REEDY LAGOON CORPORATION LIMITED
ABN 41 006 639 514

ASX : RLC

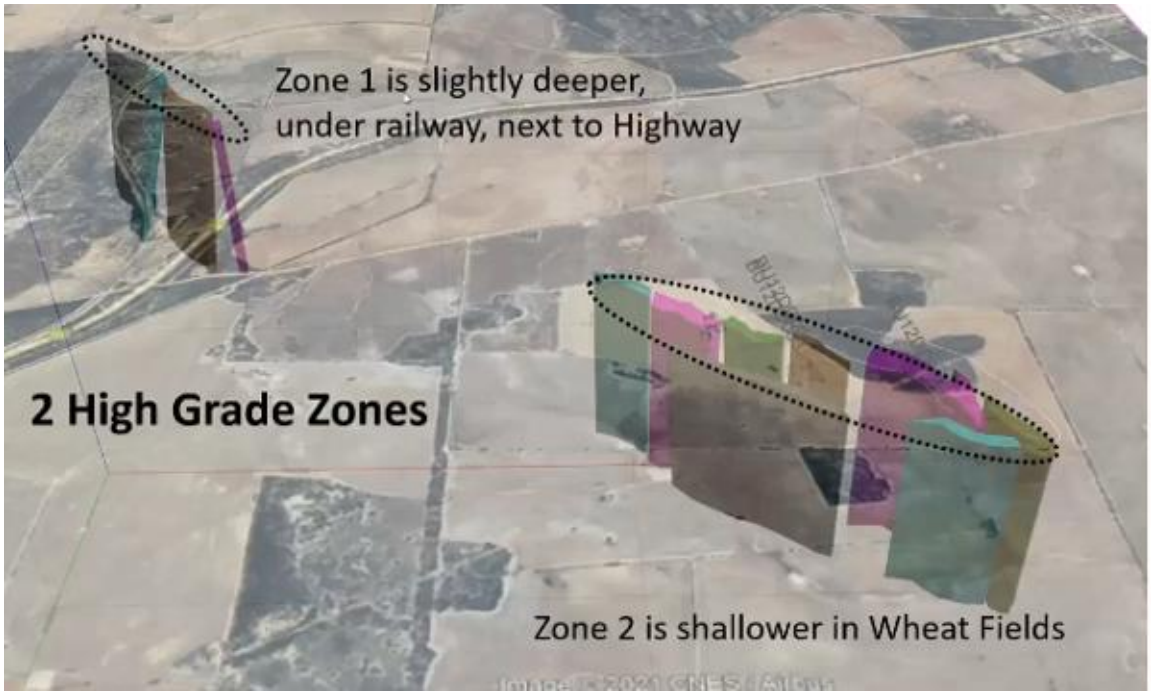
11 January 2022

CSIRO models Reedy Lagoon's Western Australian iron deposit

Reedy Lagoon Corporation Limited ("RLC") has received preliminary results from its collaboration with the CSIRO to develop a method of determining magnetite resources using petrophysically constrained magnetic modelling. The Company's interest in this work is in gaining information that can be used to guide its drilling to determine a Mineral Resource for the Burracoppin Magnetite Deposit located between Perth and Kalgoorlie in Western Australia.

The work completed to date by the CSIRO has included sub-sampling of intervals of core to obtain petrophysical data which were used to calculate relationships between iron grade, magnetic susceptibility and density. These data were then used to generate a 3-D magnetic/density model of the mineralisation using the airborne magnetic data from the survey we flew in 2010/11. Results to date have been presented to the Company and its consultant, H & S Consultants Pty Ltd, with preliminary modelling being most encouraging. Additional assay data are expected later this month and will be incorporated into the model once available.

The CSIRO model of the deposit incorporates complicated structure involving double plunging superimposed folding cut by numerous north to east-north-east striking faults. The CSIRO's investigations found magnetite morphology showing stratiform layering and shear related fabrics. It is thought that structure has controlled magnetite replacement but the replacement is locally stratiform. This would reduce the significance of the dip of individual structures as any dip may be only local. The CSIRO model has potential to significantly assist the Company's planned drilling.



The CSIRO Magnetite Model (Burracoppin deposit). Modelled magnetic bodies are shown superimposed on the satellite image. The figure shows the separation of the magnetite mineralization into two higher grade zones.

The CSIRO model presents an alternative interpretation of the deposit geometry that differs significantly from that used to initially plan the Company's drilling to determine whether a Mineral Resource is present in the project area (refer to ASX release 12 February 2021).

The planned resource definition drilling will be modified to commence with initial holes directed to investigate the CSIRO model so that if the model is proven, subsequent holes will be guided by that model.

The planned drilling will be scheduled following completion of heritage surveys in an area of bushland within which 4 of the originally planned holes are located. The bushland covers an area of about 25 hectares and the survey is expected to be completed in a single day. The survey work has been delayed by several factors including the reconstruction of the South West Aboriginal Land and Sea Council along with Covid-19 related disruptions.

The Burracoppin Iron project is currently focussed on establishing an Indicated Mineral Resource of 20 – 30Mt iron concentrate product within the Burracoppin Magnetite Deposit. It is intended that this product will be used for the production of high purity pig iron (HPPI). Delineation of Mineral Resources will allow for financial projections to be made for the planned mining of the magnetite. The magnetite mineralisation is currently identified and partially delineated within the detailed airborne magnetic data and 3 diamond drill holes and potentially in the CSIRO *MagResource Model for Burracoppin* (for details of the CSIRO collaboration refer to ASX release 26 May 2021).

This release contains exploration results in relation to the Burracoppin Magnetite Deposit. These exploration results are geological descriptions relevant to the style and geometry of mineralisation interpreted to be present. The CSIRO has not provided a report on its work. The CSIRO work has produced a model of the deposit mineralisation which the Company will investigate by drilling. Results from the additional drilling will be incorporated into the model. The method has potential to provide an efficient way to identify and quantify magnetite mineralisation more holistically with less drilling than is the case when drilling to a density sufficient to determine such parameters on the basis of rock samples alone. Under the reporting guidelines there is currently insufficient assay data from drilling to support the CSIRO model products and for this reason the content of this release is restricted to being qualitative. Information describing the sampling, processing and analytical work conducted and the results of this work will be reported following provision of that information to the Company.

Authorised for release on behalf of the Company.

Geof Fethers, Managing Director
Telephone: (03) 8420 6280
reedylagoon.com.au
Reedy Lagoon Corporation Limited
P O Box 2236, Richmond VIC 3121