

REEDY



LAGOON  
CORPORATION LTD

**REEDY LAGOON CORPORATION LIMITED**

ABN 41 006 639 514

**ASX : RLC**

21 March 2017

### **Shareholder communications.**

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Copies of letters sent today to shareholders are attached.

Geof Fethers  
Company Secretary

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20 March 2017

Dear Shareholder,

### **Pro-rata Entitlement Offer to raise \$2.1 million.**

On 28<sup>th</sup> February 2017 RLC announced on ASX that it proposed to make a 4 for 9 non-renounceable pro rata entitlement offer of RLC ordinary shares at an offer price of \$ 0.03 per new share to raise \$2.1 million.

RLC has entered an agreement giving it the right to purchase 100% of Nevada Lithium Pty Ltd (ASX announcement 22/12/2016) which has 3 lithium brine projects in Nevada, USA. The agreement is subject to RLC shareholder approval and a meeting seeking that approval will be held on 3 April 2017. The main objective of the Entitlement Offer is to obtain funding to reimburse the costs of staking, recording and filing the Placer Claims for the 3 lithium brine projects and to fund development of these projects up to the stage of drilling.

The offer ("Entitlement Offer") opens on Tuesday 4 April 2017 and closes on Thursday 13 April 2017.

The Record Date for Entitlements is 7:00 PM (AEDT) on Friday 24 March 2017. Entitlements will be rounded up to the next whole number of new shares.

Existing RLC shares will trade ex-entitlement from Thursday 23 March 2017. Only shareholders with a registered address in Australia or New Zealand are eligible to take up the Entitlement Offer.

Optionholders who wish to participate in the Entitlement Offer need to exercise their options so as to be registered as the holder of RLC shares by the Record Date.

No prospectus will be used for the Entitlement Offer. Instead the Entitlement Offer will be made pursuant to provisions of the Corporations Act 2001 (Cth) that allow entitlement offers to be offered by providing certain updates and information to the market.

RLC shareholders who take up their Entitlements in full will be able to apply for additional shares which may be issued if not all Entitlements are taken up. The issue to an Eligible Shareholder of any additional New Shares is subject to any allocation policy and scale-back that RLC may apply in RLC's absolute discretion.

The Entitlement Offer is non-renounceable and RLC shareholders who do not take up their Entitlements will not receive any payment or value for their Entitlements. Entitlements will not be able to be traded on the ASX or privately transferred.

Any shortfall arising from Entitlements not being taken up may be placed with professional investors or sophisticated investors or through stockbrokers ("Shortfall Placement").

The Entitlement Offer is not underwritten, but fees or commission may be paid in connection with the Shortfall Placement. There are no brokers to the issue.

A maximum of 70,000,000 new shares (30.7% of post issue share capital) will be issued as fully paid under the Entitlement Offer and Share Placement. Following the issue of this number of shares RLC will have 228,276,946 ordinary shares on issue. No shareholder approval is required for the issue, but the Entitlement Offer will not proceed if RLC Shareholder approval is not given to the acquisition of the Lithium brine projects. RLC has applied for quotation of the new shares on ASX. The new shares will rank equally in all respects to existing ordinary shares in RLC.

The indicative timetable for the Entitlement Offer is:

Announcement of Entitlement Offer	Monday 20 March 2017
Ex Date for Entitlements	Thursday 23 March 2017
Record Date for determining Entitlements	7.00pm AEDT Friday 24 March 2017
Entitlement Offer opens	Tuesday 4 April 2017
Entitlement Offer closes	5.00pm AEST Thursday 13 April 2017
Issue of New Shares under the Entitlement Offer	Thursday 20 April 2017
Despatch of allotment confirmations for New Shares	Friday 21 April 2017
New Shares commence normal trading on ASX	Friday 21 April 2017

An Entitlement and Acceptance Form together with a Booklet explaining the Entitlement Offer and how to accept will be mailed to eligible RLC shareholders on Tuesday 28<sup>th</sup> March 2017.

Please pay particular attention to the mailing date of the Entitlement and Acceptance Form and the closing date for acceptances. Please ensure you have arrangements in place to submit your acceptance should you wish to take up the offer.

If you have any questions regarding the Entitlement Offer or your eligibility to participate, please contact our share registry, Link Market Services on 1300 420 545.



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Managing Director

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20 March 2017

Dear Foreign Shareholder,

## **Non-renounceable Entitlement Offer**

On 20 March 2017 Reedy Lagoon Corporation ("RLC") announced on ASX that it proposed to make a 4 for 9 non-renounceable pro rata entitlement offer ("Entitlement Offer") of fully paid RLC ordinary shares at an offer price of \$ 0.03 per new share to raise \$2.1 million.

As you are a shareholder with a registered address outside of Australia and New Zealand ("Foreign Shareholder") the Entitlement Offer will not be extended to you. The Company has formed the view that it would be unreasonable to extend the Entitlement Offer to Foreign Shareholders having regard to:

- The number of shareholders outside of Australia and New Zealand as a proportion of the total shareholders of the Company;
- The number and value of the shares to be offered to shareholders outside of Australia and New Zealand; and
- The costs of complying with the legal requirements and requirements of regulatory authorities in overseas jurisdictions.

The Entitlement Offer is non-renounceable and you will not receive any payment or value for any entitlements you would otherwise have had if the Entitlement Offer had extended to you.

A maximum of 70,000,000 new shares (30.7% of the post issue share capital) will be issued under the Entitlement Offer. The Entitlement Offer is not underwritten.

If you have any questions regarding the Entitlement Offer or your eligibility to participate, please contact our share registry, Link Market Services on + 61 1300 420 545.



Geof Fethers  
Managing Director