



Kayelekera Proven Uranium Producer

July 2021 – Institutional Roadshow

LOT.ASX OTCQB: LTSRF

Important Notice



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Assumptions have been made regarding, among other things: the uranium market information, the Company's peers, the Company's ability to carry on its future exploration, development and production activities, the timely receipt of required approvals, the price of uranium, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause the Company's results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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SCOPING STUDY

For information in this document relating to the Restart Scoping Study, refer to ASX announcement dated 20 October 2020. The Company confirms that in relation to the Restart Scoping Study announced on 20 October 2020, it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions underpinning the forecast financial information included in that announcement continue to apply and have not materially changed.

MINERAL RESOURCE (JORC 2012)

For information relating to the Mineral Resource Estimate in this document, refer to ASX announcements dated 26 March 2020 and 24 June 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements; and that the information in the announcement relating to exploration results is based upon, and fairly represents the information and supporting documentation prepared by the named Competent Persons.

EXPLORATION RESULTS

The information in this Presentation that relates to exploration results at the Company's Kayelekera project in Malawi references ASX announcements dated 16 December 2020. Lotus confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

A proven producing asset for the upcoming uranium boom



PROVEN URANIUM PRODUCER

11Mlbs of historical uranium production

- 100% accepted by conversion facilities in the U.S., Canada and France
- US\$200m spent on infrastructure at Kayelekera

LOW-COST OPTION

\$50m to recommence production ¹ – one of the lowest in the industry

- Technical studies underway targeting lower operating costs
 - *Ore sorting – up to 100% increase in grade compared to original feed*
- Feasibility Study to be completed by 1H2022

EXPLORATION UPSIDE

Existing resource of 37.5Mlb with limited exploration in last 20 years

- Multiple near mine targets identified - drilling underway
- Rare Earth - Milenje Hills high-grade Rare Earth Oxides discovery

MARKET

Supply & demand imbalance caused by sustained low pricing for the past decade

- Uranium is the only sustainable base load power option with zero carbon emissions

CAPITAL STRUCTURE

955M

SHARES ON ISSUE

\$155M

MARKET CAP
At \$0.16 / share

\$28M

CASH AT JUNE 2021

Unrestricted (\$15m)*
Restricted (\$13m)

*Unaudited

46M









OPTIONS



Significant valuation gap to peers¹

Spreadsheet assumptions are not always achieved on a mine site



	 LOTUS RESOURCES	 PALADIN ENERGY LTD	 ENERGY FUELS	 BOSS RESOURCES LIMITED	 PENINSULA ENERGY LTD	 UEnergy NYSE American: URG • TSX: URE	 UEC Uranium Energy Corp	 BANNERMAN	 Deep Yellow LIMITED	 VIMY RESOURCES
Ticker	LTSRF:OTC: LOT.ASX	PDN.ASX	EFR.TSX	BOE.ASX	PEN.ASX	URE.TSX	UEC.NYSE	BMN.ASX	DYL.ASX	VMY.ASX
Market Capitalisation (A\$ M)	\$155m	\$1,298m	1,030m	\$350m	\$155m	\$320m	\$720m	\$190m	\$225m	\$110m
Project Name (Main project only) / Country	Kayelekera, Malawi	Langer Heinrich, Namibia	White Mesa, USA	Honeymoon, Australia	Lance, USA	Lost Creek, USA	Hub & Spoke, USA	Etango, Namibia	Tumas, Namibia	Mulga Rock, Australia
Type of operation (OP / UG / ISR)	OP	OP	OP	ISR	ISR	ISR	ISR	OP (HL)	OP	OP
OPERATION HISTORY										
Historically achieved forecasted production target?	Yes ²	Yes ²	Yes	No ³	No ⁴	No	No	New Development	New Development	New Development
Number of year project historically operated	5 ²	10 ²	+30	2.5 ³	3.5 ⁴	6	2	NA	NA	NA
Total historical production (M lbs)	11 ²	43 ²	39	0.7 ³	0.4 ⁴	2.6	0.3	NA	NA	NA
FUTURE STRATEGY & FORECASTS										
Forecasted annual production (Mlbs)	2.5 Mlbs pa	5.9 Mlbs pa	NA Focus on Rare Earths?	2.0 Mlbs pa	2.3 Mlbs pa	1.5 Mlbs pa	2.0 Mlbs	3.5 Mlbs pa	2.5 Mlbs pa	3.5 Mlbs pa
Head grade (ppm) Mining phase / Stockpiles	898ppm / 400ppm	593ppm / 336ppm	NA	ISR - NA	ISR - NA	ISR - NA	ISR - NA	232ppm	344ppm	768ppm
Initial Capital Cost (US \$ M)	\$50	\$81	NA	\$63	\$119	\$41	?	\$254	\$295	\$255
Capital intensity (US\$ / lb)	\$21	\$14	NA	\$32	\$52	\$27	?	\$73	\$118	\$73

1 - See Appendix 1 for further information; 2 - Annual and quarterly reports PDN.ASX; 3 - MDA reports Uranium One; 4 - Annual and quarterly reports - PEN.ASX

Major work programs underway to drive future development



DEVELOPMENT STUDY

- Operational cost reduction initiatives identified in the 2020 Scoping Study
- Multiple technical studies underway prior to Feasibility Study (2H21)
 - *Power assessment study*
 - *ore sorting*
 - *acid recovery*
 - *tailings facility assessment*

EXPLORATION

- ~5,000 metre drilling program underway
- Uranium
 - *Multiple near mine targets (2-4km from the Kayelekera processing facility) with no historical drilling*
- Rare Earths
 - *High-grade Milenje Hills Rare Earth's prospect – inaugural drill program*

ESG STRATEGY

- Environmental, Social and Governance (ESG) considerations underway
- Highly regarded consultant engaged
- Performance measurement, reporting methods being defined
- A defined communication strategy related to ESG considerations being developed

CORPORATE ACTIVITIES

- USA OTC Listing
 - *Completed - May 21*
 - *North American marketing commenced*
- Marketing Consultant
 - *high calibre appointment completed*
 - *continues to build relationships with global utilities*
- Increase to 85% project ownership
 - *shareholder meeting 31 July 21*

Scoping Study – platform established for future improvement



Scoping Study – based on actual data

- Initial capital cost - One of the lowest industry (US\$50M)
 - *1.4Mtpa processing facility, tailings facility, acid plant and accommodation camp*
 - *Initial capital intensity of US\$21/lb production*
- Two production scenarios:
 - *Scenario 1: 8-year life of mine, producing 16.4Mlbs U_3O_8 (~900ppm U_3O_8)*
 - *Scenario 2: 14-year life of mine, producing 23.8Mlbs U_3O_8 (~680ppm U_3O_8)*
- 2.4Mlbs U_3O_8 per annum at ~US\$33/lb U_3O_8 (C1 cash costs)
 - *Cost assumptions based on actual operating data over 5 years of production*

Technical studies near completion - Feasibility Study 3Q21

- Multiple areas identified aimed at increasing production & reducing operating /capital costs
 - *Power supply*
 - *Ore sorting*
 - *Acid recovery and leach optimisation*
 - *Tailings disposal options*
- Feasibility Study to be completed during 1H22



Ore Sorting - Game changer for Kayelekera



- Technology not available during previous operation
 - *Major advancements during the past decade*
- Initial ore sorting testwork results on ~500kg (STEINERT)
 - *Two sensors tested (colour and density) on commercial scale unit*
- Grades of the ore increasing by up to 100% compared to the feed sample

Potential impact on the Project

- Increase annual production – target 3Mlbs pa
- Extend mine life – low grade material (400ppm to 800ppm?)
- Decreased operating costs (target <US\$30 / lb)
- Capital cost - single ore sorter costs - US\$2M to US\$3M

Next Steps

- Testwork continues through 3Q 21
- Combination of sensors, additional material types (lower grade stockpiles)



Environmental, Social, and Governance (ESG)



Industry Level Participation

- Zero-carbon emissions are central to both government and company policies moving forward
- Uranium is the only current, realistic energy source that provides zero-carbon emissions for global utilities base load power requirements

Company Activities

- Appointment of a CSG advisor and site champion
- Company wide assessment of key stakeholders and selected ESG “topics” relevant to Kayelekera and Lotus

Potential topics being assessed as part of the restart of production

- Minimise GHG emissions compared to previous operations through reduced reliance on diesel generators
- Improved utilisation of resources such as treating lower grade materials previously considered waste
- Social licence to operate through e.g. Community Development Agreements
- Supporting local initiatives



Near mine and greenfield exploration potential



Mineral Resources

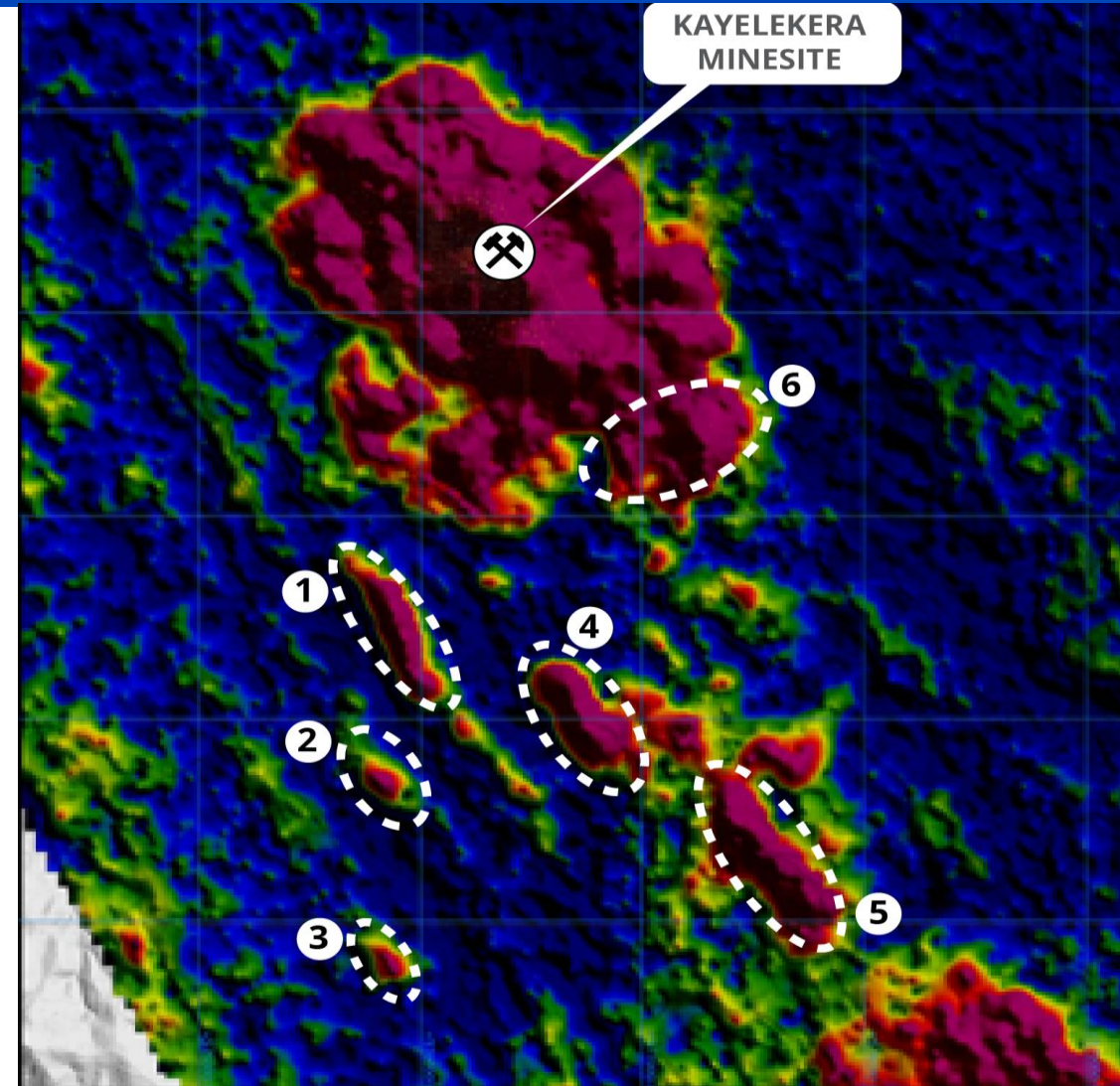
- Kayelekera has a total mineral endowment of ~50Mlbs based on current resource (37.5Mlbs)¹ and historical production (11Mlbs)
- Limited exploration in more than a decade, despite numerous near mine, drill ready targets

Brownfields Potential

- Kayelekera South² - six anomalous radiometric targets within 3km of the mine site
- 5,000 RC drilling program has commenced
 - *Focused on pit resource extensions and near mine "satellite" anomalies*

Greenfields Potential

- Significant greenfield exploration opportunities - 675km²
- Little to no drilling outside of existing Mining License
- On-going discussions regarding advanced, nearby projects

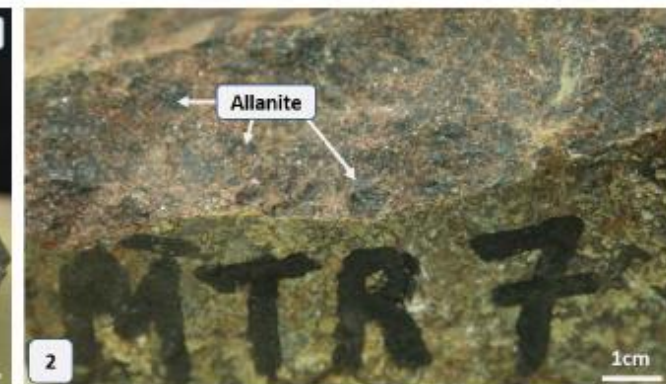
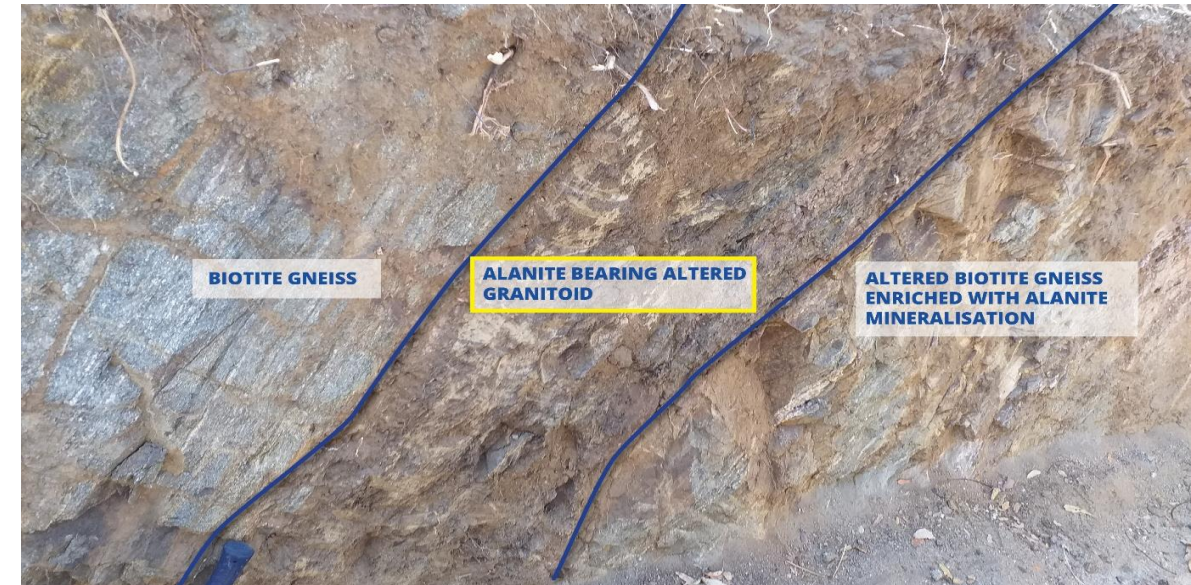


Rare Earths - Neodymium and Praseodymium oxides



Milenje Hills high-grade Rare Earth Oxides (REO)¹

- 2020 - Geophysics, mapping and trenching identified and discovered high-grade material of up to 16% (Av. 8%) TREO² and 3.4% (Av. 1.6%) CREO³
- Highly desirable assemblage - Neodymium and Praseodymium oxides represent on average ~20% of the TREO
 - *Neodymium (Nd), Europium (Eu), Terbium (Tb), Dysprosium (Dy), Yttrium (Y), and Praseodymium (Pr) prices have seen significant increases recently*
 - *Nd and Pr (along with Dy and Tb) are essential for the manufacture of permanent magnets, which make-up ~90% of the value of the REO market.*
- 2021 - mapping and trenching currently underway
 - *Follow up RC drilling and metallurgical test work planned*
- The Company will assess the optimal path forward to crystallise additional value for shareholders



Lotus well positioned for the next uranium cycle



Proven production
11Mlb of historical supply with sales to major utilities

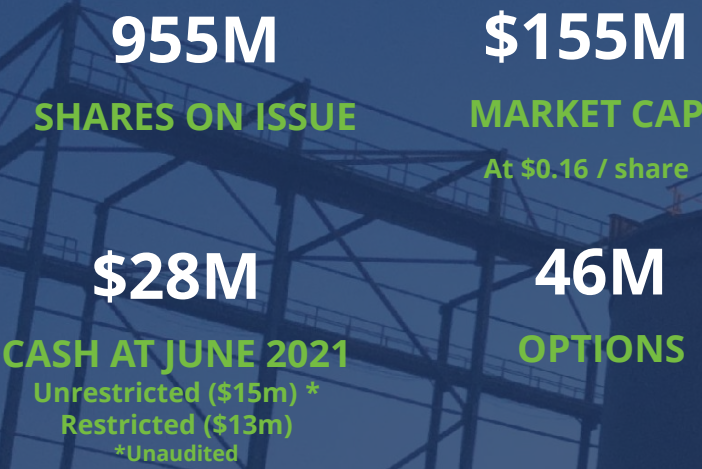
Significant existing infrastructure
Low capex to recommence production

Strong cash position
Significant cash reserves until 2023

Board and management team
Extensive African and uranium experience

Valuation Upside
Significant valuation discount compared to peers

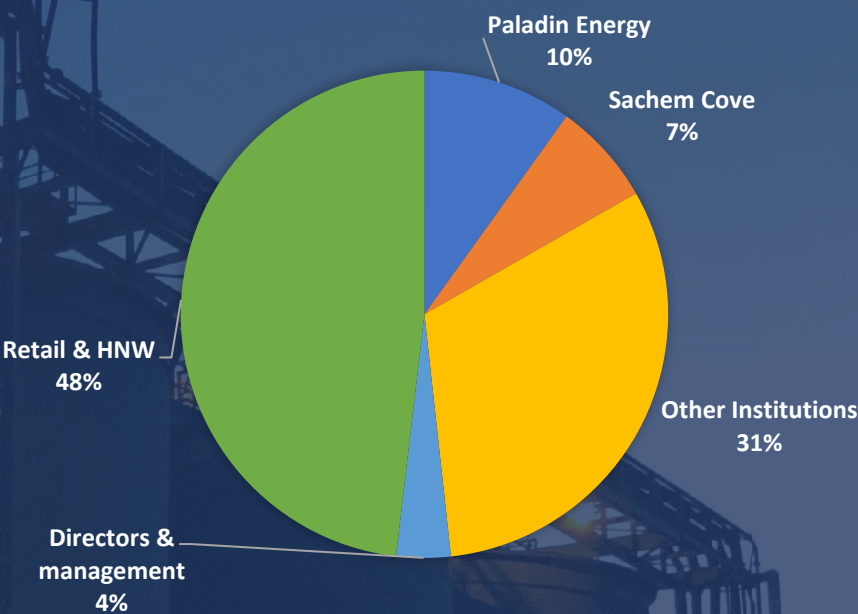
CAPITAL STRUCTURE



2021 TARGETS



SHAREHOLDERS





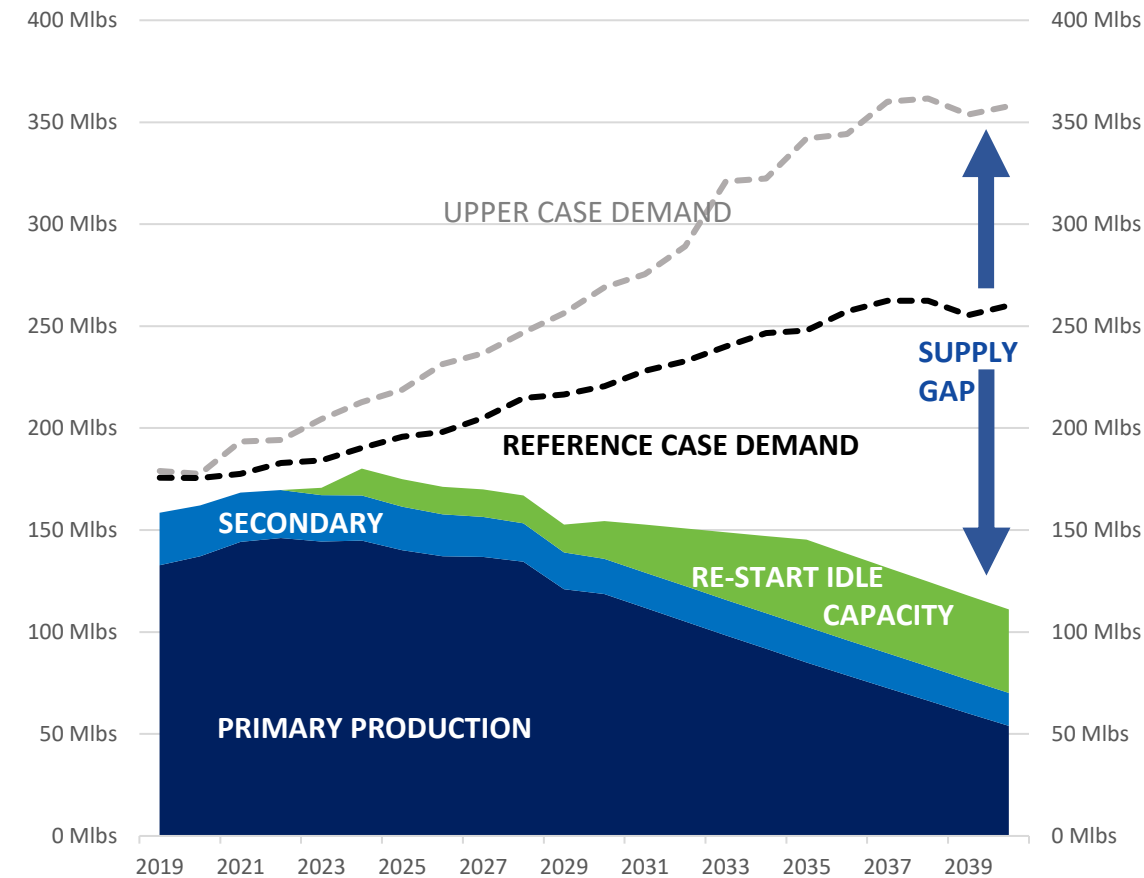
URANIUM MARKET UPDATE



Uranium positioned for significant re-rating



- A decade of low uranium prices has resulted in no new developments, discoveries and minimal exploration
- Supply and demand fundamentals have significantly tightened with an estimated 30-60Mlbs U_3O_8 per annum shortfall expected by 2024 through 2028
- COVID 19 - affected the uranium industry arguably more than any other
 - ~40Mlbs of lost production in 2020, with similar losses expected through 2021
 - One of the best performing commodities in 2020 – 30% increase in spot price
 - Brought forward the impending supply deficit
- Stand off between producers and utilities
 - Higher prices required to re-start idle assets and advance new developments
 - No substitute for end users; commercial inventories depleting
 - Utilities buying focused on ensuring long term guarantee of supply resulted in price increase during the last long-term procurement cycle
 - The world's second largest producer, Cameco, is one of the largest buyers on spot market (~34Mlb U_3O_8 acquired during 2020)
 - Majors are preserving long-term value by leaving uranium in the ground and buying uranium on the spot market until pricing increases

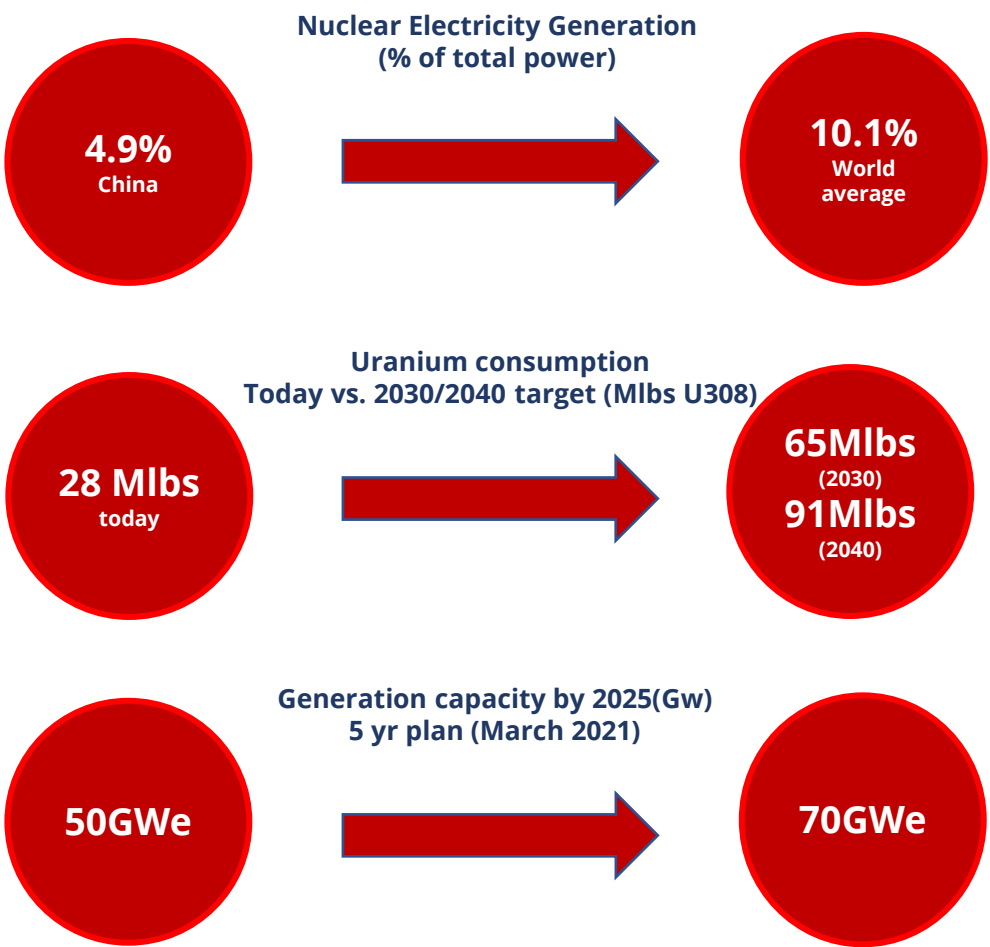
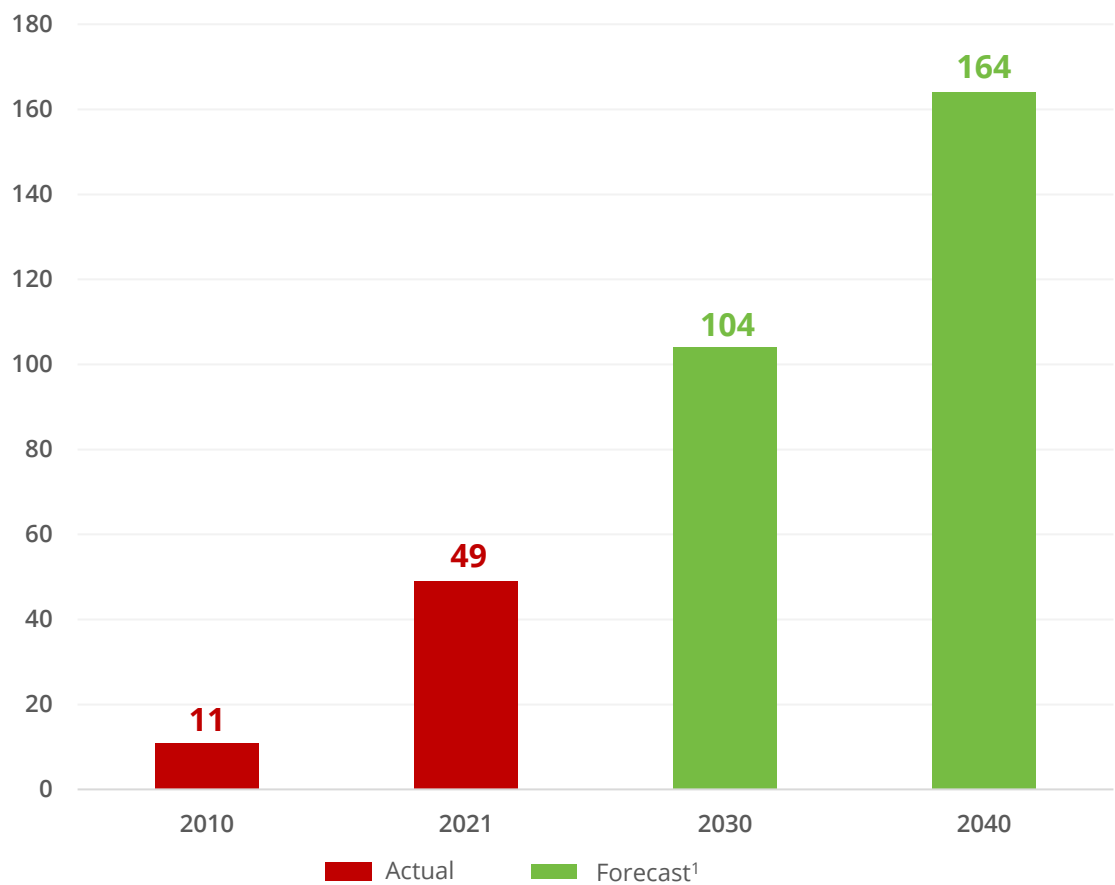


Source: WNA, Nuclear Fuel Report Note: Excludes production cuts through 2020

China will be the largest consumer of uranium by 2030



NUCLEAR REACTORS - CHINA



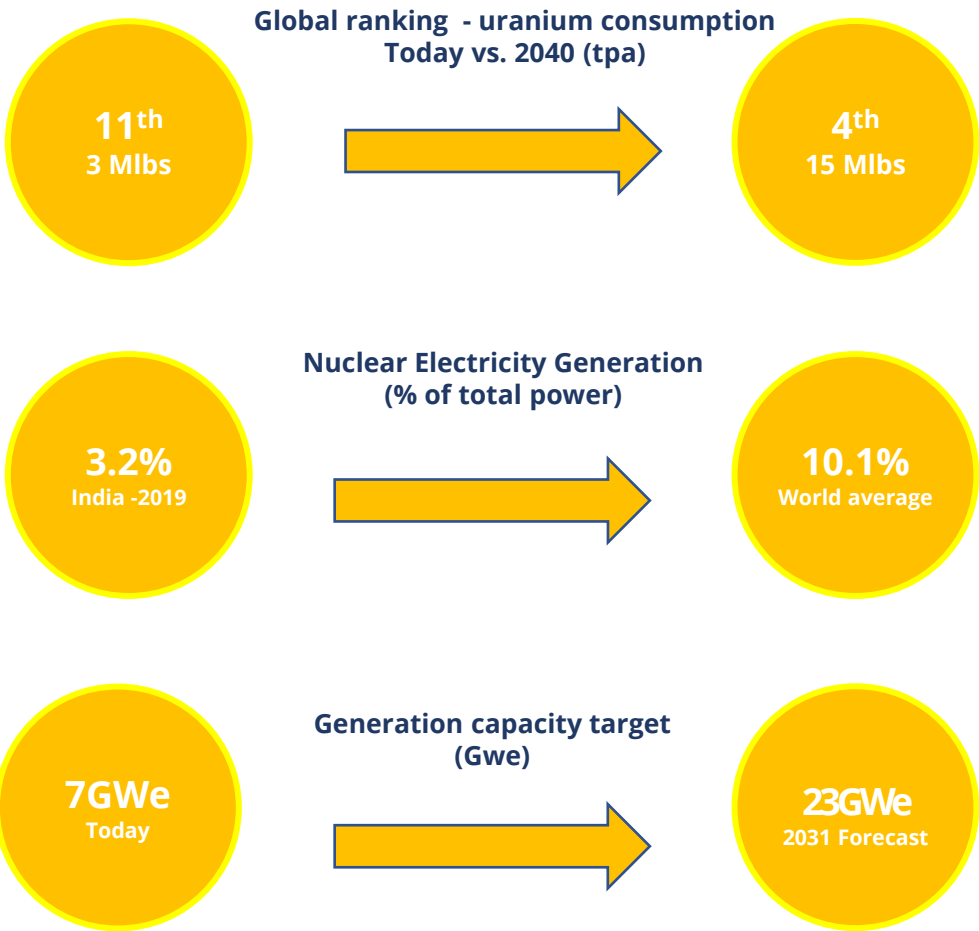
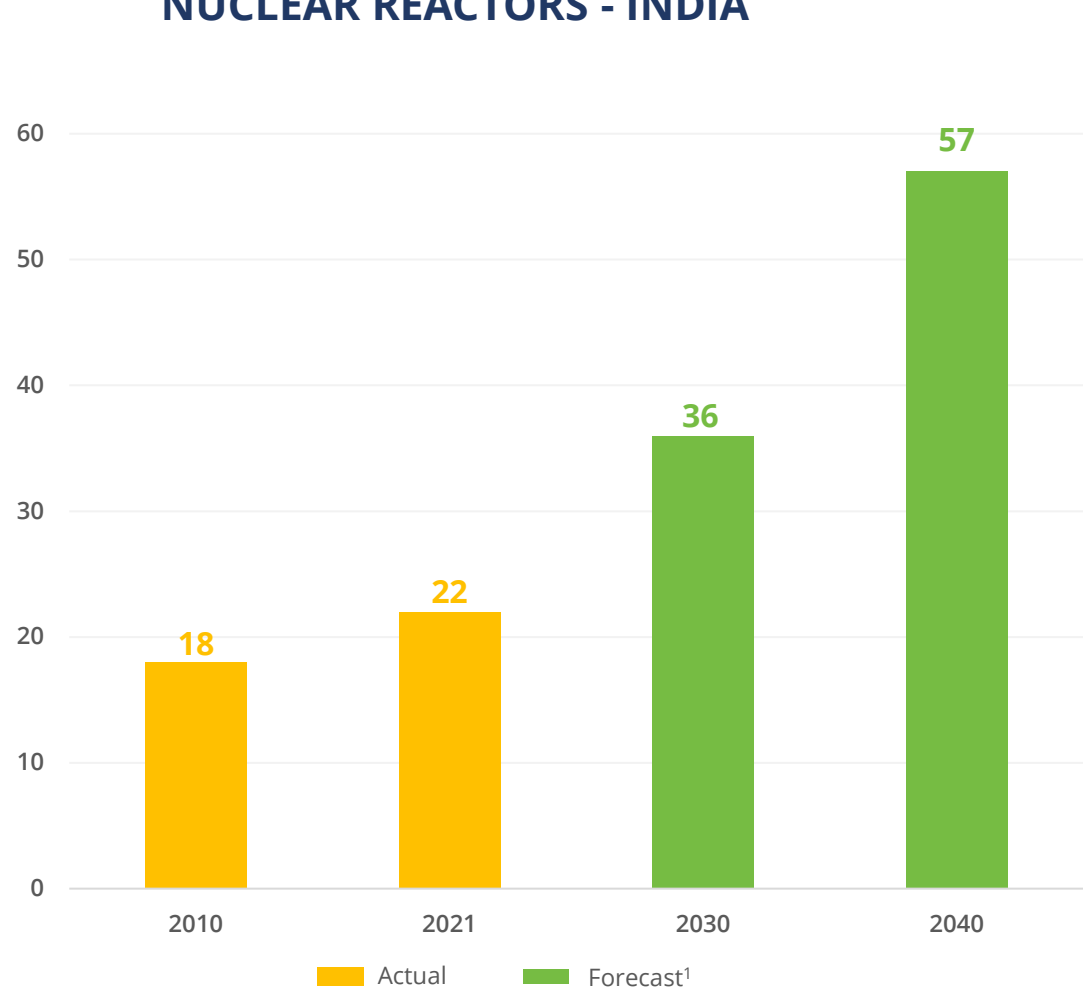
1 - Operating + Construction + proposed - closures

Source: WNA, Nuclear Fuel Report

India will be the 4th largest consumer of uranium by 2040



NUCLEAR REACTORS - INDIA



1 - Operating + Construction + proposed - closures

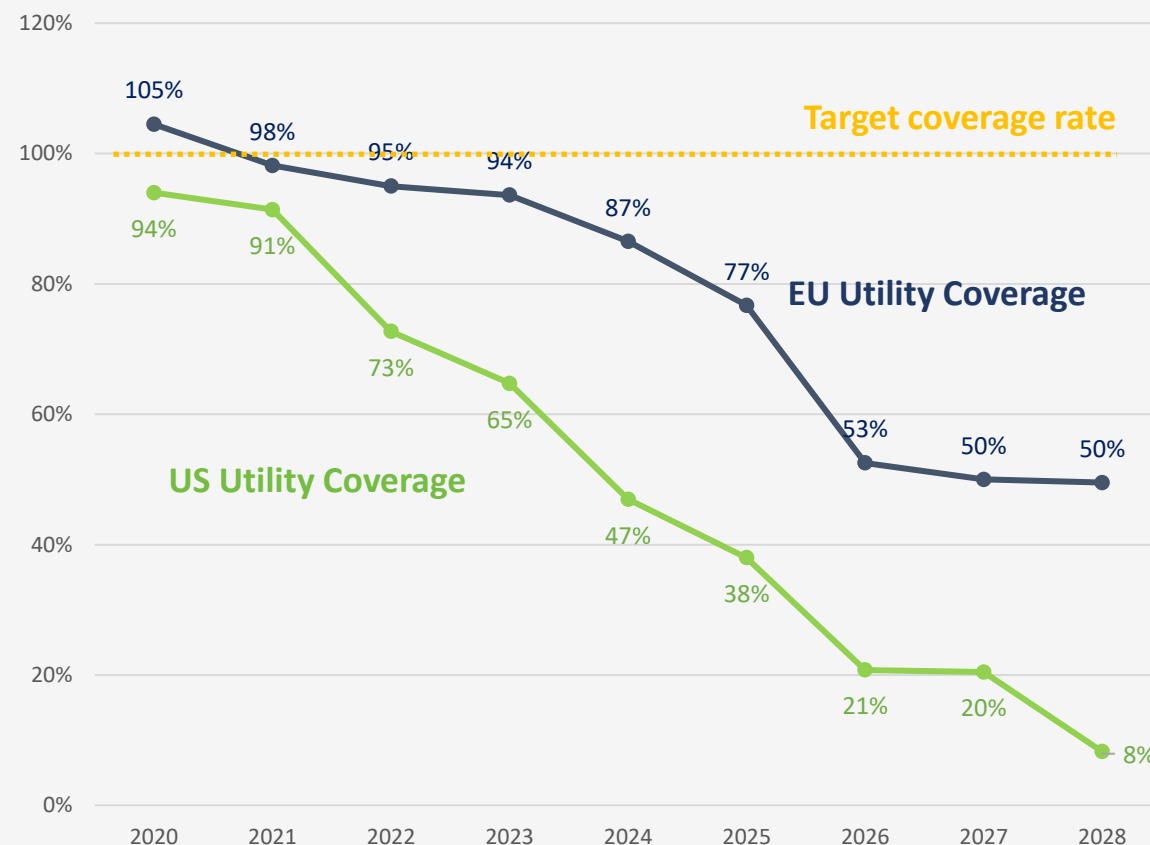
Source: WNA, Nuclear Fuel Report

Long-term contracting cycle is imminent



- Nuclear utilities cover their fueling needs through long-term contracts, which generally range from three to ten years
 - *Typically, no more than 10% is bought on spot*
- Decreasing utility contract coverage rates are observed by the market across North America, Asia and Europe
- Further to decreasing contract coverage rates, the market expectation for the next long-term procurement cycle by utilities is based on industry specific fundamentals:
 - *Utilities need to ensure adequate long-term supply security to guarantee generate electricity;*
 - *Nuclear fuel production and delivery cycle requires a minimum of 18-24 months; and*
 - *Most utility nuclear fuel inventories serve as a fuel bank for strategic purposes.*
- Lotus has commenced discussions with major utilities globally regarding long-term base loading contracting¹

UTILITIES FACING RAPID PURCHASING



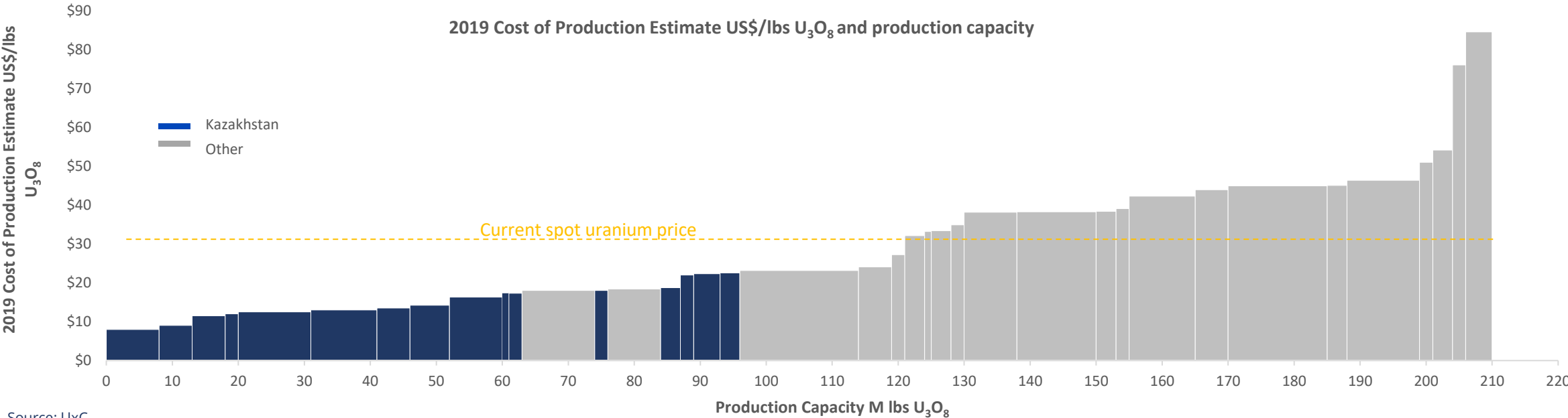
Source: US Energy Information Administration, EurAtom

Significant price increase required to meet growing demand



2024		2028	
Shot-term Demand	Mine Supply	Long-term Demand	Mine Supply
190Mlb	160Mlb	210Mlb	150Mlb
Annual Deficit 30Mlbs U ₃ O ₈		Annual Deficit 60Mlbs U ₃ O ₈	

Source: WNA, The Nuclear Fuel Report, September 2019; Note: Values based on the reference case rounded to the nearest 10Mlbs U₃O₈



Source: UxC

Note: (1) Installed uranium production capacity represents operating and idle production capacity installed for producing projects as of August 2019;
(2) Cost of production comprises operating and capital costs. Operating costs are made up of mining costs, hauling, milling, production/property taxes, environmental costs, and royalty severance tax. (3) Capital costs are made up of acquisition cost/exploration costs, mine development costs, environmental/infrastructure costs, and general and administrative costs.



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Appendix 1 – Peer Comparison



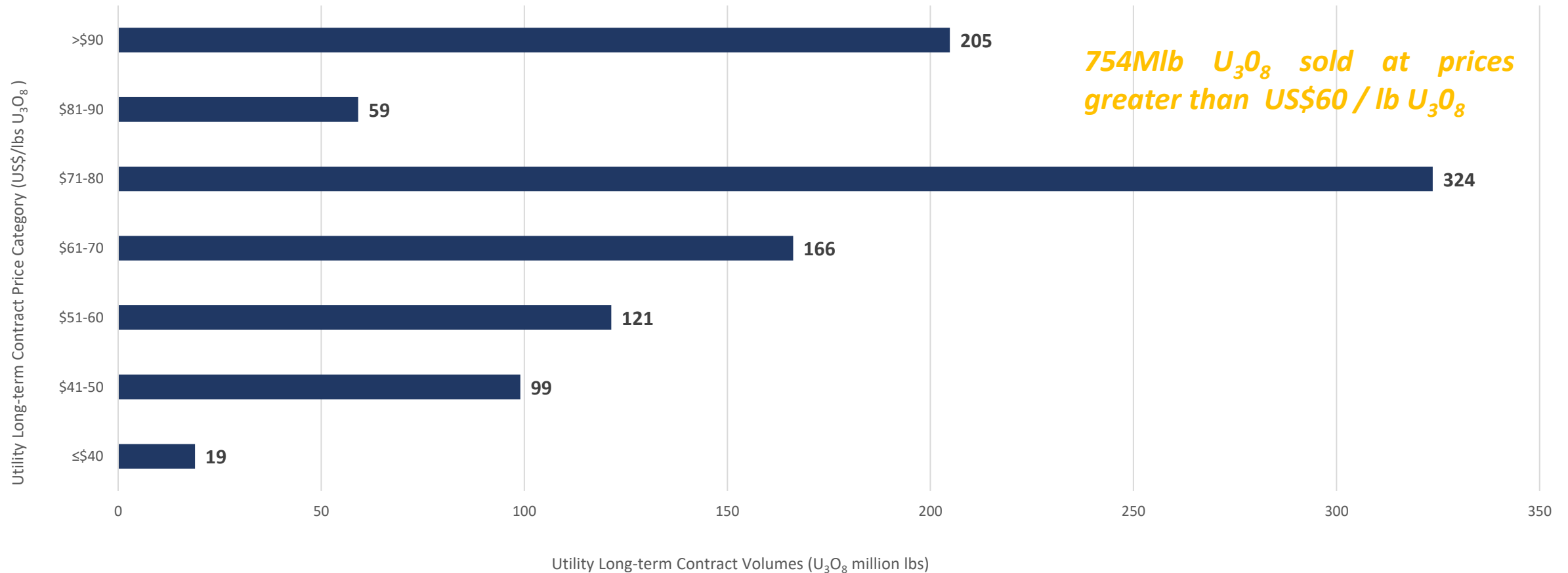
Company information - General							
	(LOT)	(PDN)	(BOE)	(PEN)	(BMN)	(DYL)	(VMY)
EV (A\$ m) ¹							
Project Name (Main project only) / Country	Kayelekera, Malawi	Langer Heinrich, Namibia	Honeymoon, Australia	Lance, USA	Etango, Namibia	Tumas, Namibia	Mulga Rock, Australia
% Ownership	65% (increasing to 85%)	75%	100%	100%	95%	95%	100%
Type of operation (OP / UG / ISR)	OP	OP	ISR	ISR	OP (HL)	OP	OP
RESOURCE – MAIN PROJECT ONLY²							
Measured – contained (M lbs) / grade (ppm)	4 @ 850	96 @ 475	8 @ 1,100	4 @ 489	-	14 @ 194	13 @ 1,100
Indicated – contained (M lbs) / grade (ppm)	27 @ 660	5 @ 520	25 @ 630	12 @ 496	53 @ 247	150 @ 188	33 @ 790
Inferred – contained (M lbs) / grade (ppm)	6 @ 518	19 @ 325	39 @ 570	38 @ 474	51 @ 248	63 @ 196	45 @ 432
Total – contained (M lbs) / grade (ppm)	38 @ 630	120 @ 445	72 @ 620	54 @ 480	104 @ 247	227 @ 191	90 @ 570
FUTURE STRATEGY & FORECASTS							
Study completed	Restart Study	Restart Study	FS	PFS	Pre-feasibility Study	PFS	DFS
Source document	Lotus Resource - Kayelekera Re-start study 20 October 2020	Paladin Energy - Langer Heinrich Mine Restart Study 30 June 2020	Boss Energy - Honeymoon Feasibility Study 21 January 2020	Pen Energy - Lance Project Feasibility Study 17 September 2018	Deep Yellow - Tumas Prefeasibility Study 9 February 2021	Bannerman Resources - Etango 8 Scoping Study 5 August 2020	Vimy Resources - Mulga Rock Definitive Feasibility 26 August 2020
Forecasted annual production (M lbs)	2.5	5.9	2.0	2.3	3.5	2.5	3.5
Head grade (ppm)	898ppm / 400ppm	593ppm / 336ppm	ISR - NA	ISR - NA	232ppm	344ppm	768ppm
Mining phase / Stockpiles							
Initial Capital Cost (US \$ M)	\$50	\$81	\$63	\$119	\$254	\$295	\$255
Capital intensity (US\$ / lb)	\$21	\$14	\$32	\$52	\$73	\$118	\$73

¹ - Based on latest financial information and most recent announcements. ² - All Mineral Resource and Ore Reserves have been reported on a 100% equity basis. Minority interests are shown against project name. The Mineral Resource and Ore Reserves including categories and stage of technical report are available from each and on the ASX Website

Appendix 2 – Historical uranium pricing during the last boom



UTILITY LONG TERM CONTRACTING VOLUME AND PRICING (2006 – 2010)



Source: UxC, Aggregate utility long-term contracting volume and price for uranium in a 5-year period from 2006 to 2010

Appendix 3 – Kayelekera Mineral Resource ¹



Category	Mt	Grade (U ₃ O ₈ ppm)	U ₃ O ₈ (M lbs)
Measured	0.7	1,010	1.5
Measured – RoM Stockpile ²	1.6	760	2.6
Indicated	18.7	660	27.1
Inferred	3.7	590	4.8
Total	24.6	660	36.0
Inferred – LG Stockpiles ³	2.4	290	1.5
Total All Materials	27.1	630	37.5

1 - ASX announcement 26th March 2020.

2 - RoM stockpile has been mined and is located near the mill facility.

3 - Medium-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.