

25 November, 2022

Managing director's address to the 2022 AGM

Good morning Reedy Lagoon shareholders.

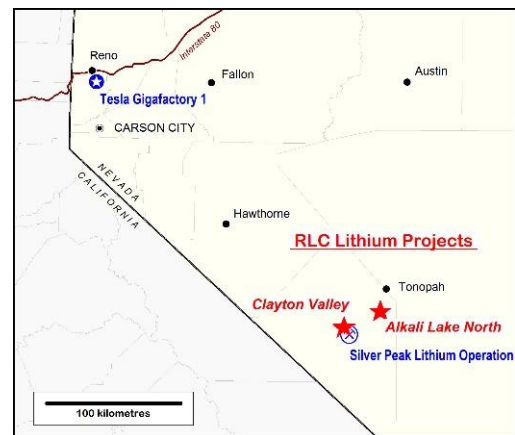
Reedy Lagoon has lithium, gold and iron projects.

Results from exploration have advanced each of the Company's projects at the same time as global issues are raising the importance of local supply of two of its target commodities: lithium and iron.

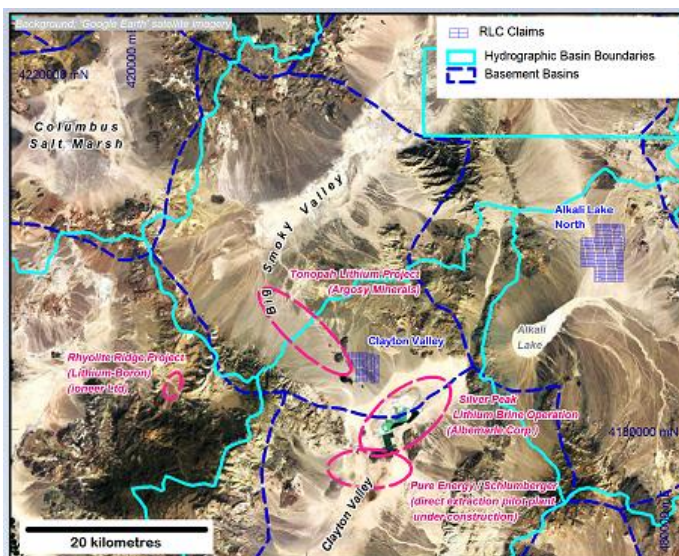
Lithium

The elevated demand for lithium is not likely to be short term. The battery factories that have been and are still being constructed for the battery electric vehicle ("BEV") factories all need lithium.

The transition to BEVs has only just begun. 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.



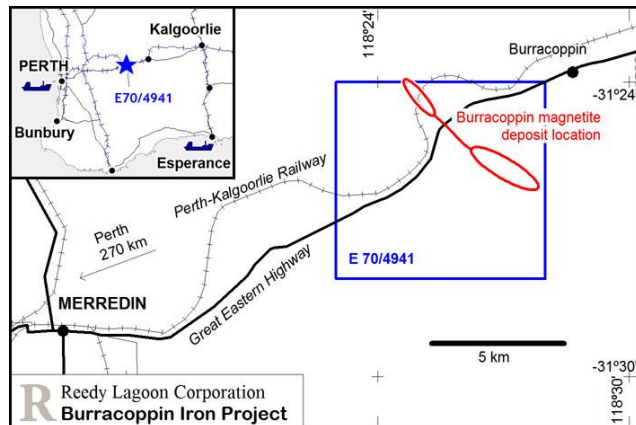
Lithium is listed by the USA as a "critical metal" for good reason. Large parts of the world are moving to exclude the use of cars that burn fossil fuels. Lithium is a critical part of that transition.



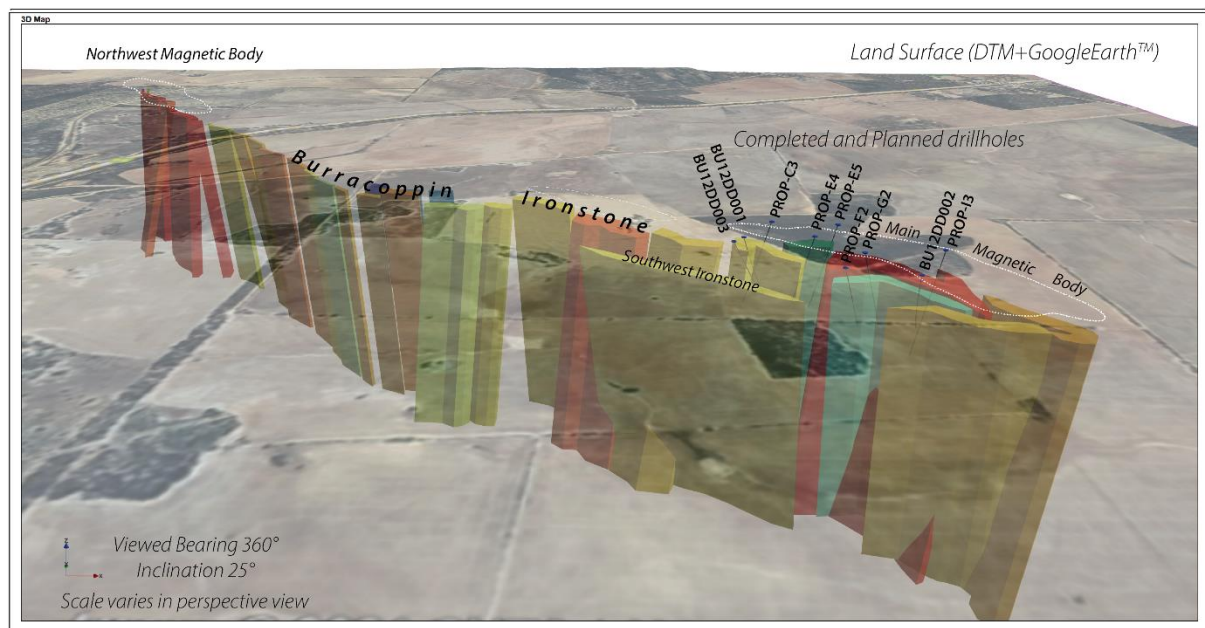
During the past year we succeeded in staking additional placer claims to secure extensions over targets extending beyond the boundaries of the Alkali Lake North project area. Geophysical surveys conducted after our acquisition gave encouraging results with captured targets interpreted extending into the expanded project area.

Iron

The Burracoppin Iron project in Western Australia took a couple of leaps forward during the year.



Our collaboration with CSIRO resulted in delivery of a report describing a method of quantifying the tonnage and grade of the mineralisation at the Burracoppin magnetite deposit – the CSIRO MagResource method. While the report results cannot be used to report a Mineral Resource of any kind they do enable the Company to plan its ongoing work – in particular the planned drilling to establish a Mineral Resource.



The Company is working to develop the Burracoppin magnetite deposit to provide feed to a HIs melt smelter to produce High Purity Pig Iron (“HPPI”). The project is being designed to exploit the high quality of the Burracoppin 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.

Whereas China is the main market for iron-ore the main export market for pig iron is USA and Europe. The main use for exported pig iron is in Electric Arc Furnaces (“EAF”). EAF’s melt either Direct Reduction Iron pellets (“DRI”) and or scrap steel and have lower CO2 emissions if powered by green energy.

Scrap steel recovered in developed countries is mostly contaminated with impurities such as copper. Copper effects the strength of steel and therefore cleaner sources of iron need to be added to the scrap steel to dilute the level of copper. To produce high-strength steel using electric furnaces, up to 30% of the scrap must be replaced with “virgin iron units” sourced from ore-based units such as DRI or pig iron.

The “iron” industry in Australia is dominated by bulk production of iron-ore. Iron-ore consumption is dominated by China – and China needs high-tonnage more than it 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.

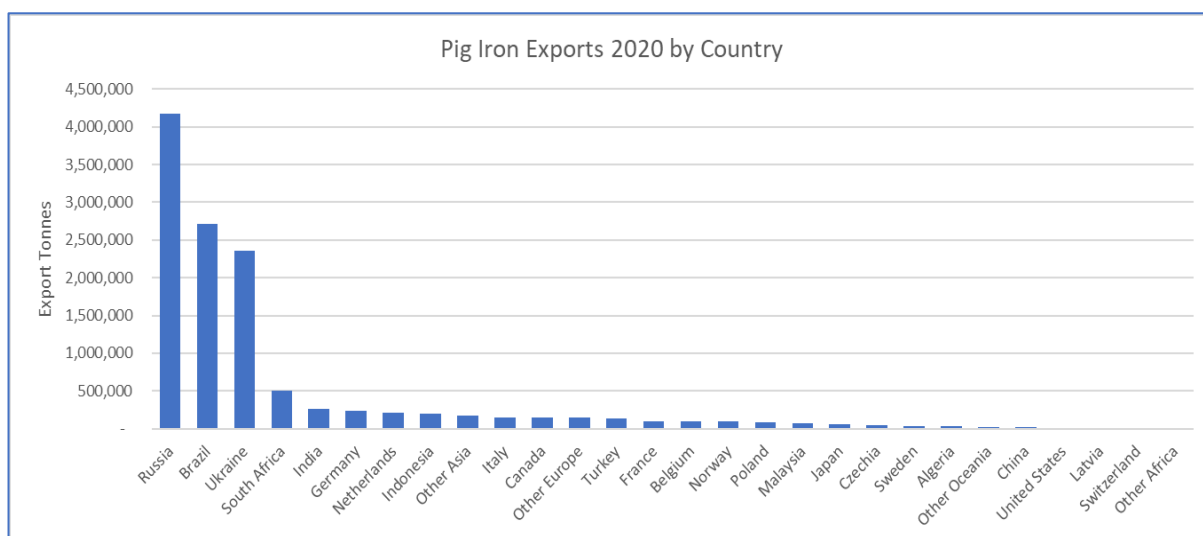
High-grade iron-ore effectively subsidises the lack of value in the low-grade ores. The producer of iron concentrate that is sold as “iron-ore” is a high cost producer. High cost producers are the first out of business when prices drop.

For these reasons Reedy Lagoon sees better opportunity in using the Burracoppin iron-concentrate to produce pig iron using HIs melt 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. 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.

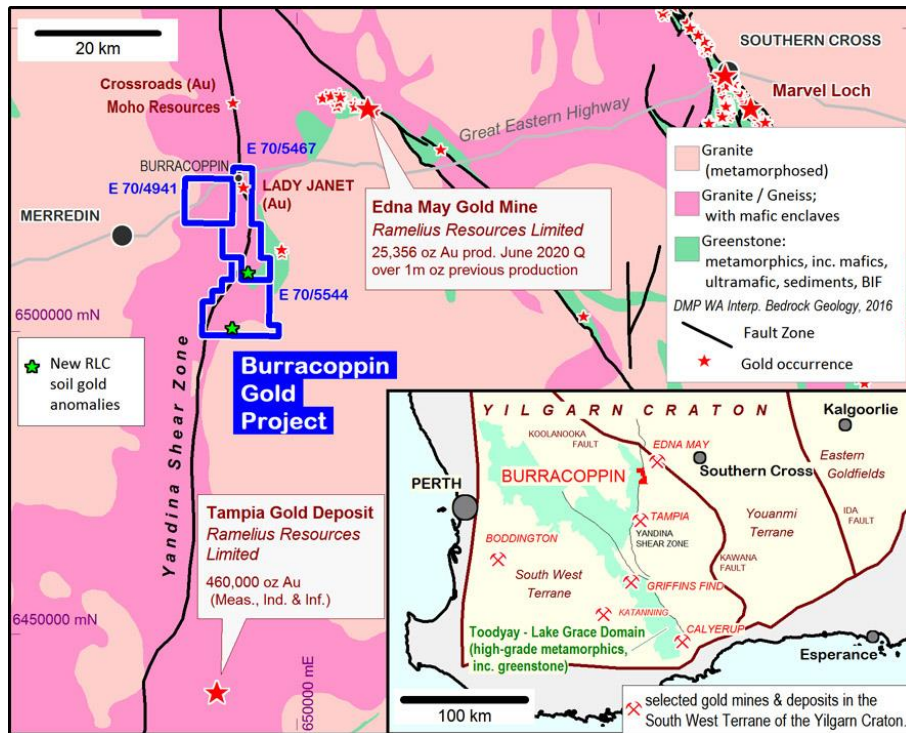
Producing pig iron using project-controlled feedstocks will eliminate our exposure to feedstock supply disruptions and cost increases.

We also see potential in collaborating with local steel makers in ways that would provide them with supply and price stability in the event we succeed in the plans above.



Gold

Reedy Lagoon is targeting gold mineralisation at Burracoppin in the vicinity of its magnetite deposit (part of the iron project). The project is located 260 kilometres east of Perth, 60 kilometres north of the Tampia gold mine and 30 kilometres southwest from the Edna May gold mine (both owned by Ramelius Resources Limited).



Soil sampling results are identifying areas with low level but anomalous gold levels which will be further sampled to gather sufficient support to investigate for subsurface gold mineralisation.

Corporate Activities

To support our exploration activities Reedy Lagoon issued 87,400,746 shares at average issue price of \$0.02 (range \$0.0546 to \$0.0049) per share raising \$1,751,582 during the 2022 financial year.

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

On 27 July 2022 the 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 was amended to have services in the future provided by MinRizon Projects Pty Ltd and replace Dinsdale Consultants Pty Ltd with MinRizon Projects Pty Ltd.

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

Planning the drilling to investigate targets generated by the CSIRO MagResource Method at the Burracoppin magnetite deposit, reviewing potential additional lithium brine projects and follow-up soil sampling at the Burracoppin gold project is being planned.

Thank you for your support.

Geof Fethers