

30 May 2017

Brine Targets now identified at all of RLC’s Lithium Brine Projects

The MT geophysical survey at RLC’s Columbus Marsh Project in Nevada, USA has identified three very strong brine targets.

The resistivities observed at the Columbus Marsh Project (<1.0 ohm-metre) are the lowest of RLC’s three lithium brine projects .

These results mean that RLC has successfully identified brine targets at each of its three lithium brine projects: Big Smoky South Project, Alkali Lake Project and Columbus Marsh Project.

Managing Director, Mr Geof Fethers said:

“3 out of 3 is pretty impressive and shows the value of our geological modelling for brines in the area.

We now need to drill to establish whether these are brines containing lithium in sufficient concentrations for economic extraction. We are applying for permits to drill and to pump to test the brines and hope to commence a drill programme in the September quarter of this year.

These extremely positive results will support RLC seeking funding for the drill programme.”

Figure 1 shows the geophysical results in 2D profile with planned drill holes and interpreted structure. Figure 2 shows the project location.

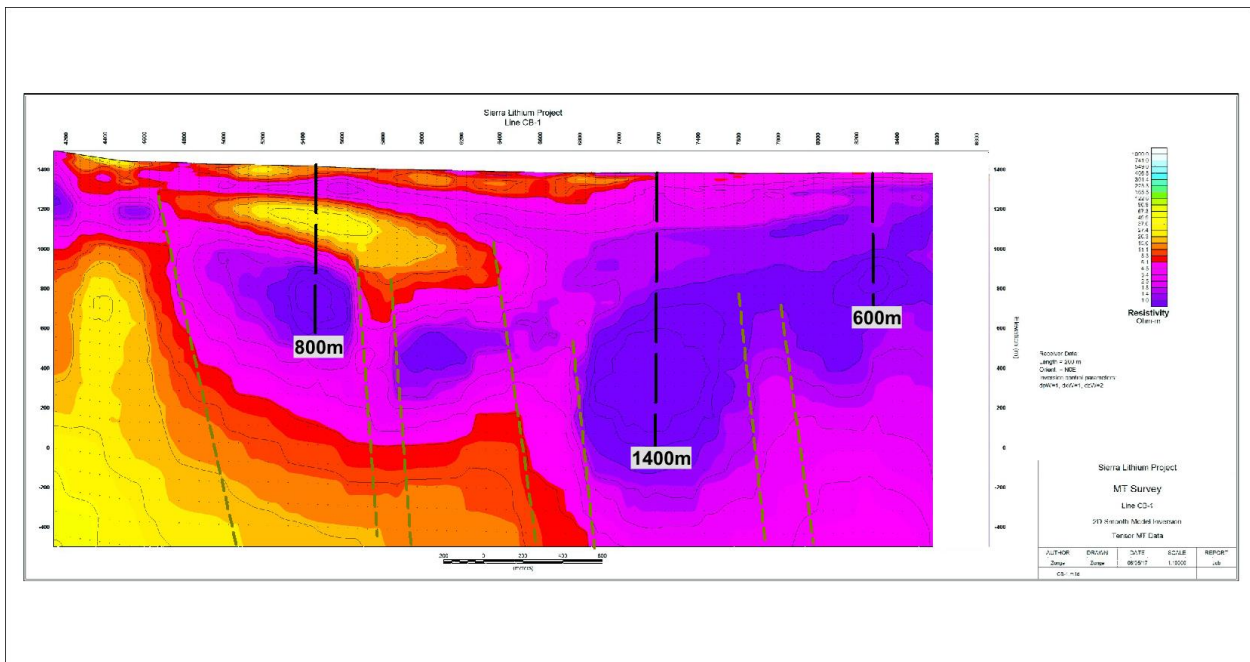


Figure 1. MT Survey Line Showing Brine Targets (<1.0 ohm-metre resistivity) and Basin Structure

Geophysical Survey Results

The geophysical survey method used is known as a magneto-telluric survey (MT survey), selected because it has the capacity to resolve multiple conductors at varying depths within a basin. Depth soundings were taken at 200m intervals along the survey lines and results were subject to 2D inversion processing to produce cross sections. The geophysical contractor has advised the Company that resistivities of one ohm-metre or less are indicative of brines. The results clearly indicate a broad, structurally defined basin with multiple, sub one ohm-metre, brine targets associated with individual sub-basins.

The MT survey results indicate:

- Two relatively shallow brine targets that would require drill holes from 600m to 800m deep to test them.
- A deeper, central sub-basin, the top of which is at a depth of 600m and the bottom approximately 1500m. The horizontal width is at least 800m. The spatial association of this deeper target with steep graben faults could result from geothermal activity along the faults at the time of deposition of the basin sediments.
- A shallow near surface aquifer containing saline water and deepening towards the centre of the basin. This will also be tested by the planned drill holes.

The area encompassed by the Company's tenements is located on the southern margin of the Columbus Marsh structural depression. Regional geophysical data indicates that the centre of the basin is very deep and this has been an impediment to exploration in this particular basin in the past. RLC acquired its tenements on the margin of the basin based on a concept that shallow sub-basins should be present on the basin margins. The results of the MT survey fully support this concept.

Drilling

The Company is seeking permits to drill several holes from 600m to 1,000 m in depth and to pump up to 6.0 million litres of water from each hole for testing purposes. Flexibility will be maintained to continue a hole to 1400m if justified by results. A major drilling contractor has advised of rig availability in September which allows adequate time for permitting to be completed.

Funding

The Company is planning for a drill program to be undertaken in Q3 CY2017 to test its lithium properties in Nevada. The amount of funding required depends on the number of targets and their depth and the type of drilling undertaken. The scope and cost of such a program is under review and will be finalised when all targets have been thoroughly reviewed.



Figure 2. Location Map showing RLC's Columbus Marsh Lithium Property

For more information please contact Geof Fethers on 613 8420 6280

On behalf of the Board

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Reedy Lagoon Corporation Limited
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Issued shares: 175,675,168
Issued options: 2,700,000 unlisted
Share price (last traded): \$0.019
Directors and management:
Jonathan Hamer, Chairman, Non-Executive Director
Geoffrey Fethers, Managing Director, Co. Secretary
Adrian Griffin, Non-Executive Director

Competent Persons Statement

The information in this report as it relates to exploration results and geology was compiled by Mr Geoff Balfe who is a Member of the Australasian Institute of Mining and Metallurgy and a Certified Professional. Mr Balfe is a consultant to Reedy Lagoon Corporation Limited and Mr Balfe is a vendor to Reedy Lagoon Corporation Limited of shares in Nevada Lithium Pty Ltd. (which owns the lithium brine projects) Mr Balfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Balfe consents to the inclusion in this report of matters based on the information in the form and context in which it appears.