



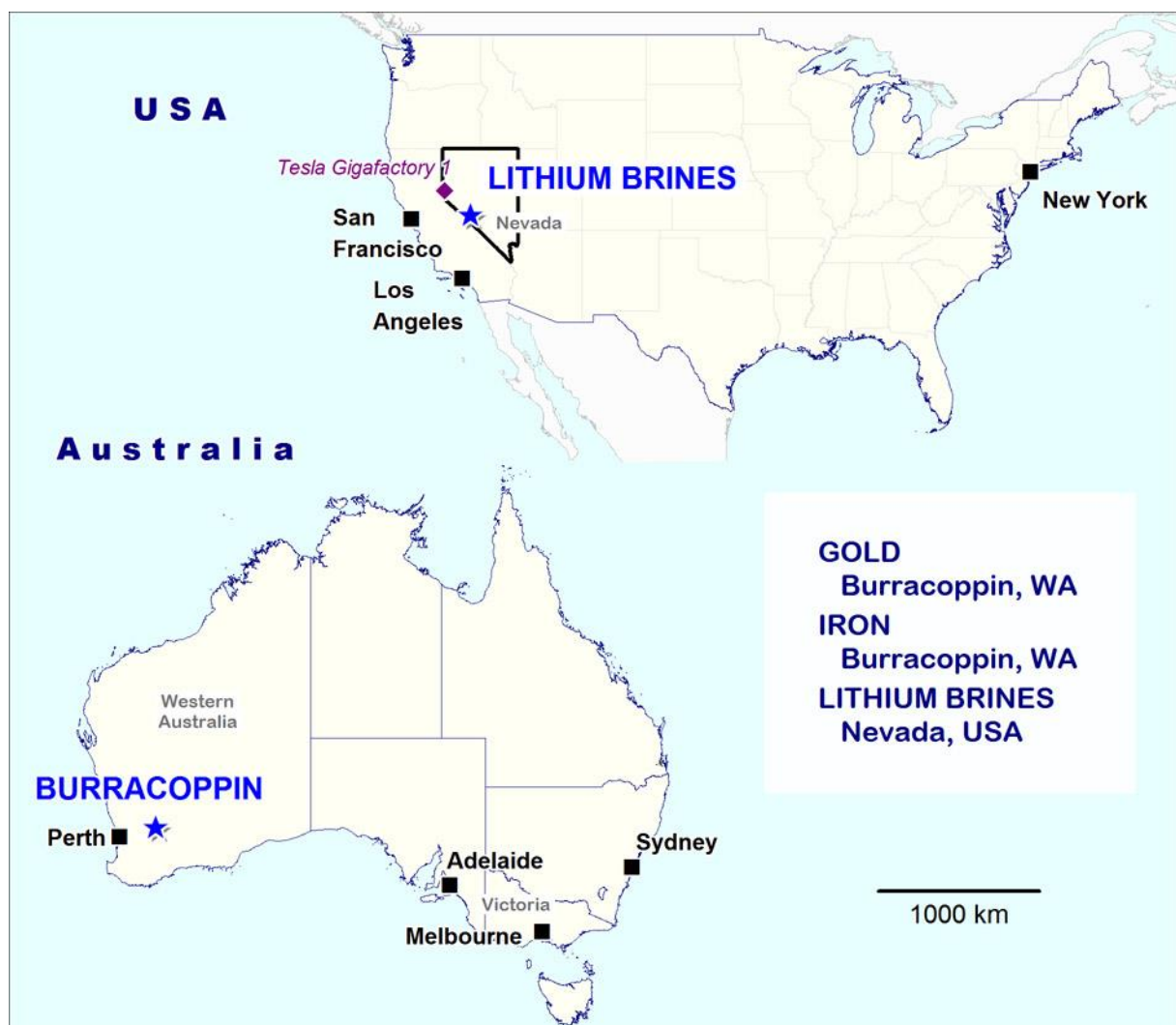
ASX Release

ASX Code: RLC

28 July 2021

Quarterly Report for the period ended 30 June 2021

- ❑ Drilling approvals received and heritage surveys planned for resource drilling at Burracoppin Magnetite Deposit.
- ❑ CSIRO enter into research study of the Burracoppin Magnetite Deposit (Burracoppin Iron project).
- ❑ Multi element assay results support gold recovered in soil samples at Burracoppin Gold project.
- ❑ Lithium brine projects on hold until technology enables production without evaporation.



CURRENT EXPLORATION ACTIVITIES

AUSTRALIAN PROJECTS

Burracoppin Iron Project (WA)

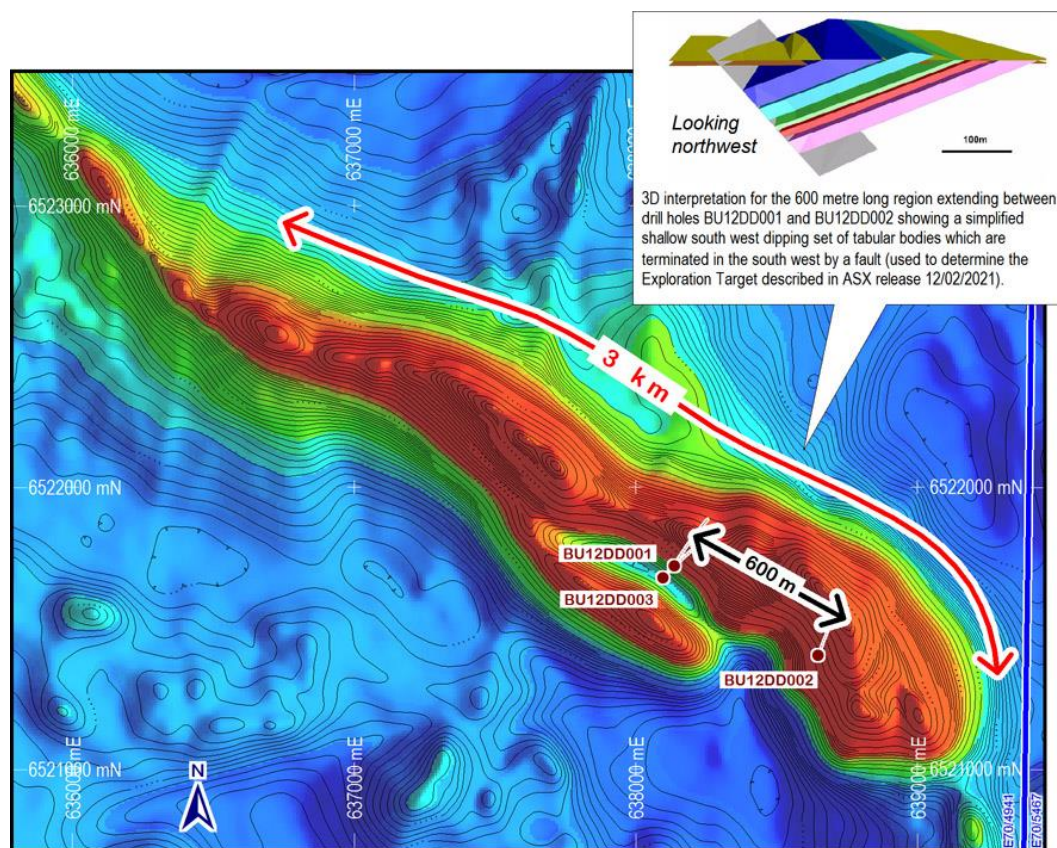
Iron

RLC 100%

E70/4941 (area 5,854 ha)

Work towards establishing a Mineral Resource at the Burracoppin Magnetite Deposit was progressed. The Burracoppin Iron project is planning to smelt magnetite concentrate from the deposit as its prime iron feed in the production of High Purity Pig Iron (HPPI). The project includes an objective to establish biochar production from biomass grown locally in order to replace all coal used in the smelter. The biochar production will eliminate the risk associated with ongoing access to, and price of, the coal that would otherwise be required by the smelter. Use of biochar will also assist in achieving net zero carbon emissions under global Greenhouse Gas Emissions accounting standards.

Work at the Burracoppin Magnetite Deposit is focussed on establishing a Mineral Resource of sufficient size to support the planned initial production of 1 Mtpa of High Purity Pig Iron ("HPPI"). For this purpose an Exploration Target has been established in a 600 metre long zone within the deposit located in the immediate vicinity of the existing drill holes. An infill drilling program comprising 11 holes (3,740 metres) that may upgrade the Exploration Target to the required Mineral Resource is planned (refer to ASX release [12 February 2021](#)).

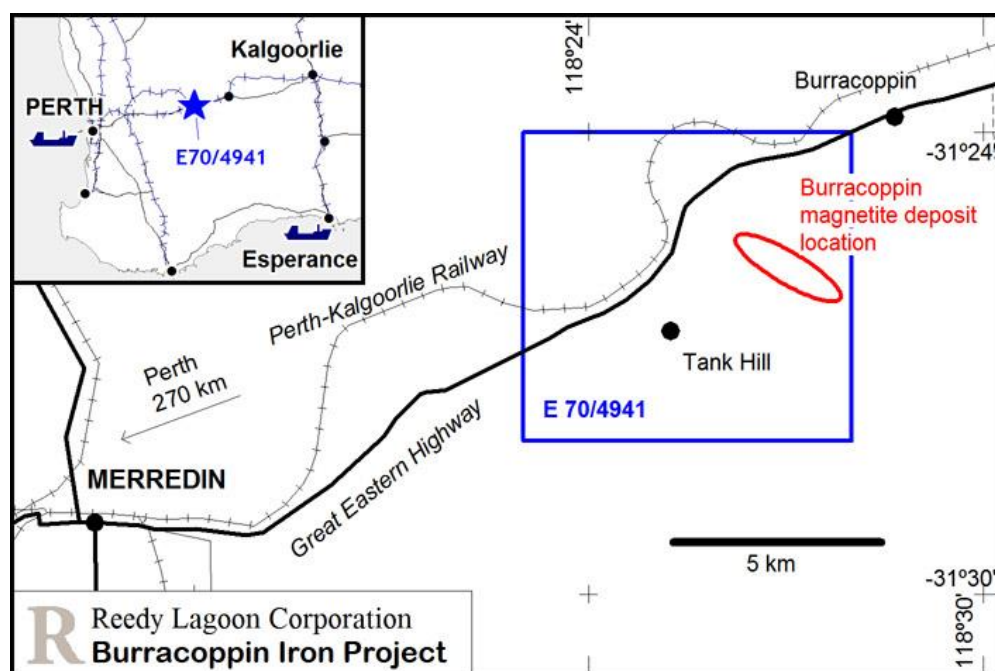


Magnetic intensity grid for the Burracoppin Magnetite Deposit.

The planned drilling is located on farmland with 7 of the holes on land that is cropped. Heritage surveys are being arranged for the balance of planned holes, which are located on bush land, and associated access tracks in accordance with the Company's agreement with the South West Aboriginal Land & Sea Council Aboriginal Corporation. The Company's Programme of Work for the drilling was approved by the Department of Mines, Industry Regulation and Safety during the report period.

During the period Reedy Lagoon engaged with CSIRO to develop a method of determining magnetite resources. The collaboration with CSIRO will investigate and trial new ways to determine resource estimates that can rely more on geophysics than information solely from drill holes. Oriented samples of core from holes drilled into the Burracoppin Deposit during prior periods (BU12DD001 and BU12DD002) were recovered and delivered to CSIRO (refer to ASX release [26 May 2021](#)).

Other work during the period included relocation of the remaining core from holes BU12DD001, 02 & 03 onto E70/4941 for ongoing storage.



The Burracoppin Magnetite Deposit is well positioned with existing open access infrastructure including, rail and port facilities.

Reedy Lagoon's strategy for iron:

Reedy Lagoon is pursuing a plan to produce and sell Green High Purity Pig Iron ("Green HPPI") by:

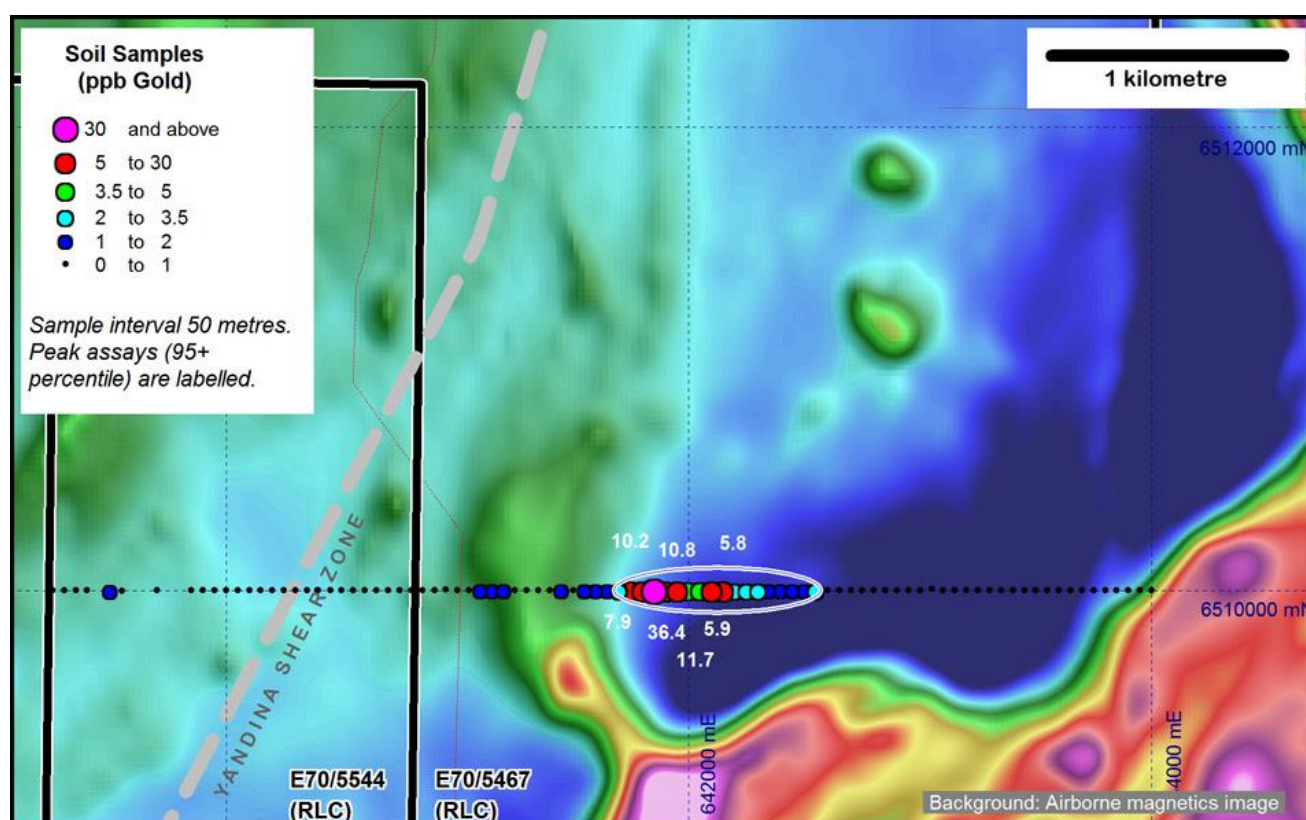
- Mining magnetite from the Burracoppin Magnetite Deposit to be a source of iron
- Growing or otherwise acquiring biomass to process into biochar to be a source of carbon
- Smelting the iron (mineral) with the biochar using Hismelt technology to produce Green HPPI
- Selling the HPPI to steel makers in Australia, North America, Europe, UK and Asia.

NOTE: It is expected that it may take 5 to 10 years to achieve the production rate of 0.8Mtpa biochar required for the planned 1Mtpa HPPI. A depleting source of coal, production from which is scheduled to be phased out over the next 5 to 10 years, has been identified as a potential temporary source of carbon during the time it might take to establish the biomass production (refer ASX [19/03/2021](#)).

During the report period multi-element assay of the samples collected during the previous period were obtained and provide data which support the gold targets and aid the interpretation of the mineralizing environments (refer ASX release [27 May 2021](#)).

“Windmills” prospect initiated.

The multi-element assay data established the Windmills prospect by enhancing the gold anomaly identified in the March quarter. The prospect is evident in the geochemical data as an auriferous zone 800 metres wide associated with arsenic and antimony lying west of a mafic unit evidenced by elevated copper and nickel in soils (refer ASX release [27 May 2021](#)).



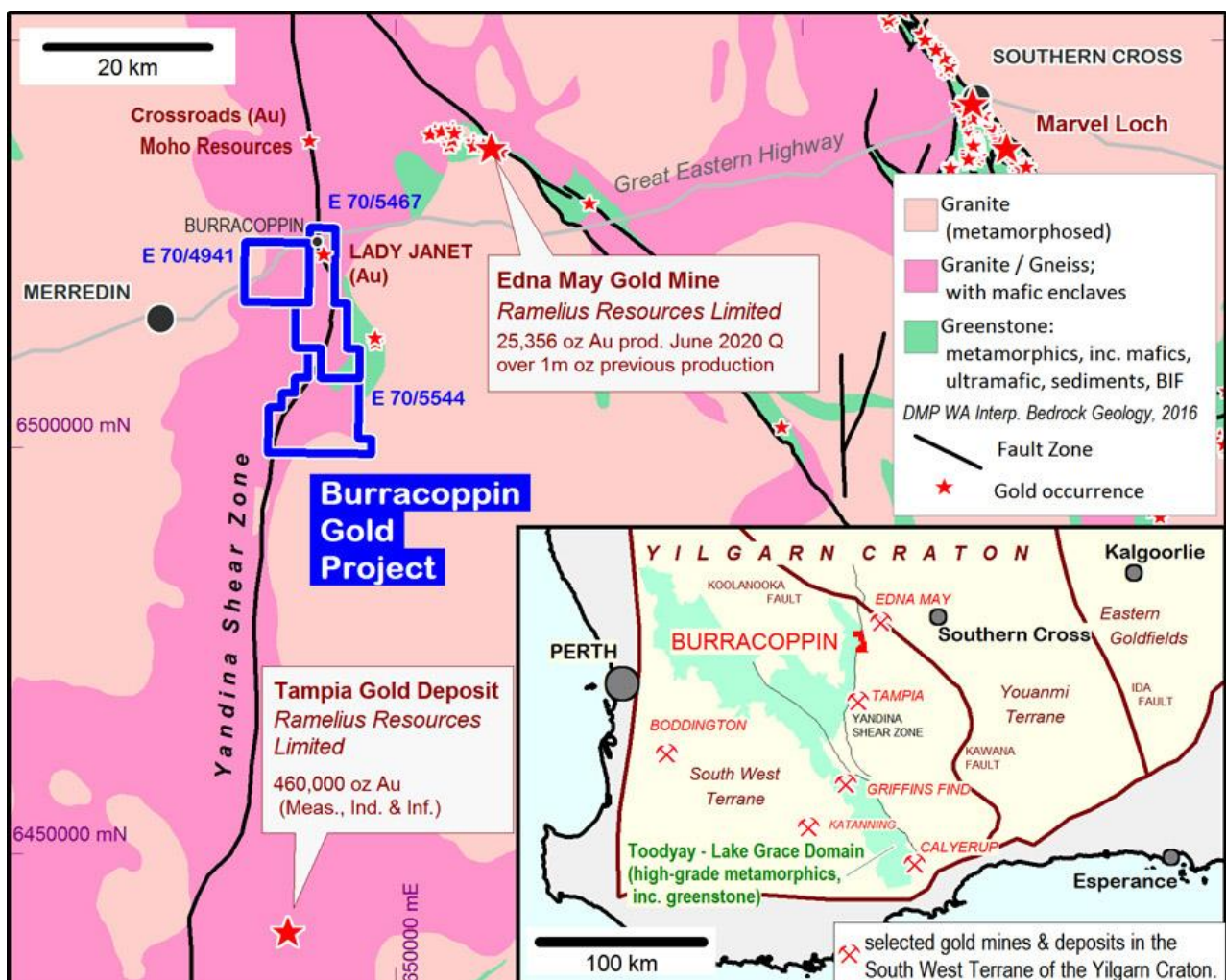
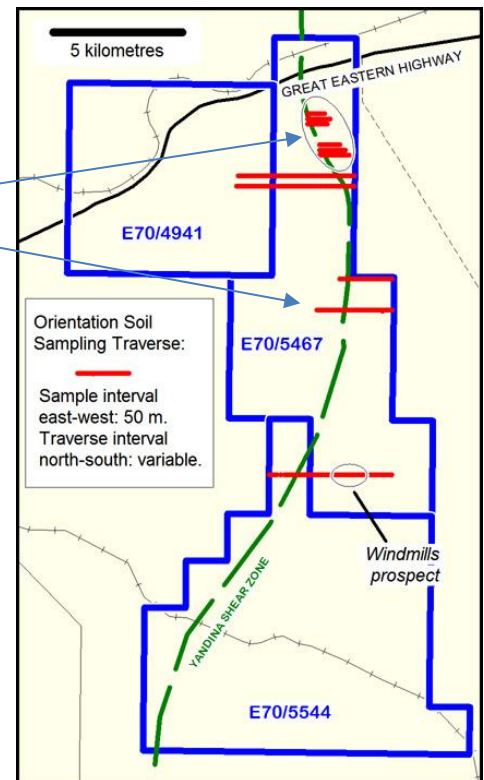
Windmills prospect: gold in soil samples shown circled over an 800 metre length of sample traverse (“auriferous zone”). Additional multi-element assay data from the soil samples include elevated arsenic and antimony (“pathfinders”) within the auriferous zone and elevated copper and nickel in adjacent samples located on its eastern side (refer ASX release [27 May 2021](#)).

Additional to the Windmills prospect, multi element assay data support the gold targets identified in the prior quarter at the Lady Janet – L18 site and the westward extension to Traverse 2.

Follow-up soil sampling at the Windmills prospect and the other gold targets identified as well as first pass sampling in areas to the south on E70/5544 were postponed following rainfalls in the sampling areas. The planned soil sampling involves collecting soil from shallow pits which is dry sieved on site to collect minus 200 micron (smaller than 0.2 mm) sized material. Damp soil cannot be dry sieved.

Soil sampling will proceed once ground conditions dry sufficiently and provided our contractors are available.

Lady Janet – L18
Traverse 2



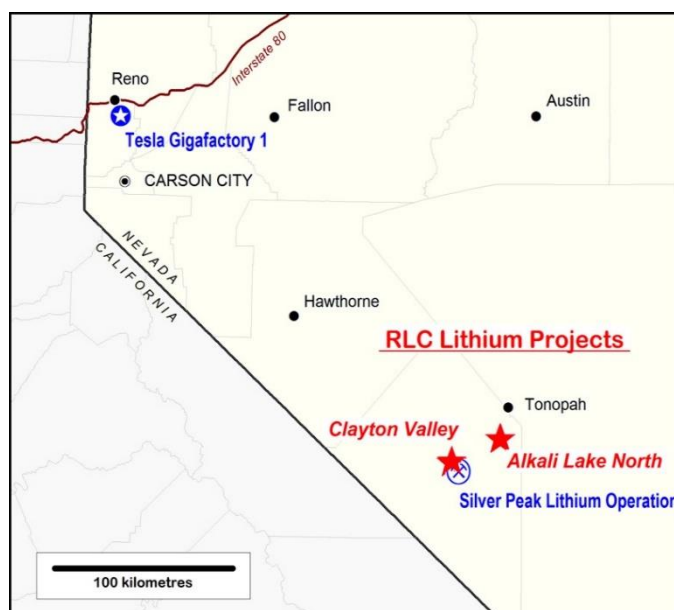
NORTH AMERICAN PROJECTS

Nevada Lithium Brine Projects

Nevada, USA

The Nevada lithium brine projects comprise two projects: Alkali Lake North and Clayton Valley. The projects are located in large and separate ground water catchment areas in Nevada, USA.

The projects are located within 25 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.



Alkali Lake North Project (Nevada)

Lithium

RLC 100%

128 claims 2,554 acres (1,033 ha)

No field work was conducted on the Alkali Lake North project during the quarter.

A brine target potentially comprising multiple brine aquifers within sediments over a vertical interval from 500 to 600 metres below ground surface has been identified in audio magnetotelluric (3D AMT) survey data (refer [ASX release 28/08/2018](#)).

Work on hold but planned includes drilling the brine target in order to recover water samples to test for dissolved lithium. Seismic survey to gain additional data to aid delineation of potential aquifers associated with the target prior to drilling is also under consideration.

Clayton Valley Project (Nevada)

Lithium

RLC 100%

112 claims 2,240 acres (906 ha)

No field work was conducted on the Clayton Valley project during the quarter.

A brine target potentially comprising a 200 metre thick interval of sediments containing multiple brine filled aquifers has been identified in audio magnetotelluric (3D AMT) survey data (refer [ASX release 23/08/2018](#)).

Work on hold, but planned, includes drilling the brine target in order to recover water samples to test for dissolved lithium. Seismic survey to gain additional data to aid delineation of potential aquifers associated with the target prior to drilling is also under consideration.

REHABILITATION WORK - COLUMBUS SALT MARSH AREA (Nevada)

The Columbus Salt Marsh project was divested at the end of August 2019 and areas disturbed by the Company's prior drilling activities were contoured and seeded later that year. The rehabilitation work was inspected by the Bureau of Land Management ("BLM") in May 2020 and the reclamation obligation was reduced from US\$21,599 to \$US5,429 resulting in a refund of US\$16,170. An inspection by the BLM during the quarter found regrowth had been set-back by drought conditions and as a consequence an inspection following spring in 2022 has been scheduled. The balance of the bond (\$US5,429) will remain held by the BLM until the desired regrowth has been established.

Lithium demand is rising:

The Company sees strong long-term demand fundamentals for battery-grade lithium products resulting from the growth in the use of lithium-ion batteries in electric vehicles, energy storage systems and portable electronics. Demand for battery-grade lithium is projected to grow exponentially, driven by growth in the electric vehicle market, and efficient production of lithium chemicals has become an important topic for regions, industries, and technology companies.

Earlier this year, top lithium producer Albemarle Corp said it would double production at its facility in Silver Peak, Nevada, while the U.S. Bureau of Land Management gave final approval to Lithium Americas Corp's Thacker Pass lithium mine in northern Nevada.

Direct extraction technologies are advancing. Schlumberger has reported it is accelerating the deployment of its pilot plant in Clayton Valley, Nevada. Deployment of the pilot plant is part of its agreement with Pure Energy Minerals for the development of the lithium brine project using advanced technology to process the brine and extract high-purity lithium.

Battery manufacturers are announcing new Li-ion battery plant build-outs and/or capacity expansions. European government incentives and tougher emissions regulations are driving rapid expansion of the electric vehicle sector and Roskill has forecast Europe's share of the global Li-ion battery cell manufacturing capacity will increase from less than 6% in 2020 to 26% by 2030 despite expected significant expansion in Chinese manufacturing capacity (expected to be 58% in 2030). North American battery-cell manufacturing capacity is forecast to be 10% of global capacity in 2030 although Roskill considers this could be higher if regulation, investment and industry work together effectively.

NEW PROJECT DEVELOPMENT

One gold project was reviewed during the period but investigations did not find sufficient reason to continue.

CORPORATE

Share issue

The Company issued 292,382 Fully Paid Ordinary Shares on 12 April 2021 having received valid applications to exercise 292,382 Options (RLCO) exercisable at \$0.08 before expiry on 6 April 2021.

Cash

At 30 June 2021 Reedy Lagoon had \$359,981 in bank accounts and deposits. The Company also had the amount of US\$5,429 (A\$7,756) in a security bond held by the Bureau of Land Management (USA) for the Company's relinquished Columbus Salt Marsh project in North America. This remaining bond amount is expected to be refunded in 2022 following satisfactory assessment of the Company's rehabilitation of areas disturbed by the Company's drilling.

Exploration Expenditure

During the quarter, the total cash outflow for exploration activities was \$73,669.

During the quarter there were no mining production and development activities.

Related Parties

Payments to related parties during the quarter totalled \$33,067 plus \$500 G.S.T. (refer 6.1 in the accompanying Appendix 5B for the period). The payments are for remuneration comprising wages, fees and superannuation paid to directors.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Burracoppin Gold <i>Gold</i>	Continued soil sampling	Sep Q
Burracoppin Iron <i>Magnetite</i> <i>Biomass/Biochar</i> <i>Pig iron</i>	Geophysical data collection from core samples. Additional drilling to establish resources. ¹ Continued investigations into biomass/ biochar production. Continued investigations into: Hismelt site location; Fe and C feedstocks; pig iron purchasers.	Sep Q TBD On going On going
New Project Development <i>Gold & other</i>	Office studies to assess and build new projects. (Low priority)	On going
Alkali Lake North <i>Lithium</i>	Seismic survey ² Drill to test conductivity targets. ²	TBD TBD
Clayton Valley <i>Lithium</i>	Seismic survey ² Drill to test conductivity targets. ²	TBD TBD
Relinquished project (<i>Columbus Salt Marsh</i>)	Rehabilitation of drill site and access track completed subject to review.	NA

Note 1: Subject to funding or farm-out.

Note 2: Subject to funding, farm-out and/or improvement in the lithium market.

TBD : to be determined.

Quarterly activities report for the period ended 30 June 2021

Authorised for release on behalf of the Company.

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 the section headed "Australian Projects" in this report that relates to Exploration Results is based on information compiled by Geof Fethers, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)". Geof Fethers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

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 [INVESTORS page](http://www.reedylagoon.com.au) 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 (%)
BURRACOPPIN IRON & BURRACOPPIN GOLD (WA)	E70/4941	100%
BURRACOPPIN GOLD (WA)	E70/5467	100%
BURRACOPPIN GOLD (WA)	E70/5544	100%

Located in USA

Tenements (all Placer Claims held 100%) at end of quarter

Claim Name	Claim Numbers	Corresponding BLM NMC Number	Total Claims	Total Area
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 / claims changed during the quarter:

	Tenement number (claim)	Nature of change
Nil		

Joint ventures changed during period:

Nil

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

REEDY LAGOON CORPORATION LIMITED

ABN

40 006 639 514

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(74)	(273)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(27)	(87)
	(e) administration and corporate costs	(33)	(198)
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	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(134)	(558)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		675
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	23	23
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	23	698

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	471	220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(134)	(562)
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)	23	698

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	360	360

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	97	51
5.2	Call deposits	263	420
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)	360	471

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

c	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(134)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(134)
8.4	Cash and cash equivalents at quarter end (item 4.6)	360
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	360
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 28 July 2021

Authorised by the board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.