17 July 2020

EARLY EXERCISE OF OPTIONS BY DIRECTOR

AND CLEANSING NOTICE

Dreadnought Resources Limited ('Dreadnought' or 'the Company' ASX: DRE) is pleased to announce that a total of 17,500,000 ordinary fully paid shares have been issued on the early exercise of options by Dreadnought's chairman, Paul Chapman, and his associates. The options were exercisable on the following terms:

- 10,000,000 at any time until 3 April 2024 at an exercise price of $0.01 per option; and
- 7,500,000 at any time until 30 June 2024 at an exercise price of $0.005 per option.

The exercise of the options follows the announcements of Dreadnought's encouraging exploration results along the Metzke's corridor and at Rocky Dam (refer ASX announcements 13 July 2020, 14 July 2020 and 15 July 2020).

The amount raised on the exercise of the options by directors amounts to $137,500 and adds to Dreadnought's cash position (approximately $464,000 as at 30 June 2020). This brings the total amount invested by directors in Dreadnought to approximately $1 million.

Dreadnought's Chairman, Paul Chapman, said: "Dreadnought has performed well and our recent results are particularly encouraging. I am confident that the Dreadnought team can convert the recent successes into a meaningful future."

The effect on the pro-forma capital structure following the exercise of options is shown below.

Table 1: Pro-Forma Capital Structure

Quoted Securities	
Fully Paid Ordinary Shares	1,909,180,768
Unquoted Securities	
Options @ $0.006 expiring 25/05/2023	40,000,000
Options @ $0.010 expiring 03/04/2024	40,000,000
Options @ $0.005 expiring 09/04/2024	30,000,000
Options @ $0.008 expiring 17/09/2024	10,000,000
Options @ $0.005 expiring 30/06/2024	25,500,000
Convertible Notes ($1 face value @ 10% p.a. coupon, convertible @ $0.0055, redeemable 21 June 2021	600,000 (109,090,909 shares if converted)

The Company relies on section 708A of the Corporations Act 2001 (Cth) (the Act) in relation to the Issue.

In accordance with section 708A(5)(e) of the Act the following information is provided:

1. This notice is being given within five (5) business days after the day of Issue;
2. The Issue was made without disclosure to investors under Part 6D.2 of the Act;
3. This notice is given under section 708A(5)(e) of the Act;

4. As at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 674 of the Act; and
5. As at the date of this notice, there is no excluded information to be provided in accordance with section 708A(6)(e) of the Act.

The associated Appendix 2A for the issue will follow this release.

~Ends~

For further information please contact:

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

UPCOMING NEWSFLOW

July: Results of magnetic and gravity 3D inversions at Tarraji

July: Quarterly Activities and Cashflow Report

July: Outcome of the 30 June 2021 JMEI Tax Credits application

July/August: Reconnaissance exploration in the Kimberley and finalise drilling approvals for 2020 dry season

August: 30 June 2020 JMEI Tax Credit Statements distributed to shareholders

August: Commence follow up RC drilling at Metzke's and maiden drillining within the Metzke's Corridor