

30 November, 2021

## Managing director's address to the 2021 AGM

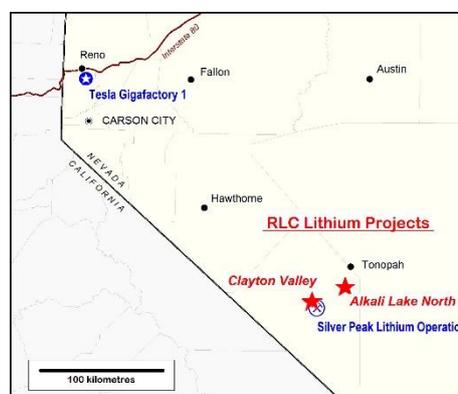
Good morning Reedy Lagoon shareholders.

The past year has been a great one for Reedy Lagoon with exciting developments underpinning our lithium, gold and iron projects.

### Lithium

We are now seeing the surge in demand for lithium that the adoption of battery electric vehicles (“BEV”) was always expected to bring. The build out of BEV plants is matched by battery plant builds but unmatched by the amount of lithium available to feed those battery factories.

Long-term demand for lithium provides an exciting opportunity for Reedy Lagoon’s shareholders given the location of our lithium brine projects in North America. Large battery plants (such as Tesla) require a stable local supply of feedstocks.



Our lithium projects are targeting dissolved lithium in salty ground water (“brine”). Limitations on available water rights have been an issue for extracting lithium from brines in Nevada, but recent developments in the technology for the direct extraction of lithium now provide potential for lithium to be harvested from brine with significantly reduced water consumption. Under these new processes the residual brine can be returned to the environment after harvesting its lithium rather than being lost to evaporation (as is the case with evaporation ponds). Reduced water consumption has potential to enable regulatory approvals to pump and process ground water if “consumptive use” is used as the measure of a water allocation as opposed to the gross water extracted.

While no company has yet succeeded in producing lithium by direct extraction from a brine at commercial scale, several are now close to doing so – including one large company constructing a pilot plant within 20 kilometres distance from our Clayton Valley project. This excites us.



## Iron

In Western Australia we are working to develop the Burracoppin magnetite deposit to provide feed to a Hismelt reactor to produce pig iron. The project is being designed to exploit the high quality of the magnetite by using it as feed to produce pig iron.

Rather than building a mine to be a “high cost producer” of “iron ore” we plan to build a mining, biomassing, smelting operation and be a low cost producer of green high purity pig iron.

The current “iron” industry in Australia is dominated by bulk production of iron ore. The iron ore market is dominated by China – and China needs high tonnage much more than she needs high-grade.

High grade iron ore may receive a premium, but when the steel industry is depressed the “premium” paid on any iron ore is reduced.

High grade iron ore effectively subsidises the lack of value in the low grade ores.

The producer of Fe concentrate that is sold as “iron ore” is a high cost producer.

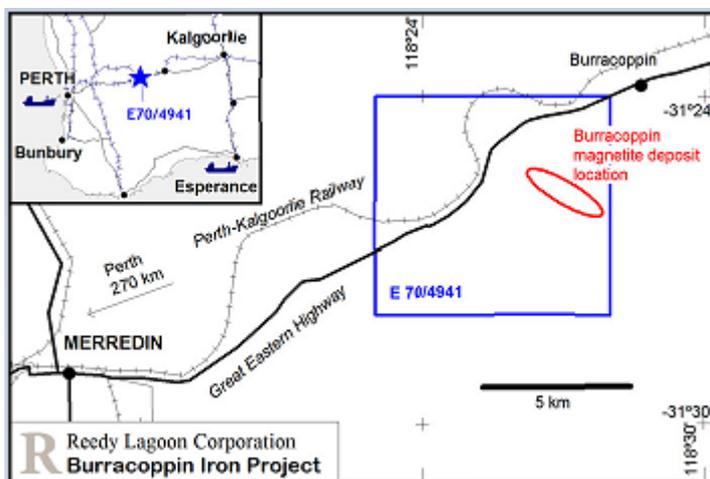
High cost producers are the first out of business when prices drop.

For these reasons Reedy Lagoon sees better opportunity in using the Burracoppin Fe-concentrate to produce pig iron using Hismelt technology. The advantages include no pelletising , no sintering , and no grinding further than is necessary to produce a suitable concentrate.

We further intend replacing all coal in the smelt process with biochar - and potentially will do so at no additional cost because we estimate we can crop and process biomass for about the same cost as would otherwise be expended on coal purchase & delivery.

Producing pig iron using project-controlled feedstocks will eliminate our exposure to feedstock supply disruptions and cost increases.

A strategy to achieve carbon emission neutrality (by replacing coal with biochar) will potentially also provide a cost advantage for Reedy Lagoon’s pig iron in regions where a carbon tax is levied (eg USA and EU) over pig iron produced from blast furnaces.



## Gold

Our exploration on the Burracoppin gold project recovered anomalous results from sampling completed around Christmas time that we are keen to follow-up. The assays were received days before Easter and all attempts to conduct infill soil sampling since have been cancelled by rainfalls.

## Corporate Activities

To support our exploration activities Reedy Lagoon completed capital raisings on 28 August 2020 and 7 September 2021 raising a total of \$1,794,620 (before costs) with an additional amount of \$23,391 raised through the exercise of options on 12 April 2021.

The board thanks all the shareholders who supported these capital raisings and welcomes new shareholders to Reedy Lagoon.

On 9 February 2021 Reedy Lagoon entered into an agreement with Dinsdale Consultants Pty Ltd and Smelt Tech Consulting Pty Ltd to pursue a commercial objective of establishing “green iron” production in Western Australia using Hismelt Technology to smelt magnetite from the Burracoppin deposit using biochar as the reductant instead of coal.

On 12 February 2021 Reedy Lagoon engaged H & S Consultants Pty Ltd (“H&SC”) to assist in planning how best to establish if there is a Mineral Resource at RLC’s Burracoppin Magnetite deposit located near Merredin in Western Australia.

On 26 May Reedy Lagoon engaged with CSIRO through CSIRO Kick-Start, to develop a method of determining magnetite resources using magnetic modelling.

### **That summarizes what we have done ... what we are doing now includes:**

A field team comprising local geoscience students from the University of Nevada has been working with Canadian company Explor on the Alkali Lake North lithium brine project conducting a Shallow Seismic Reflection survey. The survey was completed last Sunday.

Processed and interpreted results from the survey are expected before the end of the month. The survey has been conducted to assist interpretation of the depth to and number of brine aquifers.

CSIRO is giving a preliminary presentation of the work completed and results from magnetic modelling of the Burracoppin Iron project later this week. The final report is expected later this month. These data and results will be used by H&SC to aid planning the resource definition work for the Burracoppin magnetite deposit.

A team of consultants and an Archaeologist will be conducting a heritage survey over bushland within which we are planning to site some of the infill drill holes for the Burracoppin iron project. Until yesterday, this was planned to commence today – it will be rescheduled and is expected to be completed in a day.

We are also reviewing some potential additional lithium brine projects, and follow-up soil sampling at the Burracoppin gold project is planned to commence later this week or next.

Thank you for your support.

Geof Fethers

