



**REEDY LAGOON CORPORATION LIMITED**  
ABN 41 006 639 514

# Entitlement Offer

4 for 9 non-renounceable pro rata entitlement offer of Reedy Lagoon Corporation Limited ordinary shares at an offer price of \$0.03 per new share, closing 5.00pm AEST Thursday 13 April 2017.

**This Information is important and requires your immediate attention.**

This is an important document which is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. Please contact your professional adviser if you have any queries.

Date: 20 March 2017

**Issuer**

Reedy Lagoon Corporation Limited  
ACN 006 639 514  
Suite 2, 337a Lennox Street  
Richmond, VIC, 3121

**Registry**

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Level 1, 333 Collins Street  
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**Website**

[www.reedylagoon.com.au](http://www.reedylagoon.com.au)

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

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Dear Shareholder,

Reedy Lagoon has the right to acquire 100% of 3 lithium brine projects in Nevada, USA.

The purchase agreement is subject to approval by Reedy Lagoon shareholders. A meeting seeking shareholder approval has been convened and will be held on Monday 3<sup>rd</sup> April 2017.

Assuming that shareholder approval is given, Reedy Lagoon will be undertaking 2 capital raisings:

- this Entitlement Offer ( to raise \$2.1 million at 3 cents per share) - to fund the reimbursement of the costs of staking, recording and filing the Placer Claims for the lithium brine projects as well as funding development of those projects to the stage of drilling and providing working capital; and
- a second entitlement offer in the second half of 2017 (expected to be seeking to raise at least \$5million at 6 cents per share, subject to market conditions) - to fund drilling and core testing of aquifers, pump tests and pilot plant as well as working capital to enable Reedy Lagoon to be in a position to make a decision to mine.

At the time of the second capital raising Reedy Lagoon will complete payment for the acquisition of the Lithium Brine Projects by issuing to the vendors \$2,000,000 worth of Reedy Lagoon shares (determined by reference to the offer price under the second capital raising).

This Entitlement Offer opens the day after shareholder approval is given. Details of this Entitlement Offer are set out in this booklet. A copy of the independent expert's report to Shareholders concerning the acquisition of the lithium brine projects has been provided to shareholders as part of the notice of meeting to approve the acquisition of the lithium brine projects and is available on the Company's website. Please read this booklet and the independent expert's report before responding to this Entitlement Offer.

If you have any questions in respect of this Entitlement Offer please call the RLC Offer Information Line on 1300 420 545 (within Australia) and +61 1300 420 545 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday or, alternatively, consult your stockbroker, accountant or other professional adviser.

On behalf of the Board of RLC, I invite you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely

Jonathan Hamer  
**Chairman**  
**Reedy Lagoon Corporation Limited**

## KEY DATES

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

*The above timetable is indicative only and subject to change. RLC reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the times and dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice.*

*The Entitlement Offer will not proceed if shareholder approval is not given to the acquisition of the 3 lithium brine projects.*

*You cannot, in most circumstances, withdraw your application once it has been accepted. No cooling off rights apply to the Entitlement Offer.*

### **Enquiries:**

*If you have any questions, please call the RLC Entitlement Offer Information Line on 1300 420 545 (or for callers outside Australia +61 1300 420 545) at any time between 8.30am and 5.30pm (AEST) Monday to Friday during the offer period, or consult your stockbroker, accountant or other professional adviser.*

## OFFER DESCRIPTION

### **Pro rata entitlement**

Under the Entitlement Offer, you as an Eligible Shareholder (as defined in section 2 of "**Important Information**") are entitled to apply for 4 fully paid ordinary shares in RLC ("**New Share**") at a price of \$0.03 per New Share ("**Offer Price**") for every 9 RLC ordinary shares held at the Record Date subject to the terms of the Entitlement Offer. This is called your "**Entitlement**".

The number of New Shares for which you are entitled to apply for is shown on the personalised Entitlement and Acceptance Form that accompanies the copy of this Booklet which has been sent to each Eligible Shareholder. Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

*Note: The Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding RLC shares on behalf of a U.S. Person as that term is defined in the U.S. Securities Act of 1933 (as amended).*

The Entitlement Offer is only open to Eligible Shareholders and RLC reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

### **Non-renounceable**

Entitlements are 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. If you do not take up your Entitlement under the Entitlement Offer, your percentage shareholding in RLC will be diluted.

### Additional Shares

Eligible Shareholders who take up their Entitlement in full may also apply for New Shares in excess of their Entitlement ("**Additional New Shares**"). However, Additional New Shares will only be allocated to Eligible Shareholders if there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlement or from New Shares that would have been offered to ineligible shareholders if they had been entitled to participate in the Entitlement Offer and such New Shares have not been placed under the Shortfall Placement (see below). 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.

There is no assurance that Eligible Shareholders who apply for Additional New Shares will be allocated all or any of those Additional New Shares. If an application for Additional New Shares is not accepted, the surplus Application Monies will be refunded, without interest, payable to the applicant, on or around 20 April 2017.

### Shortfall Placement

To the extent Entitlements are not taken up (such number of New Shares being the "**Shortfall**") the Shortfall may be placed with professional investors or sophisticated investors at \$0.03 per New Share or through stockbrokers ("**Shortfall Placement**"). Any fees or commissions payable to place the Shortfall will reduce the net amount raised by the Entitlement Offer.

### No Minimum

There is no minimum amount which must be raised before New Shares or Additional New Shares will be issued. If the funds raised are less than the amount sought, RLC will consider reducing the amount spent on developing the lithium brine projects.

### Limit on Allocation

RLC may decline to issue New Shares to a person to the extent that the issue would otherwise result in that person holding more than 20% of the voting power in RLC.

## CAPITAL STRUCTURE

Holder	Cash (\$)	Shares	%
Current shareholders (20 March 2017)		158,276,946	69.3%
Entitlement and Shortfall issues (@ \$0.03)	\$2,100,000	70,000,000	30.7%
<b>At completion of the Offer</b>	<b>\$2,100,000</b>	<b>228,276,946</b>	<b>100.0%</b>

**Market cap @ 3 cents per share**

**\$6.8 m**

## PURPOSE OF FUND RAISING

### 1. Nevada Lithium Brine Projects.

Reedy Lagoon Corporation Limited ("RLC") has entered an agreement to purchase 100% of Nevada Lithium Pty Ltd which owns 3 lithium brine projects located in Nevada, North America (refer ASX releases 28 February 2017, 20 February 2017, 22 December 2016).

The lithium brine projects currently comprise duly recorded and filed Placer Mining Claims over three prospects in large basins (ground water catchment areas) interpreted from topographic and geophysical survey data. Substantial research has driven the selection of which basins to target. This research includes studies of potential aquifer host rocks and lithium sources evidenced by existing lithium operations where

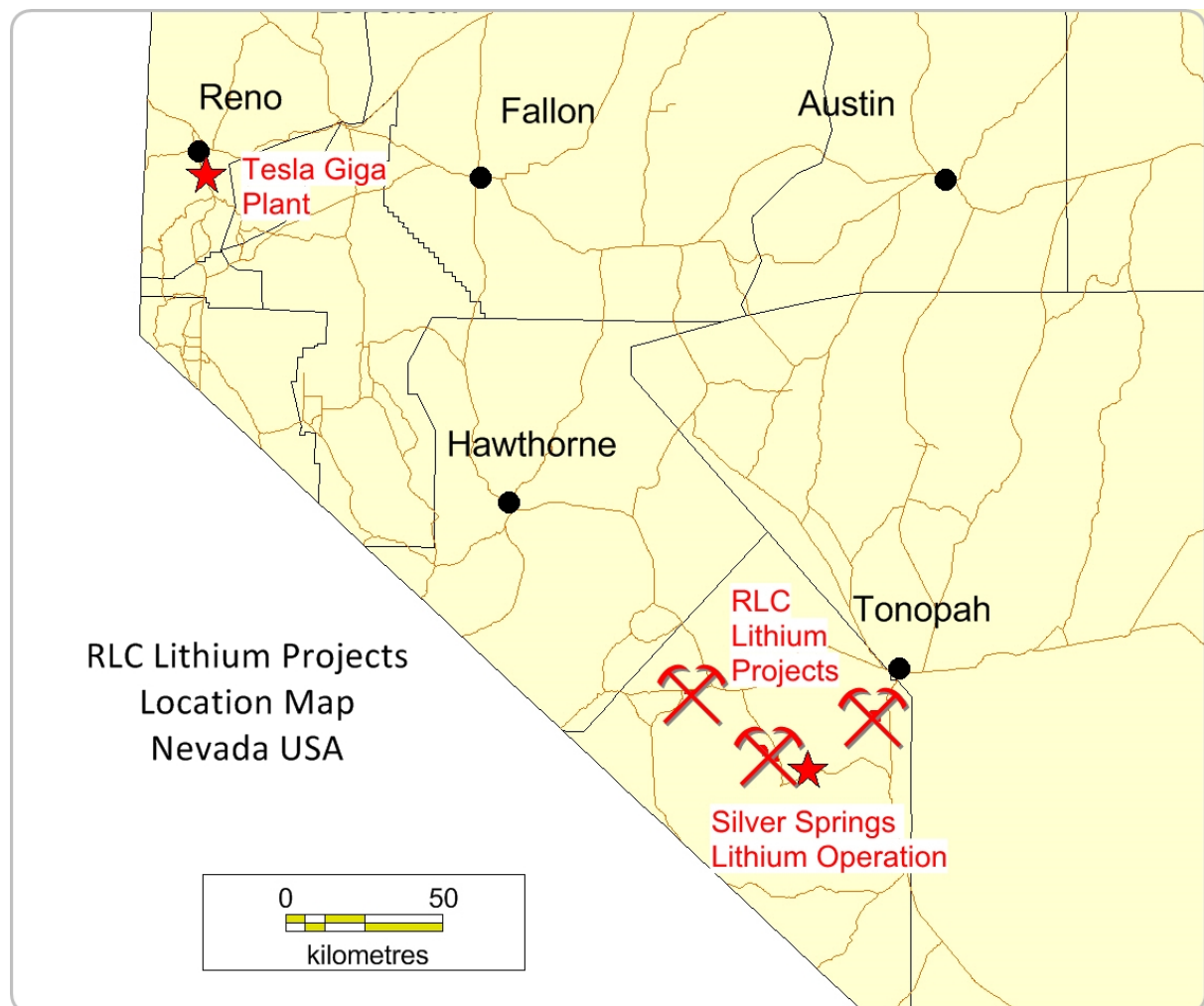
abundant brines occur, including the Silver Peak Mine where lithium has been produced from brines since the 1960s. Claim staking commenced in late November 2016 and was completed in December.

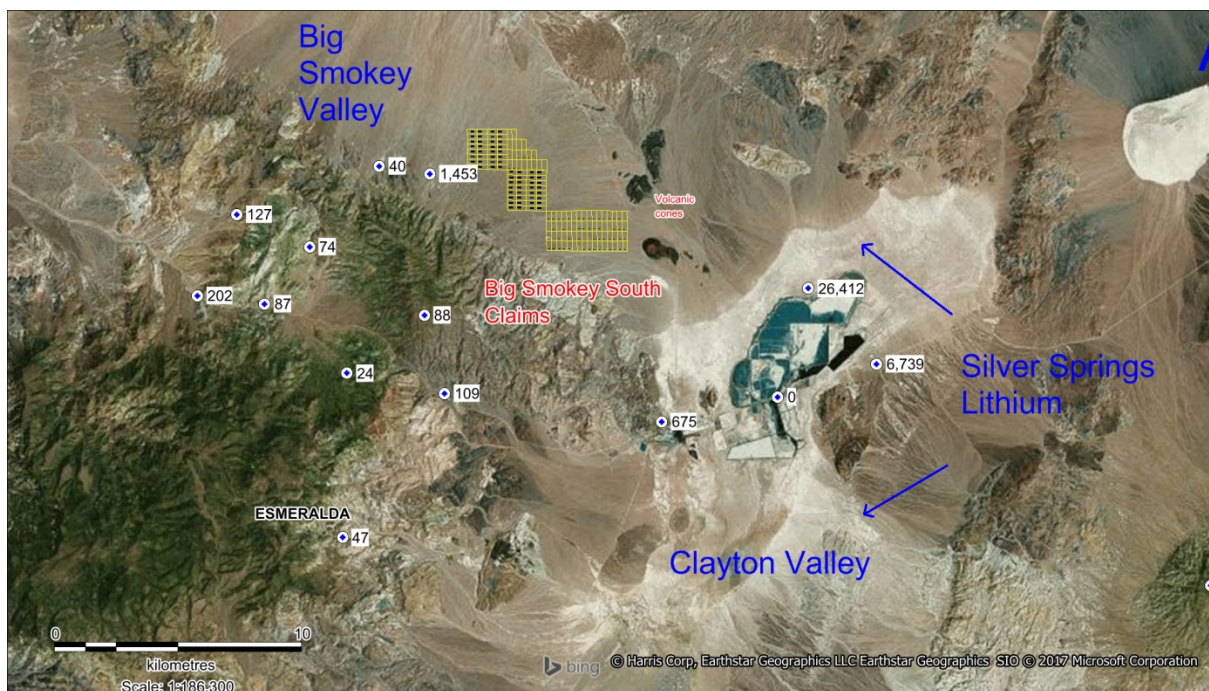
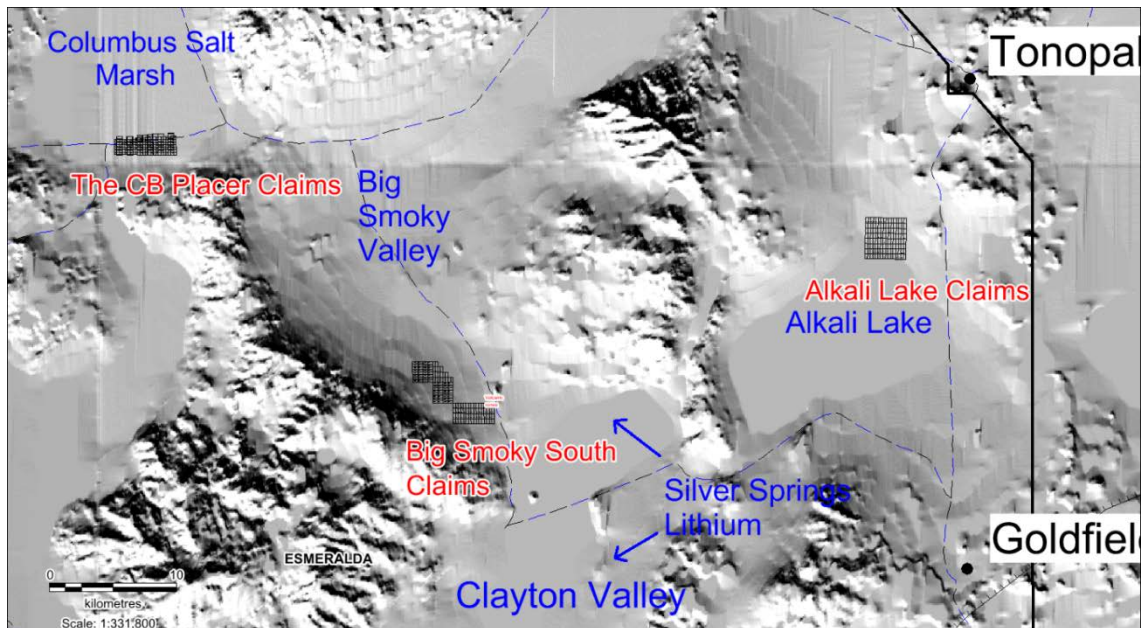
The Projects have an Exploration Target of between 750,000 tonnes and 1,000,000 tonnes of LCE at a grade of between 90mg/L and 120mg/L (ASX 28 February 2017).

It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Projects comprise :

<b>Columbus Salt Marsh:</b>	81 claims	1,620 acres ( 655 ha)
<b>Big Smokey Valley South:</b>	148 claims	2,960 acres (1,197 ha)
<b>Alkali Lake:</b>	128 claims	2,560 acres (1,036 ha)
<b>TOTAL</b>	<b>357 claims</b>	<b>7,140 acres (2,888 ha)</b>





Big Smokey South claims (shown at B) and lithium concentration (ug/L) in well waters from the USGS NURE database.

## 2. Costs of Acquisition of Projects and funding required to prepare for drilling

Over the period November 2016 to June 2017 about \$970k needs to be spent in preparation for drilling. This includes the cost of the first year's claim rental fees as well as geophysical surveys and drill permit applications – see below under “Use of Funds” for more detail.

### **3. Why Lithium and Why Brines ?**

The Lithium Brine Projects provide RLC with an opportunity to be a significant participant in one of the most exciting and dynamic sectors of the mining industry – lithium production.

The demand for lithium is increasing, driven primarily by the growth in sales of batteries using lithium.

New technologies in lithium processing are creating potential for new entrants to build new businesses which may have significant advantages over established producers. These advantages include lower production costs and reduced environmental impacts at the production site.

These new technologies include new ways of extracting lithium from brines economically at relatively low lithium concentration and producing battery grade lithium hydroxide for sale to battery manufacturers. New ways to extract lithium from brines would enable lithium production from brines without the need to use evaporation ponds to upgrade concentration prior to treatment. This would mean that brines could be returned to the aquifer they were extracted from after extraction of the lithium, significantly reducing the impact of production on the environment, particularly in the fragile desert environments in which lithium rich brines are currently found.

It should be noted that these new technologies are not in operation at mine scale, but are undergoing pilot plant stage testing. Different brine compositions respond differently to the new process technologies currently being tested. Some lithium brines that have been tested have proven to be untreatable by the processes tested. The brines which show the greatest promise (due to their low magnesium content) are brines recovered from aquifers in Clayton Valley, Nevada.

The 3 lithium brine projects which Reedy is to acquire with shareholder approval are located in Nevada within basins selected because of their geological similarity to the Clayton Valley. The basins in which our claims are located have potential to contain brines of similar composition to the brines being tested from Clayton Valley. Developments at other sites, such as Pure Energy's Clayton Valley Project in Nevada give Reedy Lagoon's directors reason to have confidence that within a few years the most efficient way to produce lithium hydroxide will be direct from brines using one of the new process technologies currently being tested or a variant of them.

## **USE OF FUNDS**

RLC will use the proceeds of the equity raising for a number of purposes including:

- Funding Nevada Lithium Brine Projects establishment and development costs (\$970,000)
- Funding Cassilis Project exploration costs or other new project generation costs (\$100,000)
- Funding Burracoppin Magnetite (Iron-ore) Project exploration costs (\$100,000)
- Paying directors' fees accrued (period prior to Oct 2016) (\$60,000)
- Administration expenses (18 months overheads and contingencies Oct 2016 to Mar 2018) (\$720,000)
- Working capital (\$150,000)

## **OFFER PRICE**

The Offer comprises 70 million shares (representing 30.7 % of the expanded capital) at 3 cents per share and will imply a market capitalisation of \$6.8 million in the event that the Offer is fully subscribed.



## **KEY RISKS**

### **Exploration**

At all RLC's prospects including the prospects being claimed by the Nevada Lithium Brine Project the potential quantity and grade of any mineralization is conceptual in nature, there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Claims are located within 3 large catchment areas defined principally in geophysical and topographic data. The presence of underground aquifers containing lithium rich brines and the lithium content of any such aquifers cannot be ascertained without drilling. RLC will be seeking further capital for the purposes of funding drilling operations expected to be underway in the second half of calendar 2017.

### **Exploration and Mining Licences**

The Placer Claims for the areas comprising the 3 Lithium Brine Projects have been duly recorded with Esmeralda County and filed with the Bureau of Land Management ("BLM"). It is possible that Placer Claims may be disputed or otherwise adjudicated by the BLM in which case they will not form part of the projects. Any adjudication could have a negative impact on exploration conducted by RLC as well as the Company's share price.

In Australia, the renewal of tenements upon expiry of their current term and the granting of applications for exploration licences is subject to Ministerial approval. Tenements may not be renewed or fines may be levied if the minimum expenditure commitment for a tenement has not been met. Non-approval or delay in the approval process could have a negative impact on exploration conducted by RLC as well as the Company's share price. In the USA on Federal lands mining and placer claims are renewed each year on September 1<sup>st</sup> by paying the requisite fees.

### **Constraints on Exploration Activities**

There is a risk that the carrying out of any exploration programme may be delayed or prevented or the costs may be increased by factors such as:

- adverse weather conditions over a prolonged period;
- unavailability of suitable equipment;
- unavailability of suitable contractors;
- delay or failure to obtain consents or approvals necessary for the conduct of exploration and mining or failure or delay to satisfy the conditions of any such consents or approvals unanticipated operational and technical difficulties encountered in survey, sampling, drilling and production activities; or
- the proximity of endangered flora or fauna or aboriginal sites of significance or heritage sites.

In relation to a lithium brine project access to aquifers is essential. Use of aquifers in Nevada is regulated by the Nevada Division of Water Resources (NDWR) and the State of Nevada, Division of Environmental Protection – Bureau of Mining Regulation and Reclamation (NDEP-BMRR). A Mining Water Pollution Control Permit (WPCP) must be obtained from NDEP-BMRR prior to any mining operations as well as prior to several specified activities including some exploration drilling (for example for well pump testing) and bulk sampling. It is possible that such permits may not be given or delayed. Non-approval or delay in the approval process could have a negative impact on exploration conducted by RLC as well as the Company's share price.

### **Native Title and other forms of Land Tenure that overly State or Crown ownership of Minerals**

There are no Indian Lands that affect the claims located in Nevada, USA.

Native Title Claims have the potential to cause significant delays to exploration in Australia.

From a practical perspective, the key risks that arise in relation to native title are that:

- first, there may be considerable delays experienced in seeking and obtaining the agreement of registered native title claimants or holders (or an arbitral body, if this proves necessary) to the granting of an exploration or mining tenement, where this is required by the “future act” requirements of the Native Title Act;
- second, in some limited cases it is possible that agreement may not be reached with registered native title claimants or holders in relation to the granting of an exploration or mining tenement, or that an arbitral body may determine that an exploration or mining tenement should not be granted; and
- Third, the conditions to which such an agreement is subject may be onerous, particularly in relation to the payment of compensation or the management of places and items of Aboriginal cultural heritage significance.

The potential also exists for further Native Title Claims to be lodged over any existing or future tenement area.

### **Aboriginal Significant Sites and other forms of Cultural Heritage and Protected Sites**

The State of Nevada has legislation that obliges exploration and mining companies to identify and protect sites of cultural and heritage significance.

Australian Commonwealth and State Legislation oblige RLC to identify and protect sites of significance to Aboriginal custom and tradition.

From a practical perspective, the key risks that arise in relation to cultural heritage protection are that:

- there may be considerable delays experienced in obtaining the consent of representative bodies or administering authorities (where applicable) to carry out exploration activities on land that has cultural and or heritage significance, which delays could impact upon project timing;
- consent, if granted, may be granted subject to onerous conditions; and
- consent may not be obtained, and will not be able to be obtained if RLC’s activities would result in the destruction of an item of Aboriginal cultural heritage significance.

### **Share Market Risks**

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand for, and supply of, capital.

Investors should recognise that once the New Shares are listed on ASX, the price of the New Shares may fall as well as rise. Many factors will affect the price of the Shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally.

### **Government Risk**

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors.

### **Capital requirements**

The amount to be raised is estimated to cover the costs of preparing for drilling, including geophysical survey work, application for drill permits, and clearing access tracks. The Entitlement Offer does not have a minimum amount to be raised. If less than \$2.1 million is raised under the Entitlement Offer the Company may need to adjust the work undertaken to prepare for drilling.

If the result of the preparation for drilling works is positive, the next steps for the Company will require another capital raising for the purposes of drilling and core testing of aquifers, pump tests, water extraction permit, and pilot plant. Further, to complete the acquisition of the 3 Lithium Brine Projects, the Company will

need to issue the vendors at the time of this second capital raising with a total of \$2,000,000 worth of RLC Shares (determined by reference to the offer price under this second capital raising). The number of RLC shares to be issued under this second capital raising and to the vendors is not now known – it will depend on the amount of capital to be raised and the offer price under the capital raising.

## HOW TO APPLY

### 1. PLEASE READ CAREFULLY THE CHAIRMAN'S LETTER, IMPORTANT INFORMATION, ENTITLEMENT AND ACCEPTANCE FORM AND OTHER PUBLIC INFORMATION MADE AVAILABLE

The Entitlement Offer is not being made under a prospectus or product disclosure statement. Instead, the Entitlement Offer is being made pursuant to provisions of the Corporations Act 2001 (Cth) that allow entitlement offers to be offered by providing certain updates and confirmations to the market. Accordingly, before accepting your entitlement of New Shares you should carefully read and understand the publicly available information on RLC and the Entitlement Offer, including this Booklet, RLC's Annual Report and other announcements that have been made available at [www.reedylagoon.com.au](http://www.reedylagoon.com.au) or [www.asx.com.au](http://www.asx.com.au).

### 2. CONSIDER THE ENTITLEMENT OFFER IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

If you have any queries or are uncertain about any aspect of the Entitlement Offer, consult with your stockbroker, accountant or other professional adviser.

Please ensure that you review carefully the "Key Risks" section.

### 3. APPLY FOR PART OR ALL OF YOUR ENTITLEMENT

If you want to take up all or part of your Entitlement or apply for Additional New Shares, you must complete and return the Entitlement and Acceptance Form with your payment **or** pay your application monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

RLC will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement. Amounts received by RLC in excess of your Entitlement may be treated as an application to apply for as many Additional New Shares as the excess amount will pay for in full.

Your Entitlement is set out in the accompanying Entitlement and Acceptance Form and has been calculated as 4 New Shares for every 9 RLC shares you held as at the Record Date of 7.00pm (AEDT) on Friday 24 March 2017 rounded up to the nearest share. If you have more than one holding of RLC shares you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

If you accept and pay for all or part of your Entitlement before the close of the Entitlement Offer at 5.00pm (AEST) on Thursday 13 April 2017, you will be issued your New Shares on Thursday 20 April 2017. If you apply for Additional New Shares, then subject to RLC's absolute discretion to scale-back your allocation of Additional New Shares (in whole or part), you will also be issued Additional New Shares on 20 April 2017.

RLC reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

You do not have to pay any brokerage or other transaction costs to RLC on the issue of New Shares or Additional New Shares.

### 4. ACCEPTANCE OF THE ENTITLEMENT OFFER

You may subscribe for all or part of your Entitlement by either completing the Entitlement and Acceptance Form in accordance with the instructions set out on the back of that form, indicating the number of New

Shares and Additional New Shares (if any) you wish to subscribe for and attaching payment or, if you have an Australian financial institution account that supports BPAY®, by paying by BPAY® (see below for more details).

The method of taking up the Entitlement Offer will depend on your method of payment, being:

**Payment by cheque, bank draft or money order**

Should you wish to pay by cheque, bank draft or money order, then you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on that form and return the form accompanied by a cheque, bank draft or money order:

- in Australian currency, drawn on an Australian branch of a financial institution;
- for an amount equal to \$0.03 multiplied by the number of New Shares and Additional New Shares (if any) that you are applying for (rounded to the nearest cent); and
- Made payable to "Reedy Lagoon Corporation Limited" and crossed "Not Negotiable".

**Payment by BPAY®**

For Eligible Shareholders wishing to pay by BPAY® (only available to Eligible Shareholders who hold an account with an Australian financial institution that supports BPAY®):

- Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). Your BPAY® payment must be received by no later than 5.00pm (AEST) on Thursday 13 April 2017. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.
- If you pay by BPAY®, you do not need to submit your Entitlement and Acceptance Form but, by making a payment through BPAY®, you will be taken to have made the declarations set out in the Entitlement and Acceptance Form.

**Payments generally**

Any application monies received for more than your final allocation of New Shares and Additional New Shares (if \$1.00 or more) will be refunded on or around 20 April 2017. No interest will be paid on any application monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

**5. IF YOU DO NOT WISH TO TAKE UP YOUR ENTITLEMENT**

If you do not wish to take up your Entitlement under the Entitlement Offer, you can simply do nothing. At the Entitlement Offer close date, 5.00pm (AEST), Thursday 13 April 2017, if you have not completed your Entitlement and Acceptance Form and returned it with application money to the Registry at the address below, or alternatively made a payment through BPAY® for which RLC has received payment, then your Entitlements will lapse.

The Entitlement Offer is non-renounceable. If you do not take up your Entitlement, you will not receive any value for your Entitlement.

**6. MAIL OR DELIVERY**

To participate in the Entitlement Offer, your payment must be received by no later than 5.00pm (AEST) on Thursday 13 April 2017. If not paying by BPAY®, your completed Entitlement and Acceptance Form, together with application monies, should be mailed using the reply paid or self addressed envelope provided with this Booklet, or mailed to:

Reedy Lagoon Corporation Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

## IMPORTANT INFORMATION

This Booklet has been prepared by RLC. The Booklet is dated 20 March 2017.

The information in this Booklet that relates to Exploration Results and geology for Lithium is based on information compiled by Geoff Balfe, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Balfe is a consultant to Reedy Lagoon Corporation Limited and Mr Balfe is a vendor to Reedy Lagoon Corporation Limited of shares in Nevada Lithium Pty Ltd. (which owns the lithium brine projects). Mr Balfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)". Mr Balfe consents to the inclusion in this Booklet of the matters based on his information in the form and context in which it appears. Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this Booklet, those releases are available to view on the NEWS page of [reedylagoon.com.au](http://reedylagoon.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier releases and, in the case of the estimate of the Mineral Resource, all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

No party other than RLC has authorised or caused the issue of this Booklet, or takes responsibility for, or makes any statements, representations or undertakings in this Booklet.

You should read this Booklet carefully and in its entirety before deciding to invest in New Shares or Additional New Shares. In particular you should consider the risk factors outlined in the Key Risks section that could affect the performance of RLC or the value of an investment in RLC.

The past performance of RLC, and the past share price of RLC should not be relied upon as (and is not) an indication of future performance.

### 1. NOT INVESTMENT ADVICE

The Entitlement Offer to which this Booklet relates complies with the requirements of section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission (ASIC) Class Order 08/35.

The Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Booklet is not financial product advice and does not purport to contain all the information that you may require to evaluate a possible application for New Shares. This Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of RLC shares the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in RLC before making any investment decision based on your investment objectives.

**You should also consider the "Key Risks" section.**

### 2. ELIGIBLE SHAREHOLDERS

Eligible Shareholders are those who:

- (a) are the registered holder of RLC shares at 7.00pm (AEDT) on Friday 24 March 2017 (the "Record Date");
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any RLC shareholder with a registered address outside Australia and New Zealand (see Section 8 below).

### **3. OFFER JURISDICTIONS**

This Booklet is not intended to and does not constitute an offer of securities in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer and no action has been taken to register shares of RLC or otherwise permit a public offering of the shares in any jurisdiction outside of Australia and New Zealand. Return of the Entitlement and Acceptance Form with application money or your BPAY® payment shall be taken by RLC to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

The distribution of this document outside Australia and New Zealand may be restricted by law. Persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### **New Zealand**

The Entitlement Offer to Eligible Shareholders who are members of the public in New Zealand is being made in reliance on an exemption under the New Zealand Securities Act 1978 (the Securities Act (Overseas Companies) Exemptions Notice 2013 (New Zealand)). This document is not a prospectus or investment statement under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority or in accordance with the New Zealand Securities Act 1978, New Zealand Financial Markets Conduct Act 2013 or any other relevant law in New Zealand. This document may not contain all the important information that an investment statement or a prospectus under New Zealand law is required to contain.

#### **United States**

This Booklet does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. Person, or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The offering of New Shares in the Entitlement Offer has not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered, sold or resold in, or to persons in, the United States, or any other place in which, or to any person to whom, it would not be lawful to make such an offer or grant, except in accordance with an available exemption from registration and applicable state securities laws.

### **4. GOVERNING LAW**

This Booklet, the Entitlement Offer and the contracts formed on return of the Entitlement and Acceptance Form are governed by the laws applicable in Victoria, Australia. Each RLC shareholder who applies for New Shares submits to the jurisdiction of the courts of Victoria, Australia.

### **5. FUTURE PERFORMANCE**

This Booklet contains certain forward-looking statements. The words "anticipate", "believe", "except", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of RLC, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward looking statements and neither RLC nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

An investment in New Shares or Additional New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of RLC. Except as and to the extent required by law, RLC does not guarantee any particular rate of return or the performance of RLC nor does it guarantee the repayment of capital from RLC or any particular tax treatment. You should have regard to the "**Key Risks**" section.

## **6. TAXATION**

Taxation implications will vary depending upon the individual circumstances of Eligible Shareholders. You should obtain your own professional advice before deciding whether to invest in New Shares or Additional New Shares.

## **7. FINANCIAL DATA**

Unless otherwise stated, all dollar values are in Australian dollars (A\$).

## **8. OVERSEAS SHAREHOLDERS**

RLC has decided that it is unreasonable to make offers under the Entitlement Offer to RLC shareholders with registered addresses outside Australia and New Zealand having regard to the number of RLC shareholders in those places, the number and value of the securities they would be offered and the cost of complying with the legal and regulatory requirements in those places.

## **9. OPTIONHOLDERS**

Optionholders will not be entitled to participate in the Entitlement Offer unless they:

- have become entitled to exercise their options and do so prior to the Record Date: and
- have become a registered holder of RLC shares at 7.00 pm (AEDT) on the Record Date.

## **10. DISCLAIMER OF REPRESENTATIONS**

No person is authorised to give any information, or to make any representation in connection with the Entitlement Offer that is not contained in this Booklet. Any information or representation that is not in this Booklet may not be relied on as having been authorised by RLC or its related bodies corporate in connection with the Entitlement Offer.