



ASX Release

ASX Code: RLC

29 April 2022

Quarterly Report for the period ended 31 March 2022

Highlights

- ❑ Final results from the Shallow Seismic Reflection (SSR) survey over the lithium brine targets at Alkali Lake North confirmed our tenure secures the full extent of the targeted brines.
- ❑ SSR results support AMT survey results and identify the basin architecture that hosts the AMT anomalies.
- ❑ Lithium Project Generation continuing.
- ❑ CSIRO presented a preliminary model for the Burracoppin magnetite deposit, with the science backing Burracoppin.
- ❑ Soil sampling for gold Burracoppin undertaken.



CURRENT EXPLORATION ACTIVITIES

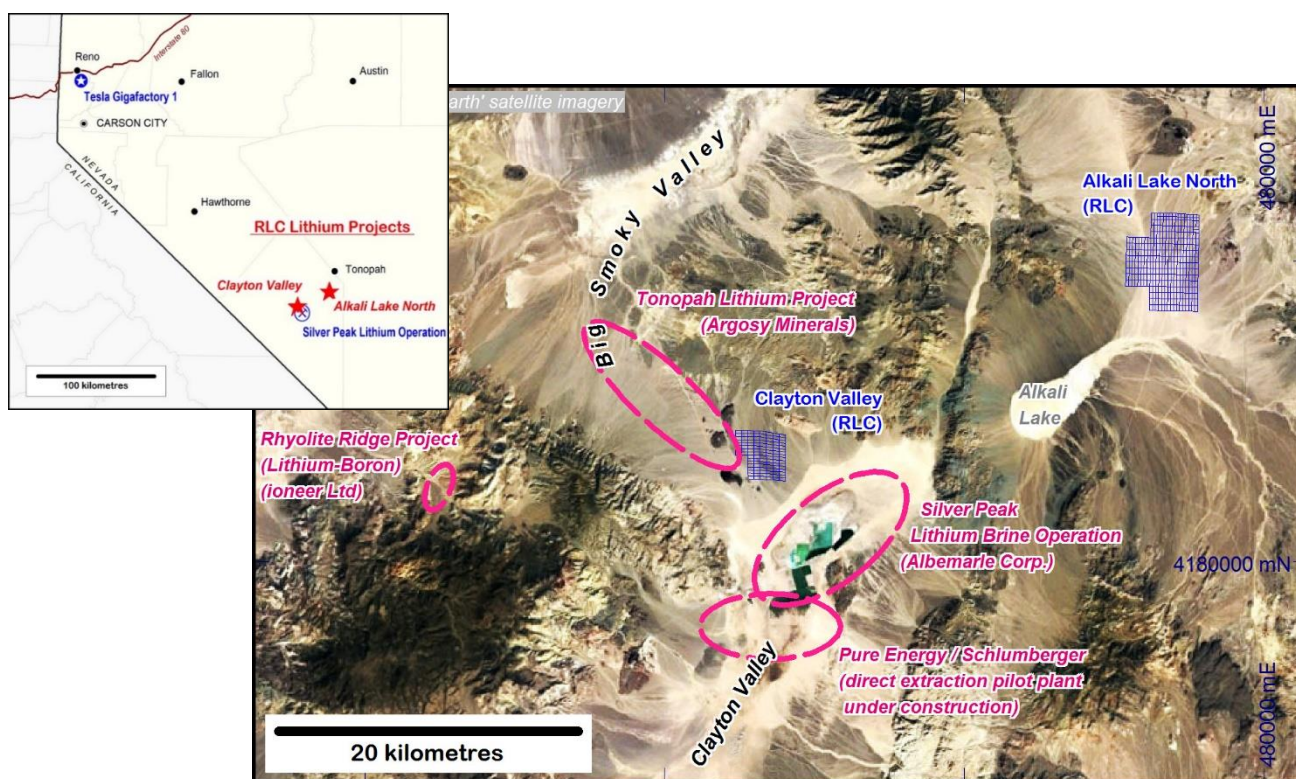
NORTH AMERICAN PROJECTS

Nevada Lithium Brine Projects

Nevada, USA

Reedy Lagoon holds two 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.



Alkali Lake North Project (Nevada)

Lithium

RLC 100%

334 claims 6,415 acres (2,596 ha)

Exploration conducted during the March Quarter focussed on integrating results from the Shallow Seismic Reflection Survey (SSR) with results from the Audio Magneto-Telluric (AMT) geophysical survey that had been completed in the December Quarter (refer ASX [release 14/10/2021](#)) at the Alkali Lake North project.

The objective was to use the AMT electrical resistivity results to define electrically conductive brine aquifer systems in valley-fill sediments while the SSR survey was used to give information on the overall basin architecture including location and number of seismic reflectors, presence of major faults, depth to targets and nature of bounding structures to the basin.

Quarterly activities report for the period ended 31 March 2022

The final report for the 2D Shallow Seismic Reflection (SSR) survey was received and processing of the data collected has enabled better resolution and more detailed interpretation of the conductors we are interested in than was available in the preliminary data (refer ASX [release 6/01/2022](#)).

The basement bounding the eastern side of the project is an area of interest and resolution of its position and structural features associated with it and its margin with the sediments to the west are key target areas for brine. One of the project's strongest conductors, identified in 3D-AMT data, is located in this part of the project area (refer [ASX release 6/01/2022](#)). The work during the Quarter also progressed drill targeting concepts for the large tubular shaped target located in the eastern side of the project (refer [ASX release 14/10/2021](#)) and in the central part of the basin where a wide AMT anomaly coincides with SSR seismic reflectors indicative of sedimentary strata.

The flat lying reflectors (sedimentary strata) extend beyond the current 3D AMT survey coverage (within the Company's tenure) and acquisition of additional electrical conductivity (3D AMT) data is planned to aid drill target selection for testing the extensive flat lying aquifers interpreted in the AMT and SSR data across the project area.

The information to-hand indicates that the concurrent presence of extensive AMT conductivity anomalies and shallow seismic reflectors located within a basin structure indicated in gravity data and captured within the project area are strong indicators of the presence of a substantial brine aquifer system located within the Alkali Lake North project.

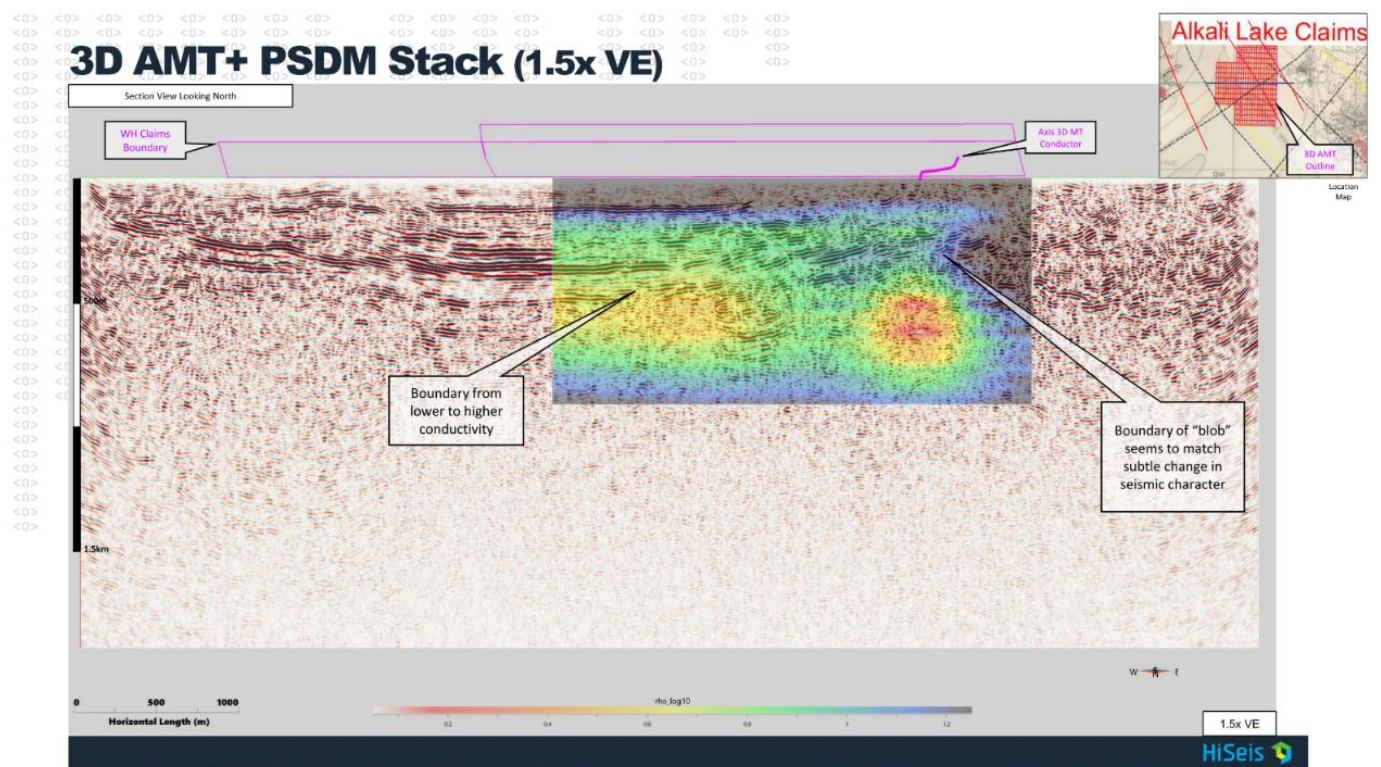


Figure 1. 3D AMT Survey results superimposed on 2D SSR survey results

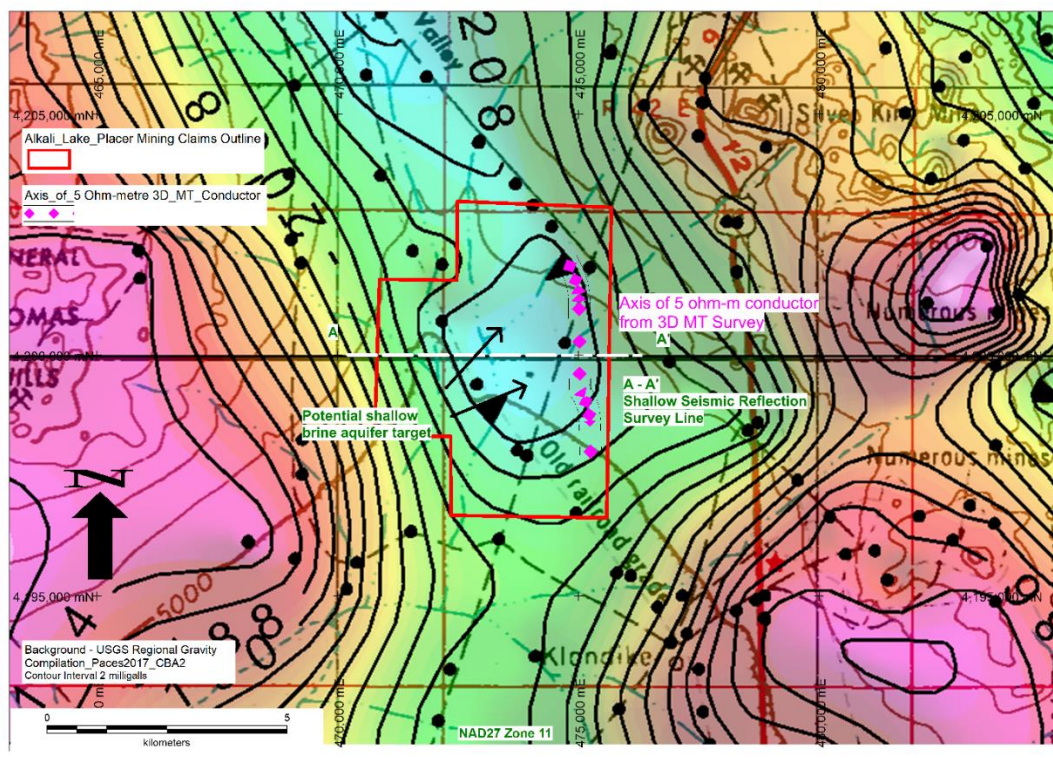


Figure 2. Regional gravity image, RLC claim block and axis of AMT survey conductor

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.

During the Quarter it was determined that without access to ground beyond the claim boundaries, seismic surveys, including Shallow Seismic Reflection (SSR), as was successfully trialled at Alkali Lake North, would be difficult to carry out. Accordingly, no SSR survey is planned on the Clayton Valley project

Drill target selection will be determined on the Company’s existing 3D AMT survey data for the project area.

NEW PROJECT DEVELOPMENT

Lithium

During the period desk top studies assessing potential lithium-brine projects located in North America identified areas that are being followed up.

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 US\$5,429. An inspection by the BLM during the June 2021 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 (US\$5,429) will remain held by the BLM until the desired regrowth has been established.

AUSTRALIAN PROJECTS

Burracoppin Iron Project (WA)

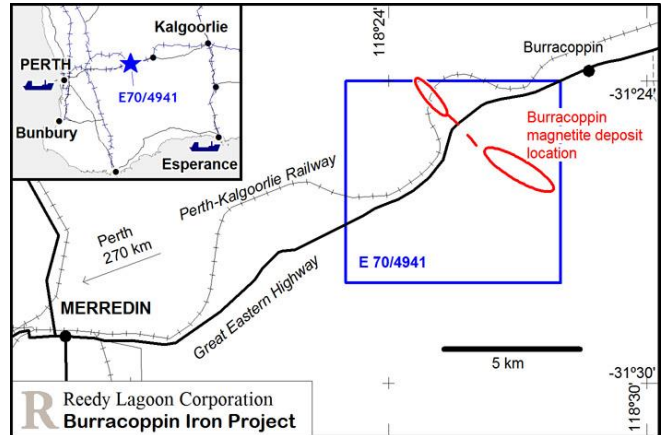
Iron

RLC 100%

E70/4941 (area 5,854 ha)

The Burracoppin Iron project is currently focused on establishing an Indicated Mineral Resource within the Burracoppin magnetite deposit (refer [ASX release 12/02/2021](#)). It is intended that iron concentrate mined from the deposit will be used for the production of high purity pig iron (HPPI).

The magnetite mineralisation is currently identified and partially delineated within detailed airborne magnetic data, 3 core drill holes and potentially in the CSIRO MagResource Model for Burracoppin (for details of the CSIRO collaboration refer to [ASX release 26/5/2021](#)).



During the quarter the study by CSIRO on the Burracoppin deposit that was initiated in May 2021 was completed and the final report was received by the Company following the end of the quarter (refer [ASX release 29/04/2022](#)).

The study aimed to develop a method of determining magnetite resources using petrophysically constrained magnetic modelling and has involved analysing sub-samples collected from our core from earlier drilling and analysing them to recover magnetic, density, geochemical, mineralogical and structural data. These data were used to constrain the modelling of the airborne magnetic data acquired in 2011 and reprocessed by CSIRO during the current study. The modelling of the airborne magnetic data has resulted in the generation of 3D shapes that represent potential magnetite mineralisation both in space and in content of magnetite.

The CSIRO model of the deposit incorporates complicated structure involving double plunging superimposed folding cut by numerous north to east-north-east striking faults. The CSIRO's investigations found magnetite morphology showing stratiform layering and shear related fabrics. It is thought that structure has controlled magnetite replacement but the replacement is locally stratiform. This would reduce the significance of the dip of individual structures as any dip may be only local. The CSIRO model has potential to significantly assist the Company's planned drilling and in understanding the geology of the deposit (refer [ASX release 11/01/2022](#)). and [29/04/2022](#)).

Planned resource definition drilling was modified during the quarter to include initial holes directed to investigate the CSIRO model so that if the model is proven, subsequent holes will be guided by that model.

Heritage surveys were conducted during the period with no impediments to our planned drilling identified.

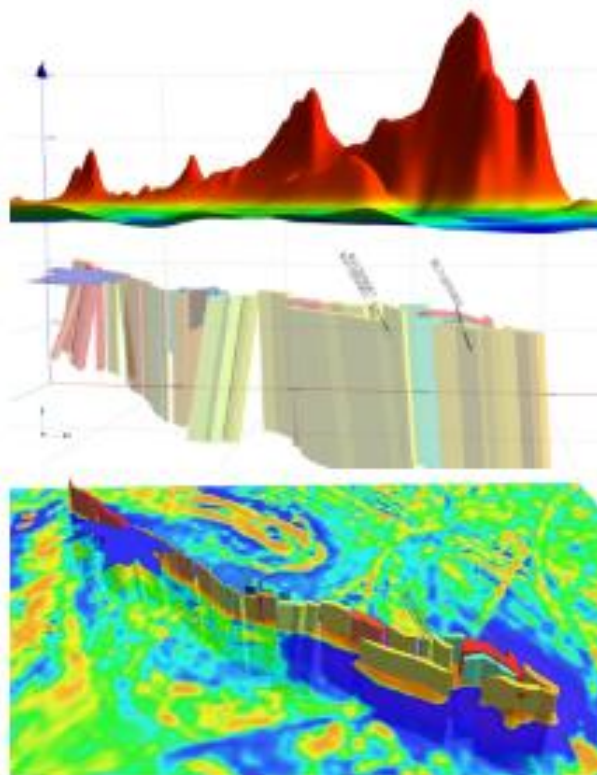
Reedy Lagoon’s strategy for iron:

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 biomass to process into biochar to be a source of carbon (replacing coal)
- 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.

Illustrational images from the CSIRO MagResource Model (for the Burracoppin deposit).



At right: Upper panel: Modelled magnetic bodies are shown below the magnetic anomaly. Lower panel: Modelled magnetic bodies are shown superimposed on the first vertical derivative image (both viewed from the south).

The modelled magnetic bodies are shown below superimposed on a satellite image.



Burracoppin Gold Project (WA)

Gold

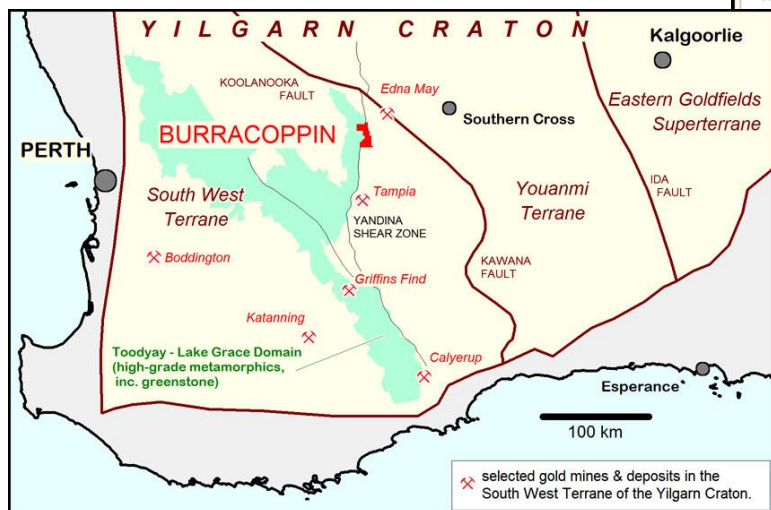
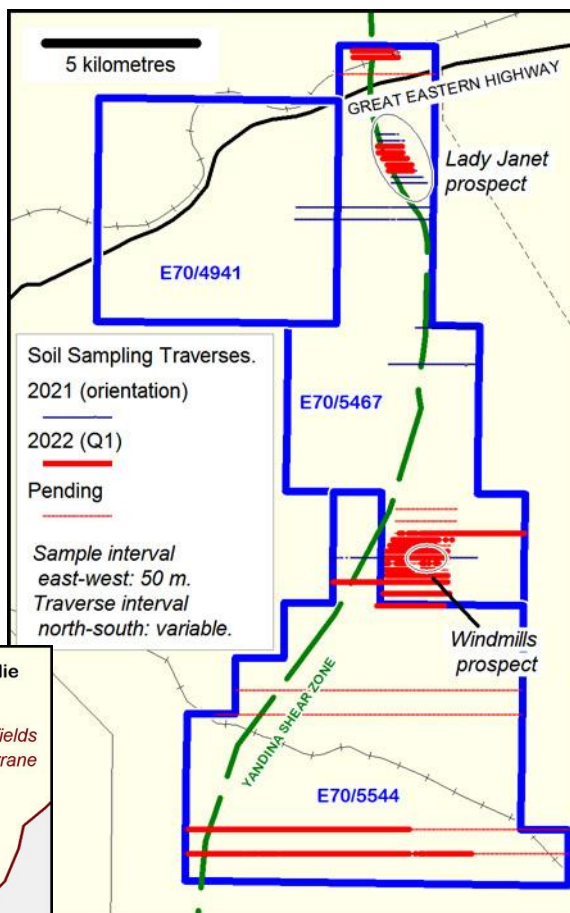
RLC 100%

E70/4941, E70/5467, E70/5544 (241 km²)

The Burracoppin Gold project comprises the Windmills prospect and gold targets at the Lady Janet site together with substantial areas that are yet to be investigated.

During the March quarter wide spaced orientation and follow-up soil sampling, including at the Windmills prospect, was conducted. Rainfall, however continued to disrupt and restrict activities.

946 soil samples were collected during the period for analysis of gold and pathfinder elements.



Quarterly activities report for the period ended 31 March 2022

CORPORATE

Share issues

The Company issued 500,000 fully paid ordinary shares at 5.46 cents per share raising \$27,300 during the quarter.

Cash

At 31 March 2022 Reedy Lagoon had \$478,568 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 \$102,041.

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

Related Parties

Payments to related parties during the quarter totalled \$55,250 plus \$833.33 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.

500,000 fully paid ordinary shares were issued to a director upon the exercise of options at 5.46 cents per share on 11 March 2022 raising \$27,300 in capital.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Alkali Lake North <i>Lithium</i>	Geophysical survey (3D AMT) planned to enable drill targeting over central portion of project area not covered by existing survey. ¹ Drill to test conductivity target located in eastern side of basin ¹	TBD TBD
Clayton Valley <i>Lithium</i>	Drill to test conductivity targets. ¹	TBD
New Project Development <i>Lithium</i>	Office studies to assess and build new projects.	On going
Burracoppin Iron <i>Magnetite</i> <i>Biomass/Biochar</i> <i>Pig iron</i>	Drill to establish resources. ¹ Continued investigations into biomass / biochar production.	TBD On going
Burracoppin Gold <i>Gold</i>	Soil sample collection and assay	Jun Q
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.

Quarterly activities report for the period ended 31 March 2022

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 Persons' 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		
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	1,042 ha
	WH-129 to WH-334	NV* 105269236 to NV* 105269441	206	1,554 ha
Clayton Valley Project				
CV Claims	CV-1 to CV-112	NMC 1176204 to NMC 1176315	112	906 ha

*NV = County Serial Number (BLM serial number pending)

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")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(102)	(508)
(b) development	-	-
(c) production	-	-
(d) staff costs	(48)	(122)
(e) administration and corporate costs	(66)	(202)
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 (payments to directors in respect of previously forgone emoluments relating to prior periods, net pay and PAYG withholding)	(118)	(367)
1.9 Net cash from / (used in) operating activities	(334)	(1,199)

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	-	-

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 (9 months) \$A'000
(f) other non-current assets	-	-
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)	-	1,335
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	27	53
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(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)	-	-
3.10 Net cash from / (used in) financing activities	27	1,319

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	785	360
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(334)	(1,199)
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)	27	1,319

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(2)
4.6	Cash and cash equivalents at end of period	478	478

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	101	93
5.2	Call deposits	377	692
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)	478	785

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	55
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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	(334)
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)	(334)
8.4	Cash and cash equivalents at quarter end (item 4.6)	478
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	478
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.4
<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?	
	<p>Answer:</p> <p>The cash flows from operating activities in the March quarter included PAYG withholding payment of \$117,800 paid to ATO. This PAYG withholding is in respect of the one-off payment of \$249k in December quarter relating to prior periods (refer to item 1.8). Deducting this one-off payment from the "Net cash used in operating activities" (item 8.1) reduces "Total relevant outgoings" (item 8.3) to \$216k. On current cash levels the Company expects it will continue operating at net operating cash flows of about \$250k to \$300k per quarter.</p>	

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

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:

The entity continually creates ways to raise cash and to fund its operations including by farm out arrangements with joint venture partners, capital raisings and other arrangements. Steps taken primarily include exploration on its projects to increase their appeal to potential joint venture partners and shareholders. The entity believes it will be successful in accessing funding when required.

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:

The entity expects to continue its operations and to meet its business objectives. Forthcoming Activities are described on page 6 in its March Quarter Activities Report. The entity has no debt, cash on deposit totalling more than \$470k, low overheads and several high interest and high calibre projects.

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 April 2022

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.