



REEDY LAGOON CORPORATION LIMITED

ABN 41 006 639 514

Entitlement Offer

2 for 3 non-renounceable pro rata entitlement offer of Reedy Lagoon Corporation Limited ordinary shares at an offer price of \$0.02 per new share, closing 5.00pm AEST Friday 18 July 2014.

This Information is important and requires your immediate attention.

This is an important document which is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. Please contact your professional adviser if you have any queries.

Issuer

Reedy Lagoon Corporation Limited
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Richmond, VIC, 3121

Registry

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Melbourne Vic 3000

Website

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Dear Shareholder,

RLC is now the holder of 100% of the Bullamine tenements and needs to raise funds to assess whether the deposit discovered at Burracoppin has potential to be processed into a saleable product profitably.

The Bullamine Joint Venture has been successful in discovering several magnetite (iron ore) deposits. An inferred Mineral Resource of 53.6 million tonnes at 29.3% Fe has been delineated at Chitterberrin and drilling at Burracoppin has discovered wide intercepts of magnetite. The qualities of the magnetite tested (grind size, level of impurities) indicate comparative advantages in production costs of a premium product (68% Fe). The deposits are located close to substantial infrastructure including rail and road links to ports.

However production of a premium product is likely to require large capital expenditure on plant and substantial tonnage throughput to be profitable. The Company believes that the qualities of the magnetite tested may mean that a product with a lower Fe content can be profitably produced with small capital expenditure on plant and a lower tonnage throughput. Engenium Pty Limited, an engineering firm specialising in project design and execution management, is to be engaged to undertake an assessment of what products might potentially be produced profitably using the existing core samples from drilling at Burracoppin.

To enable RLC to have this assessment done, RLC is seeking \$713,980. This amount will cover the estimated costs of assessment as well as 12 months overheads. Your directors have decided to raise this amount by a pro rata rights issue ("Entitlement Offer") at \$0.02 per new share.

Shareholders may apply for additional shares under the Entitlement Offer.

Details of the Entitlement Offer are set out in this booklet. Please read this booklet before responding to the offer.

If you have any questions in respect of the Entitlement Offer please call the RLC Offer Information Line on 1300 668 378 (within Australia) and +61 1300 668 378 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday or, alternatively, consult your stockbroker, accountant or other professional adviser.

On behalf of the Board of RLC, I invite you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely

Jonathan Hamer
Chairman
Reedy Lagoon Corporation Limited

KEY DATES

Announcement of Entitlement Offer	Monday 23 June 2014
Ex Date for Entitlements	Friday 27 June 2014
Record Date for determining Entitlements	Tuesday 1 July 2014
Entitlement Offer opens	Wednesday 2 July 2014
Entitlement Offer closes	Friday 18 July 2014
Issue of New Shares under the Entitlement Offer	Thursday 24 July 2014
Despatch of allotment confirmations in respect of New Shares	Friday 25 July 2014
New Shares commence normal trading on ASX	Monday 28 July 2014

The above timetable is indicative only and subject to change. RLC reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the times and dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice.

You cannot, in most circumstances, withdraw your application once it has been accepted. No cooling off rights apply to the Entitlement Offer.

Enquiries:

If you have any questions, please call the RLC Entitlement Offer Information Line on 1300 668 378 (Or for callers outside Australia +61 1300 668 378) at any time between 8.30am and 5.30pm (AEST) Monday To Friday during the offer period, or consult your stockbroker, accountant or other professional adviser.

OFFER DESCRIPTION

Pro rata entitlement

Under the Entitlement Offer, you as an Eligible Shareholder (as defined in section 2 of "**Important Information**") are entitled to apply for 2 fully paid ordinary shares in RLC ("**New Share**") at a price of \$0.02 per New Share ("**Offer Price**") for every 3 RLC ordinary shares held at the Record Date subject to the terms of the Entitlement Offer. This is called your "**Entitlement**".

The number of New Shares for which you are entitled to apply for is shown on the personalised Entitlement and Acceptance Form that accompanies the copy of this Booklet which has been sent to each Eligible Shareholder. Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

Note: The Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding RLC shares on behalf of a U.S. Person as that term is defined in the U.S. Securities Act of 1933 (as amended).

The Entitlement Offer is only open to Eligible Shareholders and RLC reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Non-renounceable

Entitlements are non-renounceable, and RLC shareholders who do not take up their Entitlements will not receive any payment or value for their Entitlements. Entitlements will not be able to be traded on the ASX or privately transferred. If you do not take up your Entitlement under the Entitlement Offer, your percentage shareholding in RLC will be diluted.

Additional Shares

Eligible Shareholders who take up their Entitlement in full may also apply for New Shares in excess of their Entitlement ("**Additional New Shares**"). However, Additional New Shares will only be allocated to Eligible Shareholders if there are sufficient New Shares from Eligible Shareholders who do not take up their full

Entitlement or from New Shares that would have been offered to ineligible shareholders if they had been entitled to participate in the Entitlement Offer, subject to any allocation policy and scale-back that RLC may apply in RLC's absolute discretion.

There is no assurance that Eligible Shareholders who apply for Additional New Shares will be allocated all or any of those Additional New Shares. If an application for Additional New Shares is not accepted, the surplus Application Monies will be refunded, without interest, payable to the applicant, on or around 25 July 2014.

Shortfall Placement

To the extent Entitlements are not taken up and are not issued as Additional Shares (such number of New Shares being the "Shortfall") the Shortfall may be placed with professional investors or sophisticated investors \$0.02 per New Share or through stockbrokers ("Shortfall Placement").

Minimum

No New Shares will be issued unless a minimum of \$200,000 is raised under the Entitlement Offer and the Shortfall Placement.

No underwriting

The Entitlement Offer is not underwritten.

Limit on Allocation

RLC may decline to issue New Shares to a person to the extent that the issue would otherwise result in that person holding more than 20% of the voting power in RLC.

PURPOSE OF FUND RAISING

RLC's principal asset is its 100% interest in the Bullamine Iron (magnetite) project (held through its wholly-owned subsidiary, Bullamine Magnetite Pty Ltd).

Discovered by drilling in late 2012, the Burracoppin magnetite deposit is the most prospective of the project's deposits identified to date. The drilling intersected extensive magnetite mineralisation. Tests on selected core indicate potential for the production of a premium grade magnetite sinter product at, by Australian standards, a very coarse grind size (P80 – 150 micron). Its location within 2 kilometres distance from rail linking the prospect to deep sea bulk cargo ports at both Kwinana and Esperance is a significant advantage of this prospect.

Until 17 April 2014 the project was being developed by the Bullamine Joint Venture under the management of Cliffs Magnetite Holdings Pty Ltd and two Japanese companies that were introduced by Cliffs in late 2012. Under the joint venture The parties other than RLC needed to spend \$5 million to earn a 75% interest and thereafter to fund exploration through to any Decision to Mine with RLC required to repay its 25% of funding prior to a Decision to Mine only from RLC's share of future mine production. A total of approximately \$8.8 million was spent by the joint venture.

Spending on exploration by the joint venture was significantly reduced from early in 2013. The project returned to 100% ownership by RLC on 17 April 2014 following the withdrawal of the other parties. RLC believes the withdrawal by Cliffs and the 2 Japanese companies reflects the decision by Cliffs to generally withdraw from exploration in Australia (as evidenced by its disposal of Yerecoin, another magnetite project of those joint venturers) and a view of those joint venture parties that exploitation of the magnetite to produce a premium product for Japanese smelters would require a large tonnage throughput to support a large mining operation.

With the return of ownership to RLC, the focus has changed to an approach seeking profitable production as soon as possible and as cheaply as possible. This is a fundamental change from the prior “big mining company” approach which sought sufficient tonnage to build a resource base capable of supporting a medium sized operation to produce a premium product for Japanese smelters.

RLC is focussing on the Burracoppin prospect because of the size indicated by the magnetic anomaly associated with it, the wide intersections of mineralisation in two of the three bore holes completed to date, the favourable metallurgy and its location adjacent to rail connecting it to bulk cargo ports (for details see section below headed Bullamine Project).

RLC proposes conducting further tests on the available core to investigate the range of magnetite products that can be produced from the Burracoppin material and the likely sale price and production cost associated with each product. We intend commissioning Engenium to manage the metallurgical investigation works. Engenium is currently engaged to undertake similar work on small scale magnetite projects located in the same region as Bullamine and also in eastern Victoria. RLC is attracted by Engenium’s experience in assessing magnetite production options where the objective is to optimise the margin between cost of production and sale price rather than focusing primarily on determining parameters for a premium product (with greater than 68% Fe).

RLC estimates the costs of these initial metallurgical investigations to be \$120,000.

On the assumption that the results of these initial metallurgical investigations are positive RLC will seek further funding in order to undertake drilling sufficient to prove a resource at Burracoppin, additional metallurgical studies and scoping study followed by pre-development studies and approvals for mining. RLC expects to have the results of these initial metallurgical investigations by the end of the September quarter 2014.

USE OF FUNDS

The Entitlement Offer and Shortfall Placement will provide funding to assess development potential of the Burracoppin magnetite prospect.

RLC will use the proceeds of the equity raising for a number of purposes including:

- funding metallurgical test work on core samples from the Burracoppin magnetite deposit (\$120,000)
- general working capital purposes (12 months overheads , including maintenance of existing tenements and contingencies: \$594,000).

BULLAMINE PROJECT

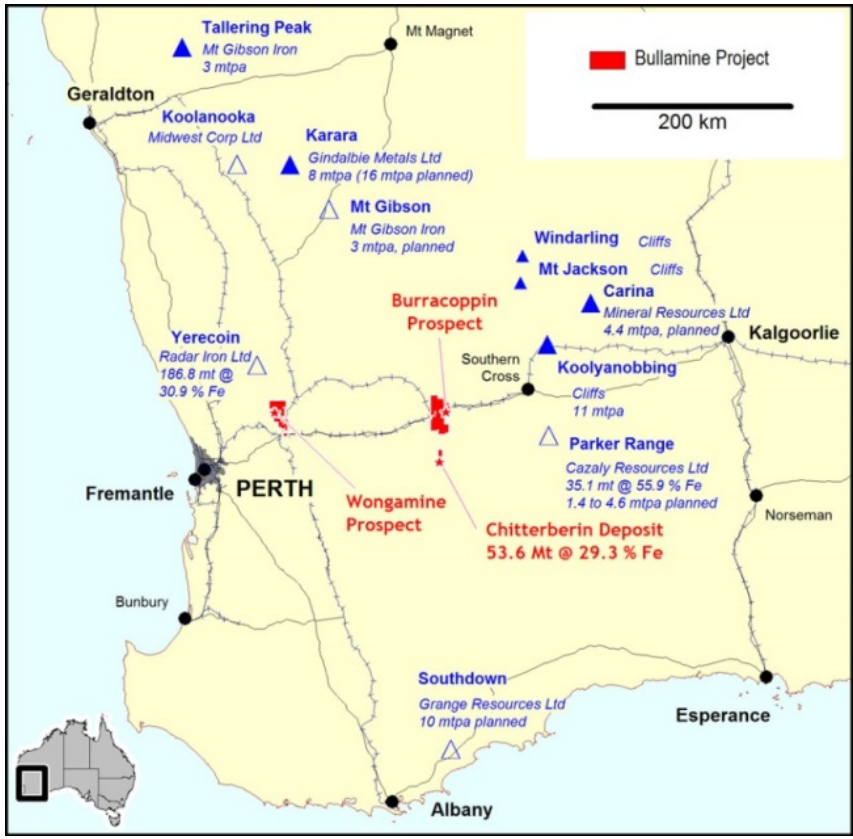
The main prospects of the Bullamine project are:

Burracoppin – (ASX releases 18/01/2013, 31/01/2013).

Chitterberin – Inferred Resource (JORC) 53.6 Mt @ 25.3% Fe (ASX release 22/10/2012).

Wongamine and other deposits near Northam (ASX release 13/09/2013, in 2013 Annual Report).

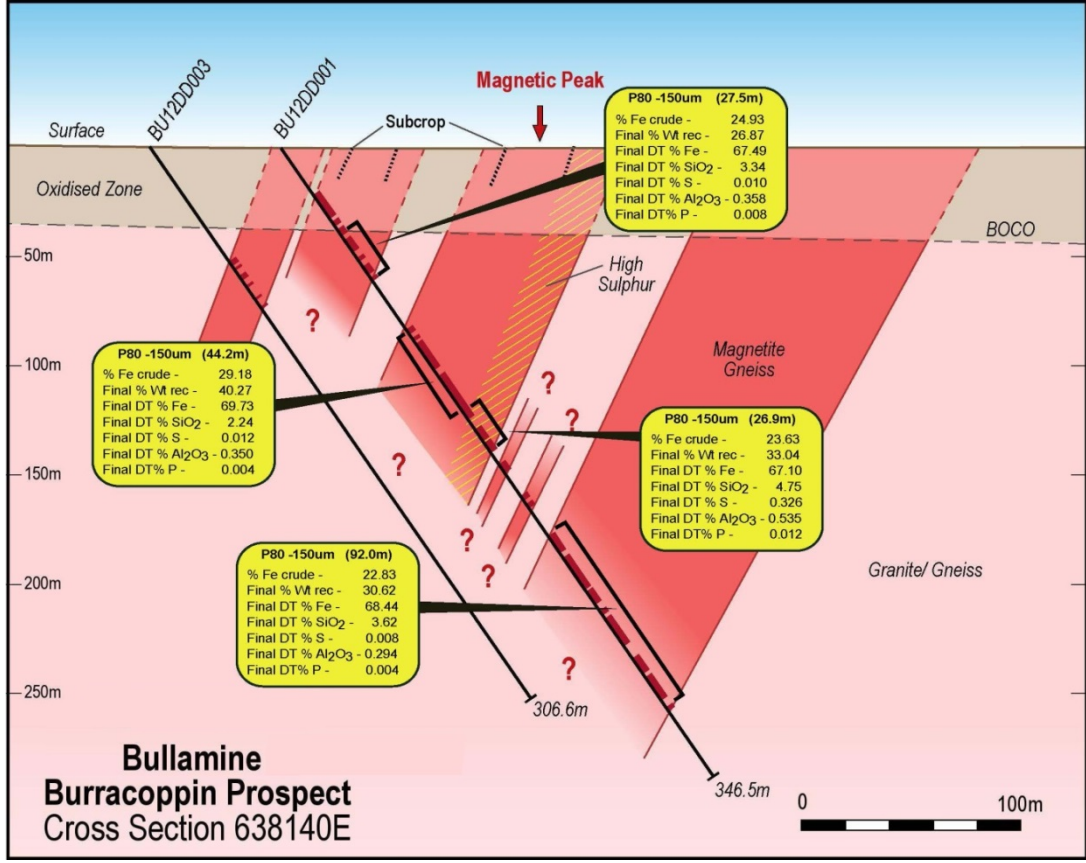
All prospects are located close to rail which links them to bulk cargo ports located at Fremantle (Kwinana) and Esperance.



Location of Bullamine project tenements and main prospects.

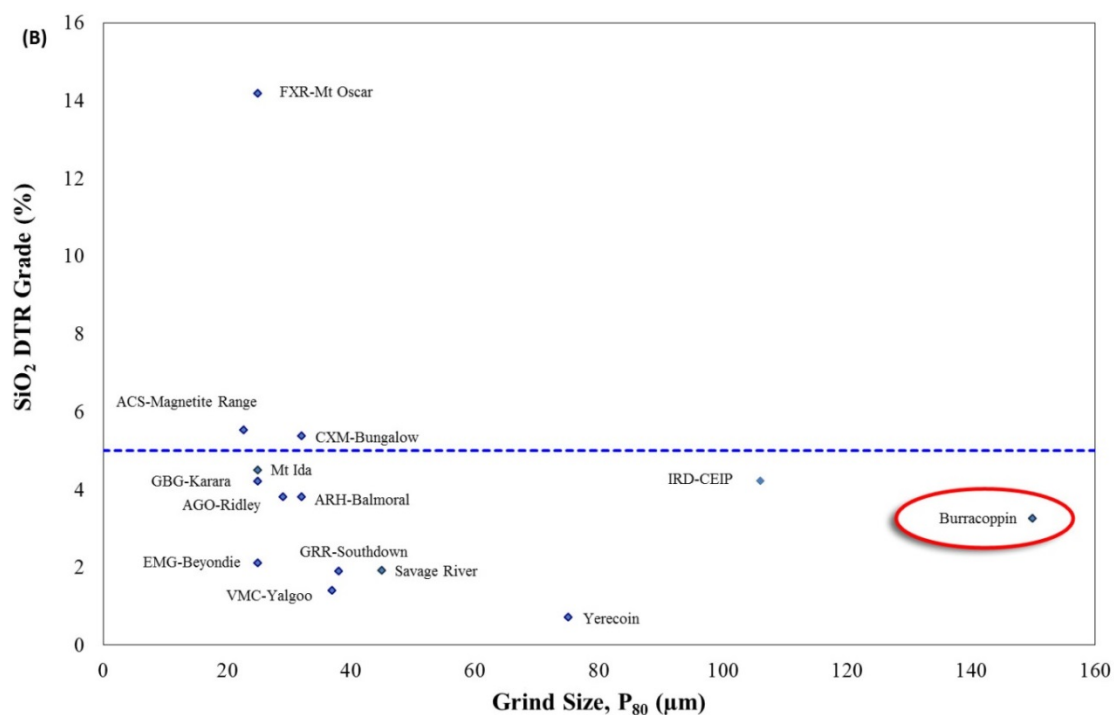
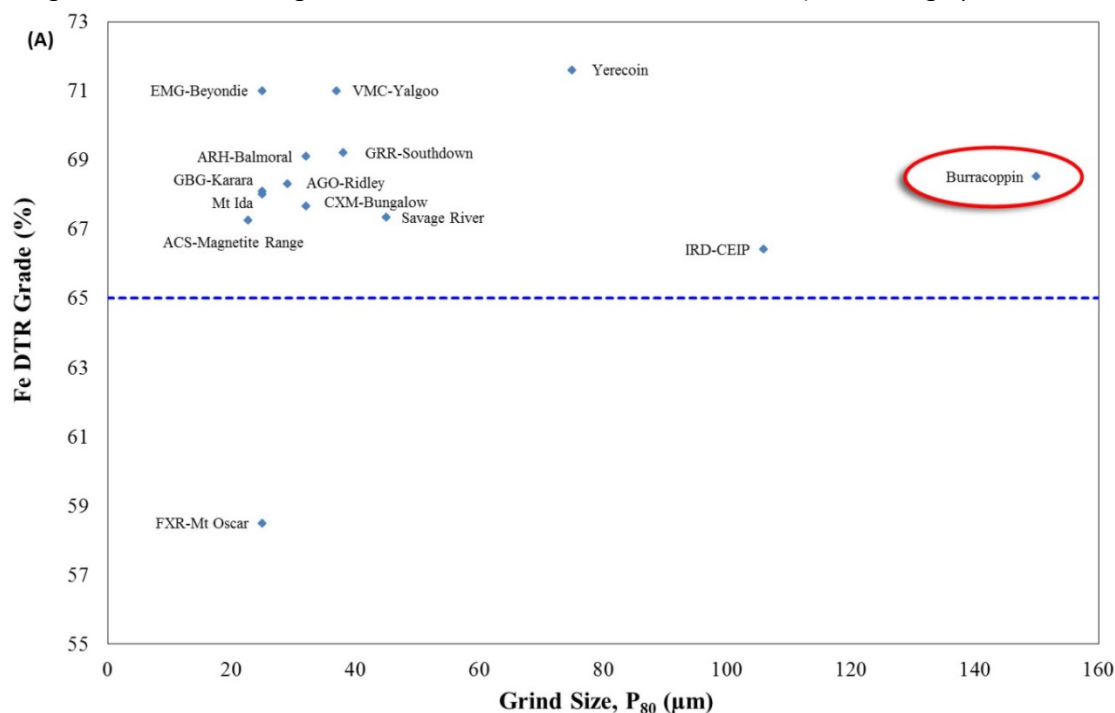
Also shown are locations of the Burracoppin prospect within E70/3769, the Chitterberrin deposit within E70/3770 where an Inferred Resource has been determined and the Wongamine prospect within E70/3462.

At the Burracoppin prospect diamond drilling has intersected steeply dipping magnetite-bearing units with combined horizontal widths of between 150 metres and 200 metres.



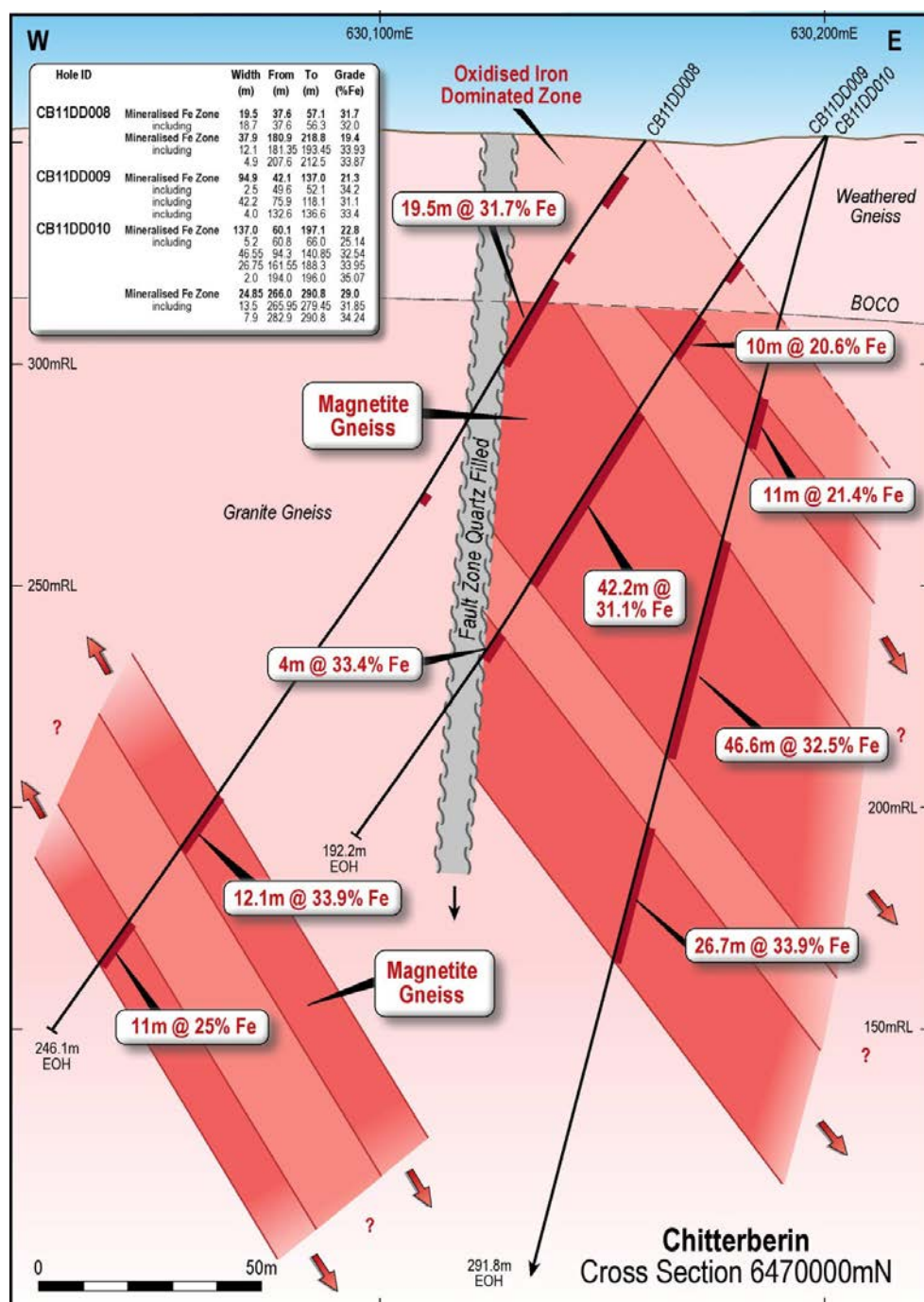
Metallurgical studies on core samples from Burracoppin produced favourable Davis Tube concentrate compositions with high iron levels (67% to 70% Fe) and low levels of impurities after a relatively coarse grind (P80 -150 micron) (ASX release dated 23 November 2012). The substantial widths intersected by the drilling to date and favourable metallurgical results (although not definitive as insufficient drilling has been conducted) indicate Burracoppin is likely to be the most significant magnetite deposit discovered by the Bullamine project to date.

These metallurgical results can be compared with results at other magnetite deposits in Australia (the coarser the grind size to achieve high Fe content and low SiO₂ content, the better) – refer to graph below.



The graphs above show Davis Tube Recovery (DTR) concentrates of several Australian magnetite projects plotted against grind size using information sourced from public documents. Figure (A) shows Iron grades and Figure (B) shows Silica. Preliminary metallurgy for the Burracoppin Project shows good comparison to other projects at a coarser grind size than is typically achievable (ASX 18/01/2013). Typical cut-off grades for commercial grade product are shown by the horizontal dotted lines, minimum 65% Iron and maximum 5% Silica. However, RLC plans investigating the types of product, including concentrates with less conventional iron and silica levels, that can be produced from Burracoppin mineralisation by conducting processing trials on material at much coarser particle sizes than 150 micron.

At the Chitterberin prospect the Bullamine project has a JORC compliant Inferred Resource of 53.6 Mt @ 29.3% Fe (ASX 22/10/2012).



OFFER PRICE

The Offer comprises 35.7 million shares (representing 40% of the expanded capital) at 2 cents per share and will imply a market capitalisation of \$1.8 million in the event that the Offer is fully subscribed.

Directors consider the proposed pricing is necessary in the current market and are hopeful that shareholders will understand that the issue price is not meant to be an indicator of the Company's value. Importantly, the Offer is by way of an entitlement offer to shareholders so that non-shareholders will only be able to acquire shares under the Offer if shareholders do not take up their full entitlements.

Readers are encouraged to make their own investigations of other similar sized companies involved with magnetite projects that are listed on the ASX such as EFE, MAU and RAD. These companies were trading on ASX in mid June 2014 at prices implying market capitalisations ranging between about \$4.9 million and \$20 million.

If the results of the metallurgical investigations are positive (that is, there is potential for a saleable product to be produced profitably from Burracoppin) RLC will be seeking further capital for the purposes of defining a mineral resource at Burracoppin, hopefully at a significantly higher price per share than this Entitlement Offer. This further capital raising would be sought from the public including potential product purchasers rather than focussed on existing shareholders.

KEY RISKS

Minimum Amount is not raised

If the minimum amount (\$200,000) is raised, RLC should have sufficient funds to have the proposed metallurgical work completed and pay overheads for the period necessary to complete the report, at which stage RLC would need to raise further funds if it is to continue operating. If the minimum amount is not raised RLC will need to seek alternative funding or will cease operations. If RLC ceases operations it is unlikely that shareholders will receive any material return in a winding up.

Sufficient available core for testing

The amount of funds to be raised assumes that RLC will be able to use the core from prior drilling at Burracoppin to undertake the metallurgical work needed to investigate the range of magnetite products that can be processed from the Burracoppin material, their sale prices and production costs associated with each product. RLC has satisfied itself that there is core remaining after prior testing which is stored in Western Australia but has only been able to inspect a sample of all core remaining. The core inspected indicated that at least 50% of that core remained available for testing. This should be sufficient to enable proper testing to be carried out. However if for any reason there is insufficient core to carry out the metallurgical work, it may be necessary to carry out further drilling which would involve considerable additional expense (estimated at \$ 500,000) and time delay.

Exploration

At the prospects other than Chitterberin, the potential quality and grade of any mineralization is conceptual in nature, there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

No Decision to Mine yet possible

While an inferred mineral resource has been delineated at Chitterberin and magnetite identified at Burracoppin (see RLC's ASX announcements dated 22/10/2012 and 31/01/2013) further work needs to be undertaken for RLC to be in a position to make any decision to mine.

There is a risk that a decision to mine may not be made. A decision to mine depends on many factors, including expected prices for the iron concentrate product, capital costs, processing costs, access to ports, and competing operations. While there are plans to increase capacity at the nearest ports, current access to these ports would require the Company to negotiate a deal with the owners of existing capacity at these ports. If a decision to mine is made, RLC will have to fund the capital development and mining costs.

Constraints on Exploration Activities

There is a risk that the carrying out of any drilling programme may be delayed or prevented or the costs may be increased by factors such as:

- adverse weather conditions over a prolonged period;
- unavailability of suitable drilling equipment;
- unavailability of suitable contractors;
- delay or failure to obtain consents or approvals necessary for the conduct of exploration and mining or failure or delay to satisfy the conditions of any such consents or approvals unanticipated operational and technical difficulties encountered in survey, drilling and production activities; or
- the proximity of endangered flora or fauna or aboriginal significant or heritage sites.

Native Title

Native Title Claims have the potential to cause significant delays to exploration.

From a practical perspective, the key risks that arise in relation to native title are that:

- first, there may be considerable delays experienced in seeking and obtaining the agreement of registered native title claimants or holders (or an arbitral body, if this proves necessary) to the granting of an exploration or mining tenement, where this is required by the “future act” requirements of the Native Title Act;
- second, in some limited cases it is possible that agreement may not be reached with registered native title claimants or holders in relation to the granting of an exploration or mining tenement, or that an arbitral body may determine that an exploration or mining tenement should not be granted; and
- Third, the conditions to which such an agreement is subject may be onerous, particularly in relation to the payment of compensation or the management of places and items of Aboriginal cultural heritage significance.

The potential also exists for further Native Title Claims to be lodged over any existing or future tenement area.

Aboriginal Significant Sites

Commonwealth and State Legislation oblige RLC to identify and protect sites of significance to Aboriginal custom and tradition.

From a practical perspective, the key risks that arise in relation to Aboriginal cultural heritage protection are that:

- there may be considerable delays experienced in obtaining the consent of Aboriginal representative bodies or administering authorities (where applicable) to carry out exploration activities on Aboriginal sites or relics, which delays could impact upon project timing;
- consent, if granted, may be granted subject to onerous conditions; and
- consent may not be obtained, and will not be able to be obtained if RLC’s activities would result in the destruction of an item of Aboriginal cultural heritage significance.

Exploration Licences

The renewal of tenements upon expiry of their current term and the granting of applications for exploration licences is subject to Ministerial approval. Tenements may not be renewed or fines may be levied if the minimum expenditure commitment for a tenement has not been met. Non-approval or delay in the approval process could have a negative impact on exploration conducted by RLC as well as the Share price of the Company.

Share Market Risks

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand for, and supply of, capital.

Investors should recognise that once the New Shares are listed on ASX, the price of the New Shares may fall as well as rise. Many factors will affect the price of the Shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally.

Government Risk

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors.

Capital requirements

The amount to be raised is estimated to cover the costs of the metallurgical investigations to assist with determining the feasibility of a low cost, quick to production, operation at Burracoppin as well as enabling the Company to meet overheads for 12 months. If the result of the investigations is positive, the next steps for the Company have been described on page 4 and will require another capital raising for the purposes of determining whether there is a resource at Burracoppin.

HOW TO APPLY

1. PLEASE READ CAREFULLY THE CHAIRMAN'S LETTER, IMPORTANT INFORMATION, ENTITLEMENT AND ACCEPTANCE FORM AND OTHER PUBLIC INFORMATION MADE AVAILABLE

The Entitlement Offer is not being made under a prospectus or product disclosure statement. Instead, the Entitlement Offer is being made pursuant to provisions of the Corporations Act 2001 (Cth) that allow entitlement offers to be offered by providing certain updates and confirmations to the market. Accordingly, before accepting your entitlement of New Shares you should carefully read and understand the publicly available information on RLC and the Entitlement Offer, including this Booklet, RLC's Annual Reports, the December 2013 Half Year Results and other announcements that have been made available at www.reedylagoon.com.au or www.asx.com.au.

2. CONSIDER THE ENTITLEMENT OFFER IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

If you have any queries or are uncertain about any aspect of the Entitlement Offer, consult with your stockbroker, accountant or other professional adviser.

Please ensure that you review carefully the "**Key Risks**" section.

3. APPLY FOR PART OR ALL OF YOUR ENTITLEMENT

If you want to take up all or part of your Entitlement or apply for Additional New Shares, you must complete and return the Entitlement and Acceptance Form with your payment **or** pay your application monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

RLC will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement. Amounts received by RLC in excess of your Entitlement may be treated as and application to apply for as many Additional New Shares as the excess amount will pay for in full.

Your Entitlement is set out in the accompanying Entitlement and Acceptance Form and has been calculated as 2 New Shares for every 3 RLC shares you held as at the Record Date of 7.00pm (AEST) on Tuesday 1 July 2014 rounded up to the nearest whole share. If you have more than one holding of RLC shares you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding. If you accept and pay for all or part of your Entitlement before the close of the Entitlement Offer at 5.00pm (AEST) on Friday 18 July 2014, you will be issued your New Shares on Thursday 24 July 2014. If you apply for Additional New Shares, then subject to RLC's absolute discretion to scale-back your allocation of Additional New Shares (in whole or part), you will also be issued Additional New Shares on Thursday 24 July 2014. RLC reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims. You do not have to pay any brokerage or other transaction costs to RLC on the issue of New Shares or Additional Shares.

4. ACCEPTANCE OF THE ENTITLEMENT OFFER

You may subscribe for all or part of your Entitlement by either completing the Entitlement and Acceptance Form in accordance with the instructions set out on the back of that form, indicating the number of New Shares and Additional New Shares (if any) you wish to subscribe for and attaching payment or, if you have an Australian financial institution account that supports BPAY®, by paying by BPAY® (see below for more details).

The method of taking up the Entitlement Offer will depend on your method of payment, being:

Payment by cheque, bank draft or money order

Should you wish to pay by cheque, bank draft or money order, then you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on that form and return the form accompanied by a cheque, bank draft or money order:

- in Australian currency, drawn on an Australian branch of a financial institution;
- for an amount equal to \$0.02 multiplied by the number of New Shares and Additional New Shares (if any) that you are applying for; and
- Made payable to "Reedy Lagoon Corporation Limited" and crossed "Not Negotiable".

Payment by BPAY®

For Eligible Shareholders wishing to pay by BPAY® (only available to Eligible Shareholders who hold an account with an Australian financial institution that supports BPAY®):

- Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). Your BPAY® payment must be received by no later than 5.00pm (AEST) on Friday 18 July. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.
- If you pay by BPAY®, you do not need to submit your Entitlement and Acceptance Form but, by making a payment through BPAY®, you will be taken to have made the declarations set out in the Entitlement and Acceptance Form.

Payments generally

Any application monies received for more than your final allocation of New Shares and Additional New Shares (if \$1.00 or more) will be refunded on or around 25 July 2014. No interest will be paid on any application monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

5. IF YOU DO NOT WISH TO TAKE UP YOUR ENTITLEMENT

If you do not wish to take up your Entitlement under the Entitlement Offer, you can simply do nothing.

At the Entitlement Offer close date, 5.00pm (AEST), Friday 18 July, if you have not completed your Entitlement and Acceptance Form and returned it with application money to the Registry at the address below, or alternatively made a payment through BPAY® for which RLC has received payment, then your Entitlements will lapse.

The Entitlement Offer is non-renounceable. If you do not take up your Entitlement, you will not receive Any value for your Entitlement.

6. MAIL OR DELIVERY

To participate in the Entitlement Offer, your payment must be received by no later than 5.00pm (AEST) on Friday 18 July. If not paying by BPAY®, your completed Entitlement and Acceptance Form, together with application monies, should be mailed using the reply paid or self addressed envelope provided with this Booklet, or mailed to:

Reedy Lagoon Corporation Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

IMPORTANT INFORMATION

This Booklet has been prepared by RLC. The Booklet is dated 23 June 2014.

The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers and Hugh Rutter, who are Member and Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) respectively. Geof Fethers and Hugh Rutter are directors of the Company and each has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to each 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 and Hugh Rutter consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. 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 and, in the case of the estimate of the Mineral Resource, all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. 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.

No party other than RLC has authorised or caused the issue of this Booklet, or takes responsibility for, or makes any statements, representations or undertakings in this Booklet.

You should read this Booklet carefully and in its entirety before deciding to invest in New Shares or Additional New Shares. In particular you should consider the risk factors outlined in the Key Risks section that could affect the performance of RLC or the value of an investment in RLC.

The past performance of RLC, and the past share price of RLC should not be relied upon as (and is not) an indication of future performance.

1. NOT INVESTMENT ADVICE

The Entitlement Offer to which this Booklet relates complies with the requirements of section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission (ASIC) Class Order 08/35.

The Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Booklet is not financial product advice and does not purport to contain all the information that you may require to evaluate a possible application for New Shares. This Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of RLC shares the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in RLC before making any investment decision based on your investment objectives.

You should also consider the “Key Risks” section.

2. ELIGIBLE SHAREHOLDERS

Eligible Shareholders are those who:

- (a) are the registered holder of RLC shares at 7.00pm (AEST) on Tuesday 1 July (the "**Record Date**");
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any RLC shareholder with a registered address outside Australia and New Zealand (see Section 8 below).

3. OFFER JURISDICTIONS

This Booklet is not intended to and does not constitute an offer of securities in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer and no action has been taken to register shares of RLC or otherwise permit a public offering of the shares in any jurisdiction outside of Australia and New Zealand. Return of the Entitlement and Acceptance Form with application money or your BPAY® payment shall be taken by RLC to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

The distribution of this document outside Australia and New Zealand may be restricted by law. Persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

The Entitlement Offer to Eligible Shareholders who are members of the public in New Zealand is being made in reliance on an exemption under the New Zealand Securities Act 1978 (the Securities Act (Overseas Companies) Exemptions Notice 2002). This document is not a prospectus or investment statement under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority or in accordance with the New Zealand Securities Act 1978. This document may not contain all the important information that an investment statement or a prospectus under New Zealand law is required to contain.

No member of the public in New Zealand is being offered New Shares other than existing holders of ordinary shares in RLC to whom the entitlement offer of New Shares is being made in reliance on an exemption under the New Zealand Securities Act 1978 (The Securities Act (Overseas Companies) Exemption Notice 2002).

In accordance with relevant New Zealand securities law, a person who, on the Record Date (being 7.00pm (AEST) on Tuesday 19 March 2013) was registered as a holder of RLC shares with a New Zealand address but who, at the time of the Entitlement Offer (Wednesday 20 March 2013) no longer holds RLC shares, is not eligible to participate in the Entitlement Offer.

United States

This Booklet does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. Person, or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The offering of New Shares in the Entitlement Offer has not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered, sold or resold in, or to persons in, the United States, or any other place in which, or to any person to whom, it would not be lawful to make such an offer or grant, except in accordance with an available exemption from registration and applicable state securities laws.

4. GOVERNING LAW

This Booklet, the Entitlement Offer and the contracts formed on return of the Entitlement and Acceptance Form are governed by the laws applicable in Victoria, Australia. Each RLC shareholder who applies for New Shares submits to the jurisdiction of the courts of Victoria, Australia.

5. FUTURE PERFORMANCE

This Booklet contains certain forward-looking statements. The words "anticipate", "believe", "except", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of RLC, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward looking statements and neither RLC nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

An investment in New Shares or Additional New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of RLC. Except as and to the extent required by law, RLC does not guarantee any particular rate of return or the performance of RLC nor does it guarantee the repayment of capital from RLC or any particular tax treatment. You should have regard to the "Key Risks" section.

6. TAXATION

Taxation implications will vary depending upon the individual circumstances of Eligible Shareholders. You should obtain your own professional advice before deciding whether to invest in New Shares or Additional New Shares.

7. FINANCIAL DATA

Unless otherwise stated, all dollar values are in Australian dollars (A\$).

8. OVERSEAS SHAREHOLDERS

RLC has decided that it is unreasonable to make offers under the Entitlement Offer to RLC shareholders with registered addresses outside Australia and New Zealand having regard to the number of RLC shareholders in those places, the number and value of the securities they would be offered and the cost of complying with the legal and regulatory requirements in those places.

9. OPTIONHOLDERS

Optionholders will not be entitled to participate in the Entitlement Offer unless they:

- have become entitled to exercise their options and do so prior to the Record Date: and
- have become a registered holder of RLC shares at 7.00 pm (AEST) on the Record Date.

10. DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation in connection with the Entitlement Offer that is not contained in this Booklet. Any information or representation that is not in this Booklet may not be relied on as having been authorised by RLC or its related bodies corporate in connection with the Entitlement Offer.