



ASX Release

ASX Code: RLC

30 October 2017

Quarterly Report for the period ended 30 September 2017

SUMMARY

- ❑ Drill permit granted for Columbus Salt Marsh, application lodged for Big Smoky South (granted in October)
- ❑ Drill rig available to drill at Columbus Salt Marsh and at Big Smoky South

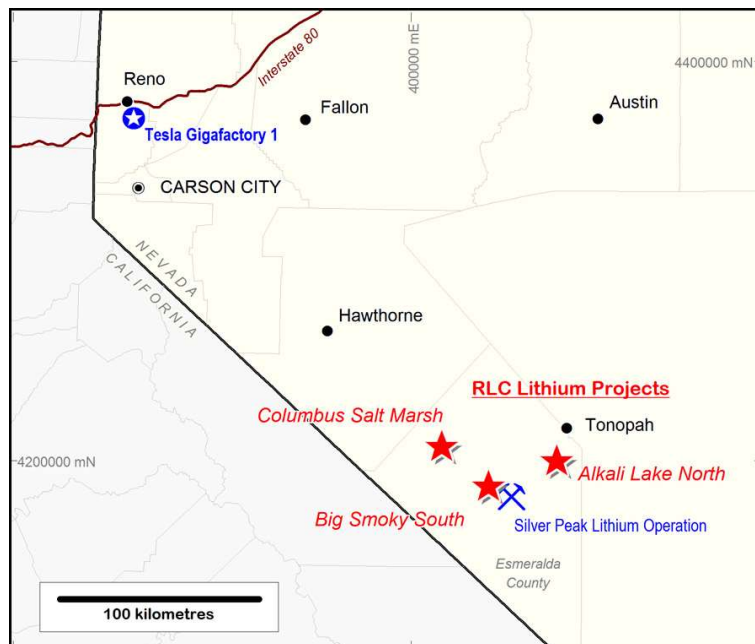


CURRENT EXPLORATION ACTIVITIES

Nevada Lithium Brine Projects (Nevada, USA)

Lithium

Alkali Lake North:	128 claims – 2,554 acres (1,033 ha)
Big Smoky South:	239 claims – 4,753 acres (1,924 ha)
Columbus Salt Marsh:	167 claims – 3,291 acres (1,332 ha)



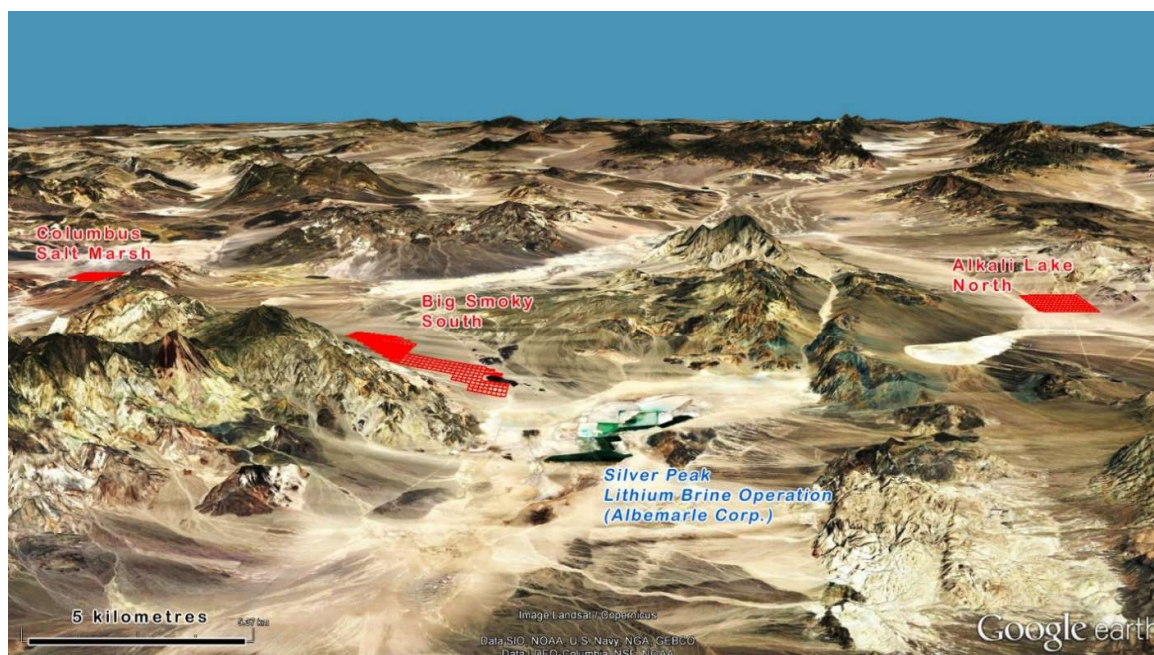
The Company acquired three lithium brine projects located in Nevada, USA (ASX release 22 December 2016, 3 April December 2016). An issue of \$2m worth of RLC shares to the vendors of the projects is planned in the December quarter and will complete the contracted terms of the acquisition.

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.

The combined 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



Project claims shown on 3-D image with 3 times vertical exaggeration.

During the quarter work was conducted in Nevada in preparation for drilling. Applications were made for drill permits and waivers to enable both extraction of test water and future conversion into production wells. Permits were issued for the Columbus Salt Marsh drilling during the quarter (refer ASX release 30/08/2017).

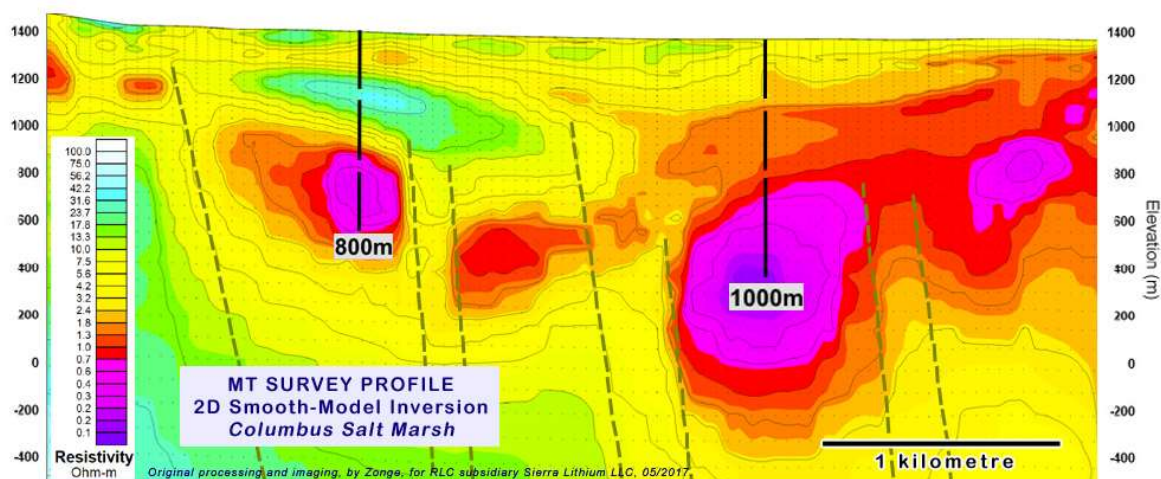
Subsequent to the end of the quarter a permit was received for drilling at the Big Smoky South project (refer ASX release 23/10/2017).

Negotiations with the Company's preferred drill contractor established pricings for two programs: a single core hole to 1,000 metres (US\$1,024,850) and a program of two holes: one to 1,000 metres and one to 800 metres (US\$1,747,611). The drill contractor has confirmed availability of a suitable drill rig for the projects enabling drilling to follow receipt of funds from the proposed capital raising. HQ size core drilling of the brine targets is planned so that the key aquifer formations can be identified in the drill core. Once identified, the aquifers will be tested using a double packer system so that the aquifer can be pumped and water samples collected at surface. This system enables the upper and lower contact of the aquifer to be sealed in the drill hole so that the brine is not contaminated from other sources in the drill hole.

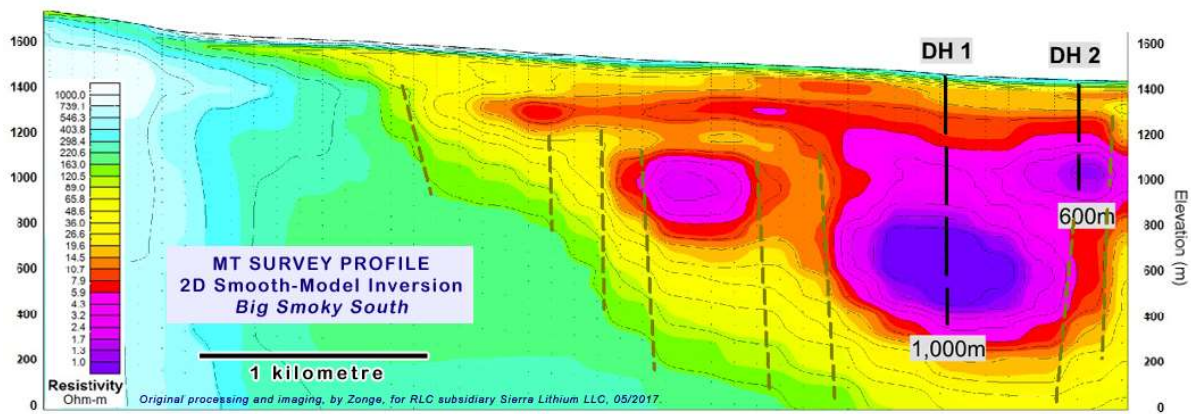
The planned program includes hydrological testing to establish aquifer and brine extraction parameters, brine composition analysis, casing the hole in steel from surface to bottom and well construction, development and testing.

Upon completion of drilling and test-work the Company will have the option of capping the drill hole and maintaining it as a "Monitoring Well". A Monitor Well can be converted to a Producing Well.

The drilling has been designed based on the results of geophysical MT (magneto-telluric) surveys which identified strong brine targets (see ASX Releases 26 & 30 May 2017) based on the very low resistivity readings obtained. The 4 drill holes for which permits have been issued (2 at each of Columbus Salt Marsh and Big Smoky South) are shown on the resistivity sections below. Resistivities of 1 ohm-m or less are considered highly prospective for lithium brines.



The 2 drill holes for which permits have been issued at Columbus Salt Marsh project are shown on the MT (magneto-telluric) survey profile above. In this profile resistivities of less than 1 ohm-m are represented in the colours red, purple and blue (refer to scale on LHS). The deeper drill hole planned is shown targeting the upper 400 metres of the large zone of resistivity less than 1 ohm-m between 600 metres and 1,600 metres depth (shown coloured blue, purple and red in the section).



The 2 drill holes for which permits have been issued at Big Smoky South project are shown on the MT (magneto-telluric) survey profile above. In this profile resistivities of less than 1 ohm-m are represented by the colour blue (refer to scale on LHS). The deeper drill hole planned is shown targeting the 400 metre wide zone of resistivity less than 1 ohm-m between 600 metres and 1,000 metres depth (shown coloured blue in the section).

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.

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.

No field activities were undertaken during the period.

COMMENT

Net cash outflow for the September 2017 quarter was \$168k following payment of \$147k for exploration related costs primarily on the newly acquired Nevada Lithium projects.

At 30 September 2017 RLC had \$35,300 in bank accounts and deposits.

One or more further capital raises are planned to fund drilling lithium brine targets at the Nevada projects. In connection with these capital raisings, the Company will complete its acquisition of these lithium projects by issuing to the vendors \$2m worth of RLC Shares (ASX releases 22/12/2016 & 13/10/2016).

The Company's Annual General Meeting is scheduled to commence at 10.30 am following an Extraordinary General Meeting commencing at 10 am at level 18, 530 Collins Street Melbourne. Directors look forward to meeting those shareholders attending.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Columbus Salt Marsh <i>Lithium</i>	Drilling of brine targets (ground water aquifers)	Dec/Mar Q
Big Smoky South <i>Lithium</i>	Drilling of brine targets (ground water aquifers)	Dec/Mar Q
Alkali Lake North <i>Lithium</i>	Drilling of brine targets (ground water aquifers)	TBD
Burracoppin <i>Iron-ore (magnetite)</i>	Waiting grant of tenement.	TBD
Edward Creek <i>Uranium</i>	Drilling at Victory prospect on hold	TBD
Capital raising	funding for works including drilling of brine targets (indicative amount : more than \$2m)	Dec 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: "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

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 CB-101 to CB-186	NMC 1138099 to NMC 1138179 NMC 1146279 to NMC 1146364	167	1,332 ha
Big Smoky South Project				
MB Claims	MB-53 to MB-68 MB-77 to MB-82 MB-89 to MB-96 MB-101 to MB-228 MB-301 to MB-318 MB-320 MB-322 to MB-340 MB-342 MB-344 to MB-368 MB-370 to MB-382 MB-384 to MB-390 MB-392 to MB-398	NMC 1138180 to NMC 1138327 NMC 1146188 to NMC 1146278	239	1,924 ha
Alkali Lake North Project				
WH Claims	WH-1 to WH-128	NMC 1138328 to NMC 1138455	128	1,033 ha

Tenements changed during the quarter: Nil

Joint ventures changed during period: Nil

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

REEDY LAGGON CORPORATION LIMITED

ABN

40 006 639 514

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13	13
1.2 Payments for		
(a) exploration & evaluation	(147)	(147)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(42)	(42)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	9	9
1.9 Net cash from / (used in) operating activities	(168)	(168)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	23	23
3.6	Repayment of borrowings	(3)	(3)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	20	20

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	183	183
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(168)	(168)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20	20
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	35	35

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4	8
5.2 Call deposits	31	175
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	35	183

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

-

-

Directors fees and salaries are accrued but not paid out until the company has raised sufficient capital to meet its exploration objectives. At 30-Sept-17 approximately \$0.275 million is accrued and payable to directors in respect of prior fees and salaries.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

A proposed capital raising of at least \$2,000,000 is described in a Notice of Meeting dated 8 October 2017 (ASX release 13 October 2017).

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	851*
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	30
9.6	Other (provide details if material)	
9.7	Total estimated cash outflows	

* Subject to capital raising

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date: 30 October 2017

Print name: GEOFF 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.