

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Dear Fellow Shareholder,

The past year has been another active year and substantial progress has been made.

Some is Good, More is Better

Some view Dreadnought as an overnight success story. The reality is that it has taken over 3,000 nights to get to where we are today. Even now we still have a long way to go for success – some is good, more is better.

Our overnight success has also been built on completing 2 joint ventures, making 19 acquisitions and divesting 1 project. Since our ASX listing in 2019, we have raised \$32.4m via 11 different raisings and converted those funds into a market capitalisation of ~\$307m. We have also issued 245 market sensitive announcements at a consistent rate of ~1.2 per week.

"Price is what you pay; value is what you get." Warren Buffett.

The Dreadnought value proposition includes:

- Intoxicating Commodity Mix: our critical minerals include Cu, Ni, Co, REEs, Sb, PGEs and Zn. Au, Ag, Pb and Fe sit humbly in the background.
- JORC Resource Ready Drill Outs at Tarraji-Yampi: the Orion Cu-Ag-Au-Co-Zn deposit could extend to a depth of at least 500m and is ready for a JORC Resource drill out. We also have at least 9 Orion look alike that have similar if not better potential.
- Ni-Cu-PGE Sulphides funded by A\$20B First Quantum Minerals: Ni-Cu sulphides already intersected in 9 out of 12 RC holes.
- Ni-Au-Li-Fe at Central Yilgarn: somewhat forgotten but high-quality.
- Hard-working, Great Thinkers, Value Driven: We have been fortunate to attract good people who are success driven and have built a safe and strong culture. Can do, safely and with respect.

Perhaps a few unexpected surprises are in store for 2023 from the above?

Globally significant rare earths

The rare earths at Mangaroon were not mentioned in the value proposition as they deserve special attention.

Rare earths are critical for modern economies and/or national security. Rare earths are also at risk of supply chain disruption. Countries and industry players are looking to emulate China in going from "mine to magnet". The rare earth supply chain broadly involves 3 phases:

- Upstream: Mining & Concentrating
- Midstream: Cracking, Oxide Separation, Metal Refining & Alloying/Magnets



- Downstream: Component Manufacture

Dreadnought is currently focussed on discovery and growing JORC Resources – the very beginning of the upstream phase. Our forthcoming initial JORC Resource on a 3km portion of the Yin ironstones will be of great interest albeit only a steppingstone to greater things.

In my view, Mangaroon will prove to be a globally significant Resource for rare earths and possibly a range of other minerals. At the 2021 AGM, we spoke about ensuring our rare earths could make a potentially saleable product so that our then planned drilling was justified. A good quality concentrate resulted from that work. This led to drilling for and discovery of the ironstone rare earths only a few months later in early 2022. All this achieved in the space of a year and now before us we have:

- an industry benchmark in the \$460m Hastings Technology Metals (ASX:HAS) only ~25km away;
- ironstone targets that extend for ~30km;
- ~100 anomalies that we still need to work through; and
- mineralised carbonatites that extend for >10km.

So, unlike the Keto diet, we are going hard on the carbs and everything else around them.

Indeed, we have made so much progress that we are now receiving increasing levels of interest from up/mid/downstream industry participants.

So, in 2023 we will be keeping our eye on the doughnut rather than the hole. We will be assessing our upstream options – mining scenarios along with milling and concentrating alternatives. While in no hurry, we will also begin to assess how mid/downstream industry participants can add value to Dreadnought shareholders.

Commercial Matters

We will also begin to understand our commercial and funding options. We have already seen our neighbours at Hastings receive approval for a \$140m loan from the Northern Australia Infrastructure Facility (“NAIF”) to fund Yangibana. We will be having our own preliminary discussions with NAIF.

Recently we had our registrations accepted by the US Federal Government for the following:

- System for Award Management (SAM.gov): where registrants can search for contract opportunities; and
- Grants.gov: where registrants can apply for grants under the Defense Production Act (DPA) Title III program which is dedicated to ensuring the timely availability of essential domestic industrial resources to support national defence and homeland security requirements.

I am also pleased to advise that Dreadnought has engaged Goldman Sachs Australia Pty Ltd as financial advisor to the Company.

Board Changes

We had a number of board changes during the year. Most recently, after 5 years of service, Ian Gordon decided to step down as a non-executive director. Ian has been invaluable in many areas including strategy, commercial negotiations and community engagement.



Also, after 5 years, Paul Payne stepped down as a non-executive director. Paul was also invaluable in terms of strategy and technical expertise. Paul is continuing to consult to us on the initial JORC Resource at Metzke's Find and also to provide advice on the Mangaroon rare earths.

Both Ian and Paul played pivotal roles in the transformation of Dreadnought from a struggling junior to the organization that it is today. Ian and Paul joined the board at a time when the Company was looking for direction and had a market capitalisation of \$2m compared to today of ~\$307m.

On behalf of the Company, I wish to express our appreciation to Ian and Paul for their advice, guidance and contribution to the Company. We also wish Ian and Paul the very best for the future.

We were pleased to have Philip Crutchfield join the board as a non-executive director. This helped with a smooth transition in terms of experience and expertise. Given recent corporate activities around Dreadnought's projects, Philip's commercial and legal experience will be important for maximizing value for our business.

In the year ahead we will continue at a relentless pace. While success breeds its own set of challenges, I can assure shareholders we have a team that is up to the task.

In closing, we would like to thank our stakeholders including traditional owners, local communities, employees, joint venture partners, suppliers and other business partners.

We also would take this opportunity to thank our fellow shareholders for your ongoing support.

Paul Chapman
Chairman

~Ends~

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This announcement is authorised for release to the ASX by the Board of Dreadnought.