

For immediate release
22 December 2016

Lithium Brine Project in Nevada

Reedy Lagoon has acquired a lithium brine project in Nevada, USA.

The acquisition is subject to approval by Reedy Lagoon shareholders.

The Nevada lithium brine project currently comprises applications for Placer Mining Claims over three prospects in large basins (ground water catchment areas) interpreted from topographic and geophysical survey data. Substantial research has driven the selection of which basins to target. This research includes studies of potential aquifer host rocks and lithium sources evidenced by existing lithium operations where abundant brines occur, including the Silver Peak Mine where lithium has been produced from brines since the 1960s. Claim staking commenced in late November 2016 and is ongoing.

Mr Geof Fethers, Managing Director of Reedy Lagoon expressed his delight in securing the right to acquire the project:

“Global lithium production is expected to increase. Lithium demand is being generated not only by development of electric cars, but also from industrial scale use of lithium batteries to enable solar generated electricity to provide power to mining operations (for example, Sandfire’s DeGrussa mine in WA and the recent news that BHP is investing in this).

Lithium production costs are being reduced by advances in technology. Advances include new solvent extraction technologies using organic solvents which enable some lithium brines to be processed at low cost to produce lithium end products at exceptionally high purity. Waste streams from such processes ought to be suitable for reinjection into the source of the brines thereby eliminating the need for large evaporation dams and minimising environmental impact. The potential to use solar energy (with lithium batteries) to operate the mine makes a lithium brine project an exciting “green” investment . “

Reedy Lagoon is commissioning an independent valuation of the project to accompany the notice of meeting at which shareholder approval will be sought for the acquisition. The meeting will be held early in the new year.

Reedy Lagoon is also proposing to make an Entitlement Offer for the purpose of raising monies to fund pre-drilling expenses and working capital.

Over the next 9 months about \$700k needs to be spent in preparation for drilling. This includes the cost of the first year’s claim rental fees as well as geophysical surveys and drill permit applications. Subsequent expenditure of at least \$2m will be needed for drilling and core testing of aquifers, pump tests and pilot plant over the following 2 years.

At the time of raising capital to fund drilling expenses Reedy Lagoon will complete payment for the acquisition of the project by issuing to the vendor \$2,000,000 worth of Reedy Lagoon shares (determined by reference to the offer price under that capital raising). Mr Adrian Griffin, a non-executive director of Reedy Lagoon is a 25% shareholder in the vendor.

Further information on progress with claim staking for the project and on the lithium industry generally will be available from our website: www.reedylagoon.com.au

For more information please contact G Fethers on 613 8420 6280
On behalf of the Board

Geof Fethers, Managing Director
Telephone: (03) 8420 6280
reedylagoon.com.au

Reedy Lagoon Corporation Limited
Suite 2, 337a Lennox Street, Richmond VIC 3121
Issued shares: 158,276,946
Issued options: 3,600,000 unlisted
Share price (last traded): \$0.017