



Kayelekera Proven Uranium Producer

Corporate Presentation
May 2023

LOT:ASX OTCQB: LTSRF





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DEFINITIVE FEASIBILITY STUDY

For information in this document relating to the Restart Definitive Feasibility Study, refer to ASX announcement dated 10 August 2022. The Company confirms that in relation to the Definitive Feasibility Study announced on 10 August 2022, 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.

ORE RESERVE (JORC 2012)

For information relating to the Ore Reserve Estimate in this document, refer to ASX announcements dated 11 August 2022. 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.



Positioned for a rapid re-start in a rising uranium market

Lotus is one of the best uranium investment opportunities today



Leveraged to uranium price – low capex, quick restart



Robust DFS - 2.4Mlbs U₃O₈ pa over 10 years at US\$29.10/ lb



Strong cash position - funded until late 2024



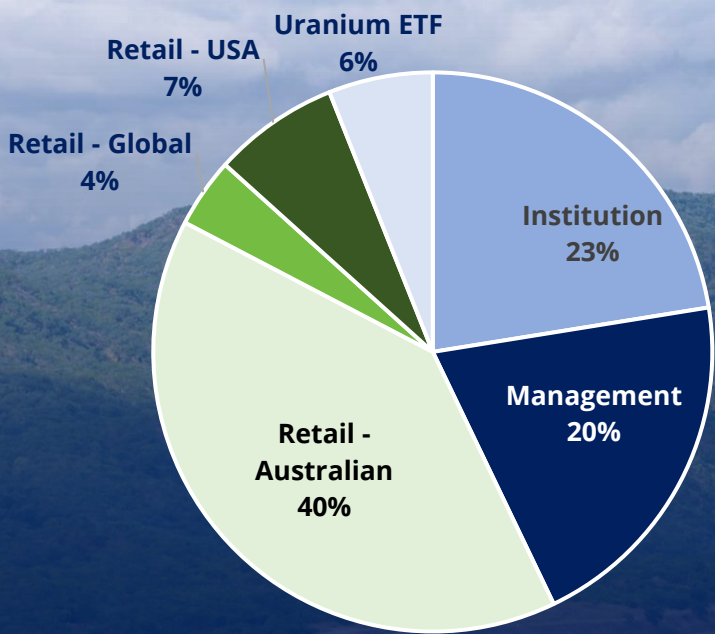
Geopolitically diverse supplier for western utilities



Best in class ESG work



Proven management and board



BROKER COVERAGE



CAPITAL STRUCTURE

A\$269M
US\$179M
MARKET CAP
At \$0.20 / share

A\$17.9M
US\$12M
CASH – March 2023

1,344M
SHARES ON ISSUE

31M
OPTIONS
Inc. 21M employee options



FID peers have tracked U_3O_8 spot price whilst developers drifted

1 Aug 2021 - SPUT enters the market, starts to buy spot (Price - \$32/lb)

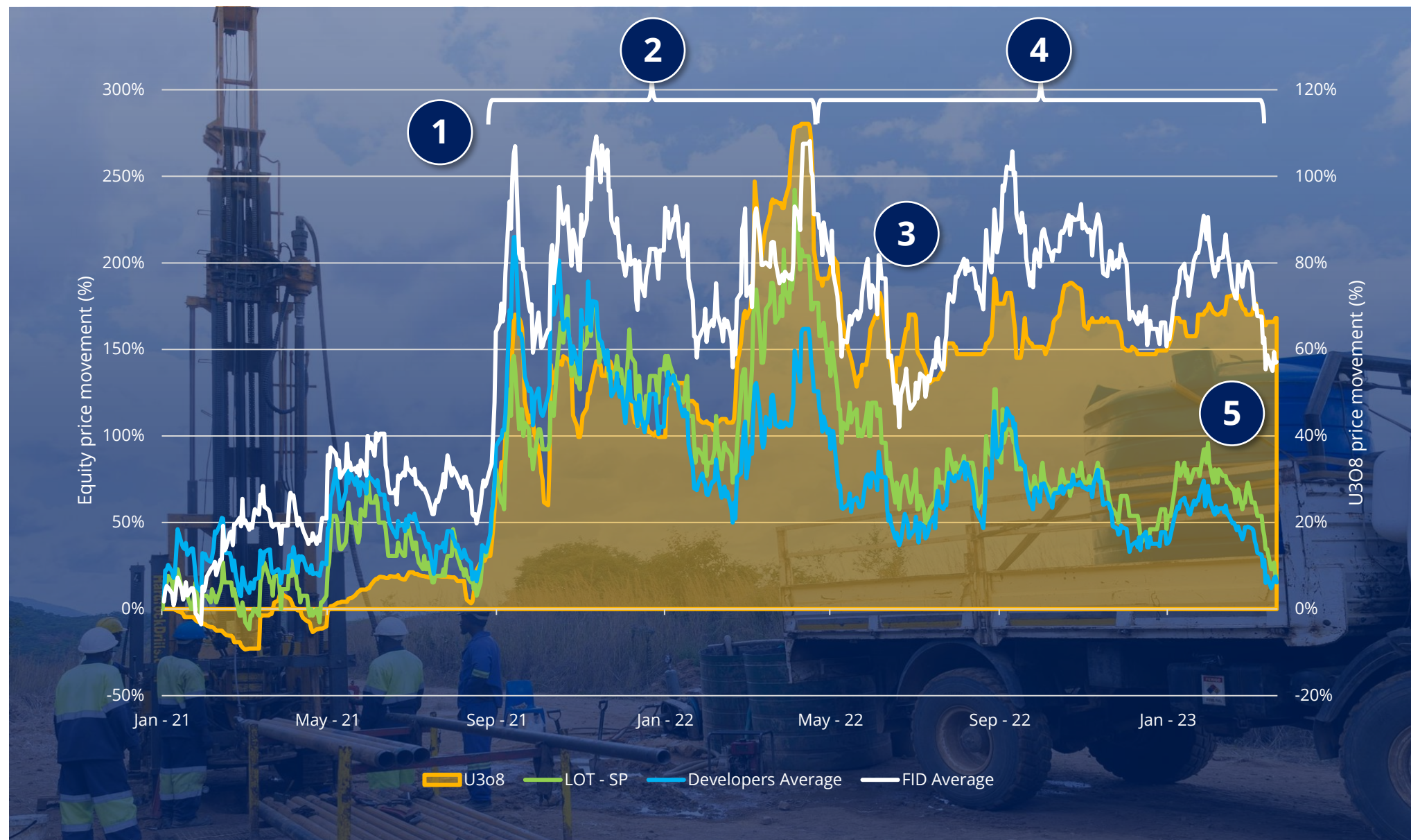
2 SPUT buys 22Mlbs in 8 months - decade high uranium price (\$65/lb)

3 Interest rate rise for the first time in 12 years (0.10% to 3.85% over 12 months) - Retail investors most affected

4 PDN & BOE make FID following equity capital raisings

5 Valuation gap between U_3O_8 spot / FID and greenfield developers

Lotus is tracking greenfield development projects despite production history and low capex



In 2020 there were three brownfield development assets on the ASX – Lotus is the only one to not make FID.....yet

	 PALADIN	 BOSS ENERGY	 LOTUS RESOURCES
Market Cap (A\$ m) ¹	\$1.98Bn	\$973m	\$269m
Capital required to recommence production ⁸	US\$118m	A\$113m	US\$88m
Cash position (as at 31 March 2022)	US\$147m ⁴	A\$103m ⁵	A\$18m ⁶
Cash raised since 2020	\$433.7m	\$200m	\$42.5m
All major infrastructure in place?	✓	✓	✓
DFS Completed?	✓	✓	✓
Historical producing asset and how much production?	✓ (43MIbs) ²	✓ (0.7MIbs) ³	✓ (11MIbs) ⁷
Annual production target - DFS	6MIbs for 8 yrs & 3.3MIbs for 8 yrs	2.4MIbs (Av LOM)	2.4MIbs (Av first 7 yrs)
FID made	✓ First Production late 2023	✓ First Production late 2023	✗ 15-month development once FID made



Will NOT complete FID until the uranium price reverts to significantly higher and sustainable levels

1 – 15 May 2023; 2 – Annual and quarterly reports PDN.ASX; 3 – MDA reports Uranium One; 4 – PDN March Qtrly report; 5 – BOE March Qtrly Report; 6 – LOT March Qtrly report; 7 – PDN ASX announcement – 19 July 2022; 8 – Respective ASX capital raising announcements between 2020 - 2023



What is driving the uranium market long term



Multiple initiatives by major governments highlight the importance of nuclear



Largest global consumer

- US Inflation Reduction Act (US\$400B)
- Strategic Reserve Fund
- Bills introduced to reduce reliance on Russian material
- World's largest consumer – nearly no domestic supply
- Nuclear – 20% of electricity generation



Continues to grow at a rapid rate

- Targeting an additional 150 new large nuclear reactors by 2035 (49 as of today)
- Significant reduction in construction time ~ 5 years
- On track to be largest consumer by 2030



“Green” Energy

- Energy crisis due to Russian gas dependence
- Green Taxonomy – major new investment potential (from Jan 2023)
- Major shift in sentiment during the past decade (closure to potential expansion)
 - *Limited closures vs. new builds*
- Nuclear is 25% of EU electricity generation



What will drive the uranium pricing in the near term?

New term contracting

Significant portion of current “new” term contracting is in fact volume and time extension to existing contracts

SPUT aggressively re-entering the market

Will require SPUT to trade at premium to NAV for an extended period

Russia / Ukraine conflict ends

Risk of an accident at ZPP still overshadows market

Bifurcation of the market (west vs east)

Bans on Russian materials forces up western prices

Constraints in conversion capacity result in “over feeding” reactors

More U_3O_8 required for the same conversion product





Low Capex
US\$88m – Re-Start
US\$300m replacement
value¹



Improved Opex
C1 costs US\$29.10/lb²
AISC of US\$36.20/lb²



Robust Mine life
10 yrs 19.3Mlbs U₃O₈
2.4Mlbs U₃O₈ pa²



Quick Re-Start
15 months from Final
Investment Decision
No ISR style ramp-up
required



Permitted
Environmental &
Mining Licenses

1. Estimate of replacement value for capital cost today for existing capital
2. LOT DFS ASX announcement – 11 August 2022



Low Initial Capital Cost

One of the lowest in the industry

Low initial capital cost

- Existing infrastructure – replacement value today is ~US\$300m
 - Also reduces the time from FID to production
- US\$88M ranks the Project as one of the lowest capital cost uranium projects globally
 - Initial capital intensity of US\$37/lb*
- Plant Refurbishment estimate remains inline with original estimates in Scoping study (US\$50m)
- All capital estimates include current high inflation environment

New Capital items drive lower Opex

New capital items have increased the total cost, but result in lower operating costs (trade off)

- New acid plant and steam turbine upgrade (US\$15.3M)*
- Nanofiltration upgrade (US\$1.5M)*
- Connection to the national grid (US\$13.0M)*
- Upgrade to the front-end processing circuit to incorporate ore sorting (US\$6.0M)*

Item	Capital Cost Estimates (US\$M)
Initial Capital	
Mining Contractor	0.60
Plant Refurbishment	13.46
Acid Plant (with Steam Turbine)	15.29
Nanofiltration Upgrade	1.53
Front-end Upgrade (ore sorting)	5.99
Plant Terrace Ground Stabilisation	9.45
Tailings Dam (TSF1 first lift)	2.47
Surface Water Infrastructure	1.75
Sub-Total	50.54
Owners Costs	
Camp and Office Refurbishment	3.22
Mobile Equipment	3.57
Grid Connection	12.98
First Fill	4.19
Owner's Direct Costs	3.79
Sub-Total	27.75
Contingency	9.46
Total	87.75



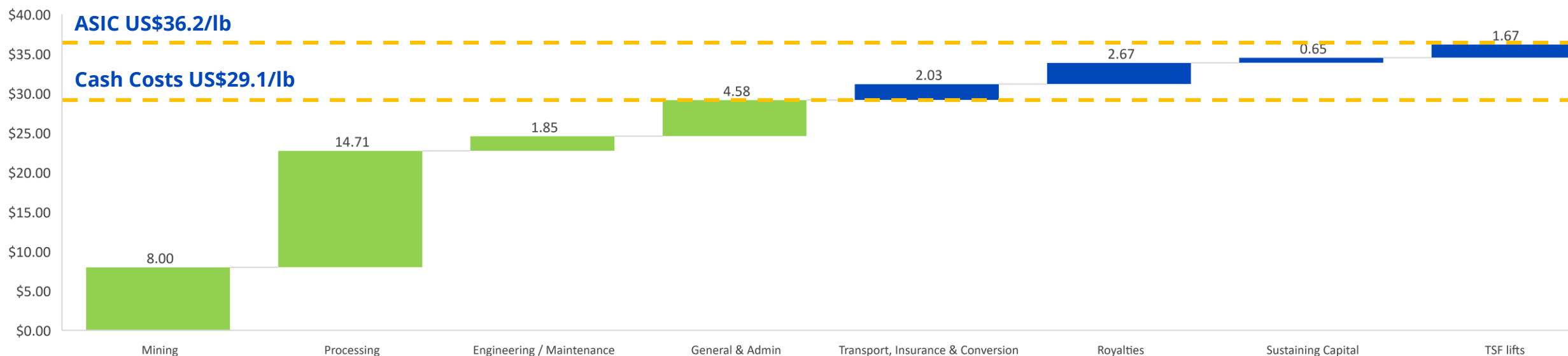
Driving operating costs lower through innovation

Cash Costs are US\$29.1/lb and AISC of US\$36.2/lb during the first 7 years of production (excluding ramp-up)

- LOM cash costs of US\$30.1/lb with LOM AISC of US\$37.7/lb
- Planned production profile of 2.3Mlbs U₃O₈/annum for first 7 years (~20MLbs over 10 year LOM)

Despite the current high inflation environment, operating costs are lower compared to the historical operations and Re-Start Scoping Study estimates due to:

- Increased feed grades from ore sorting;
- lower power costs from grid power; and
- improved acid utilisation from nanofiltration.





Further Value Creation Opportunities

Lotus has an extensive tenement footprint comprising uranium and rare earth element prospects

Extending Life-of-Mine

- Expanding Kayelekera resource
 - *Resource growth outside current pit*
- Regional uranium exploration
 - *Livingstonia prospect - 90km southeast of Kayelekera*
 - *Chilumba prospect – contiguous with Livingstonia*
- Incorporating additional feedstocks
 - *Medium grade mudstone stockpiles*

Consolidation opportunities

- Targeting synergies across Africa

Rare Earths opportunity

- Milenje Hills prospect, located 2km north of Kayelekera
- TREO grades > 15% returned in several samples





ESG and Sustainability

Studies show companies with strong ESG performance outperform their peers over the long term. ESG is a key driver of a company's future financial performance



Making a real difference in Malawi

- Historically Kayelekera contributed 2.6% of GDP
- Will be one of the largest employers
 - 450 directly employed
 - 5,000 indirect benefactors
- Prioritising local recruitment and local suppliers

Reduced carbon footprint

- Lotus is transitioning to a hybrid power strategy at Kayelekera
- This will reduce the GHG emissions for the mining operations by 70% (21,000 tpa)





What work is required to be completed prior to FID

Prior to a Final Investment Decision (FID), the Company will continue to advance a number of key areas including:

- Kayelekera Mine Development Agreement
- Uranium offtake (term contracts)
- Financing discussions
- Agreement with ESCOM for the connection of the mine site to the national grid
- Preparation of an Operational Readiness Plan
- Scope and costs for FEED in conjunction with a program for site based early works



Will NOT complete FID until the uranium price reverts to significantly higher and sustainable levels



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Annexure - A proven uranium producer - History

Lotus has optimised Kayelekera for a re-start of uranium production

Historical Production

- Paladin Energy
- 11Mlbs of U_3O_8 over four years 2009-2013¹
 - Name plate production (3.0Mlb) achieved
- US\$200m spent on infrastructure¹
 - Mine Dev. Agreement with Malawi government (15% ownership)

Care & Maintenance

- Low uranium price following Fukushima led to C&M in early 2014
- Plant remains in good condition –
- Refurbishment US\$50m vs new build US\$300m²

Lotus Acquisition

- Acquisition completed in March 2020
- \$200k & \$1.8M in LOT shares
- Refund of US\$10M environmental bond over 3 years
- \$3M LOT shares on 3rd anniversary
- Capped Royalty - \$5M

Scoping Study

- Delivered October 2020
- Set baseline and identified key cost drivers and key value drivers
- 4 key target areas for improvement
 - Enhanced feed grades, reduced acid consumption and reduced AISC costs

DFS

- Delivered August 2022
- Assumes same core processing method to be used
- Confirmed potential for reducing operating costs
 - Further improvement opportunities have been identified

1. PDN ASX announcement – 19 July 2022

2. Estimate of replacement value for capital cost today for existing capital