

28 November 2016

Mr D Litis  
Principal Adviser  
ASX  
Sent electronically

Dear Mr Litis

**REEDY LAGOON CORPORATION LIMITED ("RLC")**

Thank you for your letter dated 28 November 2016. In response to the queries raised we provide the following:

1. RLC is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.
2. NA
3. A possible explanation for the recent trading in RLC's securities is a combination of the following :
  - RLC has informed the market that it is assessing lithium projects. Lithium is a commodity that is currently attracting buying interest from investors acquiring shares in companies engaged in lithium exploration and mining. It is possible that RLC's activities in assessing such projects has attracted some of these investors.
  - RLC has provided the market with the following information in connection with its activities in relation to lithium:
    - i. RLC stated in its September quarter report (ASX 27/10/2016) that *"A number of potential new projects were investigated during the period for commodities including: gold, cobalt, lithium, potash, scandium and tungsten. At the time of writing the most promising of these are a lithium brine project and a potash-lithium project."* This remains RLC's position except that RLC's interest is now focusing more on lithium, potash and gold and that the particular potash-lithium project considered promising is no longer being assessed.
    - ii. RLC stated in its SPP booklet (ASX 28/10/2016) that *"Projects under review include a lithium brine project and a potash-lithium project in addition to our continuing assessment of the Cassilis gold project."* This remains RLC's position except that the particular potash-lithium project we considered promising is no longer being assessed.
  - RLC has a market capitalisation of \$2.8m at the last traded price of 1.8 cents which may be considered by investors to be a relatively low share price in the event that RLC enters into a transaction that results from its activities described in its September quarter report.
  - recent issue 39,250,000 shares at an issue price of \$0.008 (ASX 21/11/2016) – these shares were first quoted on ASX today and any sale price above the \$0.008 issue price provides a profit taking opportunity for those who subscribed.
4. RLC confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. RLC confirms that its responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of RLC with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely  
Geof Fethers



28 November 2016

Geof Fethers  
Managing Director/ Company Secretary  
Reed Lagoon Limited  
Suite 2, 337A Lennox Street  
Richmond VIC 3121

By email only

Dear Mr Fethers

**Reedy Lagoon Limited ("RLC")- Price Query**

We note the change in the price of RLC's securities from a closing price of 1.3 cents Friday 25 November 2016 to an intraday high of 2.3 cents at the time of writing today, 28 November 2016.

We also note the significant increase in the volume of RLC's securities traded today.

In light of this, ASX asks RLC to respond separately to each of the following questions and requests for information:

1. Is RLC aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
  - a) Is RLC relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in RLC's securities would suggest to ASX that such information may have ceased to be confidential and therefore RLC may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that RLC may have for the recent trading in its securities?
4. Please confirm that RLC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that RLC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of RLC with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 2.00 pm AEDT today. If we do not have your response by then, ASX will have no choice but to consider suspending trading in RLC's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, RLC's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [dean.litis@asx.com.au](mailto:dean.litis@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to RLC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that RLC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in RLC's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically, without signature]

Dean Litis  
Principal Adviser