LOTUS RESOURCES

Kayelekera
Proven Uranium Producer

North American Institutional Roadshow & Red Cloud Uranium Conference – May 2021

LOT.ASX OTCQB: LTSRF

Important Notice

FORWARD LOOKING STATEMENT

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including risks associated with investments in private and publicly listed companies such as Lotus Resources (Lotus or Company); risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company's projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; restrictions on the repatriation of funds by the Company's subsidiaries; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of the Company's Kayelekera Project (Project); foreign investment risks in Malawi; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel, retention of key employees and the impact of the COVID-19 pandemic on the Company's business and operations.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

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.

NO LIABILITY/SUMMARY INFORMATION

Lotus has prepared this presentation material (Presentation) based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Presentation. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Commonwealth of Australia)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation or its contents or otherwise arising in connection with it.

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 and 1 February 2021. 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*
- *Feasibility Study to be completed – 1H2022*

EXPLORATION UPSIDE

Existing resource of 37.5Mlb at 630 ppm U_3O_8 [2]

Limited exploration in last 20 years

- *Multiple near mine targets identified with drilling to start in Q2 2022*
- *Rare Earth - Milenje Hills high-grade Rare Earth Oxides discovery*

MARKET

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

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

1. LOT ASX announcement 20th October 2020; 2. LOT ASX announcement 26th March 2020; 3. LOT ASX announcement 1st February 2021

Significant valuation gap to peers[1]

Spreadsheet assumptions are not always achieved on a mine site

Company information - General	LOTUS RESOURCES (LOT)	PALADIN ENERGY LTD (PDN)	BOSS RESOURCES LIMITED (BOE)	PENINSULA ENERGY LIMITED (PEN)	BANNERMAN (BMN)	Deep Yellow LIMITED (DYL)	VIMY RESOURCES (VMY)
Market Capitalisation (A$ M)	$170m	$1,350m	$410m	$170m	$210m	$290m	$150m
Project Name (Main project only) / Country	Kayelekera, Malawi	Langer Heinrich, Namibia	Honeymoon, Australia	Lance, USA	Etango, Namibia	Tumas, Namibia	Mulga Rock, Australia
Type of operation (OP / UG / ISR)	OP	OP	ISR	ISR	OP (HL)	OP	OP
OPERATION HISTORY							
Historically achieved forecasted production target?	Yes[2]	Yes[2]	No[3]	No[4]	New Development	New Development	New Development
Number of year project historically operated	5[2]	10[2]	2.5[3]	3.5[4]	NA	NA	NA
Total historical production (M lbs)	11[2]	43[2]	0.7[3]	0.4[4]	NA	NA	NA
FUTURE STRATEGY & FORECASTS							
Forecasted annual production (Mlbs)	2.5 Mlbs pa	5.9 Mlbs pa	2.0 Mlbs pa	2.3 Mlbs pa	3.5 Mlbs pa	2.5 Mlbs pa	3.5 Mlbs pa
Head grade (ppm) Mining phase / Stockpiles	898ppm / 400ppm	593ppm / 336ppm	ISR - NA	ISR - NA	232ppm	344ppm	768ppm
Initial Capital Cost (US $ M)	$50	$81	$63	$119	$254	$295	$255
Capital intensity (US$ / lb)	$21	$14	$32	$52	$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

- Planned ~5,000 metre RC / diamond drilling program
- 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 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 late 2Q21*

Scoping Study – Production and Costing Assumptions

- Scoping Study[1] confirms Kayelekera can be among the first uranium projects to recommence production
- Low total initial capital cost of US$50M, due to existing infrastructure
  - *1.4Mtpa processing facility, tailings facility, acid plant and accommodation camp*
  - *Initial capital intensity of US$21/lb production – one of the lowest in the industry*
- Two production scenarios considered:
  - *Scenario 1: 8 year life of mine, producing 16.4Mlbs U_3O_8 (~900ppm U3O8)*
  - *Scenario 2: 14 year life of mine, producing 23.8Mlbs U_3O_8 with treatment of stockpiles from year 8 (average head grade ~680ppm U_3O_8)*
- C1 cash costs of ~US$33/lb U_3O_8 with average production of 2.4Mlbs U_3O_8 per annum
  - *Scoping Study cost assumptions are based on actual operation costs achieved over 5 years of historical production*
  - *Cost assumptions do not account for multiple potential benefits that may significantly reduce costs (ore sorting, power, mine optimisation)*
- Quick production ramp-up possible due to existing ore material on RoM stockpile

1. LOT ASX announcement 20th October 2020

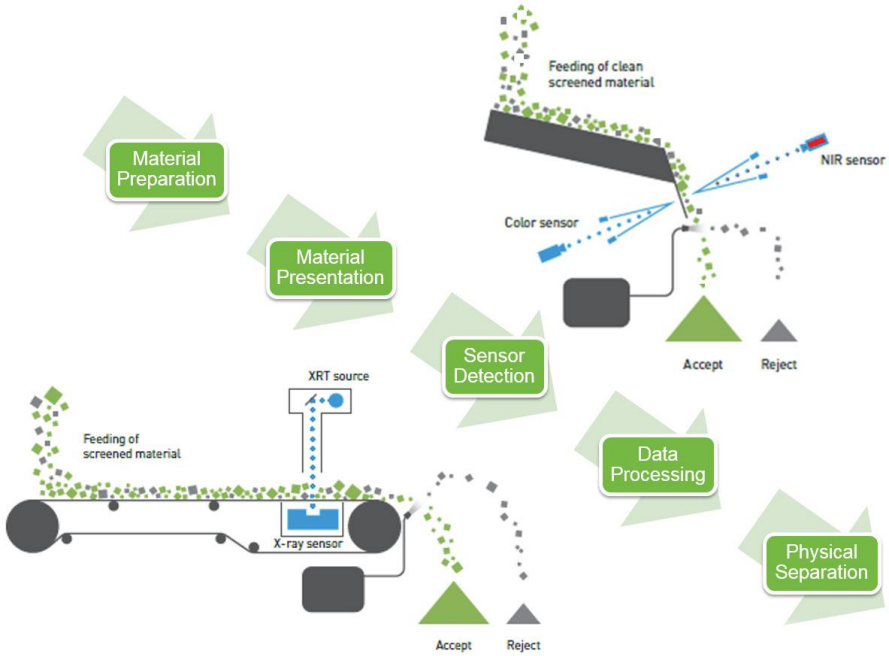
Technical Studies to drive Feasibility Study

Technical studies – underway

- Improved options around power supply
  - *Grid connections*
  - *Alternatives include solar/battery options and acid plant energy recovery*
- Ore sorting (or similar) technology
  - *Upgrading of feed materials, specifically marginal ores*
  - *Reducing acid consumption through rejection of gangue minerals in ore feeds*
- Acid recovery and leach optimisation
- Tailings disposal options

Feasibility Study – expected to commence 2H21

- To incorporate outputs from targeted studies into an optimised case
- Updated resource with revised mining schedule
- Revised project economics to support financing and offtake
- Targeted for completion during 1H2022



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 an ESG 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, e.g. Community Development Agreements

Near mine and greenfield exploration potential

Mineral Resources

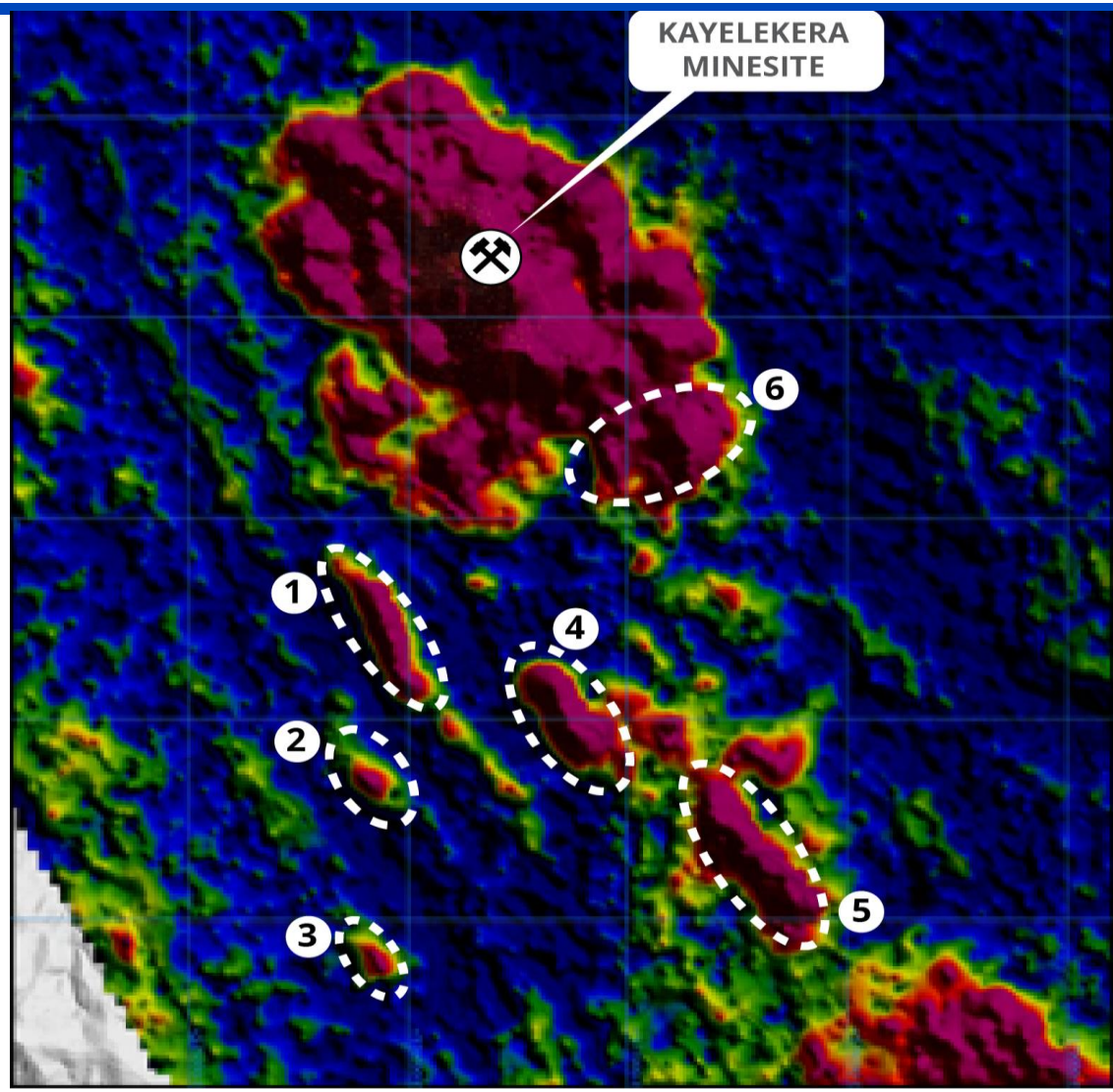
- Kayelekera has a total mineral endowment of ~50Mlbs based on current resource (37.5Mlbs)[1] and historical production (11Mlbs)
- Limited exploration in more than a decade, despite numerous near mine, drill ready targets

Brownfields Potential

- Kayelekera South[2] – six anomalous radiometric targets within 3km of the mine site
- Mpata[2] – cluster of radiometric anomalies defined outside of mining license area but within 10 km of the mine site
  - *Limited historical drilling in the area encountered +250 ppm eU_3O_8*
- Drilling program planned for Q2 2021

Greenfields Potential

- Significant greenfield exploration opportunities – 675km^2
- Little to no drilling outside of existing Mining Licence
- On-going discussions regarding advanced, nearby projects

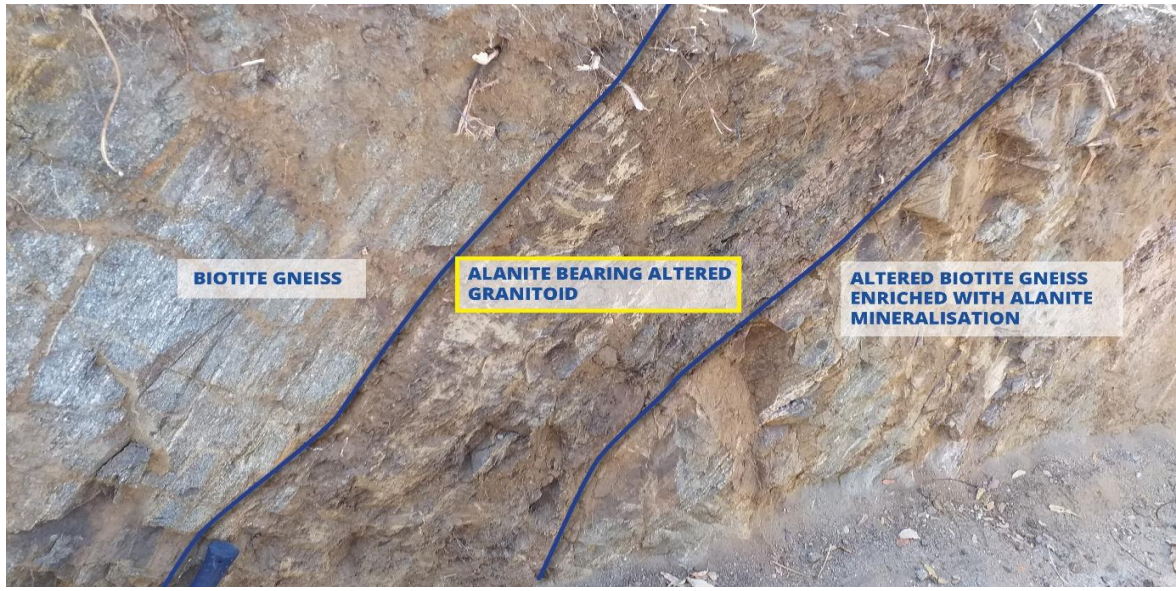


1 – ASX Announcement 26th March 2020; 2 – ASX Announcement 16th December 2020

Rare Earths - Neodymium and Praseodymium oxides

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

- Geophysics, mapping and trenching identified and discovered high-grade material of up to 16% (Av. 8%) TREO[2] and 3.4% (Av. 1.6%) CREO[3]
- 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 magnetics, which make-up ~90% of the value of the REO market.*
- Additional low-cost field work to be completed during 2021, including trenching, metallurgical test work and drilling
- The Company will assess the optimal path forward to crystalise additional value for shareholders



1 – ASX Announcement 1st February 2021; 2- Total Rare Earth Oxide; 3- Critical Rare Earth Oxide

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
Funded to complete planned work programs

Board and management team
Extensive African and uranium experience

Valuation Upside
Significant valuation discount compared to peers

CAPITAL STRUCTURE

950M
SHARES ON ISSUE

$170M
MARKET CAP
At $0.18 / share

$30M
CASH AT MARCH 2021
Unrestricted ($17m)
Restricted ($13m)

51M
OPTIONS

2021 TARGETS

Technical studies

▼

Feasibility Study

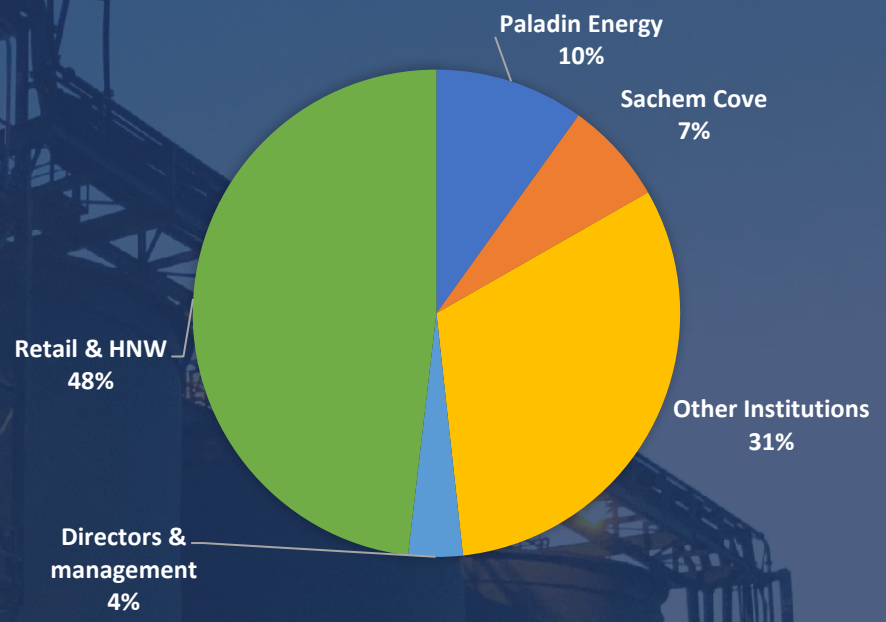
▼

Uranium exploration-drilling

▼

Rare Earths opportunity

SHAREHOLDERS

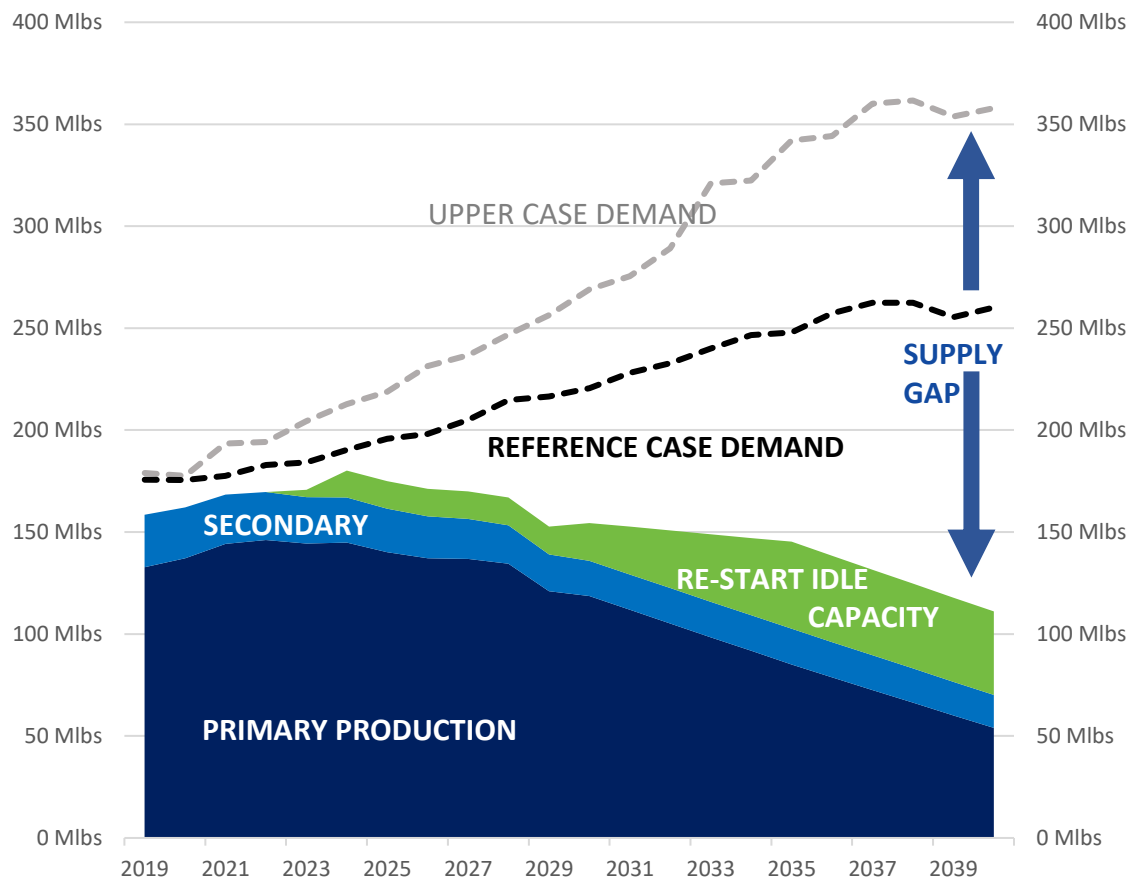


LOTUS RESOURCES

URANIUM MARKET UPDATE

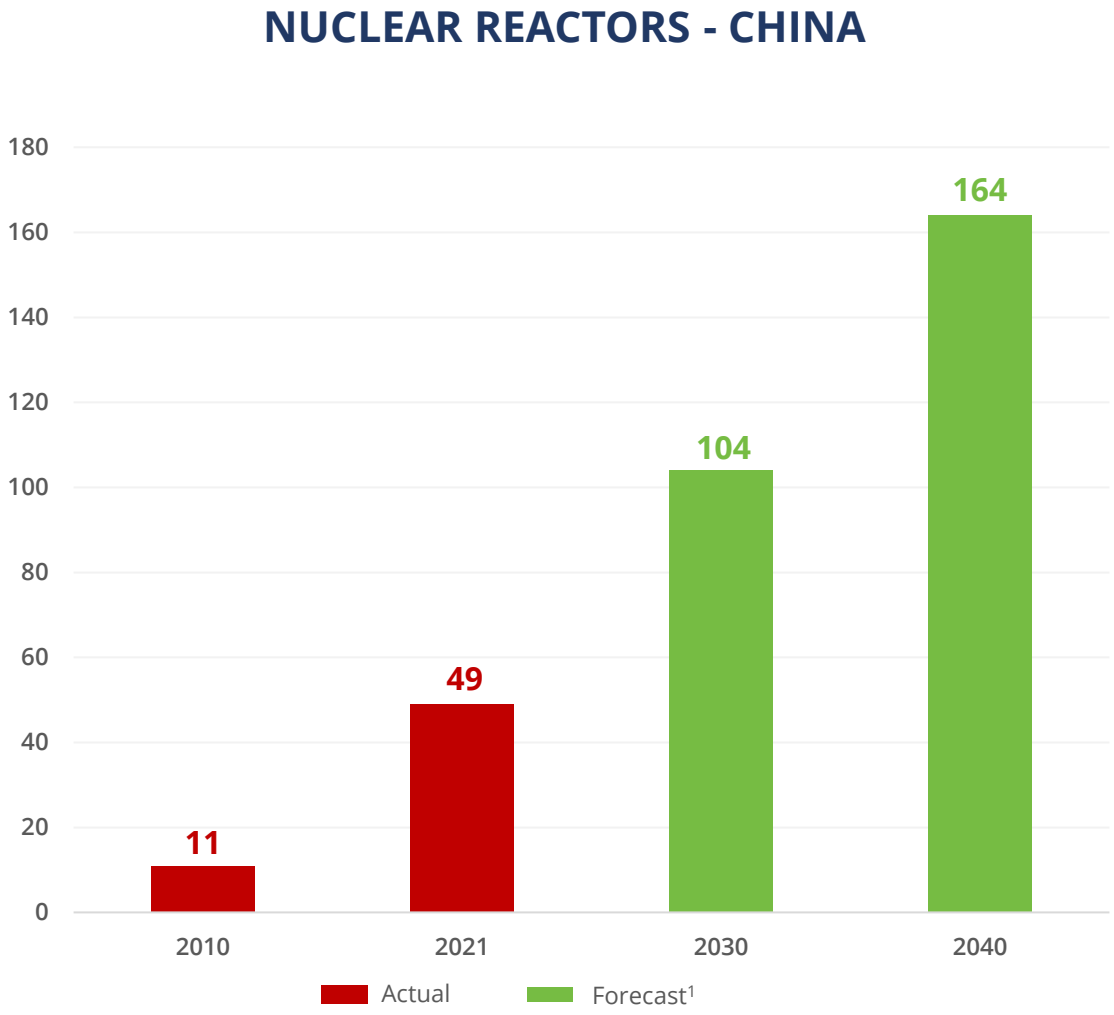
Uranium positioned for significant re-rating

- 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 worlds 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 Electricity Generation (% of total power)

4.9% China → 10.1% World average

Uranium consumption Today vs. 2030/2040 target (Mlbs U308)

28 Mlbs today → 65Mlbs (2030) 91Mlbs (2040)

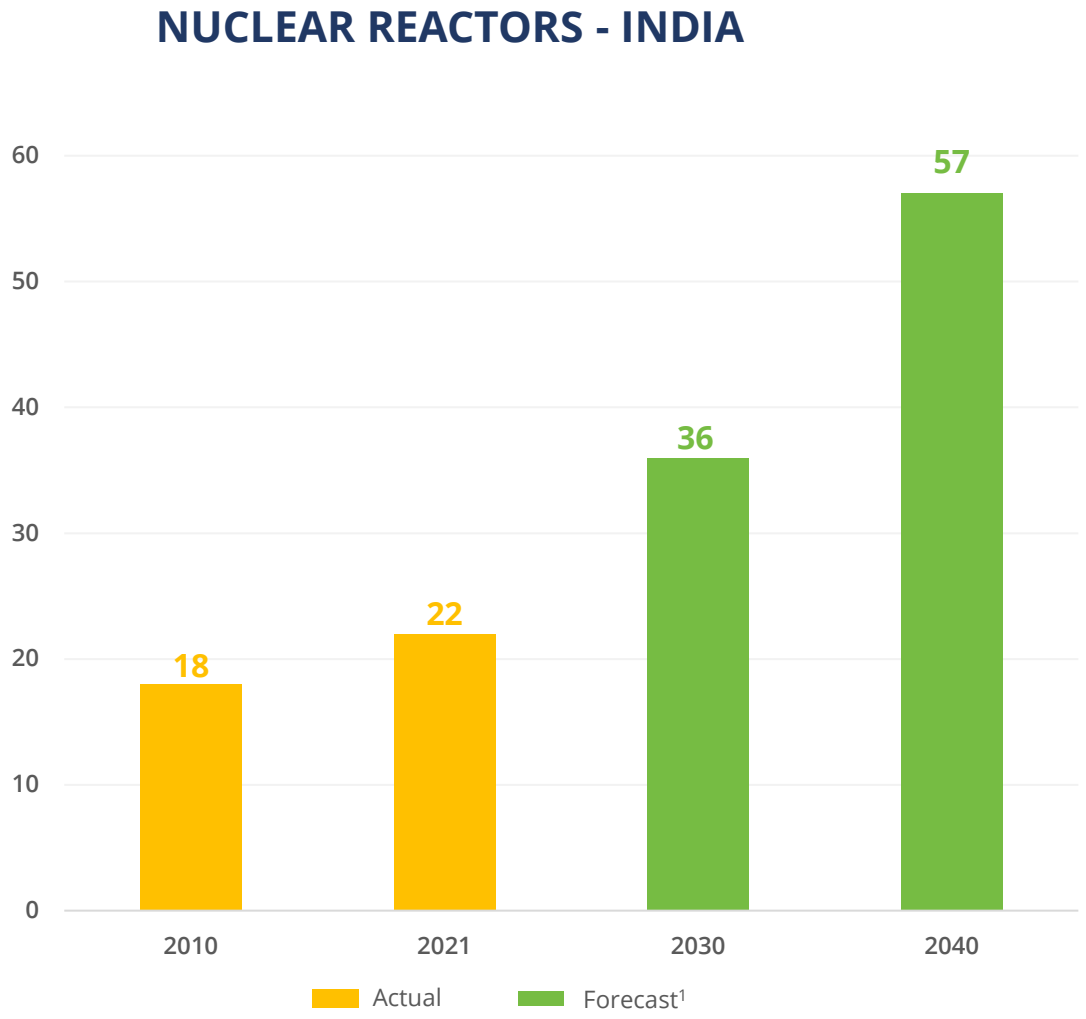
Generation capacity by 2025(Gw) 5 yr plan (March 2021)

50GWe → 70GWe

1 - Operating + Construction + proposed - closures

Source: WNA, Nuclear Fuel Report

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



Global ranking - uranium consumption
Today vs. 2040 (tpa)

11th
3 Mlbs

→

4th
15 Mlbs

Nuclear Electricity Generation
(% of total power)

3.2%
India -2019

→

10.1%
World average

Generation capacity target
(Gwe)

7GWe
Today

→

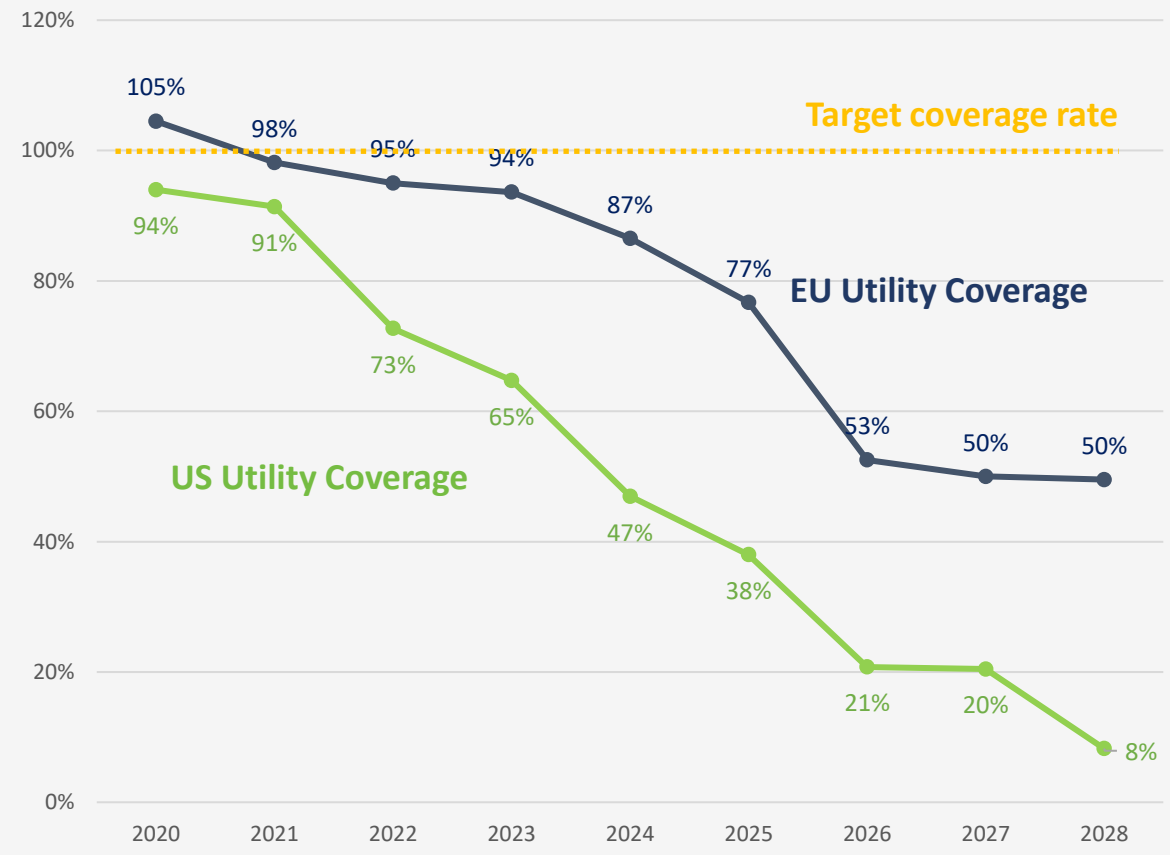
23GWe
2031 Forecast

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 load contracting[1]



Source: US Energy Information Administration, EurAtom

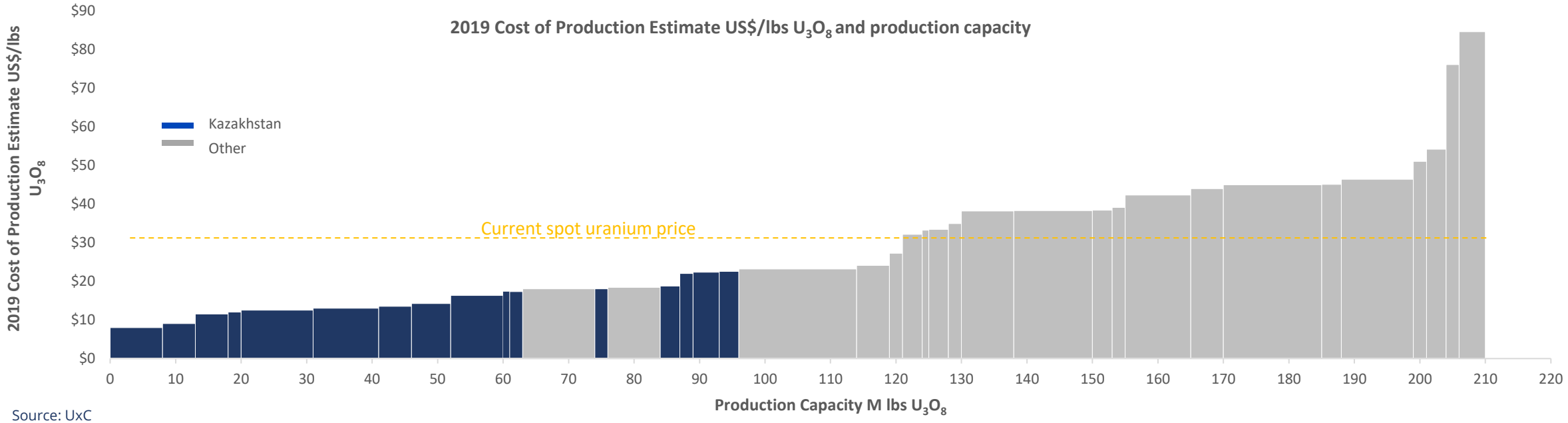
1 – ASX announcement 25th August 2020

Significant price increase required to meet growing demand

2024	
Shot-term Demand	**Mine Supply**
190Mlb	160Mlb
Annual Deficit 30Mlbs U_3O_8	

2028	
Long-term Demand	**Mine Supply**
210Mlb	150Mlb
Annual Deficit 60Mlbs U_3O_8	

Source: WNA, The Nuclear Fuel Report, September 2019; Note: Values based on the reference case rounded to the nearest 10Mlbs U_3O_8



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.

LOTUS
RESOURCES

CONTACT

Keith Bowes
Managing Director

1202 Hay St
West Perth
WA 6005

For further information visit:
www.lotusresources.com.au

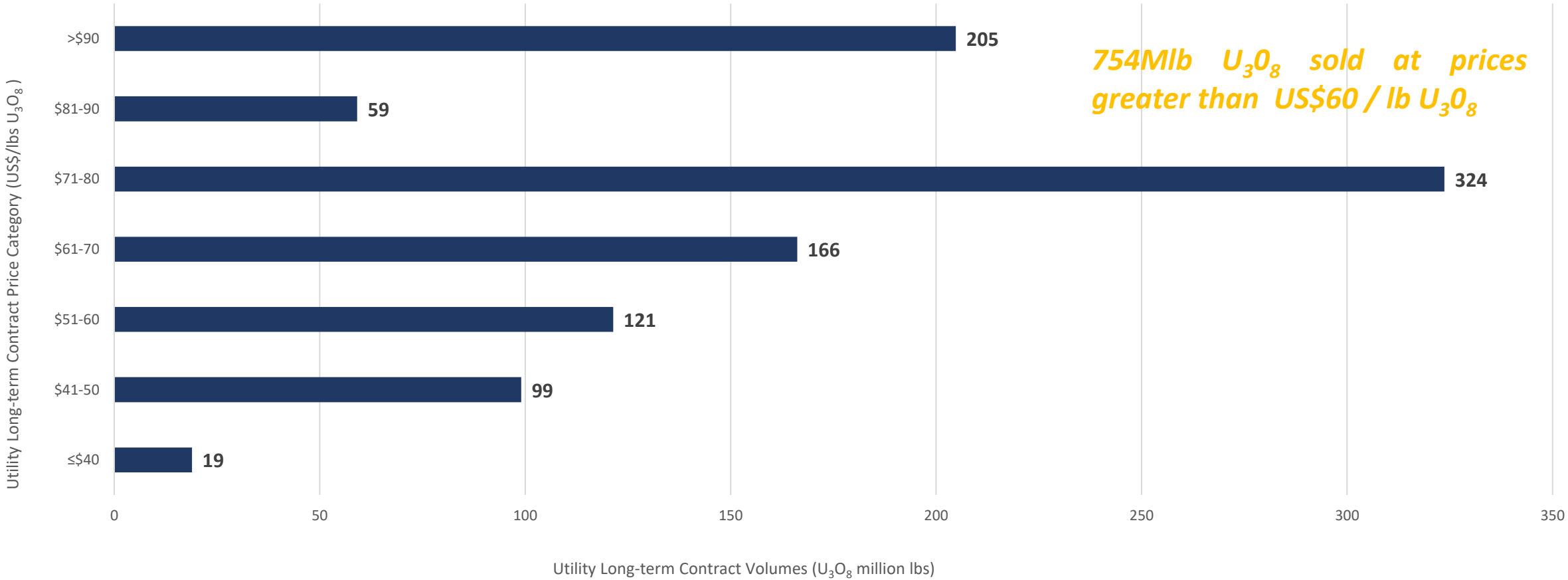
Appendix 1 – Peer Comparison

Company information - General	(LOT)	(PDN)	(BOE)	(PEN)	(BMN)	(DYL)	(VMY)
EV (A$ m) [1]	$170m	$1,350m	$410m	$170m	$210m	$290m	$150m
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 ONLY[2]							
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) Mining phase / Stockpiles	898ppm / 400ppm	593ppm / 336ppm	ISR - NA	ISR - NA	232ppm	344ppm	768ppm
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_3O_8 ppm)	U_3O_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.