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LOTUS RESOURCES

THE NEXT GLOBAL URANIUM PRODUCER

Kayelekera Restart and Equity Raising Presentation

22 October 2024

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The Company confirms that it is not aware of any new information or data that materially affects the information included in previous announcements (as may be cross referenced in the body of this presentation), and that all material assumptions and technical parameters underpinning the Mineral Resource estimates and Ore Reserves estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from those 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.

KAYELEKERA ORE RESERVE

For information relating to the Kayelekera Ore Reserve Estimate in this presentation, 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.

KAYELEKERA ACCELERATED RESTART PLAN

For information in this presentation related to the Accelerated Restart Plan, refer to ASX Announcement dated 8 October 2024.

KAYELEKERA DEFINITIVE FEASIBILITY STUDY

For information in this presentation relating to the Definitive Feasibility Study (**DFS**), refer to ASX announcement dated 11 August 2022. Except as stated in the Accelerated Restart Plan announced on 8 October 2024, the Company confirms that in relation to the DFS, 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.

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AUTHORISATION
This presentation is authorised by the Board of Directors of Lotus.

Equity raising overview

Kayelekera – Low capital intensity brownfield uranium restart project

- Following a comprehensive FEED program, Lotus has approved the accelerated restart of Kayelekera
- Kayelekera is a low capital intensity brownfield uranium restart project located in Malawi, Africa
- The DFS and FEED included input from leading consultants; Senet, Metso:Outotec and Orelogy
- Revised initial restart capital expenditure of US$50m, down 43% from US$88m in the Definitive Feasibility Study
- Post-tax NPV_8 of US$301m, IRR of 66%[1,2]
- Estimated 2-year payback from first production
- Lotus has signed two uranium offtake arrangements with PSEG[3] and Curzon[4] totalling 1.5Mlbs between 2026-29, with discussions advancing with several parties for similar offtakes to complete tranche of fixed price escalated contracts

Lotus funding strategy

- A$125m (US$84m) equity raise structured as a non-underwritten two-tranche A$110m (US$74m) Placement[5], plus a non-underwritten A$15m (US$10m) Share Purchase Plan (SPP)[6]
- Offer price of A$0.25 per New Share, which represents a 15.7% discount to the 5-day Volume Weighted Average Price (VWAP) of A$0.297 per share as at Monday, 21 October 2024
- US$15m binding unsecured conditional loan[7] from Curzon Uranium, which is linked to offtake contract with potential for further commitments ahead of ramp up
- Equity raising proceeds to fully fund[8] Kayelekera through to first production which is expected in Q3 2025
- If necessary, anticipated offtake financing and potential working capital facility to provide additional liquidity during ramp up

Strategic priorities for Lotus

- Under the accelerated restart, Lotus to deliver first production at Kayelekera in Q3 2025
- Lotus has ordered all long lead items and mobilised an onsite restart and operational team at Kayelekera
- The project delivery will be overseen by Greg Bittar (CEO), Michael da Costa (COO) and Warren King (Project Director, Kayelekera)
- Key workstreams include:
  - TSF works
  - Drying and packaging design work
  - Finalise appointment of mining contractor
  - EPCM contract for acid plant
  - EPC contract for grid connection

Accelerated development timeline, reduced initial capital cost and equity raising that fully funds[8] Kayelekera through to first production

Notes: All numbers are stated on a 100% ownership basis unless otherwise stated. Lotus has an 85% interest in Kayelekera. 1. NPV is based on real cash flow forecasts and represents value as at start date of 1 October 2024. A uranium price of US$90/lb has been adopted. 2. The life-of-mine production contains approximately 4% from Inferred Mineral Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. 3. PSEG Nuclear term-sheet is non-binding and conditional on the execution of a full-form document within the next 4 months, as well as Lotus making a decision to restart Kayelakera. 4. The binding offtake agreement with Curzon is conditional on Lotus completing an equity raise in conjunction with the restart of Kayelekera. 5. Tranche two of the Placement comprises A$43.1 million and is conditional on the Company obtaining shareholder approval. Refer to slide 24 for further details of the Placement and SPP. 6. Assuming an AUD/USD rate of 0.67. 7. Drawdown of the Curzon unsecured loan is conditional upon 50% of restart capital costs having been funded (and invested) and upon total available sources (including the use of the Curzon funds) being sufficient to meet the restart capital costs as published by Lotus at the time of drawdown. 8. Subject to A$110-125m being raised under the Placement and SPP (excluding costs), risk factors and no change to capital commitments or material interest rate rises. See item 7 (Funding risk) in key risks section for further information.

Investment highlights

The next global uranium producer

01 Kayelekera is a lower-risk brownfield restart project – mining licence in place, refurbishment underway with first production within 8 to 10 months

02 Kayelekera is a high-margin project with pre and post-tax NPV_8 of US$439m and US$301m and IRR of 80% and 66% respectively[1,2]

03 The restart of Kayelekera presents a near term uranium opportunity with one of the lowest initial capital intensities globally at US$21/lb[3]

04 Exposure to attractive near-term pricing with potential to extend beyond the initial 10-year mine life

05 Multi-asset production via Letlhakane project - 118Mlb U_3O_8[4] Mineral Resource – long life, high value potential with development and funding optionality

06 Experienced management team with deep expertise in African project development, uranium production and capital markets

Notes: 1. The life-of-mine production contains approximately 4% from Inferred Mineral Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.
2. NPV is based on real cash flow forecasts and represents value as at start date of 1 October 2024. A uranium price of US$90/lb has been adopted.
3. Calculated as US$50m in initial restart capex divided by 2.4Mlbpa U_3O_8 production, being the average production in the first 7 years (excluding ramp up).
4. Refer to slide 51 for a full breakdown of the Mineral Resource.

Snapshot of Lotus Resources

Near-term uranium producer with two strategic long-life projects

KAYELEKERA, MALAWI[1]

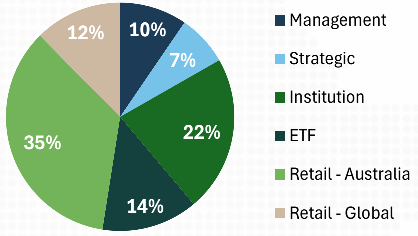
- 85% owned restart uranium project with existing plant and infrastructure; refurbishment works approved
- Mining licence until 2037 with option to renew, Environmental and Social Impact Assessment (**ESIA**) being renewed
- Low initial restart capex of US$50m; initial restart capital intensity of US$21/lb[2]
- Robust mine life of 10 years producing 19.3Mlbs U_3O_8; average production of 2.4Mlbs U_3O_8 pa[3]
- Proven production with ~11Mlbs U_3O_8 over 5 years (2009-2014)
- Pre and post-tax NPV_8 of US$439m and US$301m and IRR of 80% and 66%[3,4] respectively
- Attractive C1 cash cost of US$34.5/lb and AISC of US$44.8/lb[3,5]
- Mine Development Agreement (**MDA**) guarantees 10-years of fiscal stability in Malawi
- Long lead items ordered, mobilisation of onsite operational team has commenced, first production expected in Q3 2025[6]
- Expansion and mine life extension potential through regional tenure and further drilling

LETLHAKANE, BOTSWANA

- 100% owned, globally significant uranium Mineral Resource (118Mlb U_3O_8)[7]
- Botswana is the highest ranked mining jurisdiction in Africa[8]
- Mining licence in place, close to major existing infrastructure (roads, rail and power)
- Geology is favourable for in-situ recovery (**ISR**)

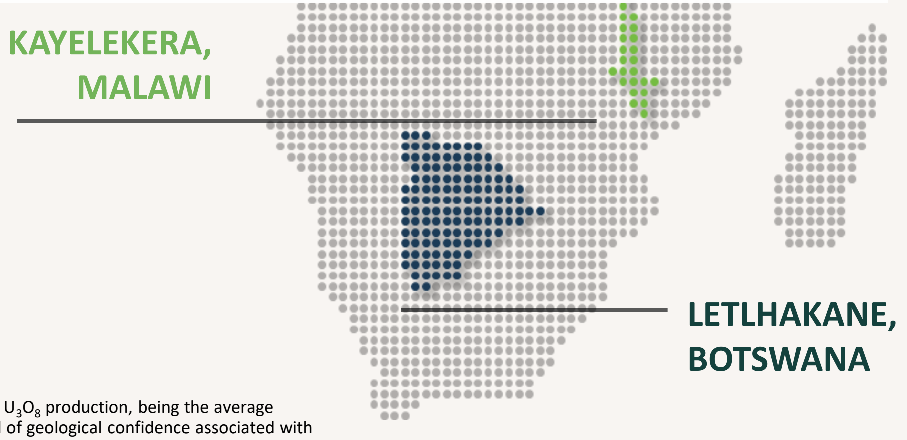
PRE-EQUITY RAISE CAPITAL STRUCTURE

Shares on issue (ASX: LOT)	**1,834m**
Options	**35m**
Share Price (21 Oct 2024)	**0.32**
Market Capitalisation[9,10]	**A$578m / US$387m**
Cash (30 September 2024)[10,11]	**A$25m / US$17m**
Debt (30 September 2024)[11]	**Nil**
Index inclusion	**ASX300**
Head office	**Perth, Western Australia**



BROKER COVERAGE

MACQUARIE | Canaccord Genuity Wealth Management | Shaw and Partners Financial Services | BELL POTTER | RED CLOUD | PETRA CAPITAL | ARGONAUT

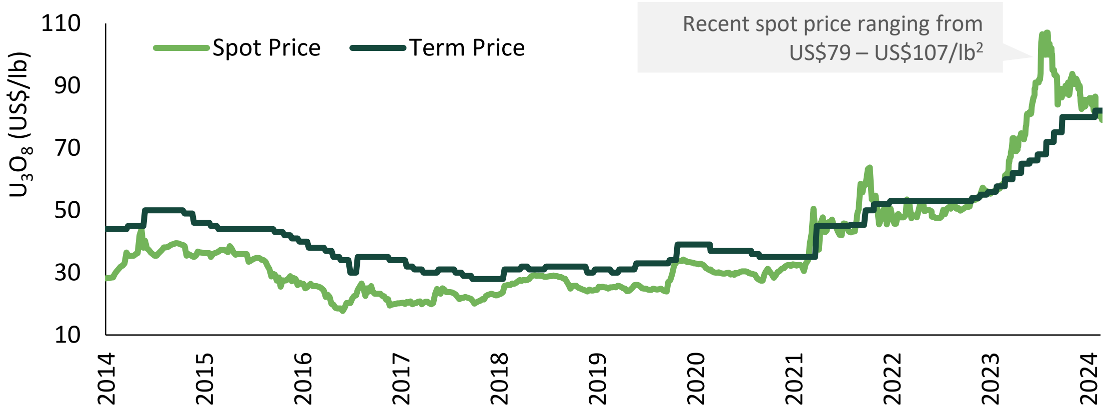


Notes: 1. All numbers are stated on a 100% ownership basis unless otherwise stated. Lotus has an 85% interest in Kayelekera. 2. Calculated as US$50m in initial restart capex divided by 2.4Mlbpa U_3O_8 production, being the average production in the first 7 years (excluding ramp up). 3. The life-of-mine production contains approximately 4% from Inferred Mineral Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. 4. NPV is based on real cash flow forecasts and represents value as at start date of 1 October 2024. A uranium price of US$90/lb has been adopted. 5. Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4Mlbpa U_3O_8 is expected. 6. First production is defined as first U_3O_8 produced. 7. Refer to slide 51 for a full breakdown of the Mineral Resource. 8. Fraser Institute policy perceptions rating. 9. Undiluted market capitalisation. 10. AUD/USD of 0.67. 11. Cash and debt figures are unaudited.

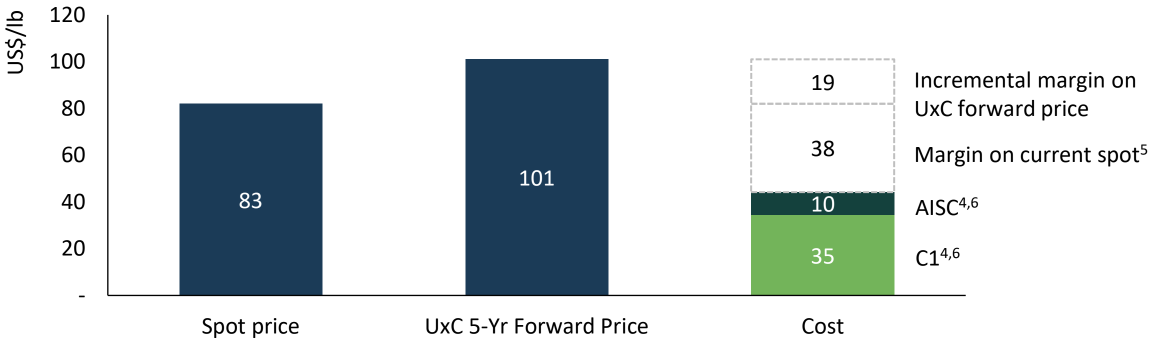
Accelerated restart takes advantage of strong uranium price environment

Kayelekera to deliver product into a strengthening long-term pricing environment

IMMEDIATE EXPOSURE TO CURRENT PRICING ENVIRONMENT[1]



KAYELEKERA MARGIN POTENTIAL[3,4]



PHASED FUNDING APPROACH TO MULTI-ASSET URANIUM PRODUCER

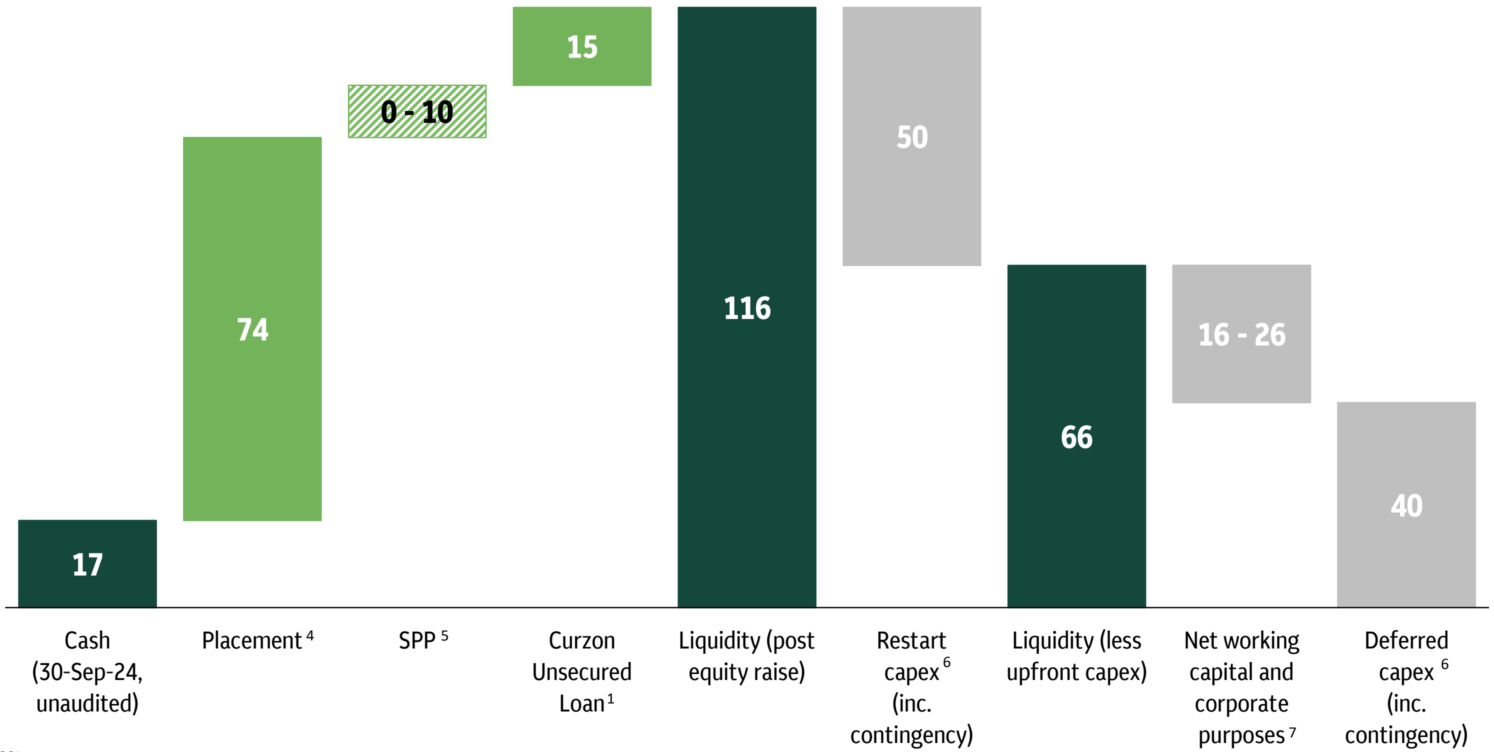
- Lotus is targeting first uranium production at Kayelekera, in line with a forecast uranium supply deficit
  - Kayelekera set to enter production following sustained period of improving uranium prices[7]
  - Low capital intensity of US$21/lb[8]
  - High margin economics provides upside exposure in the current uranium pricing environment
  - Opportunity to extend production:
    - Regional tenure (Livingstonia) initial cursory drill program delineated small Mineral Resource; identified high grade trend may materially increase Mineral Resource tonnage and grade
- Letlhakane's large Mineral Resource may support larger, long-life operation under a variety of uranium prices
  - Favourable geological setting for ISR potential
- Cashflows from Kayelekera can be used to develop Letlhakane
- Total Mineral Resource of 169Mlb[9,10] across both assets

Notes: 1. TradeTech U_3O_8 spot price as at 15 October 2024 and term from 30 September monthly report. 2. The maximum spot price occurred on 2 February 2024 and the minimum spot price occurred on 30 August 2024. 3. U_3O_8 spot price as at 15 October 2024. UxC forward price from 30 September 2024 weekly report. 4. The life-of-mine production contains approximately 4% from Inferred Mineral Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. 5. Margin excludes development capital, and corporate and financing costs. 6. Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4Mlbpa U_3O_8 is expected. 7. See item 6 (Restarting operations at Kayelekera) in Key Risks section for further information. 8. Calculated as US$50m in initial restart capex divided by 2.4Mlbpa U_3O_8 production, being the average production in the first 7 years (excluding ramp up). 9. Refer to slide 51 for a full breakdown of the Mineral Resource. 10. All numbers are stated on a 100% ownership basis unless otherwise stated. Lotus has an 85% interest in Kayelekera and a 100% interest in Letlhakane.

Indicative funding strategy

The equity raising proceeds, committed Curzon unsecured loan[1] and existing cash provides Lotus with available liquidity of US$116m which is expected to fully fund[2] Kayelekera through to first production

INDICATIVE FUNDING PLAN FOR KAYELEKERA (US$M)[3]



FUNDING STRATEGY[3]

- Lotus expects the equity raising proceeds, the committed Curzon facility[1] and cash on balance sheet will fully fund[2] Kayelekera through to first production
- Lotus has US$66m of available liquidity[8] after funding upfront capital expenditure for the Kayelekera accelerated restart
- To provide additional financial resilience, Lotus has elected to raise cash proceeds up front to fund deferred capital of US$40m[9] for Kayelekera
- Additional financial flexibility available via uranium sales during ramp-up, further offtake financing and a potential working capital facility

Notes:
1. Drawdown of the Curzon unsecured loan is conditional upon 50% of restart capital costs having been funded (and invested) and upon total available sources (including the use of the Curzon funds) being sufficient to meet the restart capital costs as published by Lotus at the time of drawdown.
2. Subject to A$110-125m being raised under the Placement and SPP, risk factors and no change to capital commitments or material interest rate rises.
3. See item 7 (Funding risk) in Key Risks section for further information.
4. Cash proceeds from Placement are not guaranteed.
5. Cash proceeds from SPP are not guaranteed. Liquidity analysis shown assumes US$10m of proceeds from the SPP.
6. See items 6 (Restarting operations at Kayelekera) and 16 (Cost Estimates) in Key Risks Section for further information.
7. Includes Offer costs of approximately A$5.8m.
8. Liquidity is defined as cash and undrawn debt.
9. See slide 14 for a detailed breakdown of deferred capital.

Highly experienced team to deliver the Kayelekera restart

	**Michael Bowen** Chairman	• Mr Bowen is a partner of the national law firm Thomson Geer practising corporate, commercial and securities law • Over 40 years of experience and emphasis on mergers, acquisitions, capital raisings and resources • Currently serves as Chairman of Genesis Minerals Limited and Non-Executive Director Emerald Resources NL
	**Greg Bittar** Chief Executive Officer	• +25 years of experience across investment banking, metals and mining and energy companies • Experience in funding, exploration, M&A, project evaluation and project development studies
	**Grant Davey** Executive Director	• Extensive experience in the development, construction, and operation of mining and energy projects, including uranium with operational experience in Africa • Instrumental in the Honeymoon acquisition in South Australia from Uranium One in 2015 and the Kayelekera acquisition in Malawi from Paladin Energy in 2020
	**Keith Bowes** Technical Director	• Process engineer with 30 years experience in metallurgy, mining and development across Africa (Namibia, Malawi and Tanzania), South America and Australia • Instrumental in the redevelopment of the Honeymoon Uranium Project as Project Director
	**Michael da Costa** Chief Operating Officer	• Mining engineer that was previously CEO of Murray & Roberts global mining, engineering and construction business • Project delivery experience in Africa includes Mining Manager at Anglo Platinum's Modikwa mine, General Manager at Anglo Platinum at the Twickenham mine and Vice President Operations at Lonmin's Karee operations
	**Warren King** Kayelekera Project Director	• Engineer with 25 years of experience across project management, engineering, design, procurement and construction • Previous roles include Vice President – Projects at Allied Gold overseeing projects in Mali and studies in Ethiopia, as well as Project Manager roles at Red 5, Base Resources, Gascoyne Resources and Sumatra Copper & Gold
	**Michael Ball** Chief Financial Officer	• Qualified Chartered Accountant with over 20 years' experience in finance, including the last 13 years as CFO for ASX resource companies • He brings experience in operations, project development, optimisation, commodity, currency risk management and contract tendering
	**Hayden Bartrop** Chief Commercial Manager and Company Secretary	• Extensive managerial, commercial, corporate, business development and legal experience across the mining industry working across CFO, General Counsel, Business and Corporate Development, Commercial and Company Secretary roles
	**Dr. Robert Rich** Sales and Marketing Executive	• 30+ years' experience working as a Nuclear Fuel Consultant and has advised major US utilities on the procurement of nuclear fuels and worked with a range of producers in securing offtake agreements
	**John Baines** Letlhakane Project Director	• Extensive operational and technical experience including being the Technology Manager for Uranium at BHP • Project development experience includes being Process Manager for Toro Energy, Senior Metallurgist at GR Engineering Services, Study Manager and Principal Process Engineer for DRA Global

Team experience

- African operational experience
- Engineering and project delivery
- Uranium production
- Uranium sales and marketing
- Commercial and legal
- Capital markets and finance

1

KAYELEKERA OVERVIEW

Kayelekera highlights

Kayelekera is a world-class uranium project with compelling economics

KEY HIGHLIGHTS[1,2]

10 year
mine life
targeting first production by Q3 2025

2.4Mlbs p.a.
avg. U_3O_8 production
during first 7 years of production excluding ramp up

US$50m
initial restart capex
including contingency and cost inflation[3,4]

US$21/lb
initial capital intensity[5]
one of the lowest of any uranium project globally

2-year
payback period[6]

US$439m / US$301m
NPV_8 pre & post-tax[7]

80% / 66%
IRR pre & post-tax[7]

US$34.5/lb
C1 cash cost[8]

US$44.8/lb
AISC[8]

DEFINITIVE FEASIBILITY STUDY AND FEED PARTNERS

SLR | orelogy an idoba company | ResourcesWA | SENET | STEINERT MAGNETIC + SENSOR SORTING SOLUTIONS | Metso:Outotec

Notes: 1. All numbers are stated on a 100% ownership basis unless otherwise stated. Lotus has an 85% interest in Kayelekera.
2. The life-of-mine production contains approximately 4% from Inferred Mineral Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.
3. Excludes deferred capital.
4. See items 6 (Restarting operations at Kayelekera) and 16 (Cost Estimates) in Key Risks section for further information.
5. Calculated as US$50m in initial restart capex divided by 2.4Mlbpa U_3O_8 production, being the average production in the first 7 years (excluding ramp up).
6. Payback calculated from post-tax cashflows, years is from first production.
7. NPV is based on real cash flow forecasts and represents value as at start date of 1 October 2024. A uranium price of US$90/lb has been adopted.
8. Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4Mlbpa U_3O_8 is expected.

Accelerated Restart Plan

Accelerated production plan confirms world-class economics with one of the lowest capital intensity projects globally

- The comprehensive FEED program lays the foundation for the Accelerated Restart Plan to reduce initial restart capital and focus only on essential capital expenditure to achieve the recommencement of production at Kayelekera
- Timetable to restart does not rely on longer lead items that are not critical to first production[1]
  - Lotus is targeting first production by Q3 CY2025 for Kayelekera which is much sooner than 15 months targeted in the 2022 DFS timeline
- Long lead items not essential for restart will be phased in – remain critical to optimising operation and opex
- Reduced restart capex and sequencing of non-essential capex creates additional funding flexibility
- Restart timing matches a growing structural supply deficit and scarcity of new projects entering production
- Lotus has undertaken detailed work to ensure that the deferral will not impact ramp up and mine performance through the phased approach

ITEM[2]	DFS (AUGUST 2022)	ACCELERATED PRODUCTION[3]
Initial restart capital[4]	US$87.7m	US$49.7m
Time to restart	15 months	8-10 months
C1 cash costs[5,6]	US$29.1/lb	US$34.5/lb
AISC costs[5,6]	US$36.2/lb	US$44.8/lb
Mine life	10 years	10 years
Mining method	Open pit	Open pit
Mill feed grade	792ppm	771ppm
Total production[5]	19.3Mlbs U_3O_8	19.3Mlbs U_3O_8
Avg. steady state production[5]	2.4Mlbs U_3O_8	2.4Mlbs U_3O_8
Avg. annual production[5]	2.0Mlbs U_3O_8	2.0Mlbs U_3O_8

Notes: 1. First production is defined as first U_3O_8 produced.
2. All numbers are stated on a 100% ownership basis unless otherwise stated. Lotus has an 85% interest in Kayelekera.
3. See items 6 (Restarting operations at Kayelekera) and 16 (Cost Estimates) in Key Risks Section for further information.
4. Excludes deferred capital.
5. The life-of-mine production contains approximately 4% from Inferred Mineral Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.
6. Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4Mlbpa U_3O_8 is expected.

Kayelekera initial capital cost

Accelerated Production Plan reduces initial restart capital from US$88m to US$50m

- Key updates to the initial capital schedule:
  - Grid connection and sub-station upgrades executed across the first full year of production[1]
  - Diesel gensets will be utilised until grid connection, with full diesel redundancy retained
  - Existing acid plant to be refurbished rather than establishing a new plant
  - Certain items deferred until planned to be utilised in the production process:
    - Ore sorting will be deferred to year 2, as the mine plan has shown that high grade material can be delivered from the pit for the first two years of production
    - Nanofiltration upgrade able to be deferred
  - Ground and plant stabilisation through earthworks, design enhancements, retaining wall system, ground water management, staged stockpile relocation and subsequent monitoring and maintenance programs[2]
  - Camp and office refurbishment limited to usage and sequenced as required and is to be incurred as opex and sustaining capex
  - Reagent inventory build has been staged during ramp up
  - Reduction of owner's direct costs in accordance with the reduction in capital costs
  - Contingency reduced due to lower spend and increasing certainty on costs as Kayelekera approaches production
- Costs reflect inflation since the 2022 DFS
- Pre-production costs (including mining, plant and G&A) are US$10.6m (US$11.5m 2022 DFS)[3]

ITEM[4]	DFS CAPITAL COST ESTIMATES (US$m)	INITIAL RESTART CAPEX[5] (US$m)	DEFERRED CAPITAL (YEARS 1 – 2)[5] (US$m)
Initial Capital			
Mining Contractor	0.6	-	-
Plant Refurbishment	13.5	13.5	-
Acid Plant	15.3	13.0	2.7
Nanofiltration Upgrade	1.5	0.9	1.6
Front-end Upgrade (ore sorting)	6.0	-	9.7
Plant Terrace Ground Stabilisation	9.4	1.0	1.0
Tailings Dam (TSF1 first lift)	2.5	4.0	-
Surface Water Infrastructure	1.7	1.9	-
Sub-Total	**50.5**	**34.2**	**15.0**
Owners Costs			
Camp and Office Refurbishment	3.2	1.4	-
Mobile Equipment	3.6	2.3	2.2
Grid Connection	13.0	-	16.9[1]
Kayelekera Sub-Station	-	-	3.7[1]
Diesel Gensets	-	0.6	-
First Fill	4.2	3.6	-
Owner's Direct Costs	3.8	3.1	-
Contingency	9.5	4.5	1.7
Sub-Total	**37.2**	**15.5**	**24.5**
Total	**87.7**	**49.7**	**39.5**

Notes: 1. Lotus is considering options to fund the power transmission line and substation through a third-party power solution provider and the capital cost would be amortised over mining period. There is no certainty this funding arrangement will be achieved.
2. See item 9 (Ground Stabilisation at Kayelekera) in Key Risks Section for further information.
3. The pre-production costs include labour costs for the operations team ramping up and includes a training component. The majority of the costs relate to the plant where additional reagents are assumed to be purchased prior to restart.
4. All numbers are stated on a 100% ownership basis unless otherwise stated. Lotus has an 85% interest in Kayelekera.
5. See items 6 (Restarting operations at Kayelekera) and 16 (Cost Estimates) in Key Risks Section for further information.

Kayelekera Life of Mine metrics

PRODUCTION AND OPERATING COSTS[1]

- No change to LOM production of 19.3Mlbs over 10 years[2]
- Steady-state C1 cash cost of US$34.5/lb compared to US$29.1/lb in the DFS[2,3,4], the primary drivers of the increase are:
  - Mining cost inflation from the 2022 DFS, with costs now tendered
  - Cost of running the diesel gensets in the early years prior to grid connection
  - Estimated 5%-7% higher power requirement due to the additional power demand from the ore sorter and updated usage modelling
  - Costs associated with trucking acid while the acid plant is being refurbished
- Steady-state AISC of US$44.8/lb compared to US$37.7/lb in the DFS[2,3,4]. The primary drivers of the increase are:
  - MDA increased royalty rate to 5% compared to 3% in the 2022 DFS
  - Deferral of sustaining capital costs from ramp up to steady state associated with the tailings storage facility
- Deferred capital includes cost of the grid connection, sub-station, ore sorting, mobile equipment and certain aspects of the acid plant and nanofiltration upgrade

OPERATIONAL METRICS[1,2,3]

		Ramp Up Phase 5 months	Mining Phase[5] Years 1 - 7	Stockpile Phase Years 8 – 10
Production	Mlbs	0.6	15.8	2.8
Sustaining capital	US$m	-	46.7	7.3
Deferred capital	US$m	8.2	31.3[6]	-
Metrics				
Avg. production rate p.a.	Mlbs	1.5	2.4	1.2
C1 cash costs	US$/lb	53.9	34.5	42.4
AISC	US$/lb	64.1	44.8	52.3

Notes: 1. All numbers are stated on a 100% ownership basis unless otherwise stated. Lotus has an 85% interest in Kayelekera.
2. The life-of-mine production contains approximately 4% from Inferred Mineral Resources contained in existing stockpiles. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.
3. Costs during first 7-years of production excluding ramp up, which is when steady state production of 2.4mlbpa U_3O_8 is expected.
4. Cost inflation also driven by the US$90/lb U_3O_8 price in the accelerated production plan compared to US$75/lb in the 2022 DFS.
5. Mining phase years excludes 5 month ramp up phase.
6. Lotus is considering options to fund the power transmission line and substation through a third-party power solution provider and the capital cost would be amortised over mining period. There is no certainty this funding arrangement will be achieved.

Kayelekera development plan

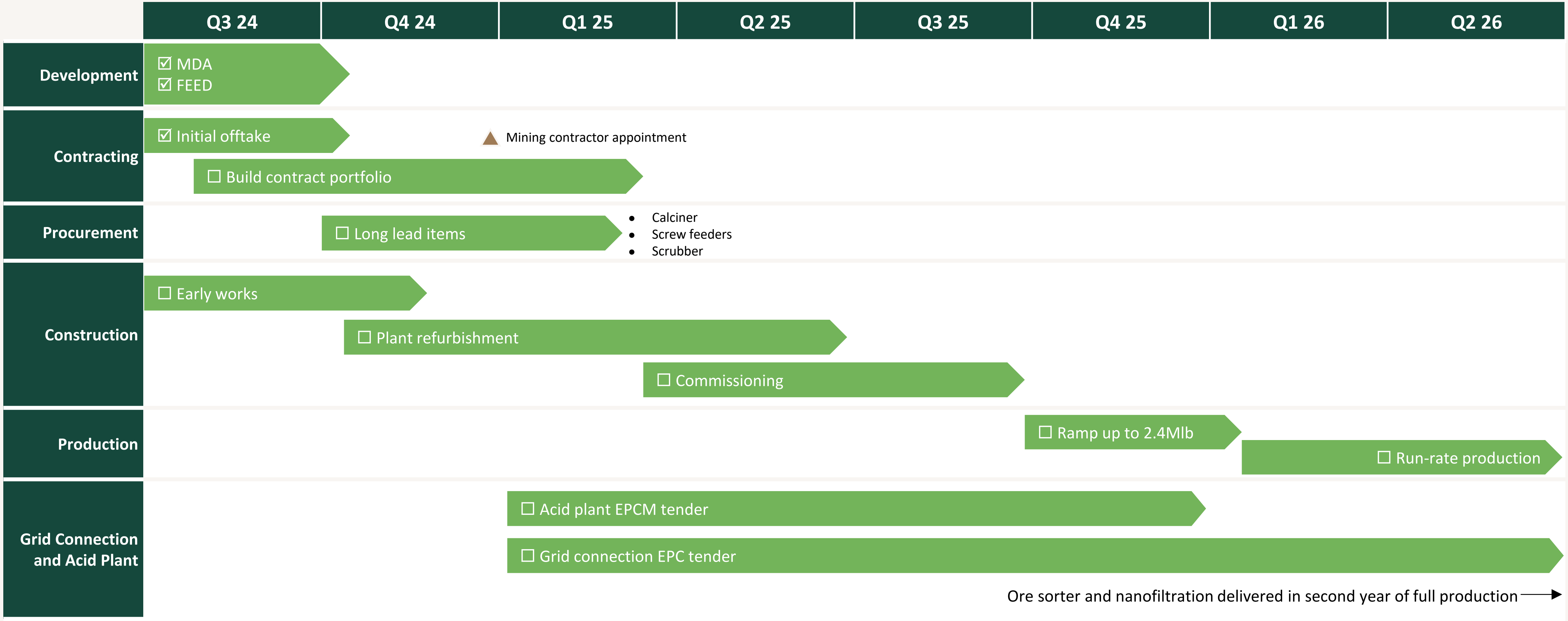
Plant and equipment represents more than US$200m in sunk capital and a significantly higher replacement cost

1. ROM Feed / Ore Sorter
2. Jaw Crusher
3. SAG Mill
4. Process Water Tank
5. Pre-leach Thickener
6. Leach
7. Resin-In-Pulp Feed
8. Elution Plant
9. Precipitation Plant
10. Tailings Thickener
11. Lime Storage
12. Lime Make Up
13. Sulphur Store
14. Sulphuric Acid Plant
15. Acid Storage
16. Lab
17. Diesel Storage
18. Diesel Generators
19. Water Services North
20. Firewater Tank
21. Drying and Packaging Plant

Note: Aerial picture of Kayelekera during historical operations.

Kayelekera roadmap to production

The accelerated production plan brings forward first U_3O_8 production to Q3 2025[1,2]



Notes:
1. Illustrative purposes only. Timing is based on current estimates to complete scheduled work and remains subject to change and various conditions (including on-time delivery by counterparties and Key Risks not emerging).
2. See item 6 (Restarting operations at Kayelekera) in Key Risks Section for further information.

Next steps at Kayelekera

Lotus has commenced site works at Kayelekera

- Lotus Board has approved long lead item orders, and the mobilisation of onsite operational and maintenance teams has commenced
- Tools, mobile equipment and construction crews have arrived on site
  - Early works at the camp and plant well advanced
- Mining contractor appointment
  - Final negotiations are underway with the two preferred contractors, and it is expected that the Kayelekera mining contract will be entered into in the coming months
- Grid connection
  - Grid connection Memorandum of Understanding (**MOU**) with ESCOM, Malawi's state-owned power utility
  - MOU contains the agreed pricing structure and provides the framework for Lotus and ESCOM to enter into a Power Implementation Agreement and Power Purchase Agreement

Offtake strategy

Lotus is targeting a balanced offtake portfolio across fixed, market linked and spot prices

LOTUS OFFTAKE PHILOSOPHY

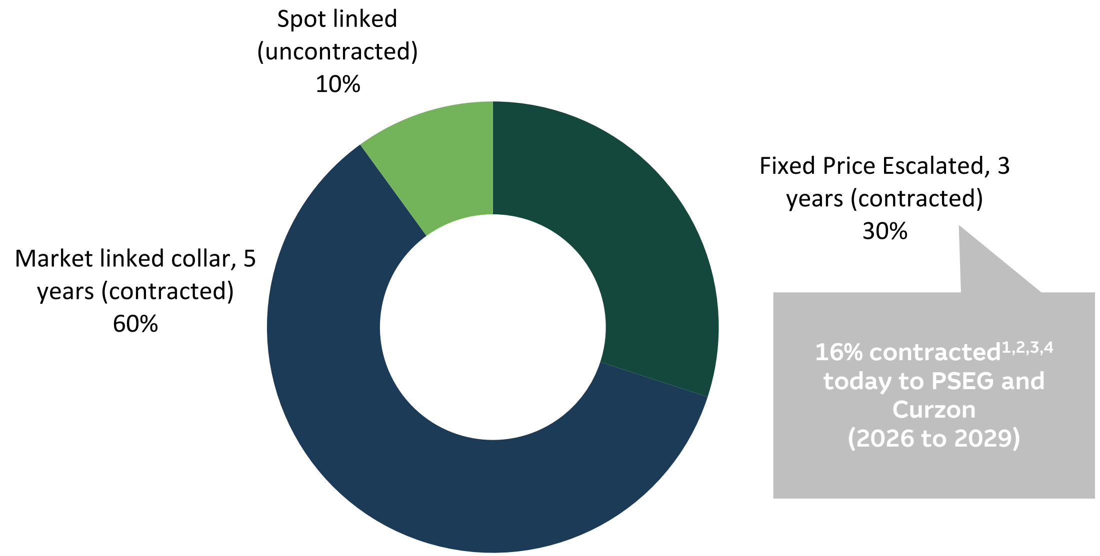
- Fixed price escalated to cover more than half of expected cash operating costs
- Market linked with escalated collar to secure margin but deliver substantial upside exposure
- Spot linked to capture potential price fly-ups, while minimising downside exposure
- Lotus has strategically retained a significant uncontracted uranium position given an expectation of increasing market tightness due to the uranium market deficit

CURRENT PROGRESS ON OFFTAKE STRATEGY – FIXED PRICE ESCALATED FOCUS

- Lotus has announced two conditional offtake arrangements for 1.5-1.8Mlbs of uranium sales:
  - **Curzon binding term-sheet:** 700klbs between 2026 – 2029 to Curzon Uranium, with an option for another 300klbs between 2030 – 2032 (offtake option linked to Lotus drawing down the associated unsecured debt drawdown)[1,2,3]
  - **PSEG non-binding offtake arrangement:** 800klbs between 2026 – 2029 to PSEG Nuclear LLC, which operates three nuclear generating units in New Jersey, USA[1,2,4]
- Lotus is in advanced negotiations with other Tier-1 utility counterparties to secure offtake for production between 2026 and 2029
  - These discussions aim to increase the fixed price escalated contracts to 30% of production
- As Kayelekera approaches restart in 2025, Lotus intends to secure additional offtake based on market linked contracts for a more substantial proportion of Kayelekera's forecast production

TARGET OFFTAKE CONTRACT DISTRIBUTION (% OF OFFTAKE PORTFOLIO)

Average over first 4 years of production



TIER-1 COUNTERPARTIES

CURZON URANIUM

PSEG

Notes:
1. Refer to announcement on 3 September 2024.
2. See item 8 (Offtake Risk) in Key Risks Section for further information.
3. The binding offtake agreement with Curzon is conditional on Lotus completing an equity raise in conjunction with the restart of Kayelekera. Drawdown of the Curzon unsecured loan is conditional upon 50% of restart capital costs having been funded (and invested) and upon total available sources (including the use of the Curzon funds) being sufficient to meet the restart capital costs as published by Lotus at the time of drawdown.
4. PSEG Nuclear term-sheet is non-binding and conditional on the execution of a full-form document within the next 4 months, as well as Lotus making a decision to restart Kayelekera.

Lotus has secured an MDA with the Government of Malawi

The MDA guarantees 10 years of protection against any detrimental changes to the fiscal regime[1]

MDA SECURES A STABLE FISCAL REGIME FOR THE OPERATIONS

- MDA guarantees a Stability Period of 10 years during which the Project will not be subject to any detrimental changes to the fiscal regime
- Key tax terms are aligned with the DFS, including a corporate tax rate of 30%. Royalty rate increased to 5% compared with 3% in the DFS
- Relief provided on Resource Rental Tax and Withholding Tax, specifically as it applies to dividends to non-residents
- Exemptions for import and export duties, excise and VAT on capital goods and specified consumables directly related to mine production
- MDA includes internationally recognised principles relating to legal protection on security of tenure, dispute resolution and expropriation

The Economist
2020 Country of the Year


Photo: MDA signing ceremony

GOVERNMENT SUPPORTIVE OF DEVELOPMENT

- Rio Tinto recently invested A$19.2m for a 19.9% holding in Sovereign Metals, which owns one of the largest rutile projects globally[2]
- Foreign policy is considered pro-western with judiciary based on English law
- Malawian economic growth plans, with mining as a corner stone
- Strong support from donors including IMF, WB and USA/EU/GB governments
- The Economist 2020 Country of the Year for increased democratisation
- **Presidential Delivery Unit** - interface with the various ministries, departments and agencies that are critical to the delivery of the key priorities of the President
- **National Planning Committee** – to coordinate and oversee the development of national development plans and flagship projects

NATIONAL PLANNING COMMISSION
SPEARHEADING WEALTH CREATION FOR ALL

pdu
PRESIDENTIAL DELIVERY UNIT

Notes: 1.See item 11 (Political Risks, Government Actions and Foreign Jurisdictions) in Key Risks Section for further information.
2. Refer to Sovereign Metals Limited ASX announcements dated 13 September 2024 and 3 July 2024.

2

LETLHAKANE OVERVIEW

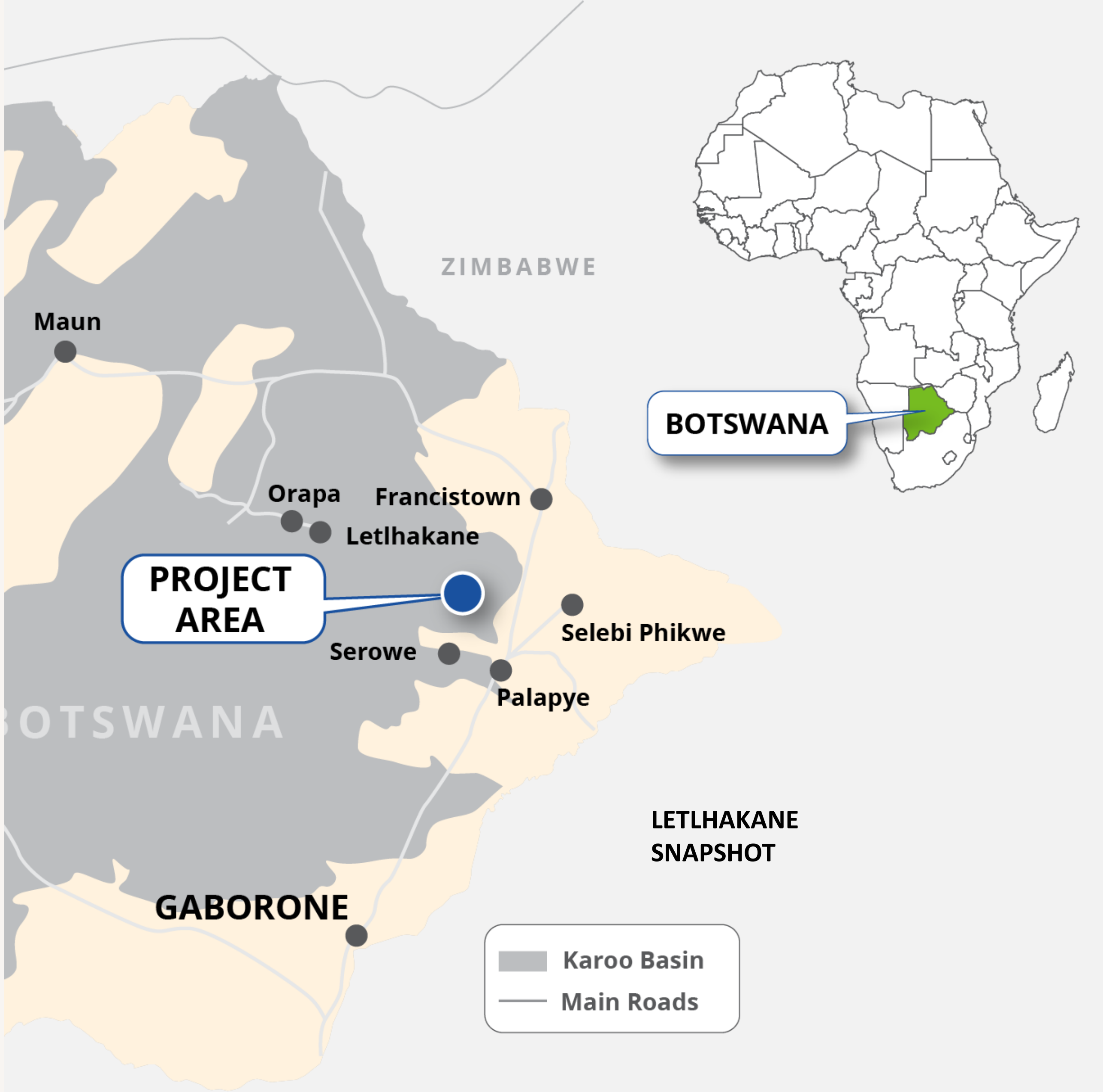
Letlhakane development to closely follow Kayelekera

A large/long life, high value uranium project in a resource friendly mining jurisdiction

- Globally significant uranium Mineral Resource (118Mlb U_3O_8, RPEEE basis)
  - In the top mining jurisdiction in Africa, and top 4 globally[1]
  - Mining Licence and other approvals include Prospecting License for extended area (granted April 2023), water abstraction rights and provisional surface rights
  - Close to high quality existing infrastructure - roads, rail, power
- Open pit with free dig component
- Favourable ISR potential with workplan being executed

LETLHAKANE MINERAL RESOURCE (CUT-OFF 200PPM)[2]

Mineral Resource	Mt	Grade	Mlb U_3O_8
Indicated	46.1	339	34.4
Inferred	109.2	348	83.8
Total	**155.3**	**345**	**118.2**



LETLHAKANE SNAPSHOT

Notes: 1. https://www.fraserinstitute.org/sites/default/files/2023-annual-survey-of-mining-companies.pdf; Policy Perceptions Index ranking.
2. See ASX Announcement on 9 May 2024.

3

EQUITY RAISING OVERVIEW

Equity raising overview

Offer structure and size	• Non-underwritten Institutional Placement to raise approximately A$110 million ("**Placement or Offer**"), comprising: − A placement of up to 267.6 million New Shares to raise up to approximately A$66.9 million utilising Lotus' existing placement capacity pursuant to Listing Rule 7.1 ("**Tranche 1**"); and − A conditional placement of up to 172.4 million New Shares to raise approximately A$43.1 million, subject to shareholder approval at an Extraordinary General Meeting (EGM) to be held in early December ("**Tranche 2**") • New Shares will rank equally with existing fully paid ordinary shares in Lotus • In addition to the Placement, Lotus will conduct a non-underwritten share purchase plan ("**SPP**") of up to A$30,000 per shareholder to raise up to A$15 million
Offer price	• Offer price of A$0.25 per New Share, which represents a: − 20.6% discount to last closing price of A$0.315 on Monday, 21 October 2024[1], and − 15.7% discount to the 5-day VWAP of A$0.297 as at Monday, 21 October 2024
Share Purchase Plan	• Eligible Lotus shareholders as at the record date of Monday, 21 October 2024 with a registered address in Australia or New Zealand[2] will have the opportunity to apply for Lotus shares pursuant to a non-underwritten SPP[3] • Offer price of A$0.25 per share, the same offer price as the Placement • Up to A$30,000 per Eligible Shareholder, targeting to raise up to A$15 million. The Company may, in its absolute discretion, raise a higher amount. • Lotus may decide to accept applications (in whole or in part) that result in the SPP raising less than A$15 million in its absolute discretion. Lotus reserves the right (in its absolute discretion) to close the SPP early and scale back applications under the SPP if demand exceeds A$15 million
Use of proceeds	• To advance the restart of the Kayelekera project in Malawi, working capital requirements and general corporate purposes
Syndicate	• Macquarie Capital (Australia) Limited and Jett Capital Advisors, LLC are acting as joint lead managers to the Placement

Note: 1. Being the last day of trading of Lotus shares prior to announcement of the Offer.
2. Also being eligible shareholders for the purposes of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.
3. Further details of the SPP will be contained in the SPP offer booklet, which will be sent to eligible Lotus shareholders on Thursday, 31 October 2024.

Sources and uses

Lotus has announced a A$110m Placement which is expected to fully fund[1] Kayelekera through to first production

SOURCES AND USES[2,3]

Sources of Funds	A$m	US$m[4]
Cash (30 Sept 2024, *unaudited*)	25	17
Proceeds from Placement	110	74
Proceeds from SPP	0 - 15	0 - 10
Curzon Unsecured Loan Agreement[5]	22	15
Total	**157 - 172**	**106 - 116**

Use of Funds	A$m	US$m[4]
Kayelekera Initial Capex[6] *(incl. contingency)*	74	50
Kayelekera Deferred Capex[6] *(incl. contingency)*	59	40
Net working capital & corporate purposes[7]	24 - 39	16 - 26
Total	**157 - 172**	**106 - 116**

USE OF FUNDS

- Equity raising proceeds would be used to fund:
  - The initial capital to fund Kayelekera to first production
  - The deferred capital to deliver the improvement projects (ore sorting, plant terrace, nanofiltration)
  - The remaining funds would be utilised to support working capital and for general corporate purposes[7]
- Working capital is supported by the conditional Curzon unsecured loan agreement[5]
- Additional financial flexibility available via uranium sales during ramp-up, further offtake financing and a potential working capital facility

CURZON LOAN AGREEMENT

- Lotus has arranged a legally binding US$15m unsecured loan agreement with Curzon, the key terms are:
  - Drawn at Lotus' election (no obligation to drawdown)
  - 12% interest rate repayable within 12-months from first drawdown, with an ability to extend for 6-months for a 3% interest rate step up
  - No upfront of commitment fees
  - Conditional on Lotus completing an equity raise in conjunction with the restart of Kayelekera

Notes: 1 Subject to A$110-125m being raised under the Placement and SPP, risk factors and no change to capital commitments or material interest rate rises. See item 7 (Funding risk) in key risks section for further information.
2. Cash proceeds from Placement are not guaranteed.
3. Cash proceeds from SPP are not guaranteed. Liquidity analysis shown assumes US$10m of proceeds from the SPP.
4. Assumes AUD/USD of 0.67.
5. Drawdown of the Curzon unsecured loan is conditional upon 50% of restart capital costs having been funded (and invested) and upon total available sources (including the use of the Curzon funds) being sufficient to meet the restart capital costs as published by Lotus at the time of drawdown.
6. See items 6 (Restarting operations at Kayelekera) and 16 (Cost Estimates) in Key Risks Section for further information.
7. Includes Offer costs of approximately A$5.8m.

Equity raise timetable

Event	Date[1]
Record date for eligibility to participate in SPP	7:00pm (Sydney time), Monday, 21 October 2024
Trading halt	Tuesday, 22 October 2024
Launch of Placement and Investor Presentation	Tuesday, 22 October 2024
Trading halt lifted and announcement of completion of Capital Raising	Thursday, 24 October 2024
Settlement of New Shares issued under Tranche 1 of Placement	Monday, 28 October 2024
Allotment of New Shares issued under Tranche 1 of Placement	Tuesday, 29 October 2024
Dispatch of SPP Offer Documents	Thursday, 31 October 2024
SPP Opening date	Thursday, 31 October 2024
Notice of Meeting sent to shareholders	Approximately Wednesday, 6 November 2024
SPP Closing date	Thursday, 14 November 2024
Announcement of SPP Participation Results	Thursday, 21 November 2024
Issue of New Shares under SPP	Thursday, 21 November 2024
General Meeting for shareholder approval	Approximately Monday, 9 December 2024
Settlement of New Shares issued under Tranche 2 of Placement	Approximately Thursday, 12 December 2024
Allotment of New Shares issued under Tranche 2 of Placement	Approximately Friday, 13 December 2024

Notes: 1. Timetable is subject to change. Lotus reserves the right to alter the above dates at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act. All times are dates are in reference to Sydney, Australia time.

Proforma capital structure

Upon completion of the equity raise, Lotus will have a strong net cash position of A$150m[1] (before Placement costs)

	Unit	Current	Impact of Offer	Pro-Forma (nil SPP)	Pro-Forma (A$15m SPP)
No of Ordinary Shares[2]	m	1,834	440	2,274	2,334
Cash and Cash Equivalents[3]	A$m	25	110	135	150
Debt[3]	A$m	-	-	-	-
Net cash[3]	A$m	25	110	135	150

Notes: 1. Inclusive of current cash and SPP proceeds, exclusive of offer and SPP costs.
2. On an undiluted basis, assuming no options, performance rights or share rights are converted.
3. As at 30 September 2024 and is unaudited and does not include the costs of the Placement.

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KEY RISKS

Key risks

Introduction

There are a number of risks, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of the Company and the mining industry in which it operates, and the value of its shares. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks; however, some are outside its control. The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which you need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company.

You should carefully consider the following factors in addition to the other information presented in this offer.

Directors means the directors of the Lotus.

Group means Lotus and one or more of its subsidiaries (whether wholly owned or non-wholly owned).

Lotus or the **Company** means Lotus Resources Limited.

1. Uranium Price Risk

The uranium market is sensitive to a range of external economic and political factors beyond the Company's control which have the potential to impact uranium demand and pricing. These factors include global uranium supply and demand trends, nuclear and other technology development, political developments in uranium producing and nuclear power generating countries, unanticipated destabilising global events or industry related events, general economic conditions, currency exchange rates and other factors.

Nuclear energy is in competition with other sources of energy and is the subject of negative public opinion by some parties due to political, technological and environmental factors which have the potential to impact future uranium prices.

The uranium mining industry is competitive and there is no guarantee that a profitable market may exist for the sale of uranium produced from the Company's assets.

2. Security of Tenure

All tenements in which the Group has interest are subject to maintenance and renewal conditions which may be subject to discretion from the relevant regulatory authority. There is a risk that the Group may lose title to, or interests in, its tenements, or that such tenements may be subjected to additional conditions or obligations which may require increased funding or that the Group may not be able to comply with.

3. Mineral Resources and Ore Reserves

The Mineral Resources and Ore Reserves reported by Lotus are estimates only and no assurance can be given that any particular recovery level will be realised. Lotus' estimates are prepared in accordance with the JORC 2012 reporting standard but represent expressions of judgment from qualified professionals based on knowledge, experience, industry practice and resource modelling. Therefore, such estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate or require adjustment or revision. Should the Group encounter mineralisation of formations different to those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted or revised. Adjustments or revisions could impact the Group's development and mining plans and resultant production levels and unit costs.

Due to the uncertainty which may attach to inferred mineral resources there is no assurance that inferred mineral resources will be upgraded to measured and indicated mineral resources or proven and probable ore reserves. Ore reserves rely on interpretations from the mineral resource in addition to other operating assumptions including mining and processing efficiencies, mining and processing recoveries and operating costs. The basis of these assumptions may change which may require revision to these estimates and actual results may differ from these assumptions.

Key risks

4. Speculative Nature of Mineral Exploration and Development

The nature of exploration and development of mineral resources is speculative and by nature contains elements of significant risk which even a combination of experience, knowledge and careful evaluation may not be able to be adequately mitigated. As such there is no guarantee of successful commercialisation which depends upon factors such as the global uranium market including demand and price, the discovery and/or acquisition of economically recoverable reserves, access to experienced and skilled exploration and operations personal, access to adequate capital for project development, securing and maintaining title to interests, obtaining regulatory consents and approvals necessary for the conduct of mineral exploration, development and production and securing plant and equipment given the high competition for such resources in the current period of global exploration and mining activity.

There is no assurance that any exploration of the current or future interest held by the Group will result in the discovery of economic uranium deposits.

5. Operational risk

The Company's development and exploration activities will be subject to numerous operational risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of consumables, spare parts, plant and equipment, external services failure (including power), industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements. Hazards incidental to the development and exploration of mineral properties such as unusual or unexpected geological formations may be encountered by the Company. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

The Company will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry standard policies and procedures) or to insure against them where appropriate cost effective cover is available, but the occurrence of any one or a combination of these events may have a material adverse effect on the Company's performance and the value of its assets.

6. Restarting operations at Kayelekera

Kayelekara is currently on care and maintenance, and while Lotus is moving towards with the early works for a restart of Kayelekera, a final decision to restart uranium mining operations has not been made at this time. While Lotus has announced the Accelerated Restart Plan on 8 October 2024, there are no assurances that the Accelerated Restart Plan will be fully executed or that mining will recommence at Kayelekera.

Should Lotus make the final investment decision, there are customary risks relating to restarting operations which could delay the recommencement of operations, impact the funding requirements or profitability from operations. Such risks include delays in or inability to secure permits and approvals (or renewals), securing the required funding or the requirement to secure additional funding to expected, recruitment and retention of experienced skilled personnel, securing consumables and supplies necessary for the refurbishment of the plant on acceptable contractual arrangements, securing the new plant and infrastructure required on acceptable contractual arrangements, ability to connect to the Malawian national grid and associated availability and reliability of power supply, performance of plant and infrastructure that is below expectation and other factors.

Cost and timing estimates for the refurbishment of the processing plant have been based on engineering estimates supported by on-site inspection. However, the on-site inspections are limited in nature to areas readily accessible for inspection and typically do not involve operating the equipment. Any testing may not be representative of the entire processing plant or equipment. Accordingly, these estimates contain assumptions. There is a risk that these assumptions will not being accurate and more repair or replacement may required as is customary for any brownfield processing plant restart.

Lotus does not expect to have any material revenues from its mining assets until the recommencement of the Kayelekera. Accordingly, Lotus is subject to all of the risks inherent in companies that have business that may not have cash flow or earnings. This may make it difficult for current and prospective investors to assess the likely future performance of the Groups' mining assets

Key risks

7. Funding risk

Exploration and development of the various properties in which Lotus holds interests depends on the Company's ability to obtain funding through joint ventures, debt funding, equity financing or other means. In addition, Lotus is required in the ordinary course of business to provide financial assurances (including insurances, performance guarantees, performance bond and bank guarantee instruments) to secure statutory and environmental performance undertakings and commercial arrangements. Lotus' ability to provide such assurances is subject to the willingness of financial institutions and other third-party providers of such assurances to issue such assurances for the Company's account.

Volatility in uranium markets, or the factors affecting financial institutions and other third parties' assessments of the Company and its prospects may make it difficult or impossible for the Company to obtain facilities for the issuance of such financial assurances or of other debt financing or equity financing on favourable terms or at all. Failure to obtain such facilities or financing on a timely basis may cause the Company to postpone its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations which may have a material adverse effect on the Company's financial position and performance.

Lotus may undertake offerings of securities in the future to raise capital as well as undertaking equity funded acquisitions which may dilute the holdings of investors. The increase in the number of shares issued and the possibility of sales of such shares may have a depressive impact on the price of shares already owned.

The Unsecured Loan Agreement with Curzon Uranium for US$15 million is conditional on an equity raise, with the main use of funds for the restart of Kayelekera. If an equity raise isn't completed within the specified time in the agreement, the Company will not be able to utilise the facility or may need to renegotiate the facility on less favourable terms.

8. Offtake risk

The future operations and revenues of Lotus are dependent on the counterparties to future offtake agreements performing their obligations. If counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, Lotus revenues could be adversely affected. The risk of non-performance or attended re-negotiation of terms by offtake customers is enhanced by the prevailing demand and pricing sensitivities currently impacting the global market for uranium products.

The Company is in discussions with offtake counterparties. There is no guarantee that these discussions will result in binding agreements, including with Curzon Uranium and PSEG Nuclear LLC (which arrangements are conditional) or that the final terms will be as initially disclosed.

There is no guarantee that the Company will be able to execute its offtake strategy. This may increase the Company's exposure to a decrease in the uranium price or delay the timing of revenue associated with negotiating spot sales or other offtake arrangements. In addition, the inability of the Company to execute its offtake strategy may impact on the ability to secure debt finance, or to obtain reasonable terms associated with debt finance (including higher interest rates, increased restrictions on use or lower borrowing limits).

9. Ground Stabilization at Kayelekera

An existing issue at Kayelekera is the ground movement that occurs on the plant terrace. This was identified as early as 2012 by the previous owners of Kayelekera. An investigation by a consultant revealed the movement was likely occurring along an existing slip surface under strain. The DFS provides details of the issue and work undertaken. Based on work undertaken as part of the FEED program some of the measures have been reconsidered with the result the pile wall fence will not be implemented. The other measures that were recommended, re-location of the stockpiles and de-pressurization of the water bearing rock layers, will be implemented over the initial years of operation. In addition, Lotus is currently performing earthworks on the western side of the plant terrace (where the majority of the movement has occurred) to remove material that encroached on the plant infrastructure during the care and maintenance period and to construct a gabion wall in order to avoid encroachment on the infrastructure. Certain civil and earthwork design changes will be designed to allow for a level of movement tolerance and a management plan implemented to monitor movement to ensure Lotus is able to pro-actively implement measures to deal with any effects of the movement.

There is no guarantee that this plan for the ground movement will be sufficient or that ongoing geotechnical work will continue to support the current plan. This may result in increased capital costs to attempt to mitigate the issue, or increased capital costs to rectify any issues if the management plan fails e.g. any accelerated ground movement or business interruption to operations.

Key risks

10. Regulatory

The Company's exploration and any future development activities are subject to extensive laws and regulations relating to numerous matters, including: resource extraction licence, protection of the environment and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, indigenous rights and heritage, resettlement, community matters and other matters.

The Company requires approvals, licences and permits from regulatory authorities to authorise the Company's operations. These approvals, licences and permits relate to exploration, development, production and rehabilitation activities. Approvals, licences and permits required to comply with such rules and regulations are subject to the discretion of the applicable government officials. While the Kayelekera Project had previous approvals, licences and permits for Kayelekera's operations, these approvals, licences and permits may require updating, including updating management plans as part of the relevant approval, licence or permit process. The Company notes it has been directed to conduct an update of the Environmental and Social Impact Assessment and this work has commenced.

Obtaining necessary approvals, licences and permits can be a time consuming process and there is a risk that Company will not obtain these approvals, licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary approvals, licences and permits and complying with these approvals, licences and permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or approvals, licences and permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

11. Political Risks, Government Actions and Foreign Jurisdictions

The Group's foreign operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies (including royalties on production or sales), changes in local or Government ownership requirements, restrictions on foreign exchange, changing political conditions, currency controls, export controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Group's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on the operations of the Group.

12. Community Acceptance and Reputation

All industries, including the mining industry, are subject to community actions in the various jurisdictions in which they are present including in Malawi. In recent years, communities and non-governmental organisations (**NGOs**) have become more vocal and active with respect to mining activities at, or near, their communities. These parties may take actions, such as road blockades, applications for injunctions seeking work stoppage and lawsuits for damages.

Additionally, the Group's relationship with the communities in which it operates is important to ensure the future success of existing operations and the construction and development of its projects. While Lotus believes the relationships it has with the communities in which it will operate is strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities.

Certain NGOs, some of which oppose globalisation and resource development, are also often vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or its operations specifically, could have an adverse effect on the Group's reputation or financial condition.

Key risks

13. Reliance on Key Personnel

The Group's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of any of the Group's key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause a disruption to the Group and adversely impact the Group's operations, financial performance and financial position.

Any disputes with employees (through personal injuries, industrial matters or otherwise), changes in labour regulations or other developments in the area may cause labour disputes, work stoppages or other disruptions in operations that could adversely affect the Group. Similarly, negative media attention with respect to a listed entities directors, executives or senior management can bring attention to the listed entity itself and negatively impact a listed entity's reputation, business operations and investor confidence. This in turn has the propensity to lead to fluctuations in the share price and have a material adverse effect on a listed entity's overall performance.

14. Culture and Business Conduct

An organisations culture can greatly influence individual and group behaviors. If Lotus' conduct and ethics related controls, frameworks and practices were to fail significantly, be set inappropriately, or not meet legal, regulatory or community expectations, then the Group may be exposed to reputational damage through fines, regulatory intervention or investigation, temporary or permanent loss of license, litigation and or permanent loss of business.

The Group's operations will be governed by, and involve interaction with, many levels of government including in Malawi, Botswana and Australia. The Group will be subject to various anti- corruption laws and regulations, which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage.

The Group will maintain anti-bribery policies, anti-corruption training programs, codes of conduct, procedures and other safeguards designed to prevent the occurrence of fraud, bribery and corruption. However, wherever the Group operates it always needs to be aware of the potential risk of fraud, bribery and corruption. The Group cannot predict the nature, scope or effect of future regulatory requirements to which the Group's operations might be subject or the manner in which existing laws might be administered or interpreted. Instances of fraud, bribery and corruption, and violations of laws and regulations could expose the Group and its directors and senior management to civil or criminal penalties or other sanctions and could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and the share price.

Likewise, any investigation of any alleged violations of the applicable anticorruption legislation by Australia or foreign authorities could also have an adverse impact on the Group's business, reputation, financial condition and results of operations.

Key risks

15. Environmental Liabilities

Uranium exploration and mine development is an environmentally hazardous activity which may give rise to substantial costs for environmental rehabilitation, damage control and losses. The Company's operations may use hazardous materials and produce hazardous waste, which may have an adverse impact on the environment or cause exposure to hazardous materials.

Despite efforts to conduct its activities in an environmentally responsible manner and in accordance with applicable laws, the Group may be subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Group (or to other companies in the minerals industry). To the extent that the Group becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Group and could have a material adverse effect on the Group. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

16. Cost Estimates

While care has been taken in estimating the capital cost and future operating costs for the Group's projects, the actual cost to restart operations at Kayelekera may vary from current estimates. The foreign exchange rates assumptions for the Malawi Kwatcha, South Africa Rand and United States of America Dollar are likely to vary, and may vary significantly. Any such variations could adversely affect Lotus' future financial position and performance.

Capital resources may be required to be used in ways not previously anticipated or disclosed. The results and effectiveness of the application of the capital resources are uncertain. If they are not applied effectively, Lotus' financial and/or operational performance may be adversely affected.

17. Revenue and Cash Flow Risks

Lotus cannot provide any assurance of its ability to operate its projects profitably. While Lotus intends to generate working capital through operating its Kayelekera mine, there is no assurance that Lotus will be capable of producing positive cash flow on a consistent basis or that such funds will be available for exploration and development programs.

Future operating results depend to a large extent on management's ability to successfully manage growth and development. This necessarily requires rapid expansion and consolidation of all aspects of the business operations, such as the development of mining operations, revenue forecasting, an effective marketing strategy, controlling expenses, implementing infrastructure and systems and managing its assets and contractors. The inability to control the costs and organizational impacts of business growth, an unpredicted decline in the growth rates of revenues without a corresponding and timely reduction in expenses or a failure to manage other issues arising from growth can have a material adverse effect on Lotus' operating results.

There is a significant delay in revenue from the time of production at uranium concentrate at site. This is due to the need to build sufficient inventory, road transport the product to a port, then ship and subsequently road transport the product to converters in France, USA or Canada. Once the uranium concentrate is converted, the uranium is sold to a buyer, who then pays on a deferred payment basis. Despite having previously used all 3 converters in prior operations, Kayelekera's uranium concentrate must be re-qualified by the converters before it can be sold. Any issues with re-qualification may delay the receipt of revenue from production.

Key risks

18. Logistics

Lotus depends on the availability and affordability of reliable transportation facilities, infrastructure (in particular the quality of roads and bridges) and certain suppliers to deliver its product to market. A lack of these could impact on Lotus' production and development of projects. War or other conflicts and flooding or other natural disasters may also impact on the availability of supply chains.

Kayelekera and Letlhakane are in land locked jurisdictions. Transport of material, inputs and uranium concentrate require transport across neighbouring countries. Restrictions on cross-border transport or disturbances at ports in foreign jurisdictions could impact on Lotus' production, development of projects and sale of product. For uranium concentrate, the transport of uranium concentrate could be disrupted due to licensing requirements or delays or political disputes or availability of suitable shipping liners, or impacts to shipping.

19. Health and Safety

Lotus aspires to conduct its activities to high standards of occupational health and safety. Lotus has systems in place for the management of risks appropriate for its current level of activity which will be updated as appropriate when the decision to restart operations is made. Despite this, uranium exploration and mining is inherently a high risk environment. In addition, Lotus has interests in a developing country, embedding systems for managing occupational health and safety risks, and maintaining and ensuring compliance with these systems may present challenges for the Group.

Operating in developing countries where HIV/AIDS, ebola, malaria, cholera, COVID 19 and other diseases may represent a threat to maintaining a skilled workforce. There can be no assurances that such infections will not affect project staff, and there is the risk that operations could be affected in the event of such a safety threat. Any failure to comply with the necessary occupational health and safety requirements could result in a safety claim, fines, penalties and compensation for damages against the Group as well as reputational damage.

20. Climate Change

Increased regulation of greenhouse gas emissions could adversely affect the Group's costs of operations. Mining and processing of mineral resources is relatively energy dependent and depends on fossil fuels. Whilst Lotus has a strategy to minimise the use of fossil fuels where practicable there is no assurance that Lotus will be able to implement this strategy or that it will provide the expected benefits.

Regulatory changes by governments may represent an increased cost to the Group. Increasing regulation of greenhouse gas emissions, including the introduction of carbon emissions trading or abatement mechanisms, and tighter emission reduction targets or the introduction of a carbon tax in any jurisdiction the Group operates is likely to raise energy costs and costs of production.

Further to this, the Group's activities may be impacted in the future by the effects of climate change, including factors such as increased or decreased rainfall, increased severity of weather events, impacts on ground stability and movement and impacts to planned sources of water for operations. The effects of these risks could adversely affect the Group's activities and performance.

Key risks

21. Supply Chain and Counterparty Risk

Kayelekera operates within a complex supply chain. Lotus depends on suppliers of raw materials, services, equipment and infrastructure to ensure its mine and process plant can operate and on providers of logistics to ensure products are delivered. Failure of significant components of this supply chain due to strategic factors such as business failure or serious operational factors could have an adverse effect on Lotus' business and results of operations.

Lotus relies on various key customer and supplier relationships and on contractors to conduct aspects of its operations, including mining operations. As such, Lotus is exposed to risks related to their activities. Although contracted services will be supervised by Lotus' employees, such arrangements with contractors carry with them risks associated with the possibility that the contractors may (among other things) have economic or other interests or goals that inconsistent with Lotus's interests or goals, take actions contrary to Lotus' instructions or requests, or be unable or unwilling to fulfil their obligations.

There can be no assurance Lotus will not experience problems with respect to its contractors and service providers in the future or that it will be able to find replacement contractors on acceptable terms in the event that contractors do not perform as Lotus expects and this may materially and adversely affect its business, results of operations, financial condition and prospects. Financial failure or default by any of the contractors or service providers used by Lotus in any of its activities may impact on operating and/or financial performance.

An interruption in materials or inputs, in particular diesel, sulphur (or sulphuric acid) or hydrogen peroxide, or a deterioration in the quality of materials or inputs supplied, or an increase in the price of those materials or inputs, could also adversely impact the quality, efficiency or cost of production.

Any or all of these events could have an adverse impact on Lotus' operations, its financial condition and financial performance and are beyond Lotus' control.

22. Subsidiary

Lotus is a holding company with no significant assets other than the share of its wholly-owned subsidiary and non-wholly subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Group could restrict Lotus' ability to fund its operations efficiently and to meet its payment obligations. Any such limitations, or the perception of such limitations now or in the future, could also have an adverse impact on Lotus' valuation and share price.

23. Estimates and assumptions are used in Preparing the Financial Statements

Preparation of consolidated financial statements required the Company to use estimates and assumptions which require Lotus to use its judgement to determine the amount to be recorded in its financial statements in connection with these estimates.

The Company reviews the carrying value of its assets periodically to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of the impairment, if any. Changes in assumptions underlying the carrying value of certain assets, including assumptions rewalting to uranium prices, production costs, foreign exchange rates, discount rates, tax rates, the level of proven and probable reserves and measured, indicated and inferred mineral resources and market conditions, could result in impairment of such assets. No assurance can be given as to whether there may be significant impairments in future periods, including as a result of further restructuring activities or changes in assumptions underlying carrying values as a result of adverse market conditions in the industry in which the Group operates.

The notes to the financial statements provide information on other balances that require significant estimation, assumptions and judgment.

Key risks

25. Placement Risk

Lotus has entered into a placement agreement with the Joint Lead Managers (Placement Agreement). If certain events occur, then the Joint Lead Managers may terminate the Placement Agreement. The events which may trigger termination of the Placement Agreement include (but are not limited to):

- ASX announces that Lotus will be removed from the official list of the ASX or that any New Shares will be suspended from trading on, or cease to be quoted on, the ASX for any reason.
- Lotus withdraws from the Placement.
- An insolvency event occurs.
- ASIC commences, or gives notice of intention to commence, various regulatory actions or investigations in respect of the Placement, SPP or Offer materials.
- Lotus fails to provide a certificate as required by the Placement Agreement.
- ASX does not agree to grant official quotation of the New Shares on an unconditional basis.
- Any event in the Placement timetable is delayed by two business days without the prior written approval of the Joint Lead Managers.
- A statement contained in the Offer materials is, becomes or is likely to be, misleading or deceptive (including by omission) or fails to comply with applicable law.
- The S&P/ASX200 index falls by 10% or below its level on the ASX trading day immediately prior to the date of the Placement Agreement, on:
  - any time prior to the completion of dispatch of confirmation letters;
  - two consecutive business days during any time prior to the settlement date of the issue of New Shares under Tranche 1 or Tranche 2;
  - the business day immediately preceding the settlement date of the issue of New Shares under Tranche 1 or Tranche 2.
- In respect of any one or more of Australia, Hong Kong, Singapore, the USA or the UK, the relevant central banking authority declares a general moratorium or there is a material disruption in commercial banking or security settlement or clearance services.
- In respect of any one or more of Australia, the USA or the UK, there is adverse change or disruption to financial, political or economic conditions, currency exchange rates or financial markets
- Hostilities not existing at the date of the Placement Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) in Australia, New Zealand, the USA, Japan, the People's Republic of China, any member of the European Union, Israel, Iran, Lebanon, Malawi or Botswana, or a major terrorist attack is perpetrated.
- any information, statement, disclosure or declaration in certain information provided for or on behalf of the directors proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive, whether by inclusion or omission;
- without the prior written consent of the Joint Lead Managers, there is an alteration in the composition of Lotus's board of directors, other than one which has already been disclosed in the ASX investor presentation or announcement;
- a representation or warranty made or given by Lotus under the Placement Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive

A number of events these events will only give rise to a termination right where a materiality threshold (as outlined in the Placement Agreement) is satisfied.

If the Placement Agreement is terminated, Lotus may not be able to place all of the New Shares issued under Tranche 2 to raise the full amount contemplated which may delay Lotus' planned schedule unless further funds are raised or otherwise materially adversely affect Lotus' business, cash flow and financial condition. In this event, Lotus may be required to source funding by alternative means, which may result in additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which Lotus may conduct its business and deal with its assets (for example, by way of restrictive covenants binding upon Lotus).

Key risks

General Risks

1. Share Price Fluctuations

Lotus' shares carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade. The value of Lotus shares will be determined by the securities market and will be subject to a range of factors beyond the control of Lotus, the Lotus Board and Lotus Management.

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Group. These factors include, but are not limited to, the demand for, and availability of Lotus shares, movements in interest rates, exchange rates, fluctuations in the Australian and international stock markets and general domestic and economic activity. Securities markets can experience high levels of price and volume volatility, and the market price of securities of many companies can experience wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Lotus' securities going forward.

There can be no guarantee that an active market in Lotus' shares will develop or continue. It may be difficult for investors to sell their Lotus shares, as there may be relative few, if any, potential buyers or sellers of the shares on ASX at any time. Volatility in the market price for Lotus' shares may result in shareholders receiving a price for their shares that is less or more than the Offer Price.

2. Economic risk

The operating and financial performance of the Group will be influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on Lotus' operating and financial performance and financial position.

3. Risk of Conflicts

Conflict events including, but not limited to, significant riots or acts of terrorism, invasion, hostilities (whether war be declared or not), or war may adversely affect the operating and financial performance of the Group. Escalation of the current conflict in Ukraine or the Middle East may increase market volatility generally and/or volatility in global commodity prices generally.

4. Cyber Security and IT

The Group relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. The Group's core technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error. These events may cause one or more of the Group's core technologies to become unavailable. Any interruptions to these operations would impact the Group's ability to operate and could result in business interruption, loss of customers and revenue, damaged reputation and weakening of competitive position and could therefore adversely affect Lotus' operating and financial performance.

Key risks

5. Equity dilution

Lotus may elect to issue Lotus shares or other securities in Lotus in the future. While Lotus will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), the increase in the number of securities issued and the possible sale of these securities may have the effect of depressing the price of Lotus' securities already on issue. In addition, Lotus' shareholders at the time may be diluted as a result of the issue of such securities.

6. Litigation and disputes

The Company, like many companies in the mining industry, is subject to legal claims in the ordinary course of its corporate and operational activities, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have an adverse effect on the Group's future cash flow, results of operations or financial condition.

7. Insurance risk

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover, or appropriate cover may not be available at an acceptable cost.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

8. Changes in laws

The Group will be subject to various federal, state and local laws (including Australia, Malawi and Botswana). Changes to current laws in the jurisdictions within which the Group operates or may in the future operate, could have a material adverse impact on the Group's operations, financial performance and financial position.

5

INTERNATIONAL OFFER RESTRICTIONS

International offer restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Bermuda

This document may be distributed, and the New Shares may be offered and sold, only from outside Bermuda to institutional and professional investors in Bermuda. No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

Brazil

The New Shares have not been, and will not be, registered with the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* or CVM) or any other authority in Brazil and may not be offered or sold, directly or indirectly, to the public in Brazil. This document and any other document relating to an offer of New Shares may not be distributed in Brazil except to "professional investors" (within the meaning of Resolution 30 of the CVM) or otherwise in compliance with Brazilian law.

This document has not been approved by any Brazilian regulatory authority and does not constitute an offer to sell, or a solicitation of any offer to buy, any securities to the public in Brazil.

The Company's ordinary shares are not listed on any stock exchange, over-the-counter market or electronic system of securities trading in Brazil.

International offer restrictions

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the “Provinces”), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are “accredited investors” within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser’s Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

International offer restrictions

Cayman Islands

This document may be distributed, and the New Shares may be offered and sold, only from outside the Cayman Islands to institutional and professional investors in the Cayman Islands. No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International offer restrictions

Liechtenstein

This document has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this document may not be made available, nor may the New Securities be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Prospectus Regulation Implementation Act of Liechtenstein.

In accordance with such Act, an offer of New Securities in Liechtenstein is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International offer restrictions

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

International offer restrictions

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (“SCA”) or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to “professional investors” (as defined in the SCA Board of Directors’ Decision No.13/RM of 2021, as amended).

No offer of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

International offer restrictions

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares may be offered and sold in the United States only to:

- "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

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ANNEXURE

Annexure 1:

Lotus Board of Directors

The Board and Greg Bittar have agreed that Greg will join the Board (on revised terms to be agreed) as Managing Director at a mutually agreeable time during FY2025

Michael Bowen
Non-Executive Chairman

- Mr Bowen is a partner of the national law firm Thomson Geer
- He practices primarily corporate, commercial and securities law with over 40 years of experience and emphasis on mergers, acquisitions, capital raisings and resources
- Michael is currently serving as a Non-Executive Director at Genesis Minerals Ltd and Emerald Resources NL

Grant Davey
Executive Director

- Mr Davey has extensive experience in the development, construction, and operation of mining and energy projects, including uranium, with significant operational expertise in Africa
- Prior experience at Anglogold Ashanti in South Africa, mining uranium as a byproduct, and was instrumental in the acquisition of the Honeymoon Uranium mine in South Australia from Uranium One (2015) and the Kayelekera Uranium Mine in Malawi from Paladin Energy (2020)

Keith Bowes
Technical Director

- Mr Bowes is a process engineer with 30 years' experience in metallurgy, mining operations and project development
- He has worked in Africa, South America and Australia
- He was involved in operations in Namibia and has led multiple development studies and projects in Africa, including Malawi and Tanzania
- He was also instrumental in the redevelopment of the Honeymoon Uranium Project where he was Project Director

Dixie Marshall
Non-Executive Director

- Ms Marshall has held senior leadership positions in government, media, sport, energy and advertising
- An award-winning journalist, she has 40 years' experience in government relations and strategic communications
- Ms Marshall is Chair of leading government relations company, GRA Partners, advising corporations, industry and government entities on strategy development, policy and communications. She is Chief Growth Officer and board director of the Marketforce Group, along with serving as a Commissioner of the Australian Sports Commission

Mark Hanlon
Non-Executive Director

- Mr Hanlon has over 20 years of experience in the resources and resource services sector, as well as 10 years in commercial and merchant banking
- He has a broad background of senior executive experience across a wide range of industries including mining and mining services

Following the management team changes in August 2024 the Company continues to focus on ensuring it has the right mix of management and board skills as it transitions to be a global uranium producer. In so doing, the Board will ensure that its composition retains and attracts the right mix of skills, diversity and independence appropriate to Lotus' market standing as it transitions to being a global uranium producer. The Board's approach, consistent with the feedback recommendations from institutional shareholders and recommendations of the main proxy advisers, namely the Australian Council of Superannuation Investors, Glass Lewis, Institutional Shareholders Services Inc and Ownership Matters, includes adopting a more traditional composition, comprising a Managing Director and non-executive directors, with the intention that the changes be announced before the end of fiscal year 2025.

Annexure 2:

ESG and sustainability

ESG is a key focus for lotus

In FY24, we continued to improve our ESG performance and disclosure by:

- Completing our 3rd Sustainability Report with reference to the GRI Standards (4th report due to be released in October 2024).
- Participating in our first S&P Global CSA

  Performed in the 64th percentile in the industry: MNX Metals & Mining, in February 2024[1]
- Engaging with our external stakeholders via our 2nd ESG Stakeholder Survey.
- Progressing our alignment with Climate-related financial disclosure reporting by undertaking a climate scenario risk assessment.
- Establishing a Social Investment program for the Letlhakane Project.

1 . Scored 37 out of 100.

SUSTAINABLE DEVELOPMENT GOALS

GRI

Making a real difference in Malawi and Botswana

HEALTH

- Provides and maintains **power and water to the Kayelekera Medical Clinic** and the **Wiliro Health Clinic**
- Continues to implement the **mosquito abatement program** around Kayelekera, Sunfukwe and Chiteka
- Published our UDHR Statement: We value the fundamental human rights recognised in the Universal Declaration of Human Rights and strive to operate our business in accordance with the spirit and intent of it.

EDUCATION

- Donated **school furniture, uniforms, and textbooks to Gojwane** and **Serule Primary Schools**, and **Bonwatlou Community Junior Secondary School** (Letlhakane)
- Sponsored the **maths and science awards** at the **Shashe Secondary School** (Letlhakane)
- Continues to **sponsor 8 teachers and 10 high school students** at local schools near Kayelekera

EMPLOYMENT

- **5% Increase** in women working full time at Kayelekera in FY24
  FY24: 15%
  FY23: 10%
- **305 local workers engaged** for short term contracts at Kayelekera during FY24, **including 38 women (14% of workforce)**

KAYELEKERA COMMUNITY INFRASTRUCTURE MAINTENANCE & REPAIRS

- **Engaged 17 local contractors to repair the Sere River Bridge** - damaged following large rainfall events
- **Graded roads** following wet season to **restore access to schools in Juma and Chiteka**
- **Resurfaced the Kayelekera village football pitch** to improve the playing surface for local competitions
- **Completed wall and floor repairs at the Kayelekera Medical Clinic** and medical staff accommodation

ENVIRONMENT

- **Donated 6,000 seedlings to schools and local communities** to support local reforestation near Kayelekera
- **Planted 1,200 seedlings** in Kayelekera rehabilitation programs
- **Rehabilitated a legacy** metallurgical sample **pit (Letlhakane)**

SOCIAL INVESTMENT

- **US$17k** on **community initiatives**
- **US$2.6 m on local procurement** in Malawi and Botswana

Case Study – Kayelekera Seedling Program

- Lotus is committed to collaborating with local communities to create meaningful and lasting positive impacts
- A key focus area is rehabilitating and mitigating vegetation clearing to preserve local biodiversity
- The forest surrounding our mine and nearby villages is slowly being cleared for charcoal for heating and cooking
- In 2024, Lotus established a community reforestation committee and donated 6,000 tree seedlings to support local reforestation programs

Annexure 3:
Consolidated uranium Mineral Resources & Ore Reserves

MINERAL RESOURCES[1,5]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured – RoM Stockpile[2]	1.6	760	1.2	2.6
Kayelekera	Indicated	29.3	510	15.1	33.2
Kayelekera	Inferred	8.3	410	3.4	7.4
Kayelekera	Total	40.1	510	20.4	44.8
Kayelekera	Inferred – LG Stockpiles[3]	2.24	290	0.7	1.5
Kayelekera	**Total - Kayelekera**	**42.5**	**500**	**21.1**	**46.3**
Letlhakane	Indicated	46.1	339	15.6	35.5
Letlhakane	Inferred	109.2	348	38.0	83.8
Letlhakane[4]	**Total**	**155.3**	**345**	**53.6**	**118.2**
Livingstonia	Inferred	6.9	320	2.2	4.8
Total	**All Uranium Mineral Resources**	**204.7**	**377**	**76.8**	**169.3**

ORE RESERVES[6]

Project	Category	Mt	Grade (U_3O_8 ppm)	U_3O_8 (M kg)	U_3O_8 (M lbs)
Kayelekera	Open Pit - Proved	0.6	902	0.5	1.2
Kayelekera	Open Pit - Probable	13.7	637	8.7	19.2
Kayelekera	RoM Stockpile – Proved	1.6	760	1.2	2.6
Kayelekera	**Total - Kayelekera**	**15.9**	**660**	**10.4**	**23**

1. See ASX announcements dated 15 February 2022 and 9 June 2022 for information on the Kayelekera and Livingstonia Mineral Resource Estimates. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 15 February 2022 and 9 June 2022 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in those announcements continue to apply and have not materially changed.

   The Kayelekera Mineral Resource Estimates are reported inclusive of the Kayelekera Ore Reserve Estimates.

   Kayelekera's Mineral Resources are based on a 100% ownership basis of which Lotus has an 85% interest.
2. RoM stockpile has been mined and is located near mill facility.
3. Low-grade stockpiles have been mined and placed on the medium-grade stockpile and are considered potentially feasible for blending or beneficiation, with initial studies to assess this optionality already completed.
4. Letlhakane Mineral Resources reported at 200ppm cut-off grade.
5. The Mineral Resource information relating to Letlhakane Uranium is based on the principle of "reasonable prospects for eventual economic extraction"; see details in the ASX announcement dated 9 May 2024. All material assumptions and technical parameters underpinning the Mineral Resource Estimate in that announcement continue to apply and have not materially changed.
6. Ore Reserves are reported based on a dry basis. Proved Ore Reserves are inclusive of RoM stockpiles and are based on a 200ppm cut-off grade for arkose and a 390ppm cut-off grade for mudstone. Ore Reserves are based on a 100% ownership basis of which Lotus has an 85% interest. See ASX announcement dated 11 August 2022. All material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed.

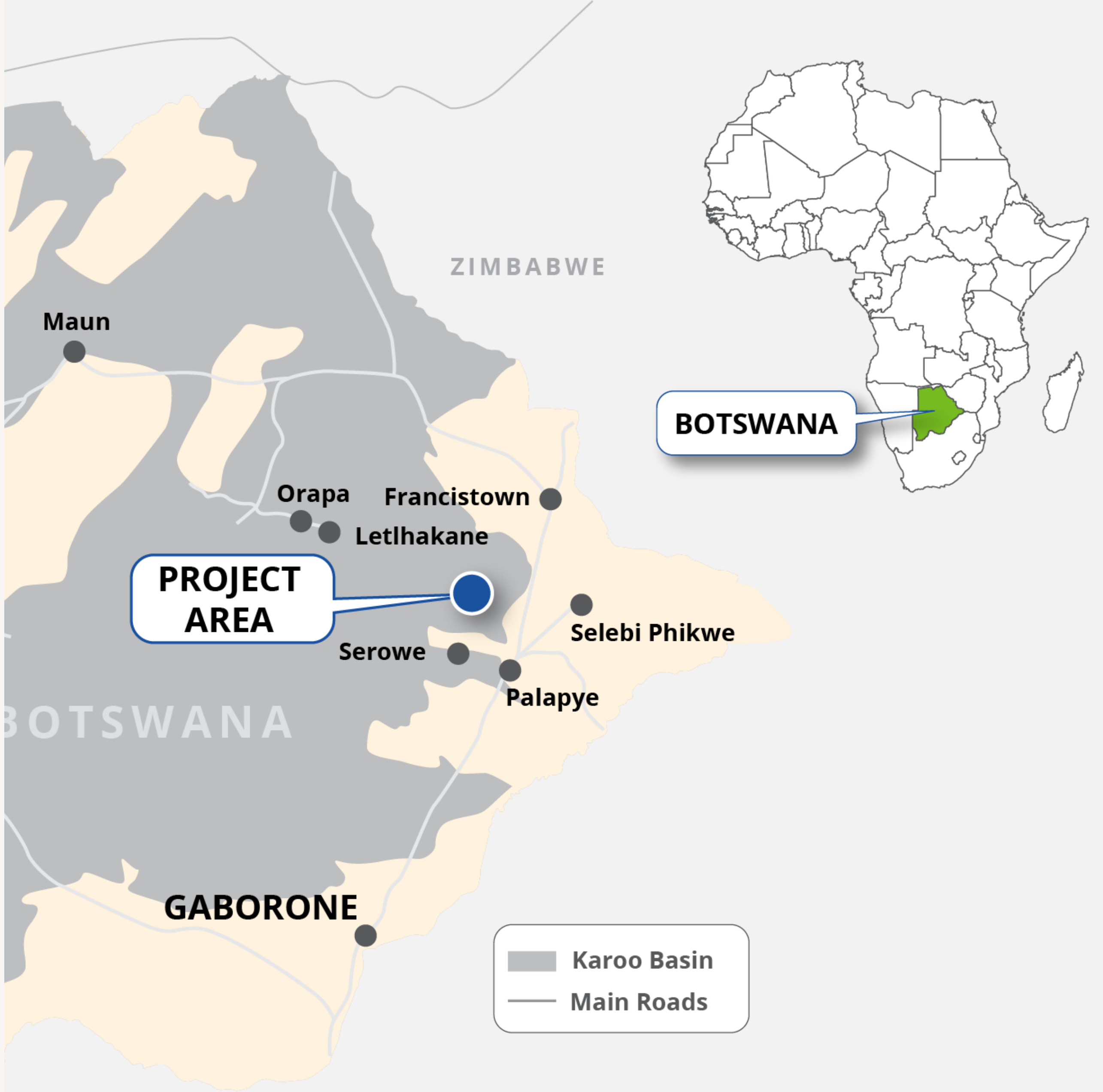
Annexure 4:
Malawi
"The Warm Heart of Africa"

- Rio Tinto recently invested a further A$19m (now a 19.9% shareholder) in Sovereign Metals, which holds one of the largest rutile projects globally, following its initial US$40m investment
- One of the smallest countries in Africa with a population ~21 million
- Democratic multi-party republic with the Hon. Lazarus Chakwera elected in 2020
- Foreign policy is considered pro-western with judiciary based on English law
- One of the least developed countries with economy heavily based on agriculture
- Very low income per capita (ranked in the bottom 20% globally)
- Dependent on outside aid to meet its development needs
- Malawian national identity is strong with low crime levels
- Challenges
  - Foreign exchange shortages
  - High Inflation
  - Lack of development / poverty
- Opportunities
  - Malawian economic growth plans with mining as a corner stone
  - Strong support from donors including IMF, WB and USA/EU/GB governments

Annexure 5:
Botswana

"Botswana is a top mining jurisdiction in Africa"

- 2023 Fraser Survey[1]
  - Overall global ranking of 4, and top three ranking in Africa consistently over the last 5 years
- Mining accounts for 21% of current GDP[2] and is critical for continued economic growth
  - Skilled mining workforce, English speaking
- Highest GDP per capita in Africa
- Mining Fiscal regime supportive of new developments
- Security of tenure
  - No Development Agreement regime
  - At time of issue of ML the Govt can acquire up to a 15% working interest participation, not free-carried
- Challenges
  - Competing with high paying diamond industry
  - First uranium mine
  - Landlocked
- Opportunities
  - Government support for development in low economic growth areas
  - Relatively underexplored for uranium



Notes: 1. https://www.fraserinstitute.org/sites/default/files/2023-annual-survey-of-mining-companies.pdf; Policy Perceptions Index ranking.
2. Statista.

Contact Us

Greg Bittar
Chief Executive Officer

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

LOT:ASX | LTSRF:OTCQX