



24 November 2021

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Dear Fellow Shareholder,

I thought I would use my address this year to reflect on the Dreadnought journey and to perhaps explain how we came to be where we are today.

The company was originally listed on the ASX in 2006 under the name Eromanga Uranium Ltd. with >20,000 sq kms of land in SA and the NT. During 2010 the company changed its name to ERO Mining Ltd. and changed its strategy to gold in the Tanami. During 2014, there was another change of name, this time to Tychean Resources Ltd with a focus on gold in the Eastern Goldfields of WA.

So, despite having had more names than the Artist Formerly Known As Prince, in February 2019, the company again changed its name (hopefully for the last time) to Dreadnought Resources Ltd. Now I think it is fair to say that not everyone loved the name, but it was considered better than IronRinger Resources which the company acquired in 2018 and which is the foundation of Dreadnought today.

The military name of Dreadnought was chosen in recognition of some of our projects being located on Commonwealth Defence ground. I also like to harp on about names because they must mean something to you and in that way become a brand.

The original HMS Dreadnought was a man-of-war that was built in 1801 and was on the winning team in the 1805 battle of Trafalgar. Contrary to the views of some in the company, I am not actually old enough to have witnessed that battle.

Since 1801, there have been six other HMS Dreadnoughts. We focussed on the 1906 HMS Dreadnought which was so revolutionary in design that it became its own class of battleship. Dreadnought also captures both the scale of deposit we are seeking and the innovation being applied in doing so. Finally, like the original Dreadnought, we like being on the winning team and interestingly, in old English Dreadnought means "fear nothing".

Dreadnought today has 2.8 billion shares on issue and has already gone through a 10:1 consolidation in 2015. I know some of our shareholders want us to go through another consolidation. Some think that shares on issue indicates that we do not care about dilution or that value is created by a consolidation. This is simply not true and directors have contributed \$1.3m to the company and own ~17% of shares on issue. We are very much aligned with shareholders. Frankly, there is no clear advantage in going through the cost of a consolidation and often it is to the detriment of shareholders. Large investors and corporates focus on market capitalisation and enterprise value, not number of shares on issue. So, there are no immediate plans for a consolidation.



I thought I would also talk today about some of the philosophies that have contributed to our success so far:

- We are not a lifestyle company or if we are, it is a pretty poor lifestyle. Our goal is to make significant equity returns. That is where the real money is for us and hence our shareholders.
- If we go into an area, we want to dominate that area rather than to sit on a postage stamp. No big company is going to come after a postage stamp. So, we want to ensure that we have something that others may want to own someday.
- We look to generate a high level of real news flow. It has been clearly demonstrated that those junior explorers that do well are active and convey regular and meaningful information to investors.
- If there is good project to be had, then go for it. If the project is good enough, the funding will be found.
- It does not matter what metal you find, just find metal. Do not be disappointed or embarrassed if you are looking for gold and find rare earths or tantalum or iron ore. We certainly are not.
- Bring good people on board and remunerate them fairly with plenty of upside to equity success. We have a first-class team and their grounding at Dreadnought will see each of them being a star in their own right in future years.

So, if you put all of this together, you have Dreadnought:

- We acquired Illaara because the Kimberley wet season does not facilitate year-round news flow. We wanted a football and cricket season so that investors remain engaged.
- We had no funds to acquire Illaara or Mangaroon. Not an easy decision when you have no money and face criticism for lacking focus or being distracted. Find some metal, have some success, raise some money, enter First Quantum and suddenly these decisions seem like no brainers.
- We disposed of Rocky Dam as we were not in a position to dominate Kalgoorlie. Best left to the Northern Stars and Black Cats of the world.
- We were fortunate enough to attract good people despite our limited resources. To his credit, Dean came on board in a difficult time but saw the ground-floor opportunity. Despite our small size we have built a safe, strong and successful organization and culture. Can do, safely and with respect.
- Our projects and people are now the envy of many of our peers and also a number of large global entities.

Not to get too far ahead of ourselves, I think we are looking at a very exciting year in 2022. We have yet again set some lofty goals:

- Determine maiden JORC 2012 Resources for gold at Metzke's Find, iron ore at the Kings prospect and rare earths at Yin;
- Determine the scale potential of the mineralisation system at Tarraji-Yampi (including Orion, Grant's Find, Fuso, Texas and Rough Triangle);
- Advance our earlier stage prospects (Nelson base metals VMS, Peggy Sue Lithium-Caesium-Tantalum, Black Oak, Lawrence's Corridor, CRA Homestead, Mangaroon gold);
- Assess the economics of producing a saleable concentrate from the rare earths at Yin; and
- Evaluate other opportunities for adding shareholder value.



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. In this regard, a special mention to our many friends on Hot Copper. In 2019, 2 comments on an announcement was outstanding. Recently we hit 536 comments and are looking forward to that being bettered in 2022. The team appreciates the guns blazing battleships; the references to Andre Romelle Young (aka Dr Dre); and fun facts like the Kimberley being bigger than 28 countries in the world, Mangaroon 30 countries and Illaara 24 countries. Let's continue to build a great company and have some fun along the way. Thank you.

Paul Chapman
Chairman

~Ends~

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