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## **Report on HIs melt technology for RLC's magnetite project**

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A report on Reedy Lagoon's Burracoppin iron-ore (magnetite) project by Dinsdale Consultants indicates the HIs melt technology could deliver enhanced project economics.

The report concluded that processing Burracoppin magnetite mineralization using HIs melt to produce a high-quality Pig Iron for export may be an avenue for development of the project.

A favourable characteristic of the mineralization at the Burracoppin Prospect is its capacity to be upgraded into a high grade iron concentrate with low impurities at a coarse grain size. The study investigated ways to optimize the steps to produce magnetite concentrate suitable as a feed to a HIs melt plant. The desired feed for HIs melt is at a much coarser size structure than standard magnetite concentrate. Therefore there are potential savings in overall grinding power consumption in processing Burracoppin mineralization to use as feed for HIs melt.

HIs melt technology began with an initial development by Rio Tinto in Kwinana, WA in the 1990's. However, the technology has recently become commercially available with the successful construction and operation of a plant incorporating an improved version of the technology at the facilities of Shandong Molong Petroleum Machinery Co Ltd, China ("Molong", the current owner of the technology). Rights for the technology outside China are owned by Arcadia Iron and Mr Neil Goodman, the CEO of Arcadia Iron, who contributed to the Dinsdale Consultants report on Burracoppin.

The HIs melt technology is a significant step forward in clean technology for iron making. It eliminates sinter and pellet plants (eliminating emissions of particulates, dioxins) and it eliminates coke ovens (eliminating emissions of benzene, toluenes): attributes that enable Molong to operate the plant under China's new environmental regulations.

Reedy Lagoon intends adding to the drilling conducted by its previous joint venture at Burracoppin to establish a resource as the first step in extending the investigations into the project's viability.

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### **Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of*

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