



For immediate release

16 November 2017

Managing Director's Address Annual General Meeting

During financial year 2017 Reedy Lagoon acquired 3 lithium brine projects in Nevada and identified substantial brine targets for drilling.

The acquisition was structured so that payment for it would be made in shares issued to the vendors at the same time as the Company issued shares to raise not less than \$2 million following the identification of drill targets on the projects.

The Company announced on 9th November 2017 a rights offer of shares at an issue price \$0.025 per share to raise \$3.5 million. Importantly any shares not taken up by shareholders will be placed by Patersons Securities Limited which has underwritten the offer thereby all but ensuring the precondition to the acquisition agreement of raising not less than \$2 million is met.

It is therefore with pleasure that we can start this meeting with the news that the Company looks set to complete the acquisition of the lithium projects having resolved earlier today to approve the issue of shares to the vendors of the lithium brine projects. An event that appears favoured by the stock market on which Reedy Lagoon's shares have been trading at prices that better reflect the value directors see in the Company's lithium brine projects.

Demand for lithium continues to grow as more lithium-ion battery factories are built. Current production is from hard rock sources and from brines. New processing technology has potential to provide opportunities for new processing facilities to be deployed on deposits creating new production with lower costs than existing operations. Our focus is on exploiting potential new processing technologies that may enable lithium extraction and refining from brines. Such technologies may render obsolete the current evaporation ponds used by all existing lithium from brine producers and enable production of battery grade lithium products. These new brine processing technologies seem more suited to processing brines with low levels of deleterious substances such as magnesium, calcium and sulfates which is why Reedy Lagoon has selected brines in Nevada.

The rights offer is expected to close on Friday 8th December with new shares under the offer issued on Monday 18th December 2017. Upon receipt of subscriptions totalling \$2 million the Company will execute a contract with its preferred driller, Boart Longyear, and immediately commence preparations for the expected arrival of the rig on site to commence drilling about 1 month later.

The first hole is planned to drill down to a depth of 1,000 metres and traverse through 100s of metres of brine targets. Drilling will take about 2 months to complete and we will have substantial sample to work with following completion of the hole. This promises to be an exciting period for the Company.

In finishing, I note that over the last twelve months the number of shareholders in Reedy Lagoon has increased from 401 to 581 (up 45%) – to all these new members I extend a welcome on behalf of the Company and I would like to conclude by thanking, on behalf of the board, all shareholders for their continued support.

Geof Fethers
Managing Director