

For immediate release
2 February 2018

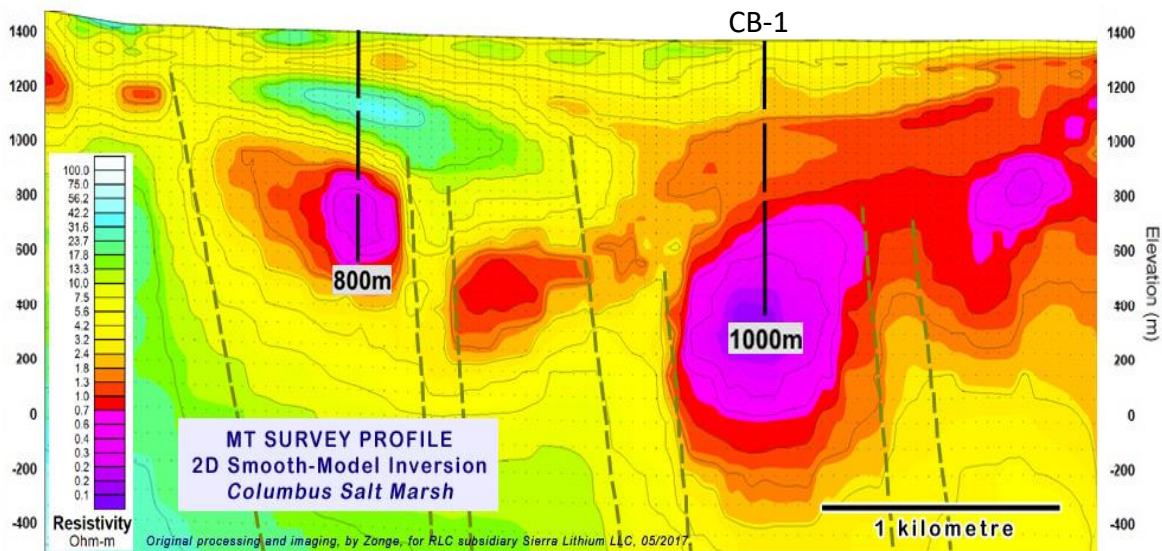
Reedy Lagoon (ASX:RLC) commences Columbus Salt Marsh drilling.

Lithium developer, Reedy Lagoon Corporation Limited (ASX:RLC) is pleased to announce the commencement of drilling operations for lithium brine at its wholly owned Columbus Salt Marsh project, located near North America's only producing lithium brine operation.

The Company is an early adopter of new regulations introduced in Nevada on 1 January 2018 and Reedy's first hole, CB-1 has Permit number W001 - the first Dissolved Mineral Resource Exploration Well Permit granted in Nevada.

The drill rig is on site and following set up of the collar pipe to 350ft (106 metres) core drilling to the 1,000 metre planned depth will then proceed.

The drill program at the Columbus Salt Marsh project will investigate a highly conductive zone extending from 600 metres to more than 1,000 metres below surface as shown in the MT Survey profile below.



It is planned to drill the hole to 1,000 meters prior to commencing pump testing and sampling of any aquifers identified. The reason for this is that the lower aquifers are the most conductive therefore it is desirable to complete the hole as quickly as possible and sample these aquifers first. HQ size core drilling of the brine targets will be carried out so as to maximise core recovery and allow the key aquifer formations to be identified in the drill core. This will allow the quickest and most efficient sampling and testing strategy to be determined.

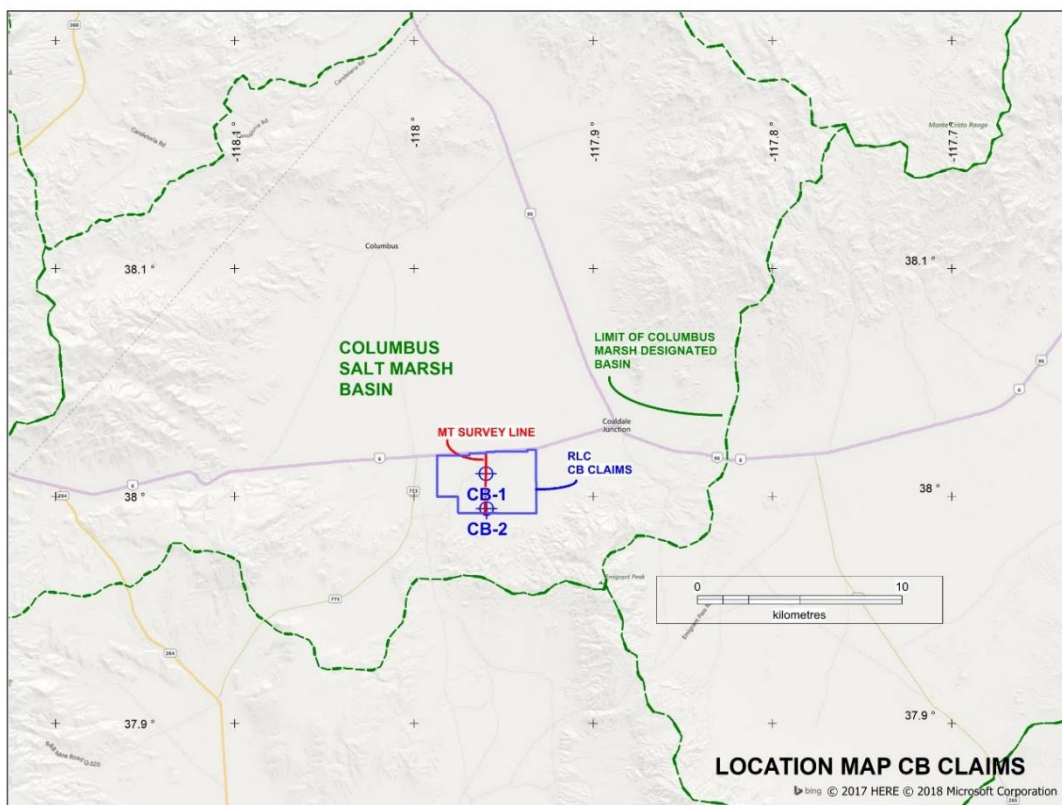
Once identified the aquifers will be pump tested using a double packer system so that the aquifer can be pumped and water samples collected at surface. This system enables the upper and lower contact of the aquifer to be sealed in the drill hole so that the brine is not contaminated from other sources in the drill hole.

The planned program includes hydrological testing to establish aquifer and brine extraction parameters, as well as brine composition analysis. It includes an option to ream the hole out to a larger diameter and case it in steel from surface to bottom for well construction should results demonstrate development and further testing is warranted.

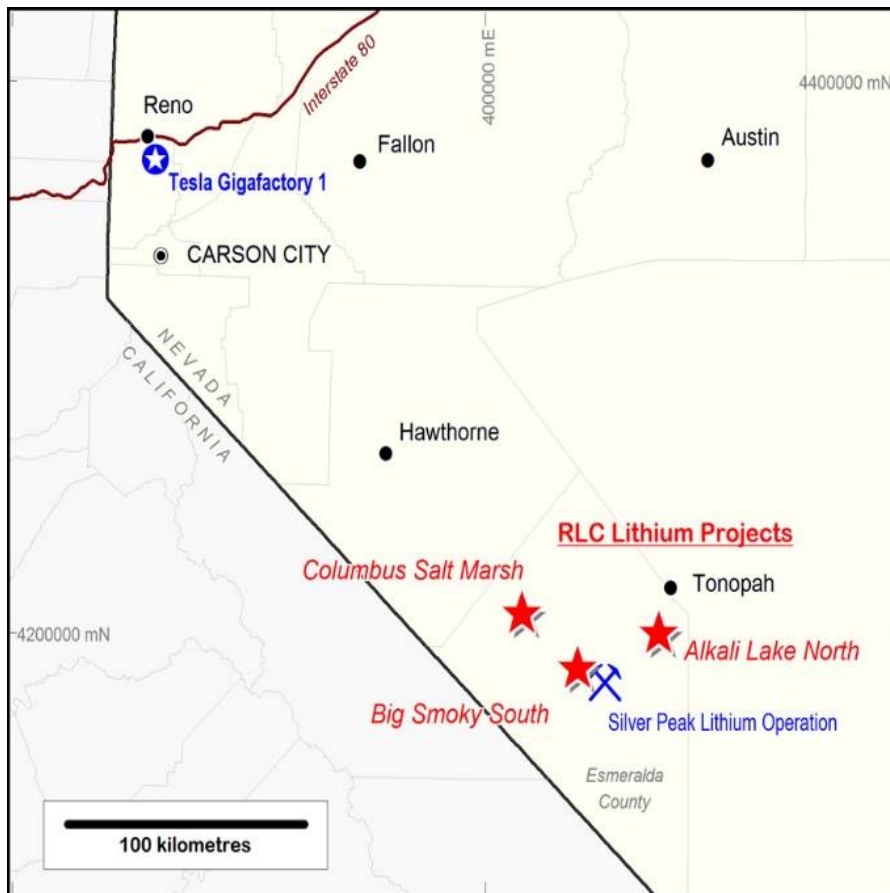
Further reporting of results from the drilling will be released with expected progress as follows:

- Drill and core sample to target 1,000 metres depth – estimate 30 days drilling time
- Sample and pump test selected aquifers – estimate two weeks
- Assays from core samples can be expected 4 weeks from sample delivery
- Assays from brine samples can be expected 4 weeks from sample delivery
- Metallurgical studies on the brine samples will be considered in the event that sufficient brine volumes, flow rates and compositions indicate potential for commercial development.

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 Columbus Salt Marsh Lithium Brine Project is one of three lithium brine projects located in Nevada, USA all of which are owned 100% by Reedy Lagoon.



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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. 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.

Reedy Lagoon Corporation Limited
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Issued shares: 398,015,288
Issued options: 2,500,000 unlisted
Share price (last traded): \$0.048
Directors and management:
Jonathan Hamer, Chairman, Non-Executive Director
Geoffrey Fethers, Managing Director, Co. Secretary
Adrian Griffin, Non-Executive Director