

For immediate release
28 October 2016

REEDY LAGOON CORPORATION LAUNCHES SHARE PURCHASE PLAN

INVITATION TO PARTICIPATE IN A NEW ISSUE OF SHARES

Reedy Lagoon Corporation Limited (ASX: RLC) invites shareholders to participate in the 2016 Share Purchase Plan (SPP) on the terms and conditions summarized below and as outlined in the attached booklet.

Share Purchase Plan

The SPP provides Eligible Shareholders (being RLC shareholders who were recorded on the share register as at 7:00pm (AEDT) on 27 October 2016 with a registered address in Australia or New Zealand) with an opportunity to acquire up to \$15,000 of fully paid ordinary shares at \$0.008 per Share without incurring brokerage or any other transaction costs.

The maximum amount to be raised under the SPP is approximately \$150,000. All new shares issued under the SPP will rank equally with existing ordinary shares in the Company.

The SPP is expected to close on 18 November 2016 and is not subject to shareholder approval.

The SPP Booklet containing further details of the SPP is attached. SPP Booklets and application forms are expected to be sent to shareholders on 1 November 2016. Eligible Shareholders should read the SPP Booklet before deciding whether to participate in the SPP.

Important Dates

Record Date	7:00pm (AEDT) on 27 October 2016
SPP offer opens	2 November 2016
SPP offer closes	5:00pm (AEDT) on 18 November 2016
SPP allocation announcement and scale-back (if any)	24 November 2016
Issue Date	25 November 2016
Dispatch of holding statements	25 November 2016
Quotation of New Shares	28 November 2016

Reedy Lagoon may vary any of the above dates by lodging a revised timetable with the ASX. Accordingly, Eligible Shareholders are encouraged to submit their application form as early as possible.

For further information, please visit www.reedylagoon.com.au
or contact
Geof Fethers, Company Secretary
Telephone: (03) 8420 6280

Reedy Lagoon Corporation Limited
Suite 2, 337a Lennox Street, Richmond, VIC 3121
Issued shares: 119,026,946
Issued options: 2,700,000 unlisted (exercisable 1,800,000 @ \$0.20; 900,000 @ \$0.011)
Share price (last traded): \$0.008

Reedy Lagoon Corporation Limited
(ABN 41 006 639 514)

Share Purchase Plan Booklet

28 October 2016

Dear Shareholder

Offer of Shares under Share Purchase Plan

On 28 October 2016, Reedy Lagoon Corporation Limited (RLC) announced its offer to shareholders of fully paid ordinary shares in the Company (Shares) under a share purchase plan (SPP).

The SPP enables RLC to offer up to \$15,000 of Shares to each Eligible Shareholder without a prospectus.

The SPP is an offer of Shares to Eligible Shareholders on the terms and conditions set out in this Booklet and the Application Form which accompanies this Booklet.

Timetable

Record Date 7pm (AEDT)	27 October 2016
Announcement of Plan	28 October 2016
Opening Date of Offer	2 November 2016
Closing Date of Offer 5pm (AEDT)	18 November 2016
SPP allocation announcement and Scale-back (if any)	24 November 2016
Issue of Shares under the SPP*	25 November 2016
Dispatch date for holding statements*	25 November 2016
Quotation of Shares on ASX*	28 November 2016

*These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Acceptance Forms as early as possible.

Shareholders who are eligible to participate in the SPP

The SPP is available exclusively to Eligible Shareholders, being shareholders who were registered as holders of fully paid ordinary shares in the capital of RLC (**Shares**) at 7pm (AEDT) on 27 October 2016 (**Record Date**) and whose registered address is in Australia or New Zealand.

Participation in the SPP is optional.

Share Purchase Plan

The SPP entitles Eligible Shareholders, irrespective of the size of their shareholding, to acquire up to \$15,000 of Shares at an issue price of \$0.008 per Share, free of brokerage and commission.

An offer under the SPP cannot be transferred: it is non-renounceable.

Use of Funds

The funds raised under the SPP will be used by the Company to provide working capital to enable completion of the assessment of mining projects before seeking funding for the acquisition and development of those of the projects which RLC assesses as good opportunities.

Projects under review include a lithium brine project and a potash-lithium project in addition to our continuing assessment of the Cassilis gold project.

There is a risk that RLC does not assess a mining project as a good opportunity or that RLC is not able to acquire a mining project on attractive terms. The quality of a project and the terms of its acquisition will have an important bearing on the price at which RLC can raise funds for the acquisition and development of the project.

None of the funds raised by the SPP will be applied in paying directors' fees or remuneration prior to a subsequent successful capital raising of not less than \$1 million (refer ASX announcement 27 October 2016).

Application Procedure

If you would like to apply for Shares under the SPP, please follow the application instructions on the accompanying Application Form. Please note that the closing date of the SPP is **5pm (AEDT) on 18 November 2016 (Closing Date)**. No late applications will be accepted.

Eligible Shareholders may make one of the following Applications for Shares under the SPP:

	Amount	Number of Shares @ \$0.008
Application A	\$15,000	1,875,000
Application B	\$10,000	1,250,000
Application C	\$5,000	625,000
Application D	\$2,000	250,000

Once an Application has been made, it cannot be revoked. All valid Applications shall be deemed accepted if received before the Closing Date of 5pm (AEDT) on 18 November 2016. The Board retains the right to extend the Closing Date.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Pricing and Risk

The price of Shares under the Offer is \$0.008. The volume weighted average market price of the Company's shares traded on ASX during the 5 trading days immediately prior to the announcement date of the SPP was \$0.0085. On the trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.008.

The market price of the Shares in the Company may rise and fall between the date of the SPP and the date that any Shares are issued to you as a result of your acceptance of the SPP. By applying for Shares under the SPP, an Eligible Shareholder will be acknowledging that Shares are a

speculative investment and the price of Shares on ASX may change between the date of the Company announcing the SPP and the date of issue of Shares under the SPP and that the market price and/or value of the Shares received under the SPP may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the SPP and consider price movements of Shares in the Company prior to making an Application.

Applications

Shares issued under the SPP will be issued as soon as practicable after the Closing Date. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The Company reserves the right to reject any application over \$15,000. The maximum number of Shares that may be issued pursuant to the SPP is 18,750,000. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on a first come, first serve basis. The Directors may take into consideration the size of an applicant's shareholding when determining the amount of any potential scale-back and therefore the extent of the scale-back may differ between Applications.

Without limiting the above, the Company may issue fewer Shares than a person applied for under the SPP if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of ASX.

If an Application or purported Application is rejected or scaled-back, the Company will promptly return to the shareholder the relevant application monies, without interest.

Shortfall Placement

In the event that less than 18,750,000 Shares are applied for pursuant to the SPP, the shortfall may be placed at the discretion of the Directors.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold the Shares as a custodian (as defined in ASIC Class Order CO 09/425 (refer below) (**Custodian**), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annex to your Application Form a certificate (**Custodian Certificate**) with the following information:

- that you held Shares in the Company on behalf of one or more other persons (each a **Participating Beneficiary**) at 7pm (AEDT) on 27 October 2016 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Plan for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order CO 09/425 you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of Class Order CO 03/184 or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the *Corporations Regulations 2001*;
- is a trustee of a self-managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner describes above. In this case, the rules for multiple single holdings apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request Custodian Certificate and if you would like further information on how to apply, you should contact the Registrar during normal business hours, Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Applicants other than custodians, trustees and nominees

For all applicants other than Custodians (as defined above), by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPay, you certify that the aggregate of the Application Payment paid by you for:

- the parcel of Shares indicated on your Application Form or BPay payment; and
- any other Shares applied for by you, for which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPay;

does not exceed A\$15,000.