Reedy Lagoon Corporation Limited
ABN 41 006 639 514

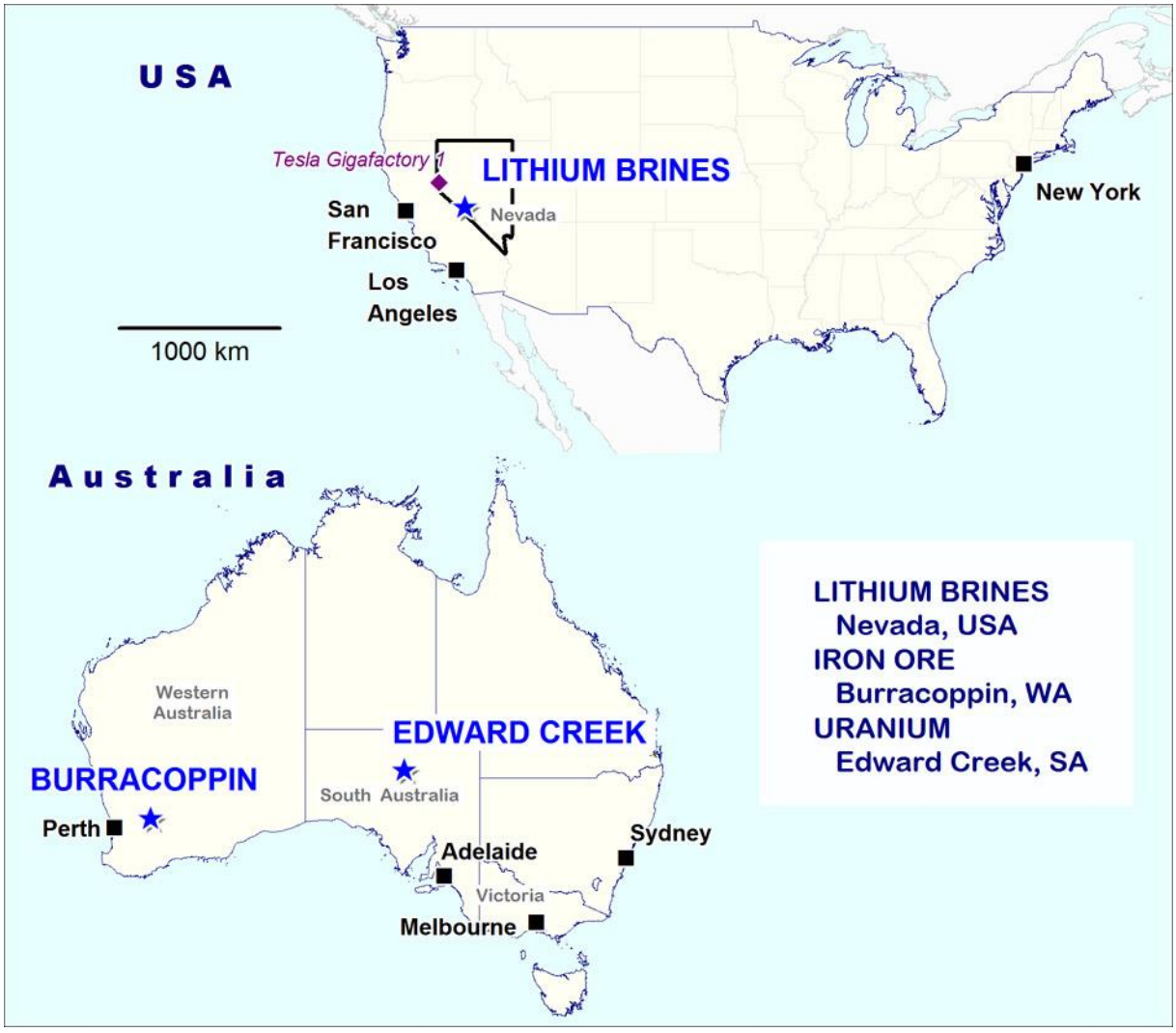
ASX Release
ASX Code: RLC

30 October 2018

Quarterly Report for the period ended 30 September 2018

HIGHLIGHTS

- 3D magnetotelluric ("3D-AMT") surveys completed on Clayton Valley and Alkali Lake North projects
- Brine targets identified in 3D-AMT surveys on both Clayton Valley and Alkali Lake North projects

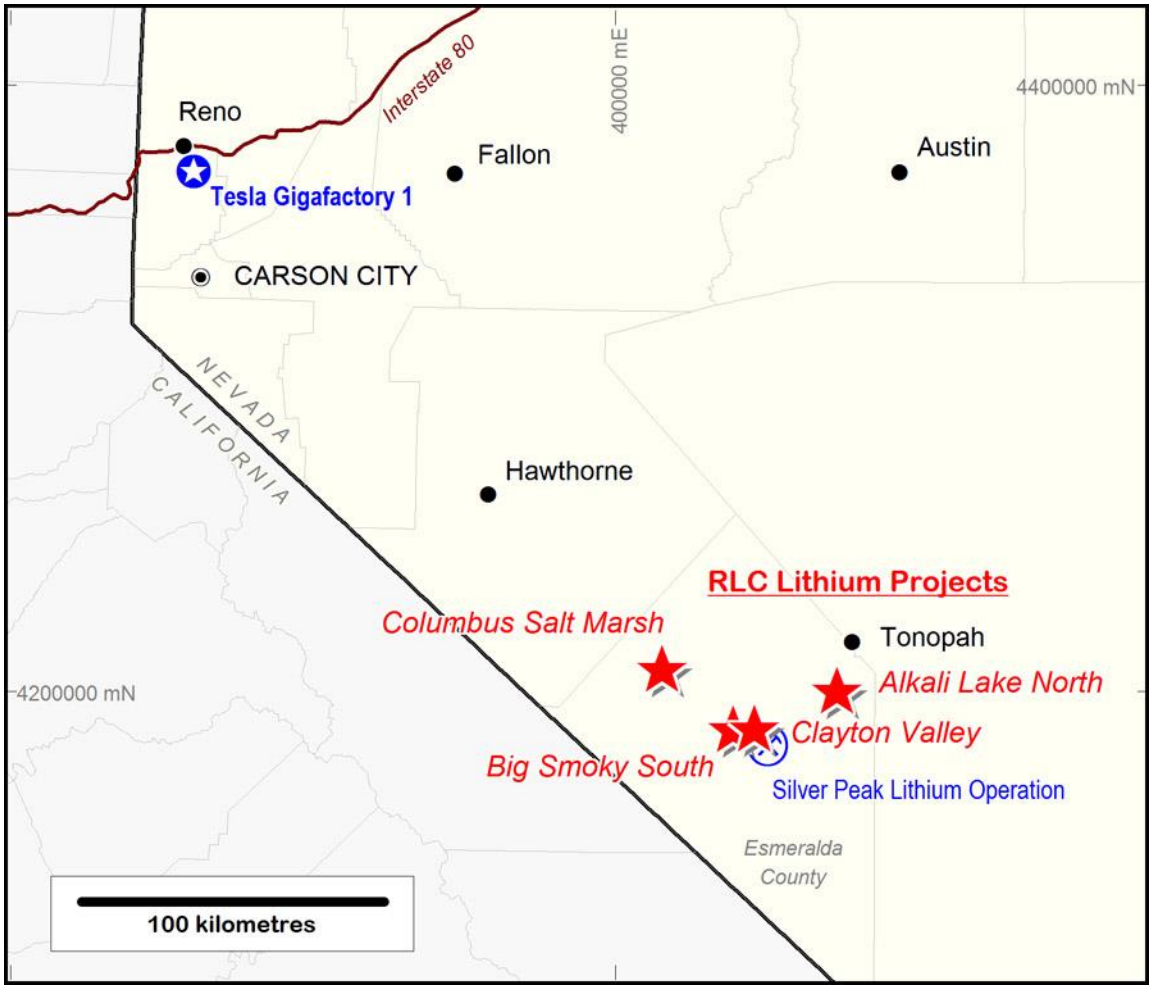


CURRENT EXPLORATION ACTIVITIES

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)
Clayton Valley:	112 claims –	2,240 acres	(906 ha)
Columbus Salt Marsh:	167 claims –	3,291 acres	(1,332 ha)

The Nevada lithium brine projects comprise four projects: Columbus Salt Marsh, Big Smoky South, Clayton Valley and Alkali Lake North. The projects are located in 3 large and separate ground water catchment areas in Nevada, USA. The projects are all within 50 kilometres of the Silver Peak Lithium brine operation owned by Albemarle Corp. which is located 360 kilometres by road (US-95 route) from the Tesla Gigafactory (Lithium-ion batteries) in Reno.



CLAYTON VALLEY PROJECT

3-dimensional audio magnetotelluric (3D AMT) survey was conducted over the project during the period. The project area is shown in figure 1 and the 3D AMT survey stations are shown in figure 2 (refer ASX releases 16 July 2018, 18 August 2018).

Figure 1. Project area locations. 3D AMT surveys were conducted over the Clayton Valley and Alkali Lake North project areas.

3D AMT surveys measure electromagnetic responses which can be processed and interpreted to indicate the presence and location of conductive zones which have potential to be caused by salty water (brine) in the ground. In an area where the presence of lithium is known, either dissolved in ground water or in minerals occurring in rocks or sediments, it can be the case that the higher the salt content of a ground water the higher is the concentration of lithium in that water. Under these conditions and because conductivity of a ground water is correlated with salt content (the higher the salt content the higher is its conductivity), high conductivity is a positive indication for higher lithium concentration in that water. Other factors however can operate to reduce the amount of lithium in brine notwithstanding the presence of lithium sources. For example, lithium may be removed from a brine by precipitation of lithium minerals and or deposition of lithium ions, in clays.

Processing and interpretation of the 3D AMT data recovered from the project indicate a substantial tabular conductive body the top of which is at a depth of 250 metres and having a vertical thickness of approximately 200 metres. The Company interprets the conductive body to potentially comprise a 200 metre thick interval of sediments containing multiple brine filled aquifers. The geophysicist has

estimated the volume of this conductive body to be one cubic kilometre. Importantly, we see similarities between the geology indicated in our 3D AMT survey with the geology that has been determined and reported for the Silver Peak lithium brine production area located a few kilometres to the south east.

The Company is not aware of any previous drilling on the property that has tested this target.

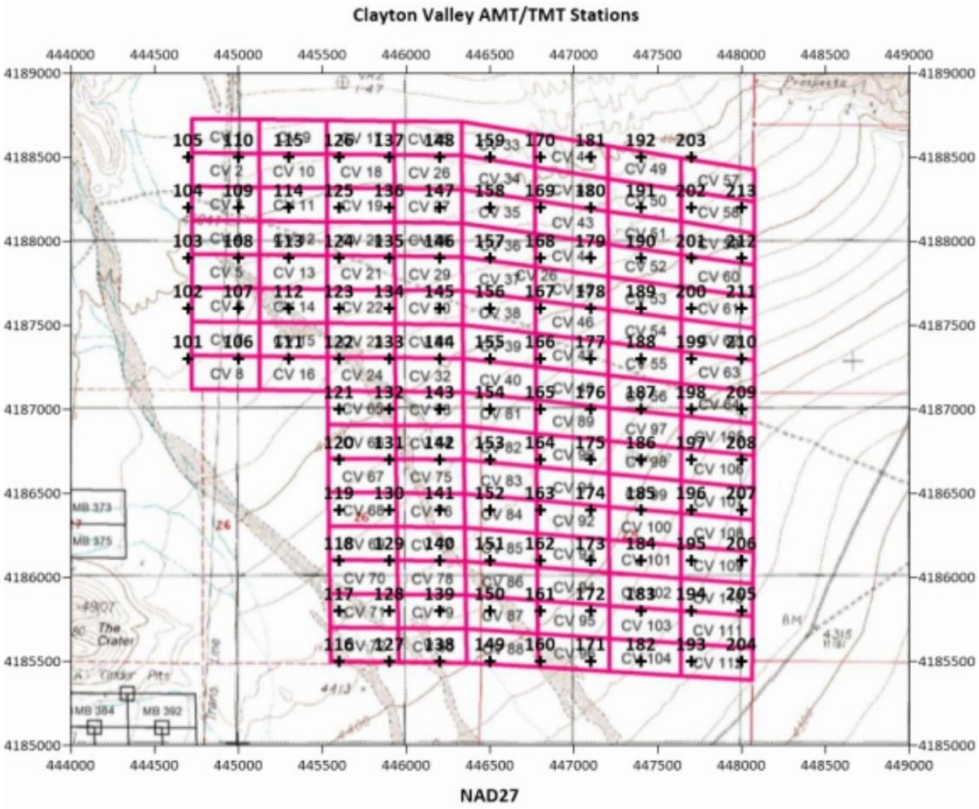


Figure 2. Placer Claims comprising RLC's Clayton Valley project area. 3D AMT Survey Stations are shown as black crosses ("+").

ALKALI LAKE NORTH PROJECT

3- dimensional audio magnetotelluric (3D AMT) survey was conducted over the project during the period. The project area is shown in figure 1 and the 3D AMT survey stations are shown in figure 3 (refer ASX release 28 August 2018).

The results indicate a linear conductive body extending more than 2,000 metres horizontally at a depth of about 500 metres adjacent to a major fault. The conductive body is indicated in the 3D-AMT data to have a vertical thickness of over 100 metres. The Company interprets the conductor to be potentially caused by multiple brine aquifers within sediments over a vertical interval of more than 100 metres.

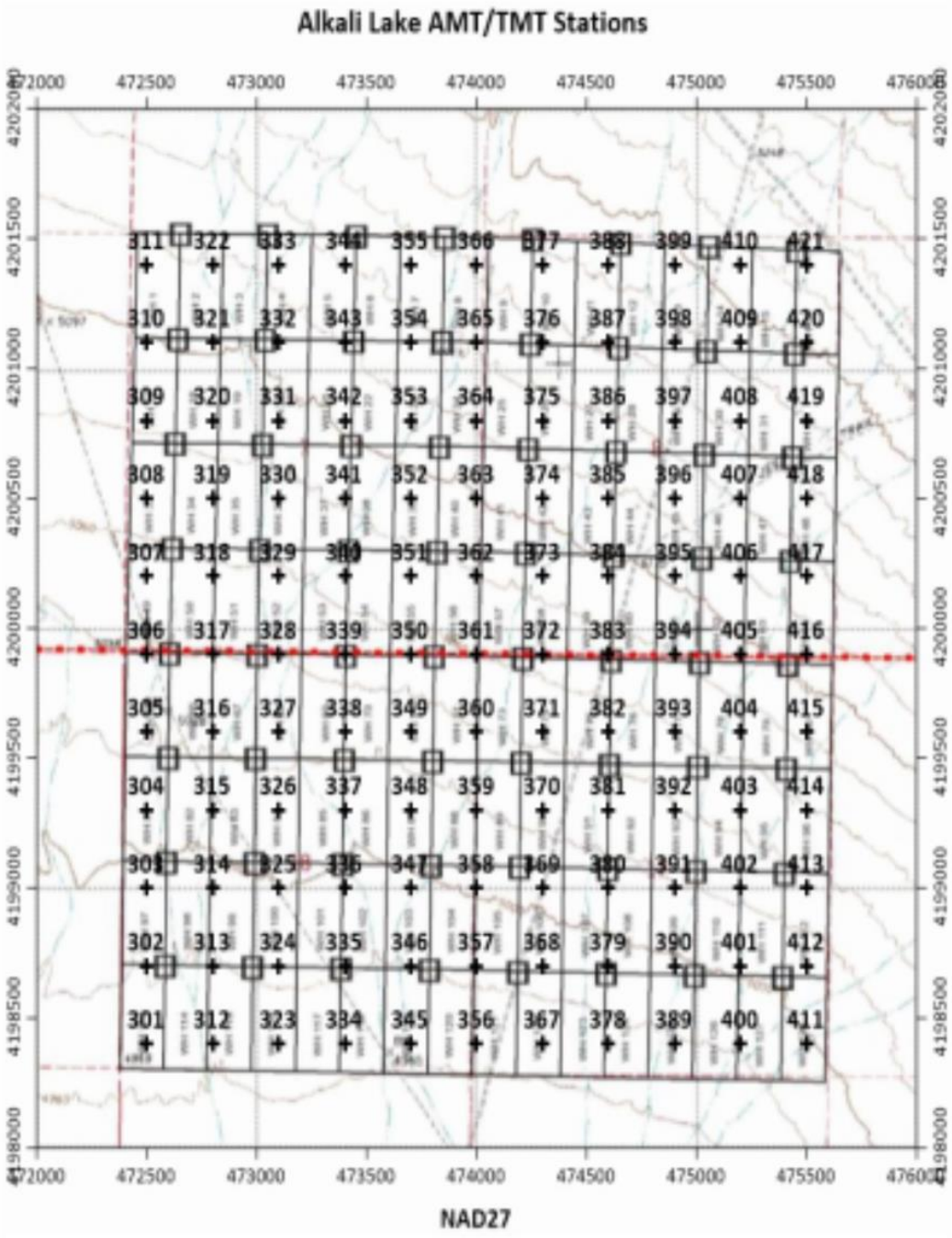


Figure 3. Placer Claims comprising RLC's Alkali Lake North project area. 3D AMT Survey Stations are shown as black crosses ("+").

The 3D AMT survey conducted over the Alkali Lake North project is a "3 dimensional" survey which collected data from stations located on a grid covering the project area (refer figure 3). This configuration is very different from the "2 dimensional" surveys (2D AMT) which the Company conducted at its projects, including Alkali Lake North, last year. In the case of a 2D AMT survey the stations from which data are collected form a single line extending over the target. Further, up to 42 times as many readings can be taken from each station when surveying in 3D rather than 2D. The greater amount of data collected leads to better modelling of depth, size and shape of the conductive body.

COLUMBUS SALT MARSH PROJECT

During the period sample assay results were received. Results from the 90 core samples from drill hole CBD-01 submitted for assay range from 20 ppm to 200 ppm lithium and from 10 ppm to 150 ppm boron (ASX release 28 August 2018). The upper limit of these ranges is considered anomalous but much higher levels would be needed to define a lithium clay resource.

BIG SMOKY SOUTH PROJECT

No work was conducted at Big Smoky South during the period.

AUSTRALIAN PROJECTS

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% EL 5580 total area 343 km^2

During the period core samples from drilling conducted during prior periods was removed from site and delivered to the state's core library.

The Diamond Farm Out Agreement was terminated following withdrawal by our joint venture partner, DiamondCo Limited. This resulted in all interest in diamond reverting to the Company.

COMMENT

At 30 September 2018 RLC had $785,000 in bank accounts and deposits.

A number of new lithium brine projects were investigated during the period and projects continue to be assessed.

Additional funding is required to fund drilling at both Clayton Valley and Alkali Lake North projects. The Company is investigating capital raising and joint venture opportunities.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Alkali Lake North *Lithium*	Drill conductivity targets. [1]	TBD
Clayton Valley *Lithium*	Drill conductivity targets. [1]	TBD
Columbus Salt Marsh *Lithium*	Rehabilitate access tracks and the drill site.	Dec Q
Big Smoky South *Lithium*	Rehabilitate access tracks and the drill site.	Dec Q
Burracoppin *Iron-ore (magnetite)*	Waiting grant of tenement.	On hold
Edward Creek *Uranium*	Drilling at Victory prospect on hold	On hold

Note 1: Subject to funding.

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 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.

Company Statement:
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%

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 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
Alkali Lake North Project				
WH Claims	WH-1 to WH-128	NMC 1138328 to NMC 1138455	128	1,033 ha
Clayton Valley Project				
CV Claims	CV-1 to CV-112	NMC 1176204 to NMC 1176315	112	906 ha

Tenements changed during the quarter:

Nil

Joint ventures changed during period:

Diamond Farm-Out Agreement terminated (interests in diamond on EL5580, South Australia, reverted to the Company).

+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 LIMTED

ABN	**Quarter ended ("current quarter")**
40 006 639 514	30 SEPTEMBER 2018

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	2	2
1.2	Payments for		
	(a) exploration & evaluation	(337)	(337)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(69)	(69)
	(e) administration and corporate costs	(87)	(87)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
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)	17	17
1.9	**Net cash from / (used in) operating activities**	**(473)**	**(473)**

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		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	10	10
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	-	-
3.6	Repayment of borrowings	-	-
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**	**10**	**10**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,248	1,248
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(473)	(473)
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)	10	10
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**785**	**785**

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	146	81
5.2	Call deposits	639	1,167
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)**	**785**	**1,248**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	69
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 director fees and salaries, where the amount shown includes $10k paid in shares in lieu of fees and salaries.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
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

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	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.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	100
9.2	Development	-
9.3	Production	-
9.4	Staff costs	56
9.5	Administration and corporate costs	44
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**200**

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	EL5580 Sth Australia	Diamonds	nil	100%

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: ..... Date: 30 October 2018

(~~Director~~/Company secretary)

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.