



## **ASX Release**

**ASX Code: RLC**

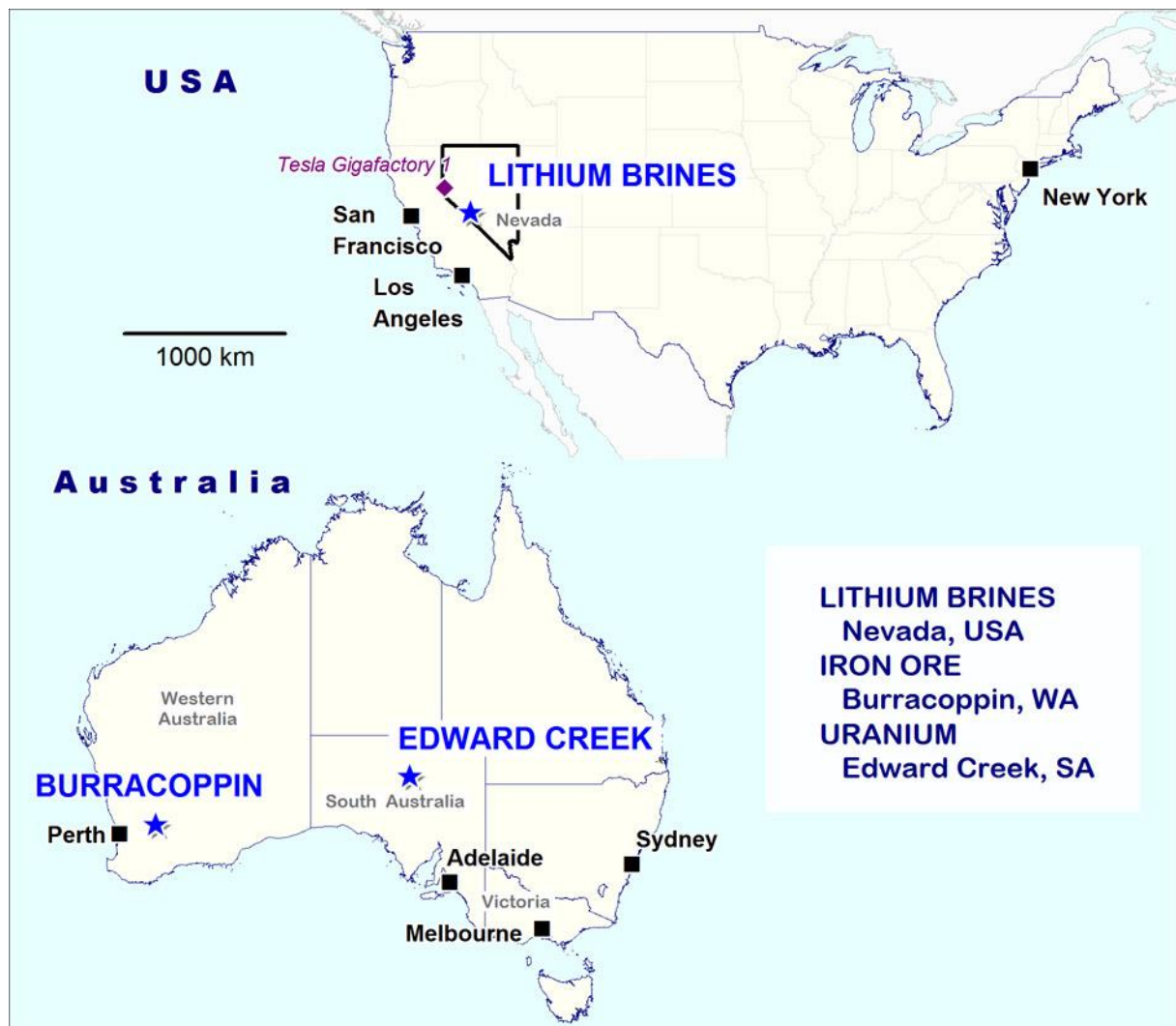
30 January 2018

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### **Quarterly Report for the period ended 31 December 2017**

#### **SUMMARY**

- ❑ Drill rig contracted to drill at Columbus Salt Marsh - expected to commence in late January
- ❑ \$3.5 million subscribed to an Entitlement Offer
- ❑ Acquisition of the Nevada Lithium brine projects completed and permits obtained for drilling



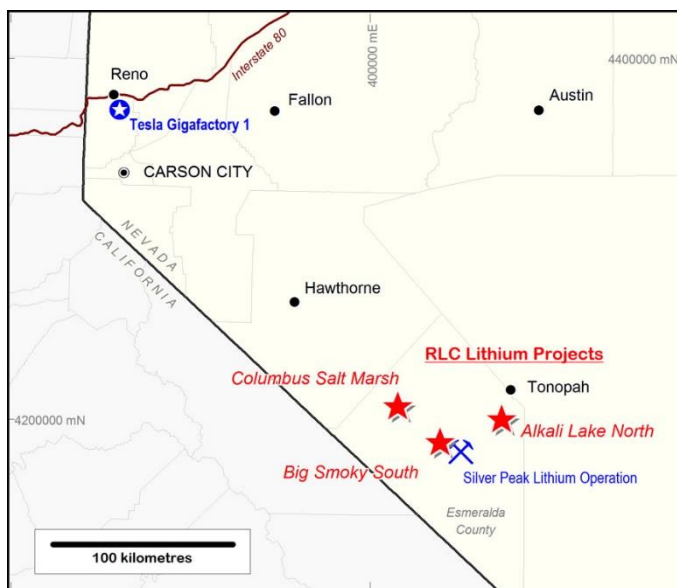
## CURRENT EXPLORATION ACTIVITIES

### Nevada Lithium Brine Projects (Nevada, USA)

### Lithium

Alkali Lake North:	128 claims – 2,554 acres (1,033 ha)
Big Smoky South:	245 claims – 4,677 acres (1,893 ha)
Columbus Salt Marsh:	167 claims – 3,291 acres (1,332 ha)

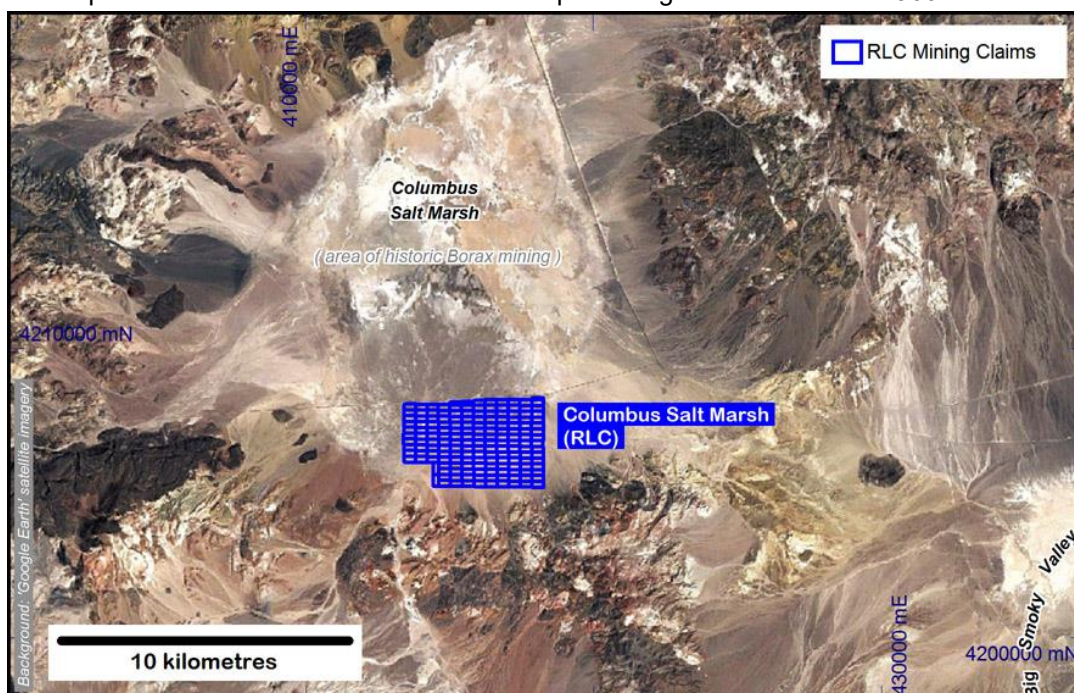
The Nevada lithium brine projects comprise Placer Mining Claims over three projects located in Nevada, USA. Each project is located in a large and separate ground water catchment area (“basin”). Geophysical surveys have identified strong brine targets at each of the projects: Columbus Salt Marsh, Big Smoky South, and Alkali Lake North (see ASX release 17 July 2017).



Regulatory approval to drill two exploration drill holes at each of Columbus Salt Marsh and at Big Smoky South Lithium Brine Projects were granted before and during the period (refer to ASX release 23 October 2017). A permit to pump 6 million litres of water from the Columbus Salt Marsh drill holes for test purposes was granted during the period while a similar application to pump water from the drill holes on the Big Smoky South project was declined pending changes in Nevada’s water regulations which came into effect on January 1, 2018. Applications for replacement drill and water well permits under the new regulations were in preparation at the end of the Quarter.

Drilling is scheduled to commence in late January at Columbus Salt Marsh.

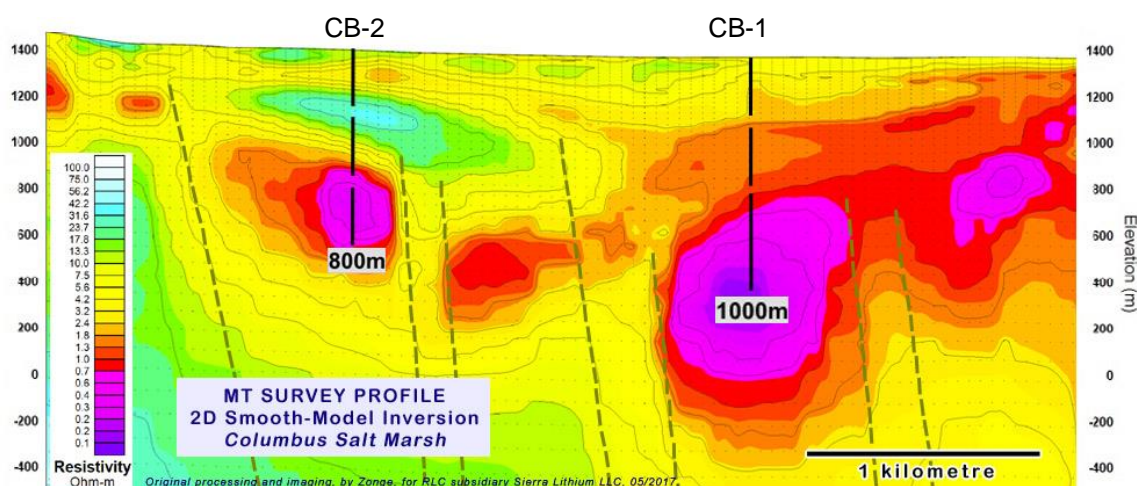
The Columbus Salt Marsh project is located 45 kilometres north west from North America’s largest lithium brine operation at Silver Peak which has been producing lithium since the 1960’s.



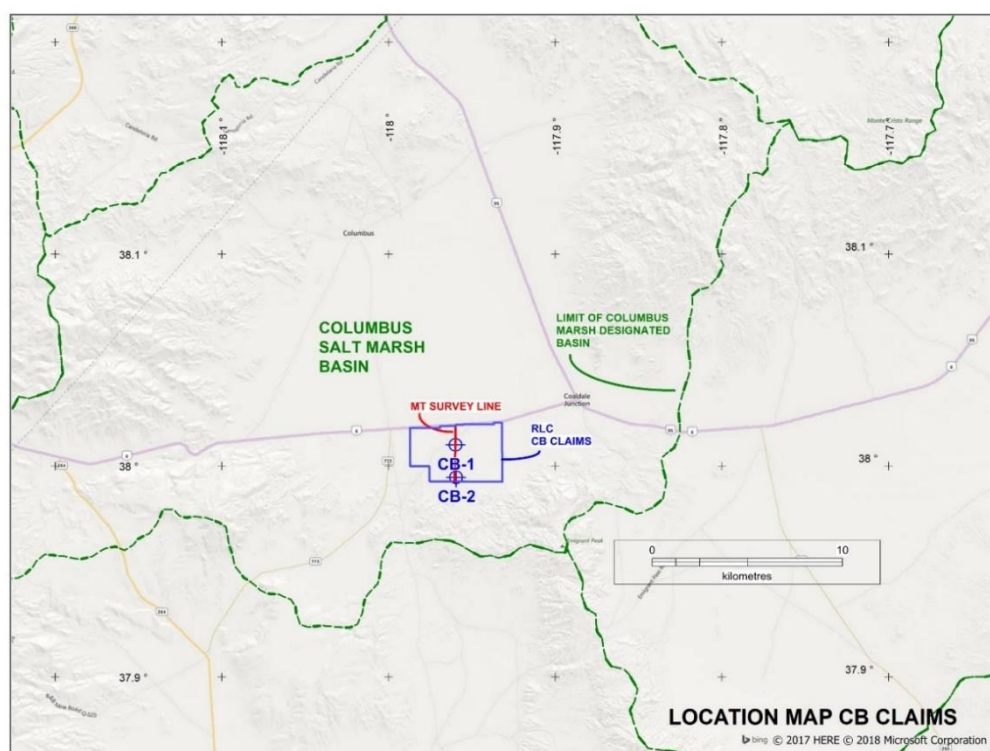


Recent drill results reported by Caeneus Minerals Limited (ASX:CAD) including identifying lithium, potassium and boron rich brines in relatively shallow aquifers in its Columbus Marsh project underscores the prospectivity of the basin. The lithium endowment of the region is also supported by the high lithium and boron grades in outcropping volcanic rocks reported by Global GeoScience Limited (ASX:GSC) at its Rhyolite Ridge project which is located in the hills between our Columbus Salt Marsh and Big Smoky South projects.

Discussions with the Company's preferred drill contractor, Boart Longyear, resulted in a contract being signed shortly after the end of the quarter on 9 January. The drill program at Columbus Salt Marsh will investigate to a target depth of 1,000 metres a highly conductive zone extending from 600 metres to more than 1,000 metres below surface as shown in the MT Survey profile below (*refer ASX release 10 Jan 2018*).



The 2 drill holes for which permits have been issued at Columbus Salt Marsh project are shown on the MT (magneto-telluric) survey as CB-1 and CB-2. 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 planned drill hole (CB-1) 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).



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. It includes an option to case the hole in steel from surface to bottom and well construction should results demonstrate development and further testing is warranted.

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

### **Burracoppin Iron-ore Project (WA)**

### **Magnetite**

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

No field work was conducted during the report period.

### **Edward Creek (SA)**

### **Uranium**

RLC 100% (excluding diamonds) EL 5580 total area 343 km<sup>2</sup>

No field activities were undertaken during the period.

## **COMMENT**

Net cash inflow for the December 2017 quarter was \$2.855 million after raising \$3.5 million (before costs) by the issue of 140.5 million shares on 18 December 2017 under the terms of an Entitlement Offer.

At 31 December 2017 RLC had \$2.773 million in bank accounts and deposits.

The successful capital raise completed in December not only provides funding to commence drilling our lithium brine projects but also enabled the Company to complete its acquisition of the 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, which followed an Extraordinary Meeting, was held on the 16 of November 2017.

## FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Columbus Salt Marsh <i>Lithium</i>	Drilling of brine targets (ground water aquifers)	Mar Q
Big Smoky South <i>Lithium</i>	Drilling of brine targets (ground water aquifers)	TBD
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

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](http://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 and a Certified Professional. Mr Balfe is a consultant to Reedy Lagoon Corporation Limited. 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. 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](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. 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

### Located in USA

#### Tenements (all Placer Claims) at end of quarter

Claim Name	Claim Numbers	Corresponding BLM NMC Number	Total Claims	Total Area
<b>Columbus Salt Marsh Project</b>				
<b>CB Claims</b>	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
<b>Big Smoky South Project</b>				
<b>MB Claims</b>	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 MB-353A, MB-356A MB-376A MB-378A MB- 387A MB-389A	NMC 1138180 to  NMC 1138327 NMC 1146188  to   NMC 1146278 NMC 1161852 to NMC 1161857	245	1,893 ha
<b>Alkali Lake North Project</b>				
<b>WH Claims</b>	WH-1 to WH-128	NMC 1138328 to NMC 1138455	128	1,033 ha

#### Tenements changed during the quarter:

Six MB claims (Big Smoky South Project) were adjusted due to the proximity of a road reserve. This resulted in an increase in the number of claims to 245 and a decrease in area from 1924 ha to 1893 ha.

#### Joint ventures changed during period:

Nil

## 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")**

31 DECEMBER 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	1	14
1.2	Payments for		
	(a) exploration & evaluation	(21)	(169)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(273)	(273)
	(e) administration and corporate costs	(28)	(70)
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)	(25)	(16)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(346)</b>	<b>(514)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
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 ( <i>exploration bonds and deposits</i> )	(117)	(117)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(117)</b>	<b>(117)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,556	3,556
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	(332)	(332)
3.5	Proceeds from borrowings	-	20
3.6	Repayment of borrowings	(23)	(23)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,201</b>	<b>3,221</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	35	183
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(346)	(514)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(117)	(117)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,201	3,221
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,773</b>	<b>2,773</b>



<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	716	4
5.2 Call deposits	2,057	31
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,773</b>	<b>35</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	273
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	

Directors fees and salaries had been accrued but not paid out until the company had raised sufficient capital to meet its exploration objectives. At 30-Sept-17 approximately \$0.275 million was accrued and payable to directors in respect of prior fees and salaries. Following the capital raising all accrued fees and salaries and current quarter fees and salaries were paid.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	2,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>2,150</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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 January 2018

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 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.