



Kayelekera
Proven Uranium
Producer

Investor Presentation
November 2022

LOT:ASX OTCQB: LTSRF

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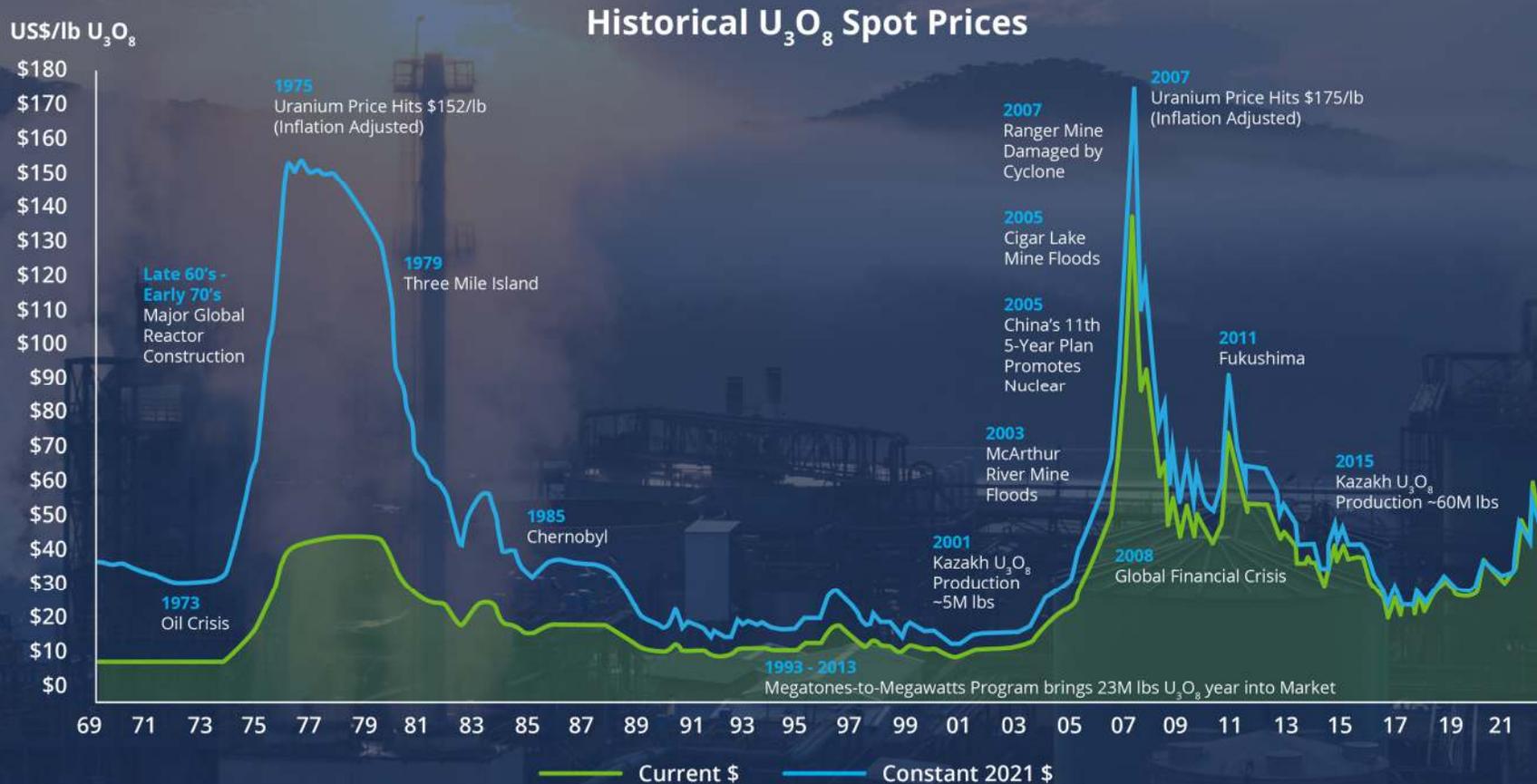
DEFINITIVE FEASIBILITY STUDY

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.

Uranium Pricing – History repeating?



What is driving the uranium market into the future



Multiple initiatives by major governments highlight the importance of nuclear



“Green” Energy

- Energy crisis due to Russian gas dependence coupled with a rapid shift from hydrocarbons
- 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



Largest global consumer

- US Inflation Reduction Act (US\$400B)
 - Production credits for nuclear
 - Green investment credits
 - Development funding (e.g. HALEU)
- 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

What is happening in the uranium market today?



The spot uranium price is remaining stubbornly in the range US\$48 – US\$53/lb



Russia / Ukraine

- Significant global conversion & enrichment supplier
- Russia no longer considered a reliable supplier by western facilities
- Bifurcation of the market
- Black swan event (Zaporizhzhia nuclear power plant)

Sprott

Sprott

- Purchased 41Mlbs since inception
- Only 400,000lbs in last month & 2Mlbs in last 3 month
- Trading at a deficit to NAV



Utilities

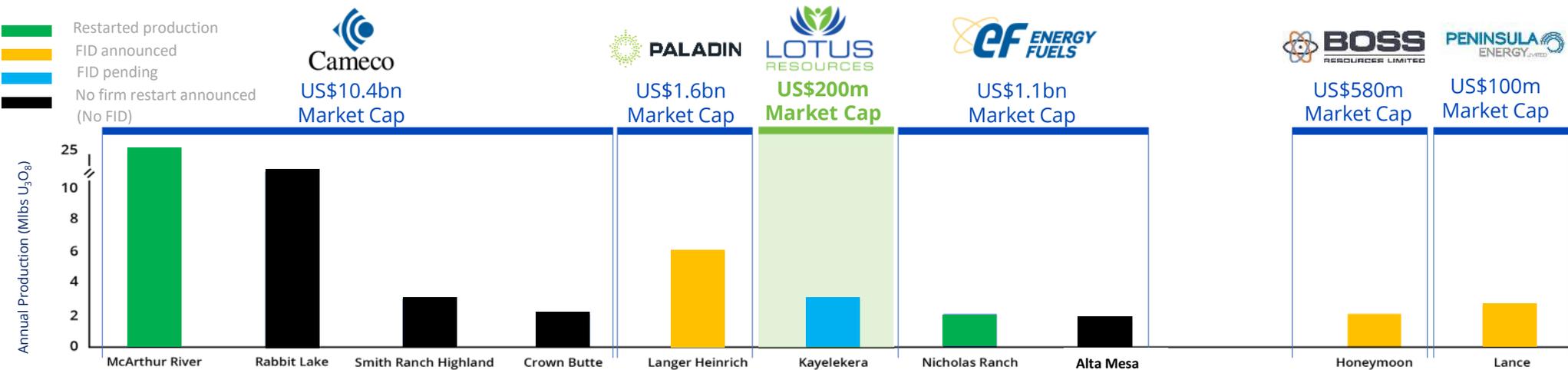
- Utilities focused initial attention on enrichment and conversion contract
- Term contracting has increased
- Term contracts being signed in low 50's
- Flexibility in contracting is key

Brownfield assets have proven they are the first to react



Brownfield uranium assets offer significantly lower risk compared to new development projects

- At the beginning of 2021, all 10 of the brownfield operations highlighted below had no firm re-start date - today only four of these assets remain in this category
- **LOTUS** is at a significant discount compared to its peers despite being the 4th largest PROVEN producing uranium asset in this peer group
- **KAYELEKERA** replacement capital (US\$300m) is greater than **LOTUS** current market capitalisation (US\$200m)



1. Refer to Appendix 1, Market Cap as at 25th November 2022 (FX Rate \$US:\$A – 0.66)

Lotus Resources

Leverage for a higher uranium price environment



Quick Re-Start

15 months from Final Investment Decision

Low Capex

US\$300m–Replacement³
US\$88m – Re-Start

Improved Opex

C1 costs US\$29.10/lb¹
AISC of US\$36.20/lb¹

Robust Mine life

10 yrs 19.3Mlbs U₃O₈
2.4Mlbs U₃O₈ pa¹

Permitted

Environmental & Mining Licenses

ESG

Leading industry on multiple accounts

Exploration upside

51.1Mlbs resource
Multiple new targets

Cash position

\$25.5m (@ Sept Q)

1 – Years 1 to Year 7 – excluding ramp up

2 – compared to power generation in the historical operation

3 – Estimate of replacement value for capital cost today for existing capital

Initial Capital Cost – one of the lowest in the industry



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

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)*

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

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



Striving to be a leader in the industry for ESG



FY22 Sustainability Report released

- Updated materiality matrix
- Global Reporting Initiative (GRI) aligned

Environmental

- Reduced carbon footprint for restart
- Task Force on Climate-related Financial Disclosures

Social

- Community Development Agreement
- Community policing forum

Governance

- Data management and cyber security
- Updated policies and management plans



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



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



Why is Lotus one of the best uranium investment opportunities today



Leveraged to uranium price – low capex, quick restart



Strong cash position - funded until late 2024



Valuation upside through exploration and/or technology



Best in class ESG work



Geopolitically diverse supplier for western utilities



Proven management and board

A\$300M

US\$200M
MARKET CAP
At \$0.22 / share

A\$25.5M

US\$17M
CASH – Sept 2022

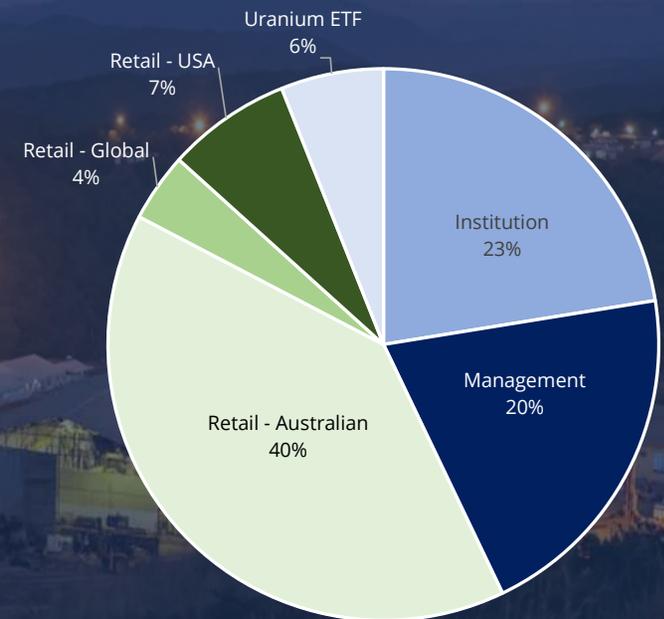
1,311M

SHARES ON ISSUE

47M

OPTIONS
Inc. 15M employee options

CAPITAL STRUCTURE





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



Appendix 1 - Brownfield Uranium Assets

Top 10 brownfield C&M assets¹ that achieved commercial production



										
Majority owned by state owned group	No	No	No	No	No	No	No	No	No	No
Project Name	Kayelekera	Langer Heinrich	Alta Mesa Project	Nicholas Ranch Project	Rabbit Lake	McArthur River	Smith Ranch Highland	Crown Butte	Lance	Honeymoon
Country	Malawi	Namibia	USA	USA	Canada	Canada	USA	USA	USA	Australia
Measured - contained (M lbs) / grade (ppm)	4 @ 850	96 @ 475	1 @ 1,510	1 @ 1,400	-	325 @ 71,000	8 @ 1,100	6 @ 1,900	4 @ 489	8 @ 1,100
Indicated - contained (M lbs) / grade (ppm)	33 @ 510	5 @ 520	3 @ 1,070	5 @ 1,110	39 @ 9,500	75 @ 60,000	17 @ 500	7 @ 1,500	12 @ 496	25 @ 630
Inferred - contained (M lbs) / grade (ppm)	14 @ 400	19 @ 325	17 @ 1,200	1 @ 990	34 @ 6,200	3 @ 28,500	8 @ 50	2 @ 1,600	38 @ 474	39 @ 570
Total - contained (M lbs) / grade (ppm)	51 @ 475	120 @ 445	20 @ 1,180	7 @ 1,110	72 @ 7,600	404 @ 65,000	33 @ 570	16 @ 1,660	54 @ 480	72 @ 620
Current capacity of processing facility	3.0	5.9	1.5	2.0	11.0	25.0	3.0	2.0	0.8 (current infra) 2.0 (Forecast)	0.9 (current infra) 2.4 - Stage 2
Source:	Kayelekera DFS August 2022	Langer Heinrich Mine Restart Plan Presentation, June 2020	Energy Fuels AIF 2020 & 43-101	Energy Fuels AIF 2020 & 43-101	Cameco AIF - 2020	Lance DFS August 2022	Honeymoon FS June 2021			

1. Excludes state owned operations