



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

# Entitlement Offer

Non-renounceable pro rata entitlement offer of up to approximately 50 million options over ordinary shares in Reedy Lagoon Corporation Limited on the basis of 1 Option for every 8 RLC Shares held by Eligible Shareholders at a subscription price of \$0.02 per Option to raise up to approximately \$1 million. The exercise price of the Option is \$0.08 and the Options are exercisable at any time within 3 years of the issue date.

Application has been made to ASX to list the Options.

Offer closes 5.00pm AEDT on 29 March 2018.

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

This document is a prospectus issued in accordance with Section 713 of the Corporations Act. It 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.

## **Issuer**

Reedy Lagoon Corporation Limited  
ACN 006 639 514  
Level 18, 530 Collins Street  
Melbourne VIC 3000

## **Registry**

Link Market Services Pty Ltd  
Level 1, 333 Collins Street  
Melbourne VIC 3000

## **Website**

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

The Entitlement Offer is not being extended to any RLC shareholder with a registered address outside Australia and New Zealand.

## Important Information

The Prospectus is dated 13 March 2018 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

### Continuous disclosure

The Company is a disclosing entity under the Corporations Act and is therefore subject to regular reporting and disclosure obligations. Information which is already in the public domain has not been reported in this Prospectus other than that necessary to make this Prospectus complete.

### No excluded information

At the date of this Prospectus there is no information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of:
  - a. the assets and liabilities, financial position and performance, profits and losses, and prospects of RLC;
  - b. the rights and liabilities attaching to the Options.

### Copies of Documents available

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an ASIC office. You have a right to obtain a copy of any of the following documents:

- (i) The Company's annual financial report most recently lodged with ASIC by the company;
- (ii) Any half year financial report lodged with ASIC by the company after the lodgement of that annual financial report and before the lodgement of this Prospectus with ASIC;
- (iii) Any continuous disclosure notices given by the company after lodgement of that annual financial report and before the lodgement of this Prospectus with ASIC.

A copy of any of these documents will be provided free of charge to any Eligible Shareholder who asks for it during the Offer Period.

### Not financial advice

This Prospectus is not financial product advice and does not purport to contain all the information that you may require to evaluate a possible application for Options. This Prospectus 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.

### Responsibility for Prospectus

This Prospectus has been prepared by RLC. No party other than RLC has authorised or caused the issue of this Prospectus, or takes responsibility for, or makes any statements, representations or undertakings in this Prospectus. The name of the Share Registry has been included for information purposes only. The Share Registry has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

### 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 Prospectus. Any information or representation that is not in this Prospectus may not be relied on as having been authorised by RLC or its related bodies corporate in connection with the Entitlement Offer.

### 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 Options or Additional Options.

### Expiry date of Prospectus

No Options will be issued on the basis of this Prospectus after its expiry date, being 12 months from the date of this Prospectus.

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13 March 2018

Dear Shareholder,

Reedy Lagoon is seeking funding through a pro rata offer of options. The Options are priced at 2 cents and have an exercise price of 8 cents. The Options are exercisable at any time prior to 5.00pm AEDT on 6 April 2021.

The funds raised through this entitlement offer will enable Reedy Lagoon to undertake further drilling at its lithium brine projects in Nevada, USA with the same rig and driller as being now used. Otherwise there may be delays of some months in securing another rig and driller.

Investment in the options should be viewed as speculative.

Details of the Entitlement Offer are set out in this Prospectus. Please read this Prospectus before responding to the offer.

If you have any questions in respect of the Entitlement Offer please call the RLC Offer Information Line on 1300 880 467 (within Australia) and +61 1300 880 467 (outside Australia) between 8.30am and 5.30pm (AEDT) 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**

## 1. KEY DATES

Prospectus lodged with ASIC and ASX	13 March 2018
Appendix 3B lodged with ASX	13 March 2018
Notice sent to existing optionholders	13 March 2018
Notice sent to Shareholders	14 March 2018
Ex Date for Entitlements	15 March 2018
Record Date for determining Entitlements	7.00 pm AEDT on 16 March 2018
Despatch of Prospectus and Entitlement and Acceptance Forms to Eligible shareholders	20 March 2018
Entitlement Offer opens	21 March 2018
Entitlement Offer closes	5.00pm AEDT on 29 March 2018
Options quoted on a deferred settlement basis	4 April 2018
ASX notified of under-subscriptions	6 April 2018
Issue Date	6 April 2018
Deferred settlement trading ends	6 April 2018
Options commence normal trading on ASX	6 April 2018

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.

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 880 467 (or for callers outside Australia +61 1300 880 467) at any time between 8.30am and 5.30pm Monday to Friday during the offer period, or consult your stockbroker, accountant or other professional adviser.

## 2. DETAILS OF THE OFFER

### Pro rata entitlement offer of Options

Each Option is a right to acquire one RLC Share for an exercise price of \$0.08. Options may be exercised at any time within 3 years of their issue date.

Under the Entitlement Offer, you as an Eligible Shareholder are entitled to apply for 1 Option at a price of \$0.02 per Option ("**Offer Price**") for every 8 RLC ordinary shares held at the Record Date, subject to the terms of the Entitlement Offer. This is called your "**Entitlement**".

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

*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.

Eligible Shareholders are those who:

- (a) are the registered holder of RLC shares at 7.00pm (AEDT) on (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.

#### **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.

#### **Additional Options**

Eligible Shareholders who take up their Entitlement in full may also apply for Options in excess of their Entitlement ("**Additional Options**"). However, Additional Options will only be allocated to Eligible Shareholders if there are sufficient Options from Eligible Shareholders who do not take up their full Entitlement or from Options that would have been offered to ineligible shareholders if they had been entitled to participate in the Entitlement Offer, and any allocation 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 Options will be allocated all or any of those Additional Options. If an application for Additional Options is not accepted, the surplus Application Monies will be refunded, without interest, payable to the applicant, on or around 6 April 2018.

#### **Shortfall Placement**

To the extent Entitlements are not taken up and are not issued as Additional Options (such number of Options being the "**Shortfall**") RLC may issue the Shortfall to professional investors or sophisticated investors at \$0.02 per Option ("**Shortfall Placement**").

#### **No minimum or underwriting**

There is no minimum amount to be raised under the Entitlement Offer and the Shortfall Placement. The Entitlement Offer is not underwritten.

#### **Quotation by ASX**

RLC has applied to the ASX for quotation of the Options. If the ASX accepts our application, quotation of the Options will commence on a deferred settlement basis on 4 April 2018.

If any Options are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those Options and will refund the Application Moneys in respect of those Options to you without interest within the time prescribed by the Corporations Act.

### **3. HOW TO APPLY**

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

Before investing in Options or Additional Options you should carefully read and understand the publicly available information on RLC and the Entitlement Offer, including this Prospectus, RLC's Annual Reports, the Half Year Results 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). 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.

## **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.

## **APPLY FOR PART OR ALL OF YOUR ENTITLEMENT**

If you want to take up all or part of your Entitlement or apply for Additional Options, 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 Options 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 Options 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 1 Option for every 8 RLC shares you held as at the Record Date of 7.00pm (AEDT) on 16 March 2018 rounded up to the nearest whole 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 a separate Entitlement 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 (AEDT) on 29 March 2018, you will be issued your Options on 6 April 2018. If you apply for Additional Options, then subject to RLC's absolute discretion to scale-back your allocation of Additional Options (in whole or part), you will also be issued Additional Options on 6 April 2018.

RLC reserves the right (in its absolute discretion) to reduce the number of Options 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 Options or Additional Options.

## **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 Options and Additional Options (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 \$0.02 multiplied by the number of Options and Additional Options (if any) that you are applying for; 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 (AEDT) on 29 March 2018. 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 Options and Additional Options (if \$1.00 or more) will be refunded on or around 6 April 2018. 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.

#### **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 (AEDT) on 29 March 2018, 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.

#### **MAIL OR DELIVERY**

To participate in the Entitlement Offer, your payment must be received by no later than 5.00pm (AEDT) on 29 March 2018. If not paying by BPAY®, your completed Entitlement and Acceptance Form, together with application monies, should be mailed to:

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

## **4. Reason for the Offer**

RLC has 3 lithium brine projects in Nevada, USA. Each project has strong lithium brine targets.

It is currently drilling one of its lithium brine targets at its Columbus Salt Marsh project.

In order to retain the drill rig and drill crew for drilling another of RLC's lithium brine targets, RLC needs to contract the driller for further drilling, which requires RLC to have funds to cover the costs of that further drilling. In the absence of securing the continuing use of the current drill rig and crew, RLC's drilling program may be delayed for several months.

## **5. The effect of the Offer on the Company**

#### **Effect on shareholders' equity and cash reserves**

If all Options offered under the Offer are issued, the principal effect of the Offer on the Company will be to:

- increase the number of Options on issue (see below); and
- increase the Company's cash reserves by approximately \$995,038 before taking into account the expenses of the Offer.



A pro forma statement of financial position, which contains further information about the effect of the Offer on the Company, is provided below.

### Effect on capital structure

If all Options offered under the Offer are issued, the effect of the Offer on the Company's capital structure at the date of the Prospectus is shown in the following table:

<b>SHARES</b>	
Existing shares	398,015,288
Shares issued under this Prospectus	0
<b>Total shares of on issue after completion of the Offer</b>	<b>398,015,288</b>
<b>OPTIONS</b>	
Series 1 options (existing) <sup>1</sup>	800,000
Series 2 options (existing) <sup>2</sup>	800,000
Series 3 options (existing) <sup>3</sup>	900,000
Options issued under this Offer	49,751,911
<b>Total Options on issue after completion of the Offer</b>	<b>52,251,911</b>

1. The Series 1 options have an exercise price of 1.10 cents and an expiry date of 31 December 2018. Upon exercise the holder will be issued a fully paid RLC Share ranking equally with the then issued RLC Shares.
2. The Series 2 options have an exercise price of 1.33 cents and an expiry date of 31 December 2019. Upon exercise the holder will be issued a fully paid RLC Share ranking equally with the then issued RLC Shares.
3. The Series 3 options have an exercise price of 3.75 cents and an expiry date of 31 December 2020. Upon exercise the holder will be issued a fully paid RLC Share ranking equally with the then issued RLC Shares.

### Pro-forma balance sheet

To illustrate the effect of the Offer on the Company, a pro forma balance sheet has been prepared based on the unaudited balance sheet as at 31 December 2017. The pro forma balance sheet shows the effect of the Offer as if it had been made on 31 December 2017 based on the following assumptions:

- The issue of 49,751,911 Options under the Offer at an issue price of 2 cents each to raise \$995,038.
- Expenses of the Offer of \$37,000.

	<b>Non-Audited Balance Sheet</b>	<b>Pro-forma Adjustments</b>	<b>Pro-forma Balance Sheet</b>
	<b>31 December 2017</b>		<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	2,926,121	958,038	3,884,159
Total liabilities	218,841	0	218,841
Net assets	2,707,280	958,038	3,665,318
<b>Equity</b>			
Issued Capital and Reserves	20,930,855	958,038	21,888,893
Accumulated losses	(18,233,575)		(18,233,575)
Total equity	2,707,279	958,038	3,665,318

**Note:** the table does not reflect the current cash position of RLC. Since 31 December 2017 the Company has commenced a drill program with a budget of \$2.4m (including the costs of converting the drill hole into a monitoring well if justified by results).

## **Potential effect on control**

The Options have no participating rights or entitlements until exercised. It is only upon exercise of the Options and the issue of Shares that rights such as voting rights arise.

The effect of the Offer on the capital structure is set out above under the heading “Effect on capital structure”. If all the Options are issued under the Offer they will represent approximately 11.11% of the capital of the Company on a fully diluted basis at the date of this Prospectus. The Offer is pro rata to existing shareholders.

By reason of the above, the Offer should not have any material effect on the control of the Company.

## **6. Rights attaching to Options and to RLC Shares**

### **Rights attaching to the Options**

The terms of the issue of the Options are:

- The Options will be issued for a subscription price of \$0.02 each.
- Each Option entitles the holder to one fully paid RLC Share.
- The Exercise Price of an Option is \$0.08.
- Options are exercisable at any time prior to 5.00pm AEDT on 6 April 2021 (Expiry Date).
- Options are freely transferable. The Company has applied for quotation of the Options on ASX.
- RLC will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing a Notice of Exercise and delivering it together with payment of the Exercise Price for the number of Options exercised to the Registrar so that it is received prior to the Expiry Date.
- Upon the exercise of an Option and receipt by RLC of all relevant documents and payment of the Exercise Price, the holder will be issued a fully paid RLC Share ranking equally with the then issued RLC Shares.
- There are no participating rights or entitlements inherent in the Options and a holder will not be entitled to participate in new issues of capital which may be offered to RLC Shareholders during the currency of the Options. However RLC will notify the holder of a proposed issue and the holder can exercise their Options if they wish to participate in any such issue.
- If there is a bonus issue of RLC shares (Bonus Issue) the number of RLC Shares to be issued to a holder upon exercise of their Options will thereafter be increased by the number of RLC Shares that the holder would have received if those Options had been exercised before the Record Date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up out of profits or reserves in the same manner as was applied in the Bonus Issue and upon issue will rank equally in all respects with the other RLC Shares on issue as at the date of issue of the Bonus Shares.
- If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of RLC prior to the Expiry Date the rights of the holder of Options will be changed in a manner consistent with the Listing Rules.

### **Rights attaching to underlying securities (RLC Shares)**

The securities underlying the Options are RLC Shares.

The rights attaching to ownership of RLC Shares are:

- (a) set out in the Company’s constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The rights and liabilities attaching to an RLC share are those generally applying to fully paid ordinary shares in a public company listed on the ASX and there are no material unusual rights or liabilities attaching to RLC Shares.

## **7. Key Risks**

### **Introduction**

Careful consideration should be given to the risk factors prior to applying for Options.

An investment in the Options is speculative because the Company has not yet discovered a lithium resource.

The investment is in an option to acquire an RLC share – whether an investment in an Option provides a return will depend on the price realised upon sale of the Option or, if exercised, by whether the holding or sale of the RLC Share acquired upon exercise provides a return having regard to the amount paid to acquire and exercise the Option. There is no guarantee that the market value of an Option will exceed the Issue Price or that the market price of an RLC share will exceed 10 cents.

### **Company and Industry Risks**

#### **Risk of no Mineral Resource being identified.**

At all 3 Nevada Lithium Brine Projects 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 aquifers containing lithium rich brines and the lithium content of any such aquifers cannot be ascertained without drilling and testing.

The proposed exploration programmes may not result in the hoped-for exploration success. Mineral exploration by its nature is a high risk endeavour and consequently there can be no assurance that exploration of the project areas, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Exploration and development costs will reduce the cash reserves of RLC. If cash reserves are not replaced through the discovery and sale or successful development of mining operations, RLC would need to seek further capital, through equity, debt or joint venture financing, to support further exploration and evaluation of its projects.

#### **Risks affecting production**

Production of lithium from lithium brines requires the extraction of the brines from aquifers. Production therefore requires that water rights be held enabling a sufficient quantity of brines to be extracted for processing.

It is unlikely that sufficient water rights will be available in relation to any of the Projects to enable processing lithium brines by evaporation. However processing of lithium brines by direct extraction and returning the treated brines to the aquifers should mean that only a relatively small net water allocation will be required to produce commercial quantities of lithium.

The use of direct extraction to process the brines may be adversely affected or not possible by the presence of chemicals such as magnesium and calcium in the brines.

There is accordingly a risk that production of lithium may not be commercial at a project notwithstanding high lithium content because:

- Direct extraction of lithium from the brines at the project may not be practical because of the chemical composition of the brines;

- Return of treated brines to the aquifers at the project may not be possible;
- Sufficient water rights required for a commercial operation may not be obtainable.

In addition, the form and structure of the aquifer in the place it is accessed must enable the lithium brines to be extracted in sufficient quantities to enable commercial production.

### Permits Required for Drilling

Permits are required in Nevada for the various stages of drilling and test work. There is no certainty that the various permits will be granted or that they will be granted in a timely manner. In so far as current operations are affected these include:

- **Bureau of Land Management (BLM)** – a permit is required for any disturbance to the surface of the land such as making roads and drill pads, or using mechanised equipment. Providing disturbance is less than five acres (2.023 ha) a permit can be issued within a statutory period of fifteen days. A reclamation bond will be calculated by BLM and this bond must be lodged with the Nevada Department of Minerals (NDOM). BLM may direct that certain surveys such as flora and fauna and ethnographic surveys are carried out. In any event, it is the responsibility of the operator to ensure that it is not in breach of the requirement for these types of surveys.

*(In relation to its Columbus Salt Marsh project, the Company has been granted BLM permit N-95705 for ground disturbance including preparation of access tracks, clearing of two drill sites and the drilling of two boreholes. The permit can be amended to allow for additional boreholes providing disturbance remains less than five acres (2.023 ha). The Company currently holds reclamation bond NVB.000493 with NDOM for disturbance to the amount of US\$53,997 for this project. In relation to its Big Smoky South project BLM permit N-95763 has been granted and this allows the construction of access tracks to the two currently planned boreholes and other disturbance associated with the drilling process. Reclamation bond NVB.000493 held by NDOM includes an amount of US\$64,301 for this project. On March 1 BLM advised approval of the Company's plan to drill a single hole at the Alkali Lake North project and the Company has 60 days from approval to lodge the necessary reclamation bond of US\$44,026.)*

- **Nevada Department of Minerals (NDOM)** – before drilling can take place for dissolved minerals such as lithium a permit is required from NDOM that approves the borehole or well design. This approval includes the right to extract up to five acre-feet of water (6.2 million litres) from the project area for test purposes.

*(RLC has been granted permits for exploration boreholes for Dissolved Mineral Resources for the 2 holes planned at its Columbus Salt Marsh project (refer ASX release 2 February 2018) and has lodged applications for permits for its planned drill holes at its Big Smoky South project. Once the Company has lodged the required reclamation bond for drilling at Alkali Lake North project, it will apply to NDOM for a permit for an exploration borehole for Dissolved Mineral Resources.)*

- **Nevada Department of Environment Protection (NDEP)** – NDEP will review the operator's permit applications and it may require that other steps are taken to mitigate environmental impacts.
- **Nevada Department of Water Resources (NDWR)** – if it is required to extract more than five acre-feet (6.2 million litres) for consumptive purposes including lithium extraction, a Water Rights permit will be required. Water rights to Clayton Valley, Columbus Salt Marsh and Alkali Lake are currently fully allocated. However, where those rights are not being used it is possible to obtain subordinate rights to consume water.

### Constraints on Drilling Activities

There is a risk that the carrying out of any drilling 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.

### **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.

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 mining activities would result in the destruction of an item of cultural heritage significance.

### **General Investment Risks**

#### **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 Options are listed on ASX, the price of the Options may fall as well as rise. Many factors will affect the price of RLC Shares and the Options including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally.

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.

#### **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.

## **8. Additional Information**

#### **Continuous Disclosure**

We lodged our latest annual report with ASX on 2 October 2017. Since then we have made the following announcements to ASX, shown in the table below.

13 October 2017: Notice of meeting AGM and Notice of meeting EGM  
 23 October 2017: RLC Obtains Drill Permit for Big Smoky South Lithium Brine Project  
 30 October 2017: Quarterly Report for the period ended 30 September 2017

6 November 2017: Request for trading halt  
 9 November 2017: RLC rights issue at 2.5 cents to raise \$3.5 million  
 9 November 2017: Investor presentation – Advancing lithium brine projects in Nevada  
 9 November 2017: Revised Timetable for RLC Offer  
 9 November 2017: s708AA  
 9 November 2017: RLC rights issue at 2.5 cents to raise \$3.5 million  
 9 November 2017: Appendix 3B  
 16 November 2017: Managing Director’s Address Annual General Meeting  
 16 November 2017: Shareholder approval given. Entitlement Offer opens 24 November  
 16 November 2017: Confirmation of resolutions passed at AGM  
 17 November 2017: Letter to foreign shareholders: Non-renounceable Rights Offer  
 17 November 2017: Letter to shareholders: RLC rights issue at 2.5 cents to raise \$3.5 million  
 24 November 2017: RLC Entitlement Offer opens today  
 24 November 2017: Offer booklet  
 15 December 2017: Appendix 3B  
 18 December 2017: s708AA  
 18 December 2017: \$3.5m capital raise completed  
 28 December 2017: Response to trading enquiry  
 2 January 2018: Appendix 3Y for Hamer, Fethers, Griffin  
 10 January 2018: Reedy Lagoon (ASX:RLC) to drill for lithium brine in Nevada  
 30 January 2018: Quarterly Report for the period ended 31 December 2017  
 2 February 2018: Reedy Lagoon (ASX:RLC) commences Columbus Salt Marsh drilling  
 8 March 2018: Drilling Approaching Target at Columbus Salt Marsh

## Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last 2 years, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer;

and no amounts have been paid or agreed to be paid by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company.

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the RLC Shares and existing options of the Company as set out in the table below. Interests include those held directly or indirectly.

The Directors will be entitled to participate in the Offer and have each advised the Company they intend to subscribe for their Entitlement. The table below includes the Options that the Directors may subscribe for under the Offer.

Director	RLC Shares	Options Expire 31/12/2018 Exercise price 1.1c	Options Expire 31/12/2019 Exercise price 1.33c	Options Expire 31/12/2020 Exercise price 3.75c	Entitlement Options
Jonathan Hamer	12,207,245	500,000	500,000	500,000	1,525,906
Geoffrey Fethers	30,869,492	300,000	300,000	300,000	3,858,687
Adrian Griffin	33,141,209	100,000	-	-	4,142,651

## Notes:

- Adrian Griffin sold his shares in Lithium Nevada Pty Ltd to the Company in exchange for 20,000,000 RLC Shares as part of RLC’s acquisition of 3 lithium brine projects in Nevada, USA. The transaction was approved by shareholders on 16 November 2017.
- Directors receive options each year under an employee share plan approved by RLC shareholders at each AGM. The options are prices at not less than 30% above market in the month before issue. The

number of options issued to each director each year are: J Hamer: 300,000; G Fethers 500,000; and A Griffin 100,000.

3. The Directors could exercise some or all of their existing options prior to the Record Date in which case the number of their Entitlement Options in the above table would increase.

### Directors' remuneration

Director	Cash Remuneration last 2 years 14/03/2016 to 13/03/2018	Shares last 2 years 14/03/2016 to 13/03/2018	Options last 2 years 14/03/2016 to 13/03/2018
Jonathan Hamer	80,000	nil	600,000
Geoffrey Fethers	216,810	2,846,864	1,000,000
Adrian Griffin	70,000	1,153,187	200,000

#### Notes:

1. The annual fee/salary for directors is J Hamer \$40,000; G Fethers \$144,540 including statutory superannuation; and A Griffin \$40,000. Directors can elect to take their remuneration as RLC Shares up to a maximum of 8 million shares for all Directors in 12 months (approved at each AGM).
2. The options are explained in Note 2 above.

Other than fees to be paid to Link Market Services for registry services in connection with the Offer, no expert, promoter or any other person named in this prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons had a material interest or is or was associated with, has now or has had, in the period of 2 years ending on the date of this prospectus, any interest in, or has been paid or is entitled to be paid for any services rendered by that person in connection with:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer.

### Expenses of the Offer

The expenses connected with the Offer payable by the Company are estimated at approximately \$37,000. These estimated expenses include legal fees, ASX and ASIC fees and other miscellaneous expenses directly attributable to the Offer.

### Offer Jurisdictions

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.

This Prospectus 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.

#### **(a) 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. This document may not contain all the important information that an investment statement or a prospectus under New Zealand law is required to contain.

No member of the public in New Zealand is being offered Options other than existing holders of ordinary shares in RLC.

This offer is made in both Australia and New Zealand and is regulated under the securities legislation of Australia. The securities legislation of New Zealand does not generally apply to the offer made in New Zealand. However, sections 35 (restrictions on door to door sales), 38B (prohibition of advertisements), and 58 (criminal liability for misstatement in advertisement or registered prospectus) of the Securities Act 1978 do apply to the offer made in New Zealand. Under the agreement between Australia and New Zealand in relation to mutual recognition of securities offerings, both the New Zealand Securities Commission and ASIC have enforcement responsibilities relating to this offer. In the first instance, you should make any complaint to the New Zealand Securities Commission who will pass on your complaint to ASIC if necessary. New Zealand investors should satisfy themselves as to the tax implications of investing in these securities and should be aware that investing in Australian securities may involve a currency exchange risk.

#### **(b) United States**

This Prospectus 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 Options 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.

#### **Future Performance**

This Prospectus 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 Options or Additional Options 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.

#### **Option holders**

Holders of existing options over RLC Shares 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
- become a registered holder of RLC shares at 7.00 pm (AEDT) on the Record Date.

#### **Governing Law**

This Prospectus, 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 Options submits to the jurisdiction of the courts of Victoria, Australia.



## 9. Glossary

Word	Meaning
Additional Options	Options applied for by RLC shareholders in addition to their Entitlement
AEDT	Australian Eastern Daylight Time
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the stock exchange operated by ASX Limited
The Company or RLC	Reedy Lagoon Corporation Limited
Corporations Act	Corporations Act 2001 ( C'wth)
Eligible RLC shareholder	An RLC shareholder on the Record Date with a registered address in Australia or New Zealand
Entitlement	The number of Options for which you have the right to apply under the terms of the Offer
Entitlement and Acceptance Form	The personalised form accompanying this Prospectus which details your entitlement for your holding.
Exercise Price	The price to be paid to exercise an Option ( \$0.08)
Issue Price/ Offer Price	The price to acquire an Option under the Offer (\$0.02)
Listing Rules	The listing rules of ASX
Offer or Entitlement Offer	The offer of Options made under this Prospectus
Options or Entitlement Options	The options over RLC Shares offered under this Prospectus
Prospectus	The Prospectus for the Offer prepared in accordance with s.713 of the Corporations Act
Record Date	The date on which your holding of RLC Shares is measured to calculate your Entitlement (7.00 AEDT on 16 March 2018)
RLC Share	A fully paid ordinary share in the capital of RLC
RLC shareholder	A shareholder of RLC
Shortfall	The number of Options in Entitlements not taken up by Eligible RLC shareholders plus the number of Options that would have been offered to ineligible shareholders if they had been entitled to participate in the Offer less the number of Additional Options allotted by RLC.
\$	Australian dollars

## 10. Directors' authorisation and consent

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to the lodgement of this Prospectus with ASIC in accordance with the terms of Section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 13 March 2018

Signed for and on behalf of Reedy Lagoon Corporation Limited  
By Geoffrey Fethers  
Managing Director