

23 October 2017

RLC Obtains Drill Permit for Big Smoky South Lithium Brine Project

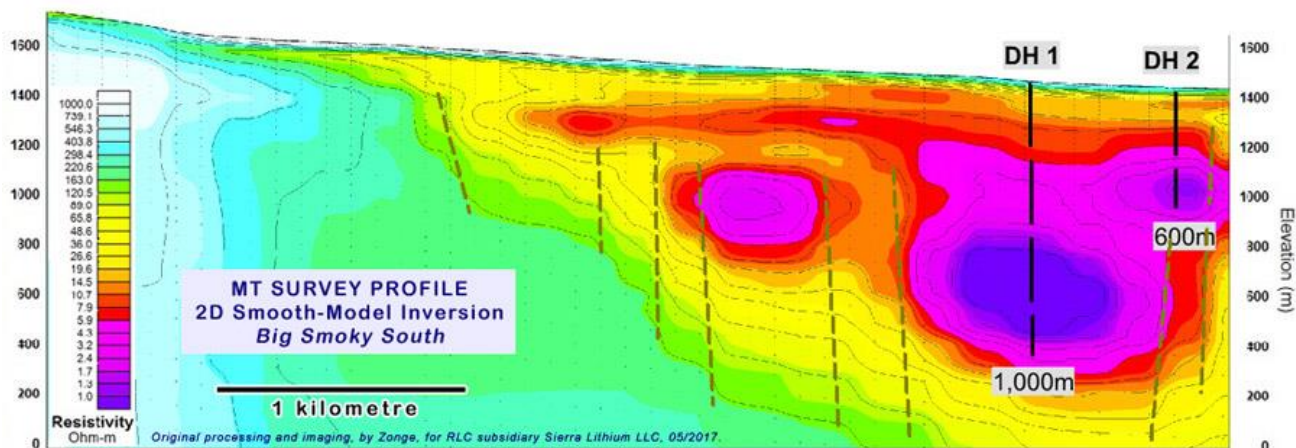
Drilling Permits

Reedy Lagoon Corporation Limited has obtained regulatory approval from the Bureau of Land Management (BLM) to drill two exploration diamond core holes at its Big Smoky South Lithium Brine Project in Nevada, USA and has lodged the necessary environmental performance bonds. A permit to pump 6 million litres of water from the drill holes for test purposes has been applied for and is expected shortly.

RLC now has drilling approvals for both its Columbus Salt Marsh and Big Smoky South projects. A permit to pump 6 million litres of water from the Columbus Salt Marsh drill holes for test purposes has been granted. The Company's preferred drill contractor has confirmed availability of a suitable drill rig for the projects and that drilling is feasible all year round in southern Nevada. RLC's consultant geologist in Nevada has inspected the drill rig and confirmed that it is suitable for the Company's operations. It is planned to carry out HQ size core drilling of the brine targets so that the key aquifer formations can be identified in the drill core. Once identified the aquifers will be tested using a double packer system so that the aquifer can be pumped and water samples collected at surface. This system enables the upper and lower contact of the aquifer to be sealed in the drill hole so that the brine is not contaminated from other sources in the drill hole.

Upon completion of drilling and test-work the Company has the option of capping the drill hole and maintaining it as a "Monitoring Well". A Monitor Well can then be converted to a Producing Well.

The drilling has been designed based on the results of geophysical MT (magneto-telluric) surveys which identified strong brine targets (*see ASX Releases 26 & 30 May 2017*) based on the very low resistivity readings obtained. The two permitted drill holes (DH 1 & DH 2) are shown on the resistivity section below with DH 1 targeting the 400 metre wide zone of resistivity less than 1 ohm-m between 600 metres and 1,000 metres depth (shown coloured blue in the section). Resistivities of less than 1 ohm-m are considered highly prospective for lithium brines.

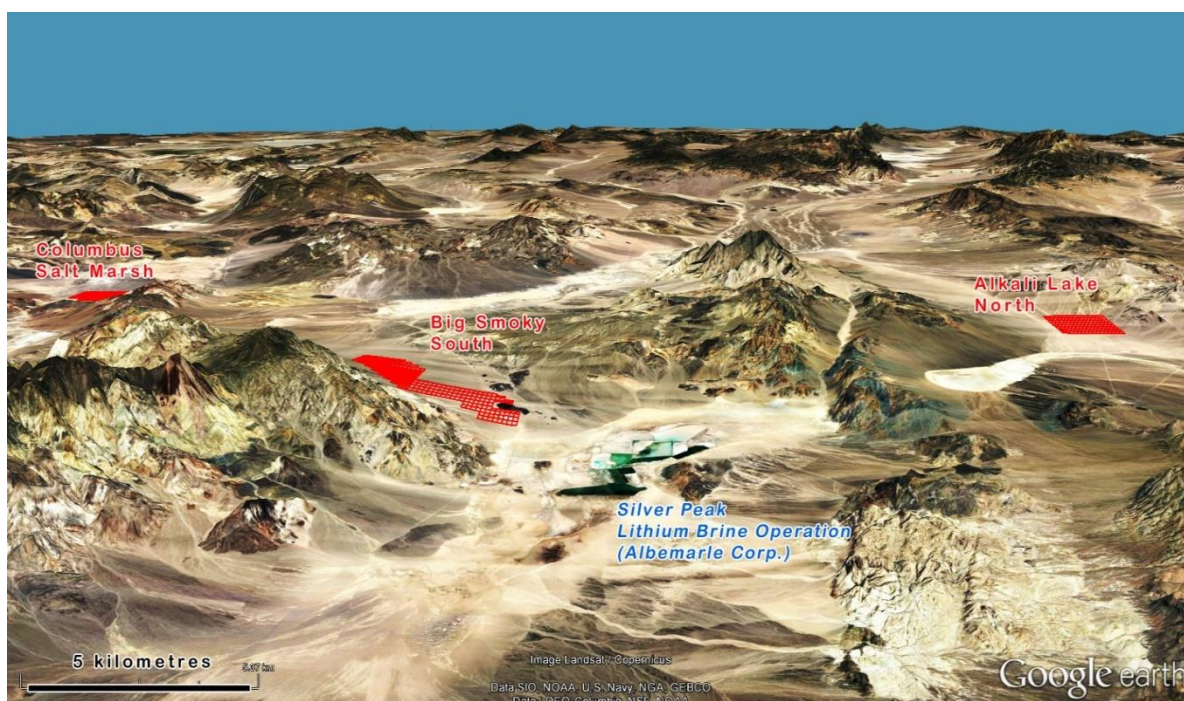


MT Survey Profile and planned drill holes for Big Smoky South Project

RLC has 3 lithium brine projects with strong targets: Big Smoky South, Columbus Salt Marsh and Alkali Lake North (see ASX release 17 July 2017). For details of the permitting for the Columbus Salt Marsh project refer to ASX release 30 August 2017.

The Big Smoky South project is located about 6 kilometres from North America's largest lithium brine operation at Silver Peak which has been producing lithium since the 1960's and was purchased by Albemarle in 2015.

Recent drill results reported by Caeneus Minerals Limited (ASX:CAD) including identifying lithium, potassium and boron rich brines in relatively shallow aquifers in its Columbus Marsh project underscores the prospectivity of the basin. The lithium endowment of the region is also supported by the high lithium and boron grades in outcropping volcanic rocks reported by Global GeoScience Limited (ASX:GSC) at its Rhyolite Ridge project which is located in the hills between our Columbus Salt Marsh and Big Smoky South projects.



Location of Lithium Brine Projects in relation to Silver Peak Lithium Operation, Nevada

For more information please contact Geof Fethers on 613 8420 6280

On behalf of the Board

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Reedy Lagoon Corporation Limited
P O Box 2236, Richmond VIC 3121

Issued shares: 175,675,168
Issued options: 2,700,000 unlisted
Share price (last traded): \$0.027

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.