



# ASX Release

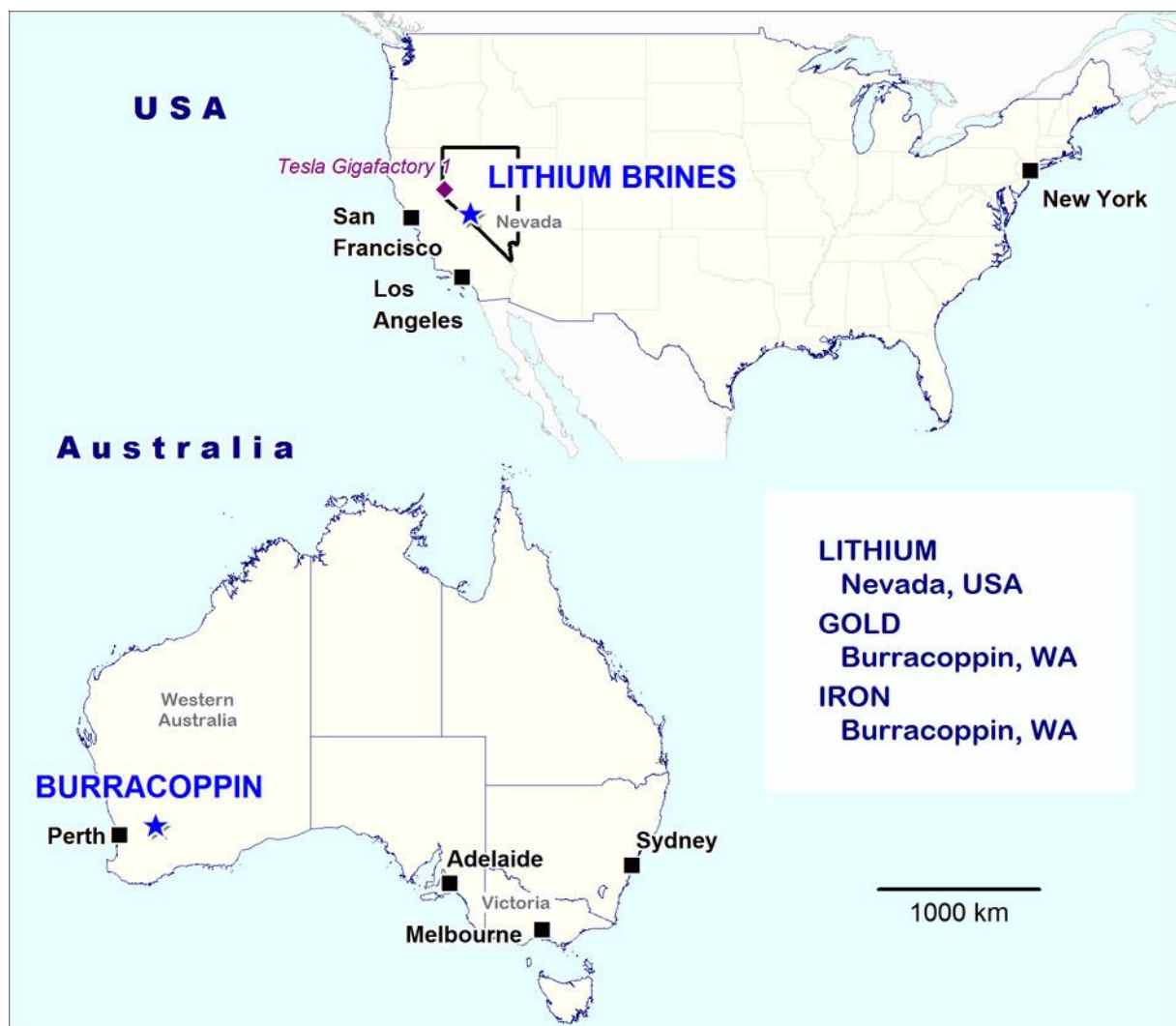
**ASX Code: RLC**

**29 October 2021**

## Quarterly Report for the period ended 30 September 2021

### Highlights

- ❑ Ground staking secures entire sub-basin containing lithium brine targets at Alkali Lake North
- ❑ Ground geophysical survey underway over newly staked ground at Alkali Lake North
- ❑ Structural data recovered from core by CSIRO for the Burracoppin magnetite deposit
- ❑ \$1.1m working capital raised.



## CURRENT EXPLORATION ACTIVITIES

### NORTH AMERICAN PROJECTS

#### Nevada Lithium Brine Projects

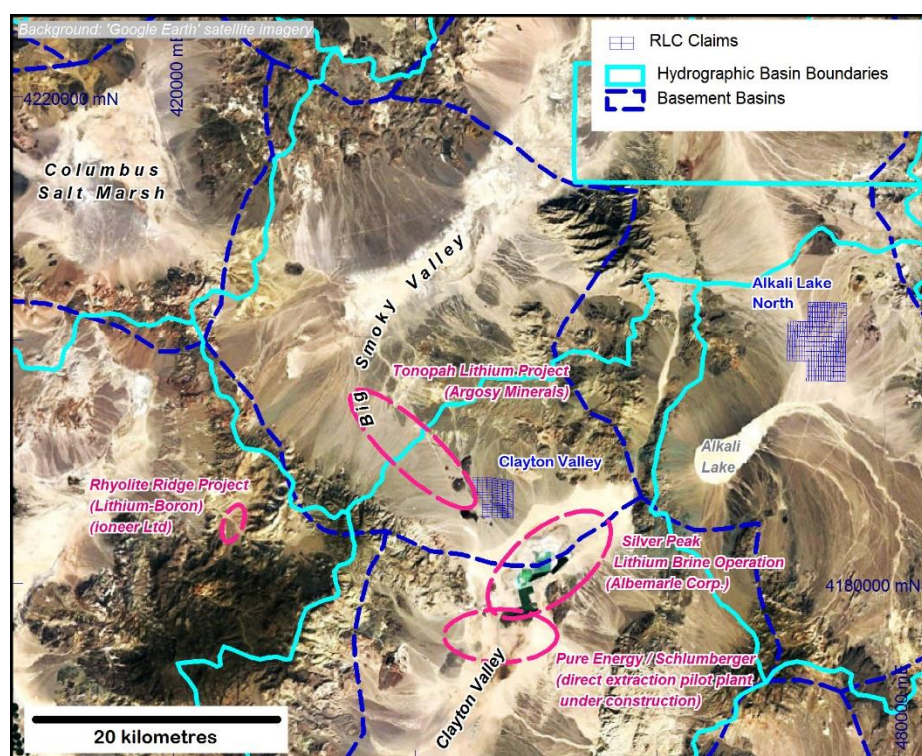
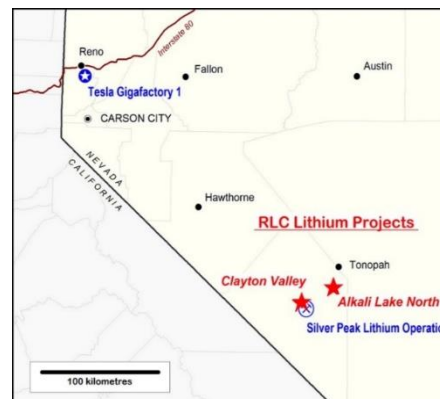
Nevada, USA

There are 2 Nevada lithium brine 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 30 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.

Recent developments in Nevada and elsewhere, indicate that commercial development of processing technologies that eliminate evaporation ponds and dramatically reduce water consumption is now likely. On 10 June 2021 Schlumberger New Energy and Panasonic Energy of North America announced they had entered into a collaboration agreement for the validation and optimization of a lithium extraction and production process to be used by Schlumberger New Energy at its NeoLith Energy pilot plant in Nevada.

Because of these developments the Company moved quickly to expand its lithium-brine exploration in Nevada. Additional claims were staked to expand the Alkali Lake North project area and geophysical survey on the new ground was commenced during the quarter.

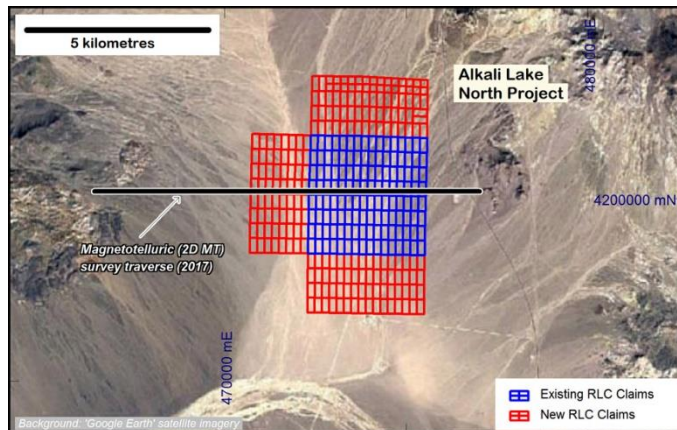


## Alkali Lake North Project (Nevada)

## Lithium

RLC 100% 128 claims 2,554 acres (1,033 ha) increased to 334 claims 6,415 acres (2,596 ha)

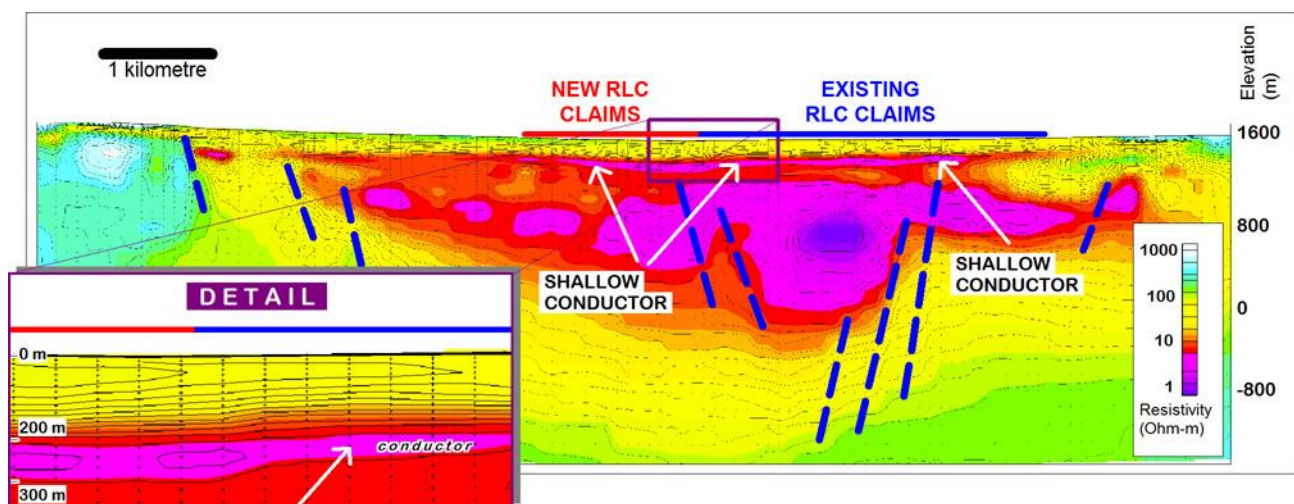
Claim staking to secure ground over targets extending outside the Company's claims was initiated in August and completed in early September (refer ASX release [7/09/2021](#)). All targeted ground was successfully staked and recording and filing of the Placer Claims was in process at the end of the quarter.



*Refer to the image below for conductors (brine targets) interpreted from survey data recovered along the 2D AMT 2017 survey traverse shown on the left.*

Geophysical survey (3D audio frequency magnetotelluric or 3D-AMT) was commenced during the period to investigate for extensions into the newly staked ground of a brine target located in the eastern side of the project. The target, potentially comprising multiple brine aquifers within sediments over a vertical interval from 500 to 600 metres below ground surface, has previously been identified in AMT survey data (refer ASX release 28/08/2018, 21/09/2021). The survey, completed after the report period, established that the north-south extent of the eastern brine target is contained within the expanded claim area of the project (refer ASX release [14/10/2021](#)).

Shallow Seismic Reflection (SSR) survey is under consideration to gain further information about the depth to and number of aquifers indicated in the Company's AMT survey data.



*Interpretation of data recovered from the 2D AMT 2017 survey traverse referenced in prior image.*



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](#)).

Geology that has been determined and reported for the Silver Peak lithium brine production area located a few kilometres to the southeast of our project area assists the interpretation of the geology indicated in our 3D AMT survey data.

Shallow Seismic Reflection (SSR) survey is under consideration to gain further information about the depth to and number of aquifers indicated by the Company's AMT survey data.

#### **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 June 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 and supply deficit is forecast to 2030.**

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.

Security of supply chains has become a key issue for many commodities and particularly so for North American lithium. Earlier this year, top lithium producer Albemarle Corp reported 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 New Energy 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 without the use of evaporation ponds.

## AUSTRALIAN PROJECTS

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

**Iron**

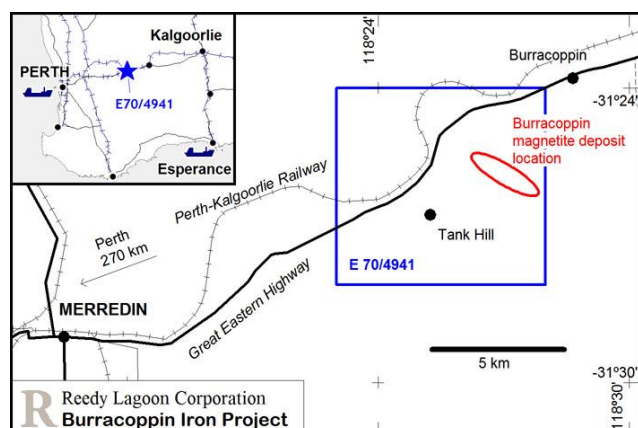
RLC 100%

E70/4941 (area 5,854 ha)

During the quarter work progressed on the Burracoppin magnetite deposit. Structural data was recovered from samples of core from Burracoppin by CSIRO as part of the research work being undertaken to develop a method of determining magnetite resources using petrophysically constrained magnetic modelling (refer to ASX release [26 May 2021](#)). The core was sub-sampled in preparation for recovery of orientated petrophysical data. Lack of access to the CSIRO laboratories caused by work-place restrictions imposed by the NSW government during the quarter, prevented further work on the core but this work was underway in October.

The Company anticipates making substantial gains from the modelling of the Burracoppin magnetite deposit by the CSIRO research project. More detailed and better modelling of the deposit will enable better informed planning of resource definition drilling.

Heritage surveys to investigate access routes and drill sites planned for resource drilling at the Burracoppin Magnetite Deposit were impacted by increased workloads together with a restructure of the South West Aboriginal Land and Sea Council Aboriginal Corporation. Consultants for the survey work had been mostly identified following the end of the quarter.



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 instead of coal
- Smelting the iron (mineral) with the biochar using HIs melt technology to produce Green HPPI
- Selling the HPPI to steel makers in Australia, North America, Europe, UK and Asia.

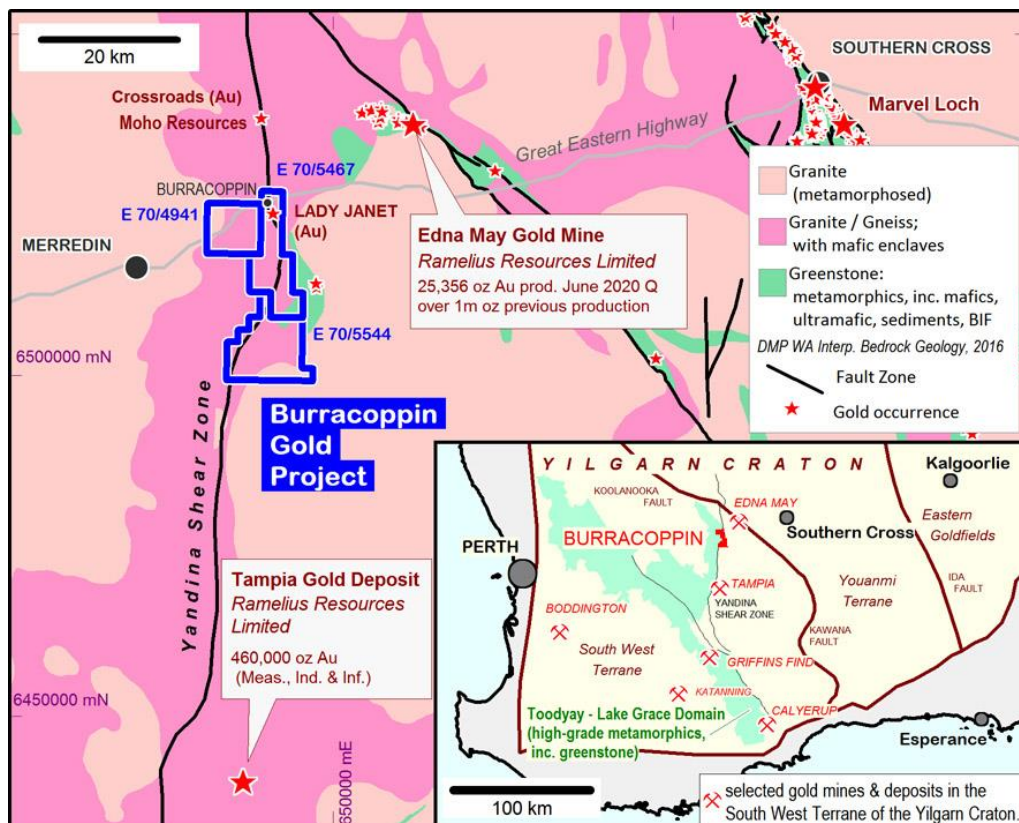
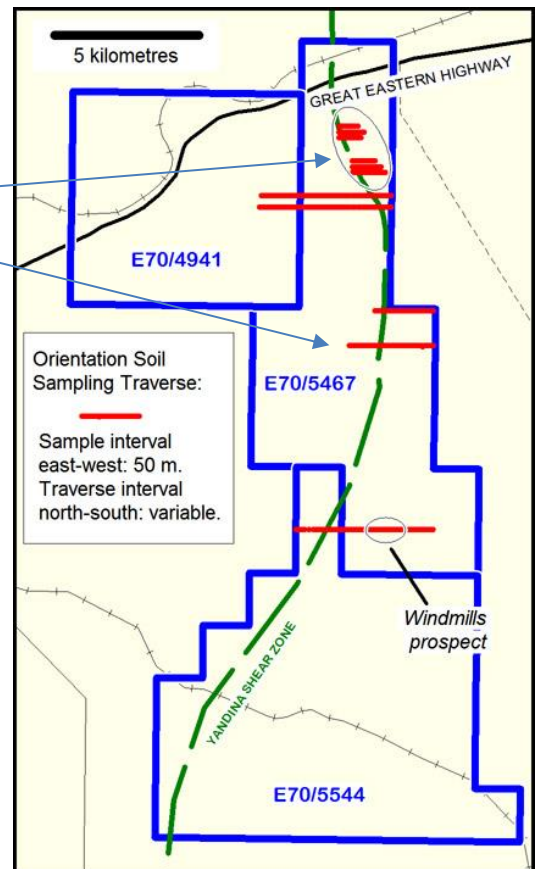
NOTE: It is expected that it may take 5 to 10 years to achieve the production rate of 0.8Mtpa biochar required for the planned 1Mtpa HPPI. A depleting source of coal, production from which is scheduled to be phased out over the next 5 to 10 years, has been identified as a potential temporary source of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

The Burracoppin Gold project comprises the Windmills prospect, gold targets at the Lady Janet – L18 site and a westward extension to Traverse 2 together with substantial areas that are yet to be investigated.

Lady Janet – L18  
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.



## NEW PROJECT DEVELOPMENT

No work was conducted on new project development during the period.

## CORPORATE

### Share issue

The Company issued 70,000,000 fully paid ordinary shares on 7 September 2021 raising \$1,120,000. The net amount raised by the issue was \$1,052,800 after payment of a fee of 6% (\$67,200) of the funds raised was paid to brokers. The funds were raised for exploration activities, particularly development of the Company's Lithium brine projects in Nevada and its Burracoppin gold project in Western Australia, and general working capital purposes (refer to ASX release [3/09/2021](#)).

### Cash

At 30 September 2021 Reedy Lagoon had \$1,184,348 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 \$137,787.

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

### Related Parties

Payments to related parties during the quarter totalled \$33,150 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
Alkali Lake North <i>Lithium</i>	Audio Magneto-Telluric survey Possible seismic survey (under consideration) Drill to test conductivity targets. <sup>1</sup>	Dec Q TBD TBD
Clayton Valley <i>Lithium</i>	Possible seismic survey (under consideration) Drill to test conductivity targets. <sup>1</sup>	TBD TBD
Burracoppin Iron <i>Magnetite</i>	Geophysical data collection from core samples. Heritage survey for proposed drill sites and access Additional drilling to establish resources. <sup>1</sup>	Dec Q Dec Q TBD
<i>Biomass/Biochar</i>	Continued investigations into biomass / biochar production.	On going
<i>Pig iron</i>	Continued investigations into: HIs melt site location; Fe and C feedstocks; pig iron purchasers.	On going

## Quarterly activities report for the period ended 30 September 2021

Burracoppin Gold <i>Gold</i>	Continued soil sampling	Dec Q
New Project Development <i>Gold &amp; Lithium</i>	Office studies to assess and build new projects. (Low priority)	On going
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.

TBD : to be determined.

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](http://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](#) 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		
<i>Project / Location</i>	<i>Tenement number</i>	<i>Company Interest (%)</i>
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
<b>Alkali Lake North Project</b>				
<b>WH Claims</b>	WH-1 to WH-128	NMC 1138328 to NMC 1138455	128	1,042 ha
	WH-129 to WH-33	To be determined	206	1,554 ha
<b>Clayton Valley Project</b>				
<b>CV Claims</b>	CV-1 to CV-112	NMC 1176204 to NMC 1176315	112	906 ha

#### Tenements / claims changed during the quarter:

	<i>Tenement number (claim)</i>	<i>Nature of change</i>
Alkali Lake North Project, Nevada, USA	WH-129 to WH-334	206 x Placer Claims staked

#### 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 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(138)	(138)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(31)	(31)
	(e) administration and corporate costs	(58)	(58)
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(227)</b>	<b>(227)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
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	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,120	1,120
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(69)	(69)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,051</b>	<b>1,051</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	360	360
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(227)	(227)
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)	1,051	1,051

## 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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,184	1,184

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	97
5.2	Call deposits	963	263
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)	1,184	360

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	-
<i>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.</i>		



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

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

<b>c</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(227)
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)	(227)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,184
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,184
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.2
<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: 29 October 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.