



REEDY LAGOON CORPORATION LIMITED

ABN 41 006 639 514

Entitlement Offer

1 for 1 non-renounceable pro rata entitlement offer of Reedy Lagoon Corporation Limited ordinary shares at an offer price of \$0.008 per new share, closing 5.00pm AEST Friday 3 July 2015.

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
ACN 006 639 514
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Registry

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Website

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Dear Shareholder,

Reedy Lagoon Corporation Limited ("RLC") has entered an agreement giving it the right to purchase 100% of Cassilis Mining Pty Ltd.

Cassilis Mining has an agreement to acquire mining licence (MIN 5335) and an application for the transfer of MIN 5335 to Cassilis Pty Ltd has been lodged with the Victorian department of Economic Development, Jobs, Transport and Resources.

MIN 5335 covers most of the Cassilis Gold Mine located near Omeo in Eastern Victoria and on that tenement Cassilis Mining has ore processing equipment including a tailings and two water storage dams, together with crushing and milling equipment capable of processing ore at a rate of about 7 tonnes per hour. There are also various mullock dumps left from past mining activities on MIN 5335.

In addition, Cassilis Mining has applications for exploration licences covering part of the Cassilis Goldfield.

Under the agreement :

- RLC has issued 1 million shares in RLC to the 2 shareholders of Cassilis Mining on signing;
- RLC will investigate the assets of Cassilis Mining including conducting geochemical sampling to confirm reported gold grades and mullock tonnages held by Cassilis Mining ("Preliminary Works"); and
- If RLC decides to proceed with the acquisition, RLC will issue a further 3 million shares in RLC to the 2 shareholders in Cassilis Mining and Cassilis Mining will grant each of those shareholders a 1% gold royalty.

If the Preliminary Works demonstrate that a sufficient amount and grade of gold bearing rock is present at Cassilis then the purchase of Cassilis Mining Pty Ltd provides RLC with an opportunity to develop a profitable mining operation. It is likely that any mining operation will require a further fundraising to upgrade the existing processing equipment.

To enable RLC to conduct the Preliminary Works, RLC is seeking \$579,000. This amount will cover the estimated costs of the Preliminary Works as well as 6 months overheads. Your directors have decided to raise this amount by a pro rata rights issue ("Entitlement Offer") at \$0.008 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 365 790 (within Australia) and +61 1300 365 790 (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 | Tues 9 June 2015 |
| Ex Date for Entitlements | Friday 12 June 2015 |
| Record Date for determining Entitlements | Tuesday 16 June 2015 |
| Entitlement Offer opens | Friday 19 June 2015 |
| Entitlement Offer closes | Friday 3 July 2015 |
| Issue of New Shares under the Entitlement Offer | Thursday 9 July 2015 |
| Despatch of allotment confirmations in respect of New Shares | Friday 10 July 2015 |
| New Shares commence normal trading on ASX | Friday 10 July 2015 |

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 365 790 (or for callers outside Australia +61 1300 365 790) 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 1 fully paid ordinary share in RLC (" **New Share**") at a price of \$0.008 per New Share ("**Offer Price**") for every 1 RLC ordinary share 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 10 July 2015.

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 \$0.008 per New Share or through stockbrokers ("Shortfall Placement").

No Minimum

There is no minimum amount which must be raised before New Shares or Additional New Shares will be issued. If the funds raised are less than the amount sought, RLC will consider reducing the level of Preliminary Works or not proceeding under the agreement to purchase Cassilis Mining Pty Ltd.

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

1. Right to purchase Cassilis Mining

RLC has entered into an agreement ("Agreement") with Cassilis Mining Pty Ltd and its 2 shareholders which gives RLC the right to purchase 100% of Cassilis Mining.

Cassilis Mining has purchased a mining licence (MIN 5335) from the current registered holder and a transfer of this mining tenement has been lodged with the Victorian Department of Economic Development, Jobs, Transport and Resources ("DEDJTR") for approval together with applications for extensions of the term of that mining tenement. Cassilis Mining also has a retention licence application covering 0.3 km² (RLA 2005) and two exploration licence applications: ELA 5427 and ELA 5504 covering 255 km² and 36 km² respectively all of which are in the Cassilis Goldfield area (see below).

On MIN 5335 Cassilis Mining has ore processing equipment including a tailings and two water storage dams, together with crushing and milling equipment capable of processing ore at a rate of about 7 tonnes per hour.

2. Background to the Cassilis Goldfield and the Cassilis Project proposed by RLC.

The Cassilis Goldfield comprises numerous gold bearing quartz reefs located near Omeo in Eastern Victoria.

The Cassilis Goldfield produced a total of 105,294 ounces of gold mostly during the period 1866 to 1916 (as reported in Geology of Victoria 1988). The Cassilis Gold Mine is the principal gold mine in the Cassilis Goldfield and is reported to have produced 70,357 ounces of gold from 73,317 tonnes. The Cassilis Gold Mine is within the mining tenement ("MIN5335") being transferred to Cassilis Mining.

Gold recovered in the past has been mined mainly from narrow, discontinuous quartz veins and the primary ore was sulphide rich. Mining this style of mineralization at the time concentrated on processing quartz where

gold was visible and therefore high grade. Mullock (being rock removed in order to access the high gold grading ore including barren rock and rock which carried gold but in quantities considered too low at the time to warrant processing) was generally left untreated in piles at surface.

Modern processing technologies enable ores of lower gold grade to be economically treated than was the case at the time when the Cassilis Goldfield was most active. Rock discarded in the past as “mullock” may now be economically processed if sufficiently large quantities of sufficiently high grade are present. RLC intends to conduct geochemical sampling to confirm reported gold grades and mullock tonnages held by Cassilis Mining and conduct metallurgical testwork to determine ore processing options (“Preliminary Works”). These works are expected to take 6 months to complete.

If reported grades and tonnage of the mullock dumps on MIN 5335 can be confirmed by sampling and an economically viable processing route can be determined, RLC believes that gold should be able to be produced economically from these mullock dumps to provide an early cashflow. A further fundraising for the upgrading of the existing ore processing facilities would then be required to achieve operational capacity sufficient to establish a meaningful cash flow. The results from the Preliminary Works would underpin this future fundraising.

The Cassilis Gold Project represents a potential opportunity for RLC (through ownership of Cassilis Mining) to establish a profitable gold mine which can underpin its exploration activities. The existing mining licence with its permits and consents should enable mining of the mullock to be undertaken without the delays encountered by greenfield sites.

However the potential of the Cassilis Gold Project is not limited to treating mullock. There is potential for a significant undiscovered gold deposit within the Cassilis Goldfield. Hugh Rutter, a former director of RLC, saw great potential for the discovery of a major gold resource at Cassilis of a different type to the narrow quartz veins. Hugh had provided consulting work to Cassilis Mining and his untimely death last year resulted in the shareholders in Cassilis entering into discussions with RLC.

If treatment of the mullock can be carried on profitably, the cash flow will enable RLC to explore for this different form of gold mineralisation.

3. Making a decision to purchase Cassilis Mining.

It is a condition of the agreement to purchase Cassilis Mining that RLC is satisfied that the transfer and extension of MIN 5335 will be granted. RLC is working with the shareholders of Cassilis Mining to seek a favourable outcome of the applications for approval of the transfer and extension of the term of the mining licence.

The immediate goal of early cashflow from processing mullock depends primarily on the quantity and grade of the mullock dumps to which Cassilis Mining has rights. Establishing these is the reason for the Preliminary Works. In effect the cash cost of determining whether to acquire Cassilis Mining will be the amount (estimated at \$300,000) to be spent on establishing the case for processing the mullock for gold.

If RLC decides to complete the acquisition it will issue a total of 3,000,000 RLC shares to the 2 Cassilis Mining shareholders and Cassilis Mining will grant them each a 1% royalty over gold produced from the Cassilis tenements. In addition RLC will need to replace the bond moneys and security deposits lodged by Cassilis Mining (approximately \$316,000) within 6 months of completing the acquisition.

RLC is also undertaking due diligence on Cassilis Mining particularly with respect to any liabilities it may have. The 2 shareholders have warranted to RLC that at completion Cassilis Mining will have no liabilities other than in respect of the funding of the bond moneys and security deposits. The agreement under which Cassilis Mining acquired MIN 5335 obliges Cassilis Mining to pay the transferor a price to be determined by an arbitrator, but this price only becomes payable if the production rate at MIN 5335 exceeds 75 tonnes per hour over a period of seven days. It is not envisaged that the production rate at MIN 5335 will ever reach that level.

There is a risk that RLC will elect not to complete the acquisition, but if it does elect to complete, it will be because RLC will have acquired a great opportunity for a very modest cash outlay.

4. Other Activities of RLC

The Company's Bullamine iron ore (magnetite) project has 2 magnetite deposits: Chitterberrin and Burracoppin. The location of the deposits adjacent to rail which connects to ports means less capital would be required to develop a mining operation on them. RLC is continuing to seek an end user of Bullamine magnetite interested in joining the Company to develop the project in exchange for an offtake agreement.

The Company's Edward Creek uranium project is being held pending an improvement in the uranium price. The tenement, EL5880, is current to 11 November 2016 and diamond interests are farmed out to a third party which is conducting exploration on the tenement. No expenditure by RLC on this project is planned within the next 12 months.

USE OF FUNDS

The Entitlement Offer and Shortfall Placement will provide funding to assess development potential of upgrading the production rate of gold from mullock dumps located at the Cassilis and related gold mines. RLC will use the proceeds of the equity raising for a number of purposes including:

- funding sampling and metallurgical test work at the Cassilis gold mine on surface material located within MIN 5335 (\$270,000)
- funding a base line study at Cassilis to establish existing environmental conditions (\$30,000)
- maintaining Bullamine Iron-ore (magnetite) project tenements (\$30,000)
- general working capital purposes (including 6 months overheads and contingencies) (\$249,000)

OFFER PRICE

The Offer comprises 72.4 million shares (representing 49.7% of the expanded capital) at 0.8 cents per share and will imply a market capitalisation of \$1.2 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.

If the results of the sampling and metallurgical investigations at Cassilis are positive (that is, sufficient tonnage of rock from which gold can be recovered profitably is identified) RLC will be seeking further capital for the purposes of upgrading the processing facilities in order to increase the rate of gold production.

KEY RISKS

Less than \$0.578 m is raised

If less than \$0.578 m is raised RLC may not have sufficient funds to undertake the Preliminary Works, maintain its Bullamine Project tenements and pay overheads for the next 6 months. RLC would consider not undertaking the Preliminary Works and not proceeding with the Cassilis purchase, surrendering its Bullamine project tenements and if necessary ceasing operations. If RLC ceases operations it is unlikely that shareholders will receive any material return in a winding up.

Cassilis acquisition does not proceed

If RLC does not proceed with the Cassilis acquisition for any reason including:

- 1) Insufficient funds are raised by this Offer;
- 2) RLC is not satisfied that an extension of MIN5335 is likely to be forthcoming on terms which are acceptable to RLC;
- 3) RLC is not satisfied that a transfer of MIN5335 from the current registered holder to Cassilis is likely to be approved by the Minister;
- 4) The results of RLC's due diligence into Cassilis are unsatisfactory to RLC; and
- 5) RLC's investigations into the assets of Cassilis Mining including conducting geochemical sampling to confirm reported gold grades and mullock tonnages held by Cassilis Mining ("Preliminary Works"); then funds not spent on Preliminary Activities will be used to seek an alternative project to acquire or develop. There can be no guarantee that if the Cassilis acquisition does not proceed the Company will be able to identify a suitable alternative acquisition.

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.

For clarity, there is no reportable Mineral Resource (that meets the guidelines of JORC 2012) within the mining tenement held by Cassilis Mining Pty Ltd nor any of the tenement applications held by Cassilis Mining Pty Ltd. MIN 5335 was granted on 31 August 1982. Mineral resources are described in reports prepared by consultants for previous holders of MIN 5335 but while these resources were valid under applicable JORC guidelines of the time they have not been prepared under the current JORC 2012 guidelines nor are they available in open file reports. There are also reports of piles of gold bearing rock discarded by previous gold miners who considered the rock to carry too little gold for them to process.

Constraints on Exploration Activities

There is a risk that the carrying out of any exploration 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 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, sampling, 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 and Mining 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 Preliminary Works at Cassilis including sampling and metallurgical investigations to assist with determining the feasibility of a quick to production mullock treatment operation to produce gold or a gold product from the Cassilis gold project as well as enabling the Company to meet overheads for 6 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 expanding the ore processing rate at Cassilis.

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 2014 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 an 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 1 New Share for every 1 RLC share you held as at the Record Date of 7.00pm (AEST) on Tuesday 16 June 2015 rounded up to the nearest 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 3 July 2015, you will be issued your New Shares on Thursday 9 July 2015. 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 9 July 2015.

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 \$0.008 multiplied by the number of New Shares and Additional New Shares (if any) that you are applying for (rounded to the nearest cent); 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 3 July 2015. 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 8 July 2015. 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 3 July 2015, 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 3 July 2015. 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 9 June 2015.

The information 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. 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 16 June 2015 (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 2013 (New Zealand)). 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, New Zealand Financial Markets Conduct Act 2013 or any other relevant law in New Zealand. This document may not contain all the important information that an investment statement or a prospectus under New Zealand law is required to contain.

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.