

ENVIRONMENTAL POLICY

Approved by the Board of Directors effective 21 September 2023

1 PURPOSE

Lotus Resources Limited (the Company) and its subsidiaries are committed to protecting the environment and producing as small an environmental footprint as possible.

The Company believes that excellence in environmental performance and protection is essential to business success and compatible with balancing the economic, social and environmental aspects of sustainable development. The Company is committed to ensuring there is effective environmental management across all aspects of its operations.

The aim of this Policy is to provide the overarching framework for the Company's operations and business facilities, to minimise pollution and act as a responsible custodian of the environment.

2 APPLICABILITY

This policy applies to:

- executive and non-executive directors;
- full-time, part-time and casual employees; and
- contractors, consultants, advisers and relevant suppliers.

3 RESPONSIBILITIES AND REVIEW

The Managing Director of the Company is accountable to the Board of Directors for ensuring this Policy is effectively implemented through annual performance reviews.

Performance will be measured through internal and externally recognised auditing and reporting processes.

The Board will review this Policy regularly to ensure that it is current and that the requirements of the Policy meet or exceed industry standards and community expectations for environmental performance.

4 POLICY

The Company's environmental objectives will be achieved by:

- (a) complying with applicable environmental legislation as a minimum and good international industry practice, as applicable;
- (b) developing and implementing a greenhouse gas and climate strategy across our operations;
- (c) developing environmental objectives and setting targets;
- (d) identifying, assessing and managing all environmental risks and employing the precautionary principle approach to everything we do;
- (e) ensuring that an Environmental and Social Management System, including an Environmental and Social Management Plan, is developed and implemented for each of its operations;
- (f) ensuring employees and contractors are fully aware of the Environmental Policy and their environmental responsibilities;
- (g) implementing effective waste management systems by prioritising the hierarchy of waste management processes;
- (h) implementing effective environmental monitoring programmes;

- (i) undertaking regular inspections and audits on environmental performance;
- (j) proactively minimising impacts to biodiversity by applying the mitigation hierarchy of avoid, minimise, mitigate and offset to our decision making processes;
- (k) reporting environmental performance openly and transparently;
- (l) preventing and mitigating pollution from its operations;
- (m) reporting and investigating incidents in a timely manner and implementing corrective actions to prevent recurrence;
- (n) establishing a grievance mechanism for all stakeholders where environmental complaints can be received and addressed; and
- (o) striving to achieve continuous improvement in environmental performance.