

Early exercise of options by institutional investors raises \$1.4M

Lotus Resources Limited (LOT) (Lotus or the **Company**) is pleased to announce that it has received approximately \$1.4 million from the early exercises of options during July 2020 (34.8 million options). These options were granted to investors in relation to a placement in connection with the acquisition of the Kayelekera Project.

HIGHLIGHTS

- **The options exercised include two of the Company's institutional shareholders and a non-executive director of the Company:**
 - Sachem Cove Partners, a U.S. based global uranium focussed investment fund and the second largest Lotus shareholder.
 - Precision Opportunities Fund, an Australian based specialist investment fund and major shareholder.
 - Mr. Grant Davey, a non-executive director and a major shareholder.
- **After giving effect to July's exercises, 92.6 million or 46%, of the options issued in connection with the Kayelekera Project acquisition (Tranche 1, Tranche 2 and the Options attached to a Rights issue) have been exercised early, raising a total to date of \$3.7 million.**
- **The options were issued at an exercise price of \$0.04 per option with expiry dates ranging from September 2022 to March 2023.**
- **The net proceeds raised this month will be used for working capital related to the care and maintenance operating costs of the Kayelekera Project.**

Eduard Smirnov, Managing Director, commented: "Continued early option exercise by institutional shareholders is a clear sign of support for the Company and its management team. The capital raised strengthens our cash position as we enter a new financial year while maintaining safe and cost-optimal care and maintenance activities at the Project site. We remain shareholder value growth-focussed as we progress our project restart plans."

EARLY EXERCISE OF OPTIONS

A total of 199.9 million options at an exercise price of \$0.04 per share were issued as part of a placement to investors in relation to the Kayelekera Project acquisition. These options were issued in two tranches with the expiry and exercise dates as followed:



Tranche 1 – 62.4 million options expiring September 2022

- 34.0 million, or 55%, of the options exercised as of 3 August 2020.
- 28.4 million options outstanding.

Tranche 2 – 112.5 million options expiring March 2023

- 48.0 million, or 43%, of the options exercised as of 3 August 2020.
- 64.5 million options outstanding.

Tranche 3 (Rights issue) – 25.0 million options expiring during September and October 2022

- 10.6 million, or 42%, of the options exercised as of 3 August 2020.
- 14.4 million options outstanding.

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ABOUT LOTUS RESOURCES

Lotus Resources Limited (ASX – LOT) is an Australian minerals exploration and development company listed on the Australian Stock Exchange. The Company holds a 65% interest in the Kayelekera project in Malawi, a former producing uranium mine which was placed on care and maintenance in 2014.

For more information, visit www.lotusresources.com.au



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