



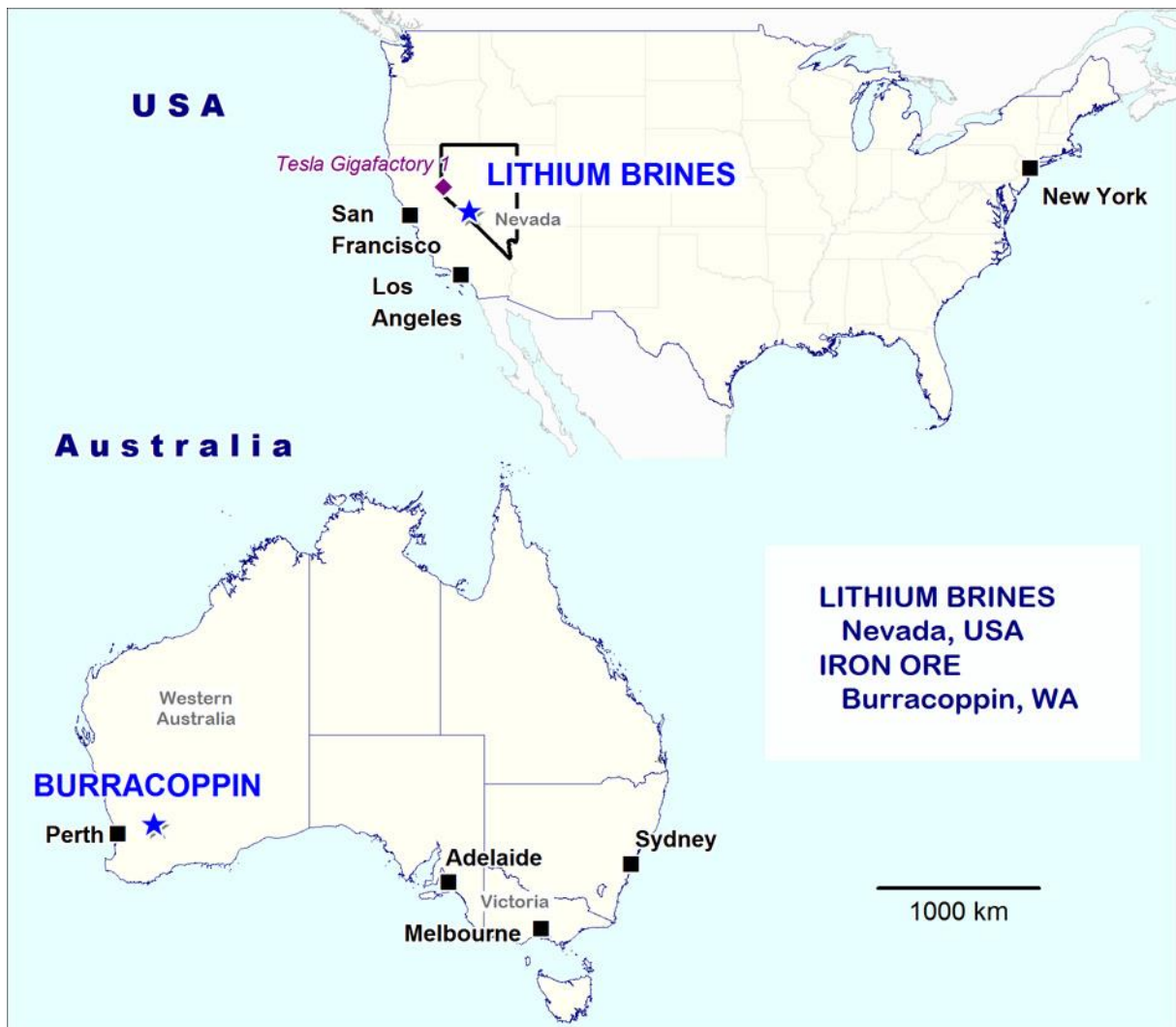
ASX Release

ASX Code: RLC

31 October 2019

Quarterly Report for the period ended 30 September 2019

- ❑ Pig Iron from downstream processing of Burracoppin magnetite investigated.
- ❑ Access and Compensation agreements completed with land owners for the Burracoppin Iron Ore (Magnetite) project.
- ❑ Reviews of additional projects undertaken, but no acquisitions or earn-ins entered into.

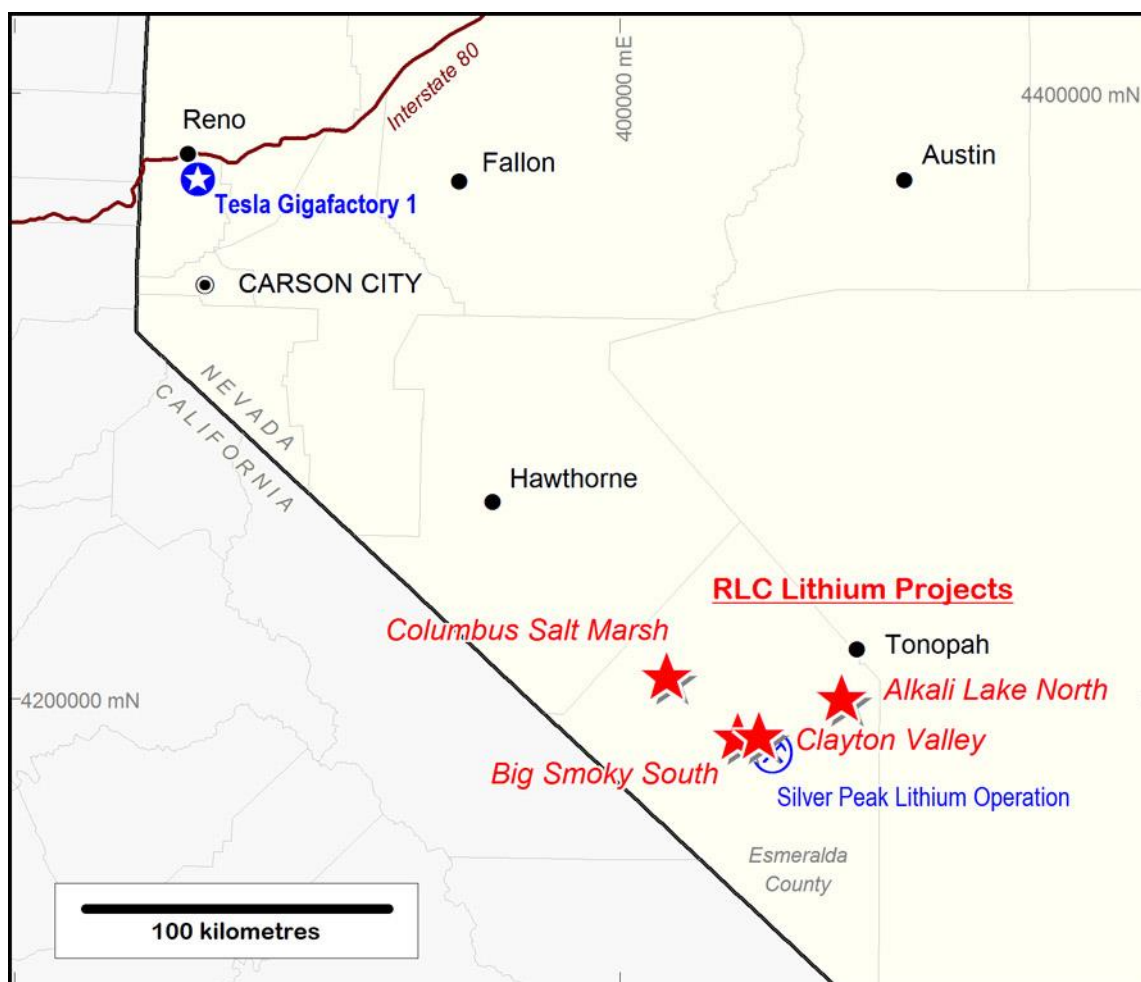


CURRENT EXPLORATION ACTIVITIES

Nevada Lithium Brine Projects (Nevada, USA) Lithium

Alkali Lake North:	128 claims –	2,554 acres	(1,033 ha)
Clayton Valley:	112 claims –	2,240 acres	(906 ha)
Big Smoky South:	project relinquished		
Columbus Salt Marsh:	project relinquished		

The Nevada lithium brine projects comprise two projects: Alkali Lake North and Clayton Valley following the relinquishment of Columbus Salt Marsh and Big Smoky South. The projects are located in large and separate ground water catchment areas in Nevada, USA. The projects are within 25 kilometres of the Silver Peak Lithium brine operation owned by Albemarle Corp. which is located 360 kilometres by road (US-95 route) from the Tesla Gigafactory (Lithium-ion batteries) in Reno.



Quarterly activities report for the period ended 30 September 2019

CLAYTON VALLEY PROJECT

No field work was conducted on the Clayton Valley project during the quarter.

During prior report periods a conductive body was identified in 3-dimensional audio magnetotelluric (3D AMT) survey data. The conductive body potentially comprises a 200 metre thick interval of sediments containing multiple brine filled aquifers (refer ASX release 23/08/2018).

Project review during the period noted additional delineation and location of potential aquifers associated with the conductive body by seismic survey may be warranted prior to drilling.

ALKALI LAKE NORTH PROJECT

No field work was conducted on the Alkali Lake North project during the quarter.

During prior report periods a conductive body was identified in 3D AMT survey data. The conductive body may be comprised of multiple brine aquifers within sediments over a vertical interval from 500 to 600 metres below ground surface (refer ASX release 28/08/2018).

Project review during the period noted additional delineation and location of potential aquifers associated with the conductive body by seismic survey may be warranted prior to drilling.

Permits for drilling at Alkali Lake North were cancelled during the period in order to recover bond monies.

COLUMBUS SALT MARSH PROJECT

The Columbus Salt Marsh project was divested during the period.

Rehabilitation works at the CBD-01 drill site, hole and access track, previously understood to be completed, were assessed by the Bureau of Land Management (BLM) to require contouring and seeding. This work will be completed during the next Quarter and will be reviewed again next year before the BLM releases bond monies. The BLM has made a partial refund of the Bond following the end of the report period.

BIG SMOKY SOUTH PROJECT

The Big Smoky South project was divested during the period.

Rehabilitation works at the MBD-01 drill site, hole and access tracks completed during the prior period were assessed and cleared by the BLM. The rehabilitation bond monies lodged for the MBD-01 drilling have been refunded in full to the Company following the end of the report period.

AUSTRALIAN PROJECTS

Burracoppin Iron-ore Project (WA)

Magnetite

RLC 100% E70/4941 (area 5,854 Ha)

No field work was conducted during the report period.

During the period Dinsdale Consultants investigated potential development options for the project in the event further work identifies sufficient mineralisation to establish a resource (ASX release dated 10 September 2019). Earlier work on core samples recovered from 2 holes drilled has identified that high-quality iron concentrate can be produced at a relatively coarse particle size (p80 -150 micron) (ASX releases dated 18 January 2013 and 17 November 2014). The current work identified potential to gain from additional processing using Hismelt to produce high-quality Pig Iron for export as a valuable steelmaking feed material.

Hismelt is potentially attractive for Burracoppin because the coarse particle size at which high-quality iron concentrate can be produced at Burracoppin is suitable as direct feed for a Hismelt plant. Grinding is a high energy / high cost activity, less grinding means less cost. The coarse particle size (p80 -150 micron) at which Burracoppin mineralisation can be beneficiated is significantly larger than many Australian magnetite ores which require grinding to a smaller particle size (often less than p80 -50 micron) in order to achieve a high quality concentrate.

Dinsdale Consultants concluded in its report that processing Burracoppin magnetite mineralization using Hismelt to produce a high-quality Pig Iron for export may be an avenue for development of the project. Under this scenario the project could have two products: high-quality iron concentrates for sale to smelters and high-quality Pig Iron for sale to steelmakers.

Access and compensation agreements were executed with land owners during the period.

Reedy Lagoon intends conducting further drilling at Burracoppin to establish a resource as the next step in extending the investigations into the project's viability.

NEW PROJECT DEVELOPMENT

Potential new projects reviewed during the period included lithium brine prospects, mineral lithium prospects and Rare Earth Element projects. These reviews did not identify targets suitable for the Company.

COMMENT

At 30 September RLC had \$161,688 in bank accounts and deposits. The Company also held US\$162,324 (A\$231,891) in security bonds held against its North American projects. These bonds are expected to be fully refunded following satisfactory rehabilitation of areas disturbed by the Company's drilling.

Additional funding is required to fund planned exploration. The Company's preferred source of funding for this work is from farm-in arrangements with companies entering joint ventures.

Joint venture partners are being sought for each of the Company's projects.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
New Project Development <i>Lithium</i>	Office studies to assess and acquire lithium brine projects.	On going
Alkali Lake North <i>Lithium</i>	Seismic survey ¹ Drill to test conductivity targets. ¹	TBD
Clayton Valley <i>Lithium</i>	Seismic survey ¹ Drill to test conductivity targets. ¹	TBD
Columbus Salt Marsh <i>Lithium</i>	Outstanding rehabilitation.	Dec Q
Burracoppin <i>Iron-ore (magnetite)</i>	Additional drilling to establish resources. ¹	TBD

Note 1: Subject to funding or farm-out

TBD : to be determined.

For further information, please contact:

Geof Fethers, Managing Director.

Telephone: (03) 8420 6280

or visit our Website at www.reedylagoon.com.au

Competent Person's Statement:

The information in the section headed "Nevada Lithium Brine Projects" of 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 the report of the matters based on the information in the form and context in which it appears.

The information in the section headed "Australian Projects" 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.

Quarterly activities report for the period ended 30 September 2019

Company Statement:

Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this report, those releases are available to view on the INVESTORS 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. 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.

Quarterly activities report for the period ended 30 September 2019

Mining tenements.

Located in Australia

Tenements at end of quarter		
<i>Project / Location</i>	<i>Tenement number</i>	<i>Company Interest (%)</i>
BURRACOPPIN (WA)	E70/4941	100%

Located in USA

Tenements (all Placer Claims held 100%) at end of quarter

Claim Name	Claim Numbers	Corresponding BLM NMC Number	Total Claims	Total Area
Alkali Lake North Project				
WH Claims	WH-1 to WH-128	NMC 1138328 to NMC 1138455	128	1,033 ha
Clayton Valley Project				
CV Claims	CV-1 to CV-112	NMC 1176204 to NMC 1176315	112	906 ha

Tenements / claims changed during the quarter:

<i>Project / Location</i>	<i>Tenement number (claim)</i>	<i>Nature of change</i>
Columbus Salt Marsh Project, Nevada USA	CB-1 to CB-12 CB-17 to CB-28 CB-33 to CB-44 CB-47 to CB-60 CB-63 to CB-76 CB-79 to CB-95 CB-101 to CB-186	Claims relinquished / expired
Big Smoky South Project, Nevada USA	MB-53 to MB-68 MB-77 to MB-82 MB-89 to MB-96 MB-101 to MB-228 MB-301 to MB-318 MB-320 MB-322 to MB-340 MB-342 MB-344 to MB-368 MB-370 to MB-382 MB-384 to MB-390 MB-392 to MB-398 MB-353A, MB-356A MB-376A, MB-378A MB-387A, MB-389A	Claims relinquished / expired

Joint ventures changed during period:

Nil

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

REEDY LAGOON CORPORATION LIMITED

ABN

40 006 639 514

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(92)	(92)
(b) development	-	-
(c) production	-	-
(d) staff costs	(48)	(48)
(e) administration and corporate costs	(64)	(64)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(204)	(204)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	367	367
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(204)	(204)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	162	162

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	162	367
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	162	367

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	48
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees, salaries and superannuation for the quarter were \$18,067 lower than the amounts payable under contracts with directors. This is because Mr Fethers has agreed to not receive the amount of \$18,067 for the period unless the board subsequently determines to pay the amount or part thereof.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	20
9.2 Development	-
9.3 Production	-
9.4 Staff costs	48
9.5 Administration and corporate costs	32
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	100

Note: The Company held US\$162k (A\$232k) in security bonds held against its North American projects. These bonds are expected to be fully refunded following satisfactory rehabilitation of areas disturbed by the Company's drilling.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location (all located in USA)	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	CB-1 to CB-12 CB-17 to CB-28 CB-33 to CB-44 CB-47 to CB-60 CB-63 to CB-76 CB-79 to CB-95 CB-101 to CB-186 MB-53 to MB-68 MB-77 to MB-82 MB-89 to MB-96 MB-101 to MB-228 MB-301 to MB-318 MB-320 MB-322 to MB-340 MB-342 MB-344 to MB-368 MB-370 to MB-382 MB-384 to MB-390 MB-392 to MB-398 MB-353A, MB-356A MB-376A, MB-378A MB-387A, MB-389A	100%	100%	nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 31 October 2019
(~~Director~~/Company secretary)

Print name: GEOFFREY FETHERS

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.