

REEDY



LAGOON
CORPORATION LTD

REEDY LAGOON CORPORATION LIMITED

ABN 41 006 639 514

ASX : RLC

28 April 2017

Replacement March Quarterly Activity and Cash Flow report

Please replace the March Quarter Activity and Cash Flow report released 28-APR-2017 17:45:10 (Doc ID: 1669281) with the attached report. Figure 4 has been corrected.

G Fethers
COMPANY SECRETARY



ASX Release

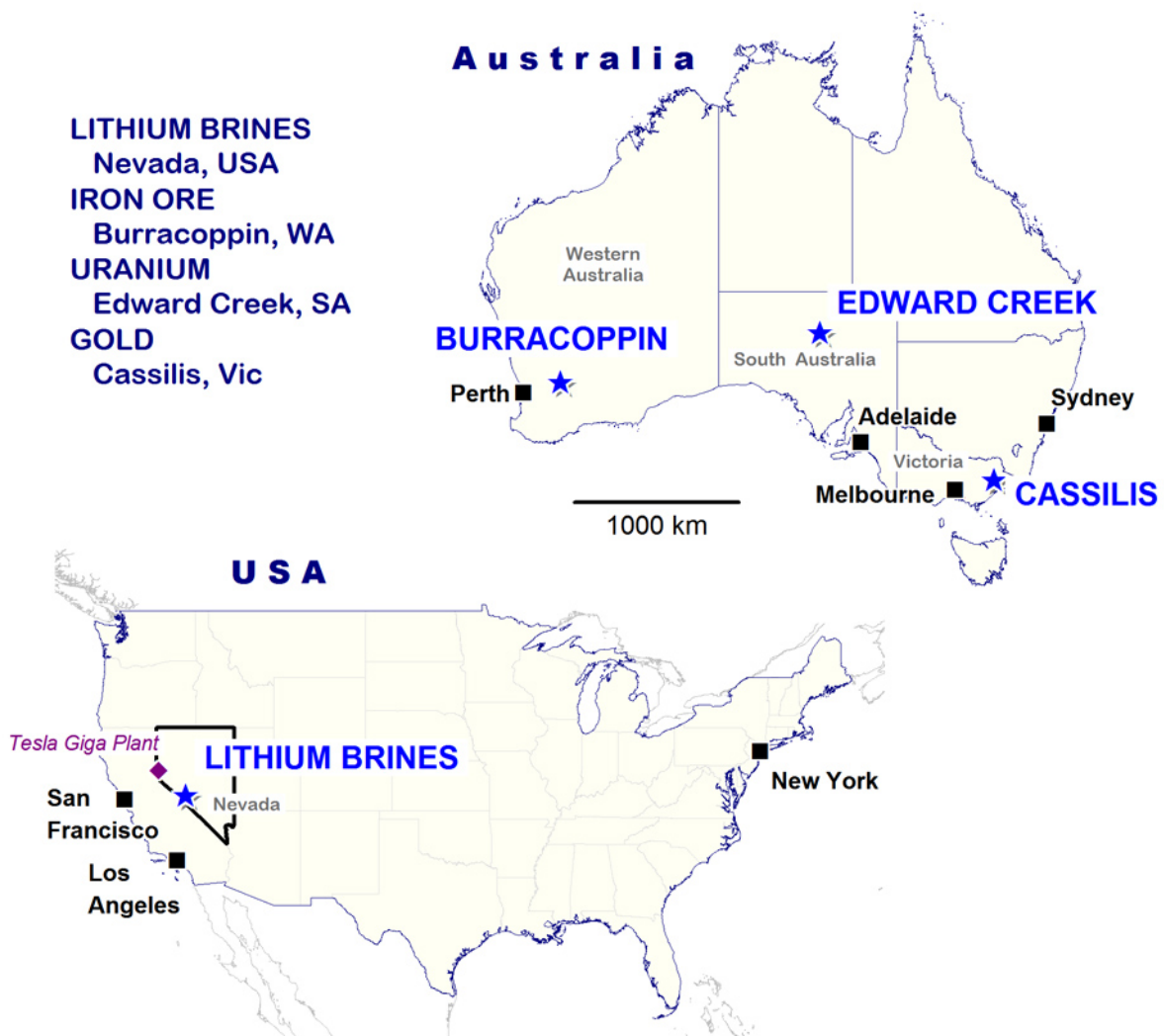
ASX Code: RLC

28 April 2017

Quarterly Report for the period ended 31 March 2017

SUMMARY

- ❑ Lithium brine claims in Nevada, USA recorded and filed
- ❑ Entitlement Offer announced
- ❑ Other projects on hold



CURRENT EXPLORATION ACTIVITIES

Nevada Lithium Brine Projects (Nevada, USA)

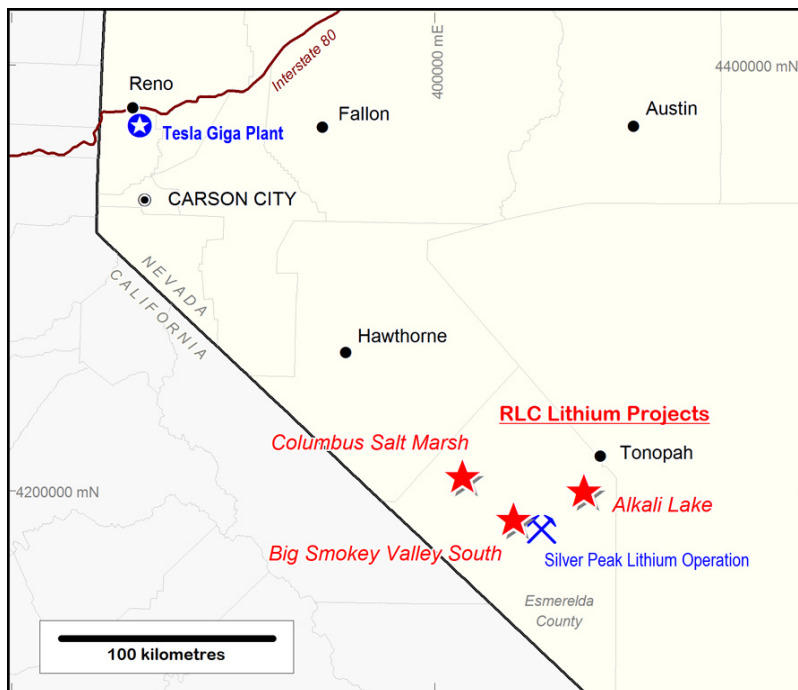
Lithium

Big Smokey Valley South:	148 claims – 2,960 acres (1,197 Ha)
Columbus Salt Marsh:	81 claims – 1,620 acres (655 Ha)
Alkali Lake:	128 claims – 2,560 acres (1,036 Ha)

The Company acquired three lithium brine projects located in Nevada, USA (ASX release 22 December 2016). Shareholders approved the acquisition following the end of the report period (ASX release 3 April December 2016).

The Nevada lithium brine projects comprise Placer Mining Claims over three prospects in large basins (ground water catchment areas) interpreted from topographic and geophysical survey data. Claim staking commenced in late November 2016 and by end December 2016 a total of 357 claims had been staked covering a combined area of 2,888 hectares.

During the report period all claims were recorded with Esmeralda County and filed with the US Federal Bureau of Land Management (BLM).



Big Smokey Valley South

Big Smokey Valley South Project is located 10km northwest of the Silver Peak lithium operation where the southern end of Big Smokey Valley meets the western side of Clayton Valley. This northwest striking valley is defined by a series of major northwest and north east faults. Based on USGS open file gravity data there is a discrete sub-basin in the centre of the valley with more than 2.4km of subsidence. The USGS NURE (National Uranium Resource Evaluation) database reports anomalous lithium values (up to 1,453 micrograms per litre) in wells immediately up slope to the west of the property. In addition to the extensive Tertiary volcanic deposits in the area there are significant deposits of volcanic ash in the valley that in places are more than 30m thick. The ash deposits are capped by very recent basalt lava flows and cinder cones. The presence of recent volcanism is considered to be an important heat source for driving geothermal activity which can dissolve lithium from the tuffa beds and circulate it in ground water convection cells. 148 placer claims have been staked on the southern margin of the sub-basin.



Figure 1. Google Earth image showing RLC's Big Smokey Valley South project's placer claims, anomalous USGS NURE water sample results (micrograms per litre) and in the lower LHS, the evaporation ponds of Albemarle Corporation's Silver Peak Lithium Operation.

Figure 2 below, shows the same area as figure 1 but with USGS Bouger gravity image in the background. The blue area represents the maximum basement depth. The placer claims have been located along the southern margin of the deep basin.

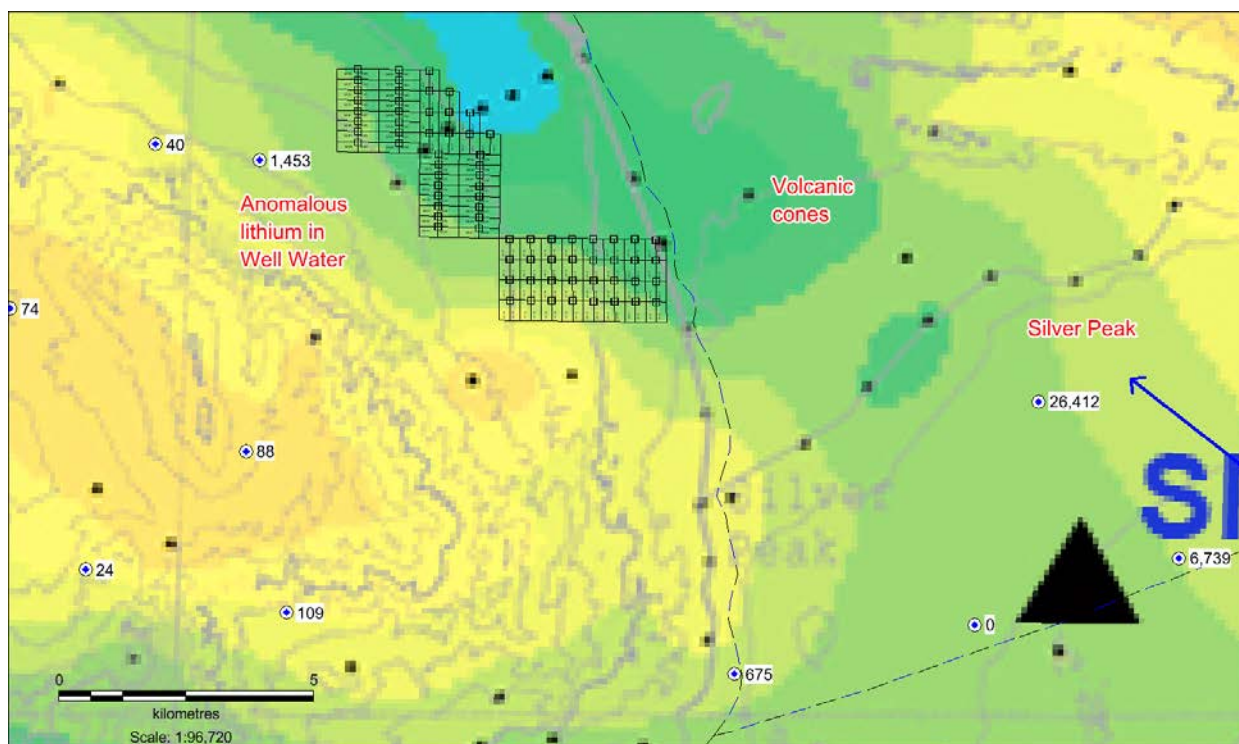


Figure 2. Big Smokey Valley South project's placer claims on USGS Bouger Gravity Image

Columbus Salt Marsh

The Columbus Salt Marsh project is located 45km north west of Clayton Valley (figure 3). This valley represents a closed basin with extensive Tertiary volcanic deposits in the surrounding hills. USGS open file gravity data indicates that the centre of the valley has subsided up to 3.5km. The valley is fault bounded and several geothermal springs discharge alkali salts onto the lake surface. These alkali deposits have in the past been mined for borax. The project's claims have been staked along the southern margin of the valley.



Figure 3. Columbus Salt Marsh Project - placer claims shown on Google Earth Image

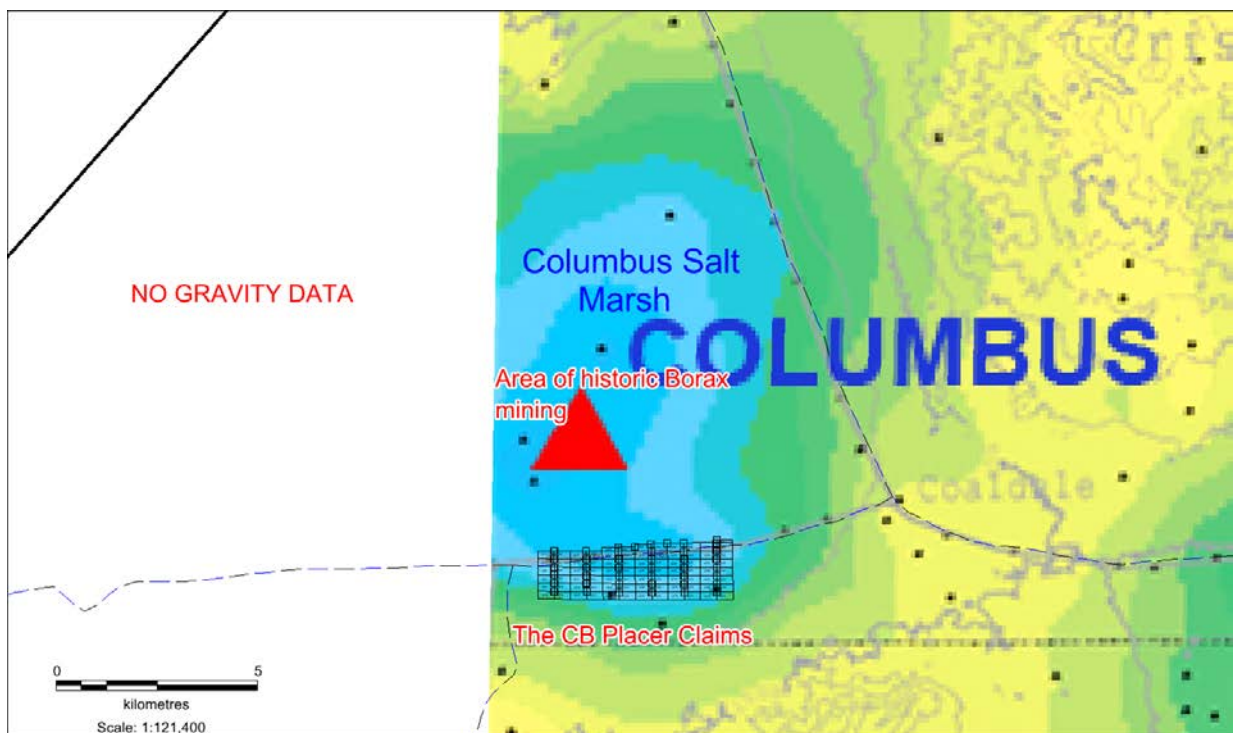


Figure 4. Columbus Salt Marsh and USGS Gravity Image showing gravity low and placer claims.

Alkali Lake

Based on gravity data a discrete sub basin has been staked with 128 placer claims for the Alkali Lake Project. The sub basin is located 30km northeast of Silver Peak and it occurs within an extensive 30km long, northwest trending basin that drains to the south towards Alkali Lake. The Google Earth image together with the gravity image suggests that a deep basin is masked by recent alluvium. Several hot springs discharge alkaline salts onto the surface of the playa lake.



Figure 5. Google Earth Image showing location of placer claims at Alkali Lake

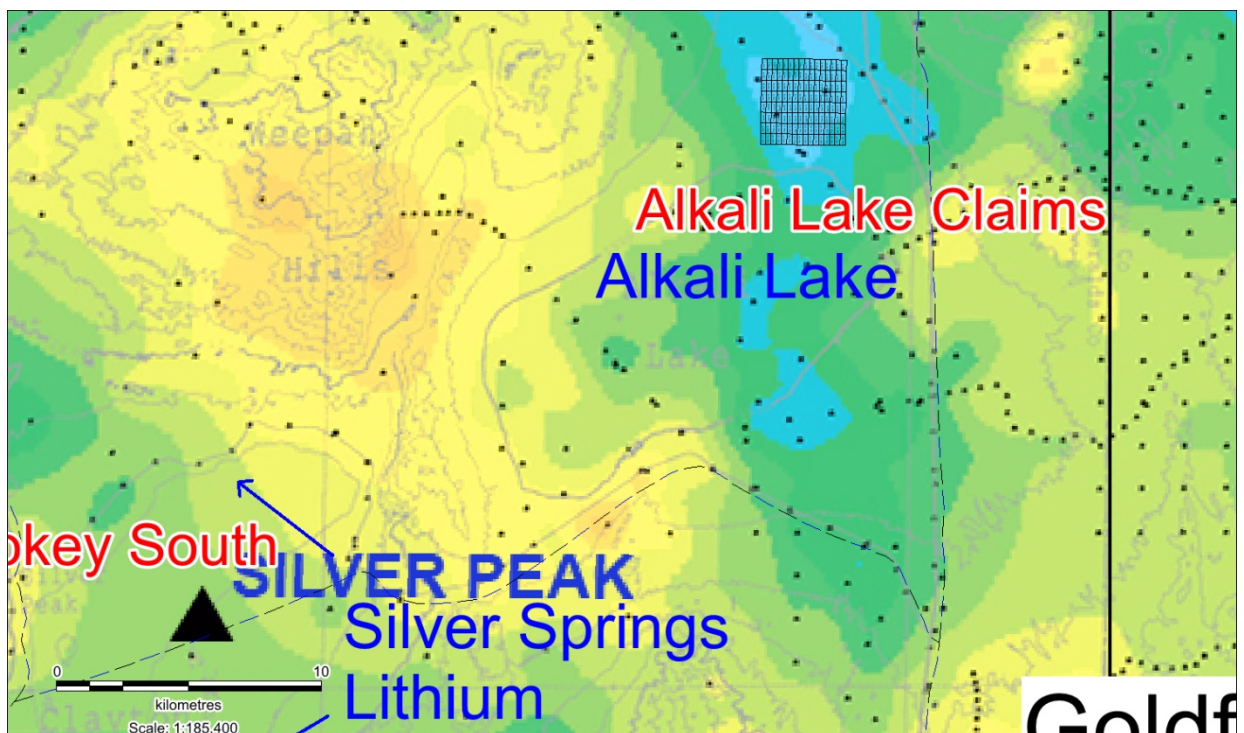


Figure 6. USGS Gravity Image and Alkali Lake Project placer claims

Burracoppin Iron-ore Project (WA)

Magnetite

RLC 100% Application for E70/4941 (area 5,854 Ha) lodged 9/01/2107

In January 2017, Bullamine Magnetite Pty Ltd, a wholly owned subsidiary of Reedy Lagoon, lodged an application for an exploration licence covering its previous Burracoppin Magnetite Prospect located near Merredin in Western Australia.

Reedy Lagoon held the Burracoppin Magnetite deposit when it was discovered in 2012 with its then joint venture farm-in partners: Cliffs Magnetite Holdings Pty Ltd (manager), NS Iron Ore Development Pty Ltd and Sojitz Mineral Development Pty Ltd. The farm-in parties withdrew in 2014 and Reedy Lagoon relinquished the ground in April 2016.

Magnetite mineralisation in multiple bands with variable continuity was intersected by drilling in 2012 by our previous joint venture. Additional drilling is required to better understand the extent of the mineralisation. However, the limited drilling completed indicates the mineralised bands have combined horizontal widths of between 150 metres and 200 metres. Detailed magnetic data indicate a strike length of 3,000 metres and a potential tonnage of magnetite bearing rock of between 140 and 220 million tonnes (refer to ASX release 31 January 2013). *Note that the potential quantity and grade of the Burracoppin deposit 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.*

Metallurgical studies on core samples have produced concentrate with high iron levels (67% to 70% Fe) and low levels of impurities at a relatively coarse grind size (P80 -150 micron) (refer to ASX release 23 November 2012).

No field work was conducted during the report period.

Cassilis Gold (VIC)

Gold

Right to acquire Cassilis Mining Pty Ltd

In June 2015 the Company entered into an agreement giving it the right to purchase 100% of Cassilis Mining Pty Ltd. At that time Cassilis Mining Pty Ltd had an exploration licence (EL 5504), a retention licence application (RLA 2005), an exploration licence application (ELA 5427) and an application for transfer of a mining licence over a site with infrastructure and planning permits (MIN 5335) which underpinned its Cassilis gold project located near Omeo in Eastern Victoria.

Reedy Lagoon's evaluation work has been hampered by continued uncertainty resulting from protracted delays by the Victorian Department of Economic Development, Jobs, Transport and Resources ("DEDJTR") associated with the processing of the application for transfer of MIN 5335 to Cassilis Mining Pty Ltd followed by the expiry of MIN 5335 as a result of the disclaimer of the licence by its registered holder, Rocky Mining Pty Ltd (in liquidation), on 19 July 2016. Correspondence dated 14 September 2016 from DEDJTR advised the Company of these developments and that the land previously subject to the licence had been exempted from the Mining Act regime (that is, was not available for mining). The land remained exempted at the end of the report period.

The project was originally of potential interest to RLC because it may have presented an opportunity for developing a gold mining operation with positive cash flow in a relatively short time frame. The opportunity for early cash flow has been adversely affected by the loss of the mine site and infrastructure with planning permits on the now expired MIN 5335. However, our investigations to date have recovered encouraging surface indications of potentially significant gold mineralised trends we believe are worth evaluating, possibly by shallow trenching, in addition to testing of mullock dumps within EL 5504.

No field work was conducted during the quarter.

Edward Creek (SA)

Uranium

RLC 100% (excluding diamonds) EL 5580 total area 343 km²

The low uranium price and a joint venture partner maintaining minimum exploration expenditure on the tenement enable RLC to postpone its planned exploration for uranium without penalty. Any exploration success with uranium in the current period would likely generate very little interest amongst potential joint venture partners and investors.

Work planned on the Edward Creek project includes drilling at the Victory uranium prospect. The drilling, now postponed until market conditions improve, will investigate strong surface uranium anomalism associated with quartz veining and along strike where a concealed unconformity is interpreted. The targets occur where uranium anomalism was identified by sampling in 2010 in a window of exposed, weathered and veined rocks of Early Proterozoic age. Results previously reported (RLC's ASX Release 17 Nov 2010) include assays of surface rock chip and auger samples up to 412 ppm uranium, 0.30 % copper, 0.39 % TREE.

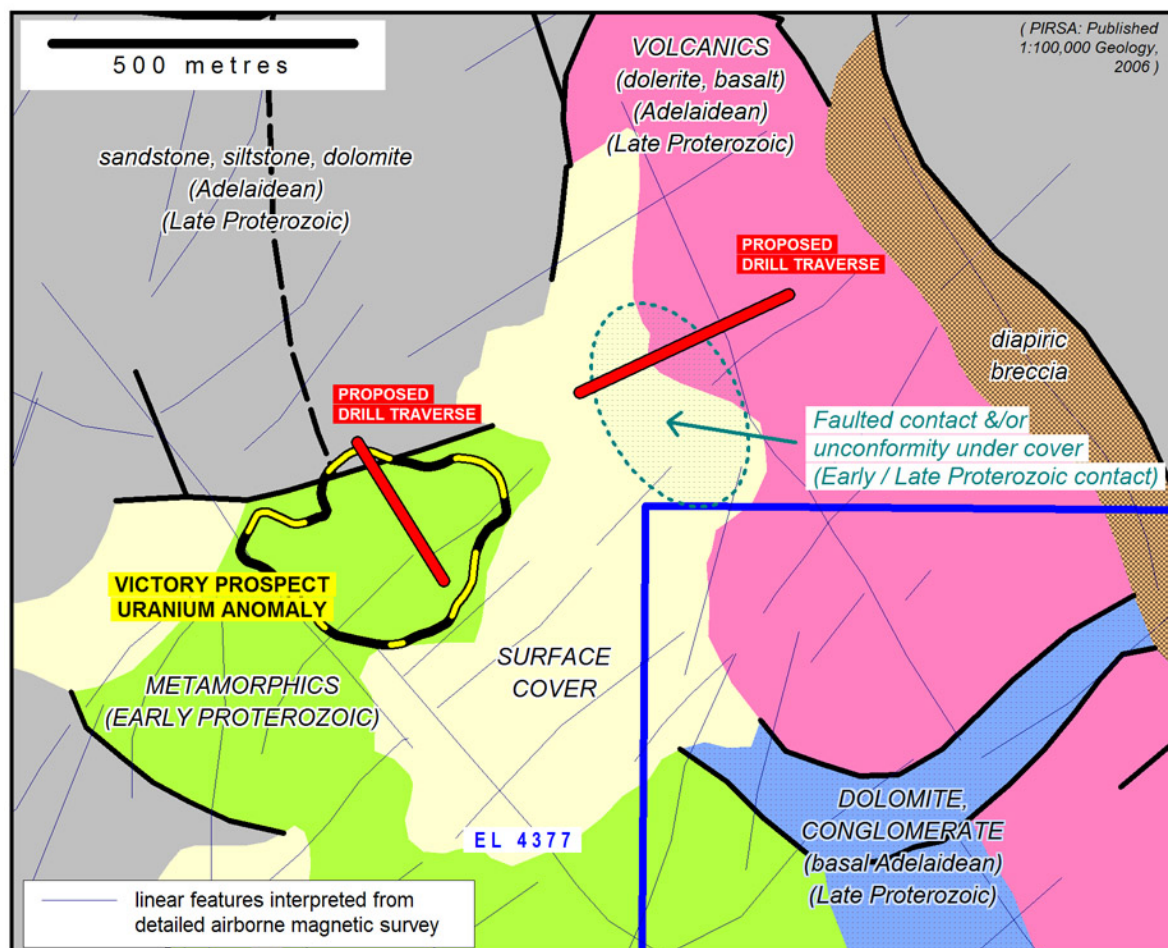


Figure 7. Proposed drill traverses at the Victory uranium prospect, Edward Creek project, South Australia (work on hold until market conditions improve).

No field activities were undertaken during the period.

COMMENT

Net cash outflow for the March 2017 quarter was \$74,649.

At 31 March 2017 RLC had \$202,734 in bank accounts and deposits.

On the 20 March 2017 the Company announced a 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. The offer opened following the end of the report period on 4th April and closed on 13 April 2017 with shareholders taking up 17,398,222 shares (\$521,947). At the date of this report there were 52,601,778 shares not taken up by shareholders which can be placed at \$0.03 per share in accordance with the terms of the Entitlement Offer.

Shareholders unanimously approved the acquisition of the Nevada Lithium Brine projects at an Extraordinary General Meeting held on 3rd April 2017.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Nevada Lithium Brines <i>Lithium</i>	Continued claim staking; geophysical survey; Drilling of brine targets (ground water aquifers)	Jun Q Sep Q
Burracoppin <i>Iron-ore (magnetite)</i>	Drilling	TBD
Cassilis (option to acquire) <i>Gold</i>	Geochemical sampling	TBD
Edward Creek <i>Uranium</i>	Drilling at Victory prospect	TBD
Capital raising	funding for works including Nevada Lithium drilling activities (indicative amount : more than \$2m)	Jun - Sep Q

All exploration activities are restricted pending further capital raising and are subject to contractor availability.

TBD = to be determined

For further information, please contact:

Geof Fethers, Managing Director.

Telephone: (03) 8420 6280

or visit our Website at www.reedylagoon.com.au

Competent Person's Statement:

The information in the section headed "Nevada Lithium Brine Projects" of this report as it relates to exploration results and geology was compiled by Mr Geoff Balfe who is a Member of the Australasian Institute of Mining and Metallurgy. 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 which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Balfe consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in the sections headed "Cassilis", "Edward Creek" and "Burracoppin" in this report that relates to Exploration Results is based on information compiled by Geof Fethers, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and 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)'. Geof Fethers consents to the inclusion in the report 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 report, those releases are available to view on the NEWS page of 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. 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.

Mining tenements.

Located in Australia

Tenements at end of quarter		
Project / Location	Tenement number	Company Interest (%)
EDWARD CREEK (SA)	EL 5580	100 (excl. diamond)
BURRACOPPIN (WA)	APPLICATION E70/4941	100%

Joint ventures at end of quarter		
Agreement	Tenements	Company Interest (%)
Diamond Farm-out Agreement	EL 5580	100% all minerals excluding diamond

Mining tenements.

Tenements changed during the quarter:		
Project / Location	Tenement number	Change
BURRACOPPIN (WA)	APPLICATION E70/4941	Application lodged

Located in USA

Tenements (all Placer Claims) at end of quarter (all acquired during the quarter)

Claim Name	Claim Numbers	Corresponding BLM NMC Number	Total Claims	Total Area
Columbus Salt Marsh Project				
CB Claims	CB-1 to CB-12 CB-17 to CB-28 CB-33 to CB-44 CB-47 to CB-60 CB-63 to CB-76 CB-79 to CB-95	NMC 1138099 to NMC 1138179	81	655 ha
Big Smoky Valley South Project				
MB Claims	MB-53 to MB-68 MB-77 to MB-82 MB-89 to MB-96 MB-101 to MB-228	NMC 1138180 to NMC 1138327	148	1,197 ha
Alkali Lake Project				
WH Claims	WH-1 to WH-128	NMC 1138328 to NMC 1138455	128	1,036 ha

Joint ventures changed during period: Nil

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

REEDY LAGOON CORPORATION LIMITED

ABN

41 006 639 514

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to Date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	8	19
1.2	Payments for		
	(a) exploration and evaluation	(5)	(16)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(16)	(118)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	1	1
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) – Net GST /PAYG paid(received/recovered) Restructure/EGM costs	2 (32)	(5) (32)
Net Operating Cash Flows		(42)	(151)
Cash flows related to investing activities			
1.8	Payment for purchases of:	-	-
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:	-	-
	(a)prospects	-	-
	(b)equity Investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Proceeds from loan by director	-	30
	Repayment of loan from director	-	(30)

+ See chapter 19 for defined terms.

Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(42)	(151)
1.13	Total operating and investing cash flows (brought forward)	(42)	(151)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	314
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (share issue costs)	-	(9)
Net financing cash flows		-	305
Net increase (decrease) in cash held		(42)	154
1.20	Cash at beginning of quarter/year to date	245	49
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	203	203

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2 (net of GST)	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions No directors' fees or wages were paid in respect of fees and wages payable for services provided by directors during the report period. Amounts accrued during the period as potentially payable to directors are: Mr Fethers: \$36,135, Mr Hamer : \$10,000, Mr Griffin : \$10,000 (\$56,135 in total).	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- None
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
- None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	600
4.2 Development	-
4.3 Production	-
4.4 Administration	65
Total	665

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	17	11
5.2 Deposits at call	186	234
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	203	245

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				-
6.2 Interests in mining tenements acquired or increased	E70/4941	Application	nil	100%

+ See chapter 19 for defined terms.

Tenements (Placer Claims) located in Nevada, USA

CB-1 to CB-12	Placer Claims	Nil	100%
CB-17 to CB-28		Nil	100%
CB-33 to CB-44		Nil	100%
CB-47 to CB-60		Nil	100%
CB-63 to CB-76		Nil	100%
CB-79 to CB-95		Nil	100%
MB-53 to MB-68		Nil	100%
MB-77 to MB-82		Nil	100%
MB-89 to MB-96		Nil	100%
MB-101 to MB-228		Nil	100%
WH-1 to WH-128		Nil	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3	*Ordinary securities	158,276,946	158,276,946		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5	*Convertible debt securities (description)	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
		Total number	Number quoted	Exercise price	Expiry date

+ See chapter 19 for defined terms.

7.7	Options (description and conversion factor)	900,000 900,000 900,000	NONE NONE NONE	20 cents 1.1 cents 1.33 cents	31 December 2017 31 December 2018 31 December 2019
7.8	Issued during quarter	NONE			
7.9	Exercised during quarter	NONE			
7.10	Expired during quarter	NONE			
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 28 April 2017
(Director)

Print name: GEOFFREY FETHERS

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.