REEDY LAGOON CORPORATION LIMITED

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Dear Shareholder

14 March 2018

RLC rights issue of options at 2 cents to raise $1 million.

RLC proposes to make a non-renounceable pro rata entitlement offer of Options over RLC ordinary shares to raise approximately $1 million for further drilling of its lithium brine targets in Nevada, USA.

The Options will be offered at 2 cents per Option. Each Option has an exercise price of 8 cents and is exercisable at any time within 3 years of their issue date. Application has been made to ASX to list the Options.

Eligible RLC shareholders will have an entitlement to acquire 1 Option for every 8 RLC Shares held on the Record Date. The Record Date for Entitlements is 7:00 PM (AEDT) on Friday 16 March 2018. Existing RLC shares will trade ex-Entitlement from Thursday 15 March 2018.

Eligible RLC shareholders will be able to apply for additional Options which may be issued if not all Entitlements are taken up. The issue to an eligible RLC shareholder of any additional Options is subject to any allocation policy and scale-back that RLC may apply in the absolute discretion of RLC.

The indicative timetable for the Entitlement Offer is:

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 RLC 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 RLC 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 of Options	6 April 2018
Deferred settlement trading ends	6 April 2018
Options commence normal trading on ASX	6 April 2018

A Prospectus for the Offer has been lodged with ASIC and ASX and is available on the ASX website. The Prospectus together with a personalised Entitlement and Acceptance Form will be mailed to Eligible RLC shareholders on Tuesday 20 March 2018.

From Wednesday 21 March 2018 an electronic copy of the Prospectus and your personalised Entitlement and Acceptance Form will be available for download by visiting http://www.reedylagoon.com.au/ and clicking on the "Offer Website" button and using your holding details to verify your eligibility. You may also request that the Prospectus and your personalised Entitlement and Acceptance Form be emailed or mailed to you by contacting the RLC Offer Information Line on 1300 880 467 (within Australia) or +61 1300 880 467 (outside Australia). The RLC Offer Information Line will be open from 20 March 2018 between 8:30am and 5:30pm Monday to Friday.

Important Details about the Entitlement Offer

Only shareholders with a registered address in Australia or New Zealand are eligible.

Holders of existing options over RLC Shares must exercise their options before the Record Date in order to have an entitlement in respect of the shares issued upon exercise.

Entitlements will be rounded up to the next whole number of Options.

Up to approximately 50,000,000 Options will be issued under the Offer (representing upon exercise 11.1% of share capital immediately post issue of the Options). Following the exercise of this number of Options RLC will have approximately 448,000,000 ordinary shares on issue.

No shareholder approval is required for the issue of Options under the Offer. RLC has applied for quotation of the new shares on ASX. The RLC share issued upon exercise of an Option will rank equally in all respects to existing ordinary shares in RLC.

The Offer is 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.

To be eligible to acquire Options under an Entitlement and apply for additional Options at the offer price of 2 cents, you must be registered as a shareholder of RLC with an address in Australia or New Zealand by 7.00pm AEDT on Friday 16 March 2018.

Geof Fethers, Managing Director
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reedylagoon.com.au