2025 Quarterly Activities Report.

The Company notes that recovery, head grade and ore milled are all key inputs into calculating Uranium Produced. The Company has not provided any guidance regarding these key inputs for the ramp-up period of Kayelekera, which are material assumptions in relation to its Accelerated Restart Plan and Ore Reserve which relate to steady state production only. These key inputs are only material if the material assumptions relevant to the key inputs no longer have foundation as they relate to steady state production. To date, the Company has no basis to believe there is any change in these material assumptions as they relate to steady state production at Kayelekera.

Given the fact that the Company remains in the ramp-up stage of operations, the Company's continuous disclosure of matters impacting the ramp-up of operations at Kayelekera, and the fact that the Company has no basis to believe there is any change in the material assumptions in Accelerated Restart Plan or Ore Reserve, the secondary drivers of production (and matters relating to these e.g. grade reconciliation) are not material by themselves or collectively.

² Refer to ASX Announcement dated 30 January 2026.



To provide context to the downward revision of the December 2025 “Ore Mined” and “Waste Mined”, the Company announced a change in strategy from contractor to owner mining from that envisaged in the Accelerated Restart, which was announced by the Company on 17 June 2025. The announcement forecast initial ramp-up of production would utilise existing mined ore stockpiles until mining delivers first ore in CYQ4 2025, meaning that the Company wasn’t reliant on ore mined to produce U₃O₈. The Company announced first waste mining on 24 November 2025 and first ore mining on 23 December 2025 in line with the initial guidance.

1.1 Overall processing performance at the Kayelekera project in Malawi [during the March 2026 quarter] was impacted by the following (amongst other things):

1.1.1 “Reagent management”;

No.

1.1.2 “Grade reconciliation”;

No.

1.1.3 “Substantially lower recoveries”; and

No.

1.1.4 “Capital upgrades”.

No.

1.2 May and June operating trajectory expected to deliver improved throughput and production following the interruptions in the March quarter which continued into April... Expect to trend towards steady state throughput during the current quarter (Q2 CY26), however, ongoing production and recovery improvements will determine the production run rate and total quarter production.

Yes.

1.3 The downward revision of the December 2025 Production results for ‘Ore Mined’ from 11.9kt to 5.1kt (representing a 57.1% decrease) and ‘Waste Mined’ from 265kt to 232.1kt (representing a 12.4% decrease).

No.

1.4 The retraction of the mined grade, head grade and recovery numbers in the December 2025 Production Results.

No.

1.5 The retraction of references to ‘recovery’ in LOT’s announcements dated 4 December 2025, 5 February 2026, 16 February 2026, and 10 March 2026 (namely retraction of the reported recovery rates between 82.1% and 87% within those announcements).

The same answer applies as to Question 1.4 above. The cause of the retraction of these numbers was the same as the retraction of the recovery numbers in the December 2025 Production Results.



2. If the answer to any part of question 1 is “no”, please advise the basis for that view.

1.1.1 Reagent Management

Having regard to the Company's ongoing management of sulphuric acid and ASX announcements referenced in the introductory response to Question 1, the Company does not consider the noted sulphuric acid supply constraints in the March 2026 Quarterly Activities Report to be material information.

1.1.2 Grade Reconciliation

The Company does not consider the grade material during ramp-up as it is one of several contributors to Uranium Produced. Specifically, the ability to determine grade (and therefore reconcile grade) has caused issues in understanding recoveries and optimising plant processes during the ramp up.

Additionally, based on current available information following grade reconciliation processes, the processed stockpile grade does not materially depart from the Ore Reserve grade, such that the Company does not consider this matter material to its Ore Reserve estimation.

The Company notes that ore processed to date has been **solely** from historical stockpiles which were mined before care and maintenance in 2014.

The Company notes that the Ore Reserve stockpile is not homogenous, with multiple stockpiles of differing grade profiles, and within each of those stockpiles, there are higher grade and lower grade components. Grade of the stockpile is not always readily identifiable from stockpile records, or stockpile sampling previously undertaken by the Company. Accordingly, grades (and other attributes that may impact recovery) cannot be reliably predicted when ore is being selected from the various stockpiles to create a blended product for processing, which is commonly desired by processing operators to minimise variability in product to optimise the plant settings and reagent use for recoveries.

Processed grades internally reported by site from that stockpile were, on average, **above** Ore Reserves grades for the stockpiles. While investigations continue, the Company's current assessment is that the grade is more likely (on average) to be in line with stockpile grade estimated in the Ore Reserve.

1.1.3 Substantially lower recoveries

The Company refers to comments in the introductory response to Question 1 that “substantially lower recoveries” is a secondary driver of the key production metric Uranium Produced, which has been disclosed, the Company continues to be in the ramp-up of operations, the Company has continuously disclosed matters impacting the ramp-up of operations at Kayelekera (which have an impact on recoveries) and the fact that the Company has no basis to believe there is any change in the recovery assumption in Accelerated Restart Plan or Ore Reserve based on recoveries achieved during this ramp-up period.

1.1.4 Capital upgrades

The capital upgrades themselves are not material in cost and the broad matters have been continuously disclosed as noted in the introductory response to Question 1 as matters which have impacted the ramp-up to steady state production.

In particular, the Company notes that the effect of the capital upgrades were a contributing factor to lower production (due to unplanned downtime to effect plant and equipment maintenance and rectification, or installation of new equipment) and they were also a factor in the lower recoveries. For example:



- Upgrades to the tailings thickener meant bypassing the thickener, contributing to higher losses to tailings and lower production.
- Issues with compressors meant lower compressed air which had an impact on the kinetics in the elution circuit, which reduced efficiency of the circuit, and impacted recoveries.
- The maintenance downtime also impacted steady operations of the plant which is required for optimising recovery, and stoppages of the plant result in uranium losses, which directly has an impact on recoveries.

The effect of the capital upgrade program, when combined with other matters, has contributed to lower Uranium Produced at this stage of the ramp-up. However, the Company does not consider this cost and impact of capital upgrades to be material in the context of the ramp-up of the plant and in the context of previous disclosures.

1.2 May and June operating trajectory

Not applicable.

1.3 Downward Revision in Mining Production for December 2025 Quarter

The mining production numbers in the December 2025 Quarterly Activities Report were based on truck tallies of ore tonnes and waste tonnes mined. The numbers published had not been updated to adjust for surveys measurements of the mined area as at 31 December 2025, which is the more accurate number. This matter was discovered by management in April 2026 as part of a review of production figures.

The mining production in the December 2025 quarter represented less than two weeks of first ore mining³ and slightly more than one month of first waste mining⁴, and therefore the Company considers it reasonable that this matter was only identified and fully understood as part of the review of the subsequent quarter's production figures, as during that period the Company was implementing a range of measurement improvement practices as a normal part of ramping up the operation.

The initial published figure of Ore Mined of 11.9kt represents approximately 0.5% of expected average steady state ore mining of 2.3Mt per annum. A difference of 6.8kt ore mined is therefore an even smaller fraction of the Company's anticipated steady state production rate. The Company therefore considers the discrepancy immaterial in that context and in the context that operations were not constrained by ore from mining operations. As noted in the introductory response to Question 1, the Company intended to, and did, utilise Kayelekera's ample stockpiles ahead of processing Ore Mined.

The initial published figure of Waste Mined of 265kt represents approximately 7.0% of expected average steady state waste mining of 3.8Mt per annum. A difference of 32.9kt waste mined is therefore immaterial in that context, and again, in the context of an operation that is not constrained by ore from mining operations.

1.4 The retraction of mined grade, head grade and recovery numbers from December 2025 quarter

Not applicable.

³ Refer to ASX Announcement dated 23 December 2025 announcing first ore delivered to the ROM pad.

⁴ Refer to ASX Announced dated 24 November 2025 announcing first mining blast



1.5 The retraction of 'recovery' in other announcements

Not applicable.

3. When did LOT first become aware of the information referred to in question 1 above

To provide context as to when the Company became aware of certain information in Question 1 above, and the retraction of mined grade, head grade and recovery numbers in the March 2025 Quarterly Activities Report on 30 April 2026, the Company provides the following relevant background information.

Following the end of the March 2026 Quarter and the completion of the end of month processes, management reviewed the quarterly production results and interrogated the site team's explanation for why the "Uranium Produced" figure was substantially lower than the numbers which were being indicated by the key drivers ("Ore Milled", "Head Grade", "Recovery" and "Plant Inventory Balance"). It was originally believed that the amount was due to a significant build up in inventory of U_3O_8 in the plant. However, the size of the discrepancy was greater than an amount which could reasonably be ascribed to U_3O_8 inventory in the plant considering total production time to date.

This led to an investigation into the reliability of all inputs, including an initial exercise of trenching sections of the tailings dam and an increased sampling campaign of processed head grade.

The initial results of the investigation, which were presented to management on 28 April 2026 (**Initial Report**), revealed inconsistencies, in particular:

- a potential positive bias in assaying uranium based on reconciliation of site laboratory assays for the percentage of U_3O_8 contained in the product produced to the mid-February 2026 against an independent site laboratory in South Africa;
- a likely bias to a lower processed head grade than what was determined under previous sampling regime (noting that processed head grade was on average higher than the Ore Reserve grade, and the bias may explain that potentially part of this increased difference was not accurate);
- a higher tailings grade than determined under the previous sampling regime, indicating that recovery was less than was being reported in daily and monthly production reports; and
- sampling issues with determining accurately how much inventory was within the plant.

However, it was noted that results are suggestive and not conclusive. Now that this is understood by the Company, further work is underway to confirm how representative the bias to positive processed head grade may be to the December 2025 and March 2025 Quarter and the higher tailings grade may be to previous tails grades.

Following management review, assessment and ongoing interrogation of the issues in the Initial Report, it was determined that the mined grade, head grade and recovery numbers reported during this ramp-up phase were likely to be inaccurate, due to the deficiencies in process identified above, and therefore:

- the reported mined grade, head grade and recovery numbers in the December 2026 Quarterly Activities Report needed to be retracted; and
- the references to mine grade, head grade and recovery numbers in other ASX announcement also needed to be retracted.



The Company notes that it retracted mined grade on the basis of a potential positive bias in assaying uranium on site. A review of the mining sampling procedures identified the procedures were sufficient, although areas for improvement were identified, including increased sampling frequency and multiple handheld XRFs units to improve multiple readings (handheld XRF's are calibrated daily).

1.1.1 Reagent Management

The Company first became aware of the first impact of the reagent management issues on the March 2026 quarter on 22 December 2025. As noted in the introductory response to Question 1, the Company has kept the market updated with continuous disclosures of reagent management issues on 4 December 2025, 23 December 2025, 29 January 2026 and 10 March 2026 in relation to the shortages of sulphuric acid supply.

1.1.2 Grade Reconciliation

The question refers to grade reconciliation which impacted overall processing in the March 2026 quarter.

As noted in the response to Question 2 in connection with 1.1.2, this is a general operational issue associated with the historic stockpiles and there is no specific point at which the Company can point to first awareness of non-material matter, which is one of (but not a predominant) contributor to Uranium Produced.

1.1.3 Substantially lower recoveries

After market on 29 April 2026. In particular, on receipt of the Initial Report of 28 April 2026, management continued to interrogate the results of that report, and continued to update the March Quarterly disclosure, that was released on 30 April.

1.1.4 Capital upgrades

The Company first became aware of the first impact of the capital upgrades on the March 2026 quarter on 22 December 2025. As noted in the introductory response to Question 1, the Company has kept the market updated with continuous disclosures on 23 December 2025, 29 January 2026 and 10 March 2026 in relation to the capital upgrades and processing plant performance.

1.2 May and June Operating Trajectory

After market on 29 April 2026. This followed a review of the Initial Report and ongoing performance of the Kayelekera operations, after which the Board determined to provide the May and June operating trajectory.

1.3 Downward Revision in Mining Production

The downward revision in Mining Production was identified on 21 April 2026. As noted in the response to Question 2, this matter was not considered material.

1.4 Retraction of Mined Grade, Head Grade and Recovery Numbers

After market on 29 April 2026, such that disclosure was made promptly and without delay. Further detail provided in the introductory response to Question 3.

1.5 Retraction of "recovery" in other announcements

After market on 29 April 2026, such that disclosure was made promptly and without delay. Further detail provided in the introductory response to Question 3.



4. If LOT first became aware of the information referred to in question 1 before the date of the March Quarterly Announcement, did LOT make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe LOT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps LOT took to ensure that the information was released promptly and without delay.

1.1.1 Reagent Management

Refer to the response to Question 3 in connection 1.1.1.

1.1.2 Grade Reconciliation

Refer to the response to Question 3 in connection with 1.1.2.

1.1.3 Substantially lower recoveries

Not applicable.

1.1.4 Capital upgrades

Refer to the response to Question 3 in connection with 1.1.4.

1.2 May and June Operating Trajectory

Not applicable.

1.3 Downward Revision in Mining Production

Refer to response to Question 3 in connection with 1.3.

1.4 Retraction of Mined Grade, Head Grade and Recovery Numbers

Not applicable.

1.5 Retraction of “recovery” in other announcements

Not applicable.

5. In relation to the factors that impacted production levels in the March 2026 quarter, please provide details of the following:

- 5.1 What are the issues arising from “*grade reconciliation*”? In answering this question, please detail any results from any grade reconciliation analysis performed by LOT, including (if known) the revised grade represented as a number by way of parts-per-million for any mined grade previously reported by LOT.

With respect to the issues arising from “*grade reconciliation*”, please refer to the response to Question 2 in connection with 1.1.2 and the introductory response to Question 3.

Regarding any results of grade reconciliation, as noted above, processed head grade was on average higher than the Ore Reserve grade. However, as noted in the introductory response to Question 3, following investigations after the end of March 2026 quarter, there was a likely bias to a lower processed head grade, and that this positive reconciliation may not be accurate. As the Company is continuing investigations, the Company cannot provide any grade reconciliation at this time as these are likely to be inaccurate.



5.2 What is the extent of the “substantially lower recoveries”? In answering this question, please detail the lower recoveries achieved as at 31 March 2026, and the point of comparison LOT adopted to conclude recoveries should be revised downwards.

As noted in the introductory response to Question 1, the primary production metric in a quarter is "Uranium Produced", and “recovery” is one of several key inputs of this metric. Specifically, the key inputs for Uranium Produced are:

Ore Milled (weight in tonnes) x Head Grade (parts per million of U_3O_8) x Recovery (percentage of U_3O_8 processed recovered), plus or minus U_3O_8 (pounds) added or depleted from inventory in the processing circuit from the last relevant balance (e.g. end of quarter).

During ramp-up, while the Company could reliably measure the Uranium Produced and the Ore Milled, the Company cannot accurately calculate the other key drivers (Head Grade, Recovery and U_3O_8 Inventory in the Processing Circuit). Given the uncertainty of multiple other variables (Head Grade and U_3O_8 Inventory in the Processing Circuit), it is not possible to calculate these recoveries with precision from historical production.

In particular, the Company notes that as part of a ramp-up of the processing plant, there is a substantial build-up of U_3O_8 in the processing circuit from zero. This build-up of U_3O_8 continues until the processing plant reaches a steady state, whereafter there are typically minor changes due to timing of drumming of U_3O_8 (when production is produced) and changes in the key drivers of processing (being ore milled, head grade and recovery).

However, the process plant currently includes a full circuit of U_3O_8 inventory which makes it difficult to measure due to:

- Issues with the elution circuit due to equipment failures, meaning operations must run in batch mode instead of continuously, creating less recovery and resulting in high loaded resin levels;
- A focus on product quality, which means that uranium is not precipitated until quality measures are completed, reducing the amount of uranium produced and a build-up in circuit.

The point of comparison the Company adopted for recoveries is the December 2025 Quarter recovery number of 82.1%.

5.3 What were the “capital upgrades” completed by LOT? In answering this question, please provide details of when the capital upgrades were performed.

There were multiple capital upgrades, including upgrade to the tailings thickener; laboratory improvements to infrastructure and key pieces of equipment; instrumentation upgrades – upgrading and replacing missing hardware and improved calibration and interface with SCADA systems, mill re-lining, various pumps and piping systems, and compressor upgrades.

The capital upgrades were performed over the period from December 2025 to March 2026, with some minor works ongoing as part of ongoing performance improvements.

6. On 7 April 2026, LOT stated that it expected to achieve steady-state production in Q2 CY2026. In the March Quarterly Announcement, LOT states “Expect to trend towards steady state throughput during the current quarter (Q2 CY26)” (ASX emphasis added). Please answer the following:



- 6.1 Does LOT maintain the timeframe included in its announcement date 7 April 2026, namely that LOT expected to achieve steady-state production (ie. by achieving production rates of 200klb per month, or an equivalent of approximately 2.4Milbpa) during Q2 CY2026?**

No.

As disclosed in the March 2026 Quarterly Activities Report, the Company updated its expectations by stating *“Expect to trend towards steady state throughput during the current quarter (Q2 CY26), however, ongoing production and recovery improvements will determine the production run rate and total quarter production”*.

The Company continues to expect to trend towards steady state production, but it does not expect to achieve a full month production rate of 200klb per month in one of the months in Q2 CY2026.

- 6.2 If the answer to question 6.1 is ‘no’, please confirm the revised timeframe in which steady-state production is expected to be achieved.**

Based on current forecasts, full month steady state production is expected to be achieved within Q3 CY2026 (1Q FY2027). This is subject to the timing of a potential planned maintenance shutdown during the September quarter and finalisation of the FY2027 budget which is currently being developed.

- 7. In relation to the December 2025 Production Results, and the revisions to those results in the Announcement:**

- 7.1 What was the reason for the downward revision in the ‘Ore Mined’ and ‘Waste Mined’ information?**

Refer to the response to Question 2 in connection with 1.3.

- 7.2 What was the reason for the retraction of the mined grade, head grade and recovery numbers?**

Refer to the introductory response to Question 3.

- 8. In relation to the retraction of LOT’s previously reported recovery rates of between 82.1% and 87% for the December 2025 quarter, what was the reason for the retraction of those recovery rates?**

Refer to the opening response to Question 3.

In answering this question, please also confirm:

- 8.1 Has LOT has determined revised recovery rates for the December 2025 quarter? If so, what is the revised recovery rate?**

Lotus has not determined revised recovery rates for the December 2025 quarter. Lotus will not be able to accurately reconcile precise numbers given that it is not possible to accurately and retrospectively separate and allocate the inputs into the variables used to calculate Uranium Produced, particularly during a ramp up period of intermittent operations. The Company can only make inferences from the historical information and additional testing of tailings information. Please refer to the comments in response to Question 5.2 regarding the complexity in calculating the recovery.



In order to determine an auditable and appropriate basis for assumptions and allocations of the abovementioned variables for the December 2025 quarter, the Company has engaged a metallurgical accounting consultancy who will be on site in coming weeks to support the reconciliation processes and data. The Company will determine final recovery numbers on a going-forward basis in consultation with the metallurgical consultants and its auditor based on the best information available to it.

8.2 If the answer to question 8.1 is 'no', please confirm why LOT considers it cannot state a revised recovery rate for the December 2025 quarter.

Refer to the response in question 8.1.

9. Having regard to:

9.1 the downward revision of the December 2025 Production results for 'Ore Mined' from 11.9kt to 5.1kt (representing a 57.1% decrease) and 'Waste Mined' from 265kt to 232.1kt (representing a 12.4% decrease);

9.2 the retraction of the mined grade, head grade and recovery numbers in the December 2025 Production Results; and

9.3 the retraction of references to 'recovery' in LOT's announcements dated 4 December 2025, 5 February 2026, 16 February 2026, and 10 March 2026 (namely retraction of the reported recovery rates between 82.1% and 87% within those announcements),

were each of LOT's announcements dated 4 December 2025, 30 January 2026, 5 February 2026, 16 February 2026 and 10 March 2026 prepared, reviewed and lodged with ASX in accordance with LOT's Continuous Disclosure Policy?

Yes.

10. If the answer to question 9 is 'no', please describe the steps taken by LOT in preparing, reviewing and releasing the abovementioned announcements to ensure these announcements contained information which was accurate, complete and not misleading.

Not applicable.

11. If the answer to question 9 is 'yes', does LOT consider its Continuous Disclosure Policy is operating effectively? In answering this question, please comment on the revisions and retractions of previously disclosed information as set out above in paras 10.1 to 10.3.

Yes.

In regards to 10.1, despite this information coming to light prior to revisions in the March 2025 Quarterly Report, the change is immaterial in the context of the amount required to reach steady state production (refer to the response to Question 2 in connection with 1.3 for further information) and the availability of exiting stockpiles (i.e. the Company's production wasn't ore constrained).

In regards to the 10.2 and 10.3, please refer to the introductory response to Question 3 as to when and how the information came to light. Prior to that time, the Company was not 'aware' of the matters regarding the inaccuracy of the numbers, and the Company believed that the systems it had in place were sufficient to accurately calculate the numbers. Accordingly, the Company believes it was in compliance with its Continuous Disclosure Policy.



12. Please confirm that LOT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yes.

13. Please confirm that LOT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LOT with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the above response has been authorised by the Board.

Yours sincerely,

Hayden Bartrop
Company Secretary

6 May 2026

Mr Hayden Bartrop
Company Secretary
Lotus Resources Limited

By email

Dear Mr Bartrop

Lotus Resources Limited ('LOT'): ASX Aware Letter

ASX refers to the following:

- A. LOT's announcement titled "Operations Update as Kayelekera Moves Towards Steady State" released to the ASX Market Announcements Platform ('MAP') at 8:32AM AEDT on 4 December 2025 disclosing (amongst other things) that:
 - 1.1 "During a 15 day period of continuous operations in November, the plant performed well and is approaching nameplate levels. The Company used the shutdown time, due to the acid shortages, to address routine plant commissioning items, undertake plant optimization initiatives and regular maintenance, which is supporting pleasing throughput and recovery levels... Lotus remains on track to achieve operational production rates at steady state levels at Kayelekera within Q1 CY2026"; and
 - 1.2 "Preliminary recovery for the month averaged approximately 83%, which is close to targeted steady state recovery of 86.7%".
- B. LOT's announcement titled "Quarterly Activities and Cash Flow Reports - December 2025" released to MAP at 8:27AM AEDT on 30 January 2026 disclosing (amongst other things) the production results for the quarter ended 31 December 2025 as follows:

Table 1: Kayelekera December 2025 quarter production

Kayelekera	Unit	Dec 2025 Quarter	FY YTD
Mining			
Ore Mined	kt	11.9	11.9
Waste Mined	'000bcm	117	117
Waste Mined	kt	265.0	265.0
Mined Grade	ppm	612	612
Processing			
Ore Milled	kt	85.5	188.5
Head Grade	ppm	1,081	1,117
Recovery	%	82.1	72.8
Uranium Produced ²	klb	70.1	105.0

(together, the 'December 2025 Production Results')

- C. LOT's announcement titled "Investor Presentation - Kayelekera Site Visit" released to MAP at 8:10AM AEDT on 16 February 2026 disclosing (amongst other things) that "Lotus is targeting monthly steady state production of ~200klb in Q2 CY2026 (equivalent to ~2.4Mlbpa)".
- D. LOT's announcement titled "Kayelekera Production Update" released to MAP at 8:42AM AEST on 7 April 2026 disclosing (amongst other things) that:
 - 1.1 LOT "will replace two newly installed electrical control panels in the drying and packaging area of its Kayelekera Uranium Mine in Malawi (Kayelekera) due to fire damage sustained on Saturday 4th April...

-
- At this stage, the incident is expected to result in production downtime of approximately 3 weeks for repairs, testing and recommissioning”; and*
- 1.2 *“Despite this delay, the progress in positioning Kayelekera for steady-state production this quarter has been encouraging, and we still expect to achieve this in Q2 CY2026”.*
- E. LOT’s announcement titled “Quarterly Activities and Cash Flow Reports – March 2026” (the ‘March Quarterly Announcement’) released to MAP at 9:12 AM AEST on 30 April 2026 disclosing the following:
- 1.1 Overall processing performance at the Kayelekera project in Malawi [during the March 2026 quarter] was impacted by the following (amongst other things):
- 1.1.1 *“Reagent management”;*
- 1.1.2 *“Grade reconciliation”;*
- 1.1.3 *“Substantially lower recoveries”;* and
- 1.1.4 *“Capital upgrades”.*
- 1.2 *“May and June operating trajectory expected to deliver improved throughput and production following the interruptions in the March quarter which continued into April... Expect to trend towards steady state throughput during the current quarter (Q2 CY26), however, ongoing production and recovery improvements will determine the production run rate and total quarter production”.*
- 1.3 The downward revision of the December 2025 Production results for ‘Ore Mined’ from 11.9kt to 5.1kt (representing a 57.1% decrease) and ‘Waste Mined’ from 265kt to 232.1kt (representing a 12.4% decrease).
- 1.4 The retraction of the mined grade, head grade and recovery numbers in the December 2025 Production Results.
- 1.5 The retraction of references to ‘recovery’ in LOT’s announcement dated 4 December 2025 (namely retraction of the reported 87% preliminary recovery rate reported in that announcement).
- F. The change in the price of LOT’s securities from an intraday high of \$1.46 on 29 April 2026 immediately prior to the release of the Announcement to an intraday low of \$0.94 on 30 April 2026 following the release of the March Quarterly Announcement (representing a 35.6% decrease in the price of LOT’s securities).
- G. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- H. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:
- “an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”*
- I. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled “When does an entity become aware of information?”
- J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- “3.1A *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 *One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- K. The concept of "confidentiality" detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B ('Guidance Note 8')*. In particular, Guidance Note 8 states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule."

- L. Section 4.15 of Guidance Note 8 which provides the following in relation to the content of announcements and forward-looking statements:

"An announcement under Listing Rule 3.1 must be accurate, complete and not misleading. A listed entity cannot satisfy its obligation to disclose market sensitive information under Listing Rule 3.1 by disclosing information that is materially inaccurate, incomplete or misleading. If it attempts to do so, that will likely trigger a separate obligation under Listing Rule 3.1 to correct the inaccurate, incomplete or misleading information, causing the entity to be in breach of that rule and section 674 of the Corporations Act until it does so. It will also likely cause a false market in its securities, empowering ASX to require the entity to give ASX any information ASX asks for to correct the false market.

... Any forward-looking statements in an announcement must also be based on reasonable grounds or else by law they will be deemed to be misleading. Any material assumptions or qualifications that underpin a forward-looking statement in an announcement under Listing Rule 3.1 should also be stated in the announcement."

- M. LOT's Continuous Disclosure Policy available on its website.

Request for information

Having regard to the above, ASX asks LOT to respond separately to each of the following questions:

1. Does LOT consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 - 1.1 Overall processing performance at the Kayelekera project in Malawi [during the March 2026 quarter] was impacted by the following (amongst other things):
 - 1.1.1 "Reagent management";
 - 1.1.2 "Grade reconciliation";

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- 1.1.3 “Substantially lower recoveries”; and
 - 1.1.4 “Capital upgrades”.
 - 1.2 “May and June operating trajectory expected to deliver improved throughput and production following the interruptions in the March quarter which continued into April... Expect to trend towards steady state throughput during the current quarter (Q2 CY26), however, ongoing production and recovery improvements will determine the production run rate and total quarter production”.
 - 1.3 The downward revision of the December 2025 Production results for ‘Ore Mined’ from 11.9kt to 5.1kt (representing a 57.1% decrease) and ‘Waste Mined’ from 265kt to 232.1kt (representing a 12.4% decrease).
 - 1.4 The retraction of the mined grade, head grade and recovery numbers in the December 2025 Production Results.
 - 1.5 The retraction of references to ‘recovery’ in LOT’s announcements dated 4 December 2025, 5 February 2026, 16 February 2026, and 10 March 2026 (namely retraction of the reported recovery rates between 82.1% and 87% within those announcements).

Please answer separately for each of the above.

- 2. If the answer to any part of question 1 is “no”, please advise the basis for that view.

Please answer separately for each of the items in question 1 above.

- 3. When did LOT first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 1 above.

- 4. If LOT first became aware of the information referred to in question 1 before the date of the March Quarterly Announcement, did LOT make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe LOT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps LOT took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

- 5. In relation to the factors that impacted production levels in the March 2026 quarter, please provide details of the following:

- 5.1 What are the issues arising from “grade reconciliation”? In answering this question, please detail any results from any grade reconciliation analysis performed by LOT, including (if known) the revised grade represented as a number by way of parts-per-million for any mined grade previously reported by LOT.

- 5.2 What is the extent of the “substantially lower recoveries”? In answering this question, please detail the lower recoveries achieved as at 31 March 2026, and the point of comparison LOT adopted to conclude recoveries should be revised downwards.

- 5.3 What were the “capital upgrades” completed by LOT? In answering this question, please provide details of when the capital upgrades were performed..

Please answer separately for each of the items in question 5 above.

- 6. On 7 April 2026, LOT stated that it expected to achieve steady-state production in Q2 CY2026. In the March Quarterly Announcement, LOT states “Expect to **trend towards** steady state throughput during the current quarter (Q2 CY26)” (ASX **emphasis added**). Please answer the following:

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- 6.1 Does LOT maintain the timeframe included in its announcement date 7 April 2026, namely that LOT expected to achieve steady-state production (ie. by achieving production rates of 200klb per month, or an equivalent of approximately 2.4Mlbpa) during Q2 CY2026?
- 6.2 If the answer to question 6.1 is 'no', please confirm the revised timeframe in which steady-state production is expected to be achieved.
7. In relation to the December 2025 Production Results, and the revisions to those results in the Announcement:
- 7.1 What was the reason for the downward revision in the 'Ore Mined' and 'Waste Mined' information?
- 7.2 What was the reason for the retraction of the mined grade, head grade and recovery numbers?
- Please answer separately for each of the items in question 7 above.
8. In relation to the retraction of LOT's previously reported recovery rates of between 82.1% and 87% for the December 2025 quarter, what was the reason for the retraction of those recovery rates? In answering this question, please also confirm:
- 8.1 Has LOT has determined revised recovery rates for the December 2025 quarter? If so, what is the revised recovery rate?
- 8.2 If the answer to question 8.1 is 'no', please confirm why LOT considers it cannot state a revised recovery rate for the December 2025 quarter.
9. Having regard to:
- 9.1 the downward revision of the December 2025 Production results for 'Ore Mined' from 11.9kt to 5.1kt (representing a 57.1% decrease) and 'Waste Mined' from 265kt to 232.1kt (representing a 12.4% decrease);
- 9.2 the retraction of the mined grade, head grade and recovery numbers in the December 2025 Production Results; and
- 9.3 the retraction of references to 'recovery' in LOT's announcements dated 4 December 2025, 5 February 2026, 16 February 2026, and 10 March 2026 (namely retraction of the reported recovery rates between 82.1% and 87% within those announcements),
- were each of LOT's announcements dated 4 December 2025, 30 January 2026, 5 February 2026, 16 February 2026 and 10 March 2026 prepared, reviewed and lodged with ASX in accordance with LOT's Continuous Disclosure Policy?
10. If the answer to question 9 is 'no', please describe the steps taken by LOT in preparing, reviewing and releasing the abovementioned announcements to ensure these announcements contained information which was accurate, complete and not misleading.
11. If the answer to question 9 is 'yes', does LOT consider its Continuous Disclosure Policy is operating effectively? In answering this question, please comment on the revisions and retractions of previously disclosed information as set out above in paras 10.1 to 10.3.
12. Please confirm that LOT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
13. Please confirm that LOT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LOT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Monday, 11 May 2026**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LOT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require LOT to request a trading halt immediately if trading in LOT's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in LOT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to LOT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that LOT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

ASX Supervision