

**Reedy Lagoon Corporation Limited**

**ACN 006 639 514**

**Half-year Financial Report - 31 December 2020**

**Reedy Lagoon Corporation Limited**  
**Corporate directory**  
**31 December 2020**

Directors	Jonathan M. Hamer - Chairman, Non Executive Director Geoffrey H. Fethers - Managing Director Adrian C. Griffin - Non Executive Director
Contact details	Phone : 03 8420 6280 Email : <a href="mailto:info@reedylagoon.com.au">info@reedylagoon.com.au</a>
Company secretary	Geoffrey H. Fethers
Share register	Link Market Services Limited (ABN 54 063 214 537) Level 1, 333 Collins Street Melbourne, Victoria 3000 Telephone : 1300 554 474 <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
Auditor	CNA Connect National Audit Level 8, 350 Collins Street Melbourne Victoria 3000
Stock exchange listing	Reedy Lagoon Corporation Limited shares are listed on the Australian Securities Exchange (ASX code: RLC)
Website	<a href="http://www.reedylagoon.com.au">www.reedylagoon.com.au</a>

**Reedy Lagoon Corporation Limited**  
**Directors' report**  
**31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Reedy Lagoon Corporation Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

**Directors**

The following persons were directors of Reedy Lagoon Corporation Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jonathan M. Hamer  
Geoffrey H. Fethers  
Adrian C. Griffin

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- exploration for minerals.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$251,537 (31 December 2019: \$298,701).

The consolidated entity's activities are described in quarterly reports which have been released to ASX and are available from the Company's website [www.reedylagoon.com.au](http://www.reedylagoon.com.au).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the reporting period**

There were no matters subsequent to the end of the reporting period.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



---

G.H. Fethers  
Managing Director

12 March 2021  
Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Reedy Lagoon Corporation Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Reedy Lagoon Corporation Limited and controlled entities.



**George Georgiou FCA**  
Managing Partner  
Connect National Audit Pty Ltd  
ASIC Authorised Audit Company No.: 521888  
Melbourne, Victoria  
Date: 12 March 2021

**Reedy Lagoon Corporation Limited**  
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**Reedy Lagoon Corporation Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

		Consolidated	
	Note	December 2020 \$	December 2019 \$
Revenue	4	124	96
Expenses			
Administration expenses		(63,146)	(80,883)
Employee benefits expense		(37,355)	(103,944)
Exploration expenditure		(117,951)	(97,774)
Share based payments	10	(5,400)	(2,621)
Realised exchange losses		-	-
Capital raising expenses		-	-
Impairment of Goodwill on business combination		-	-
Other expenses		(27,809)	(13,575)
Loss before income tax expense		<u>(251,537)</u>	<u>(298,701)</u>
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Reedy Lagoon Corporation Limited		(251,537)	(298,701)
<i>Items that may be reclassified subsequently to profit or loss</i>			
<i>Foreign Currency Translation</i>		-	(3,486)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>(3,486)</u>
Total comprehensive income for the half-year attributable to the owners of Reedy Lagoon Corporation Limited		<u>(251,537)</u>	<u>(302,187)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.056)	(0.150)
Diluted earnings per share		(0.056)	(0.150)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Reedy Lagoon Corporation Limited**  
**Statement of financial position**  
**As at 31 December 2020**

		Consolidated	
	Note	December 2020 \$	June 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		631,539	220,123
Trade and other receivables		11,958	2,355
Other		30,572	-
Total current assets		<u>674,069</u>	<u>222,478</u>
<b>Non-current assets</b>			
Deposits & Bonds		7,755	7,755
Total non-current assets		<u>7,755</u>	<u>7,755</u>
<b>Total assets</b>		<u>681,824</u>	<u>230,233</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		25,214	9,000
Employee benefits	5	136,364	129,470
Provision for site restoration	6	10,000	10,000
Total current liabilities		<u>171,578</u>	<u>148,470</u>
<b>Non-current liabilities</b>			
Employee benefits	5	-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>171,578</u>	<u>148,470</u>
<b>Net assets</b>		<u>510,246</u>	<u>81,763</u>
<b>Equity</b>			
Issued capital	7	21,603,531	20,928,910
Reserves		768,278	787,704
Accumulated losses		(21,877,708)	(21,650,996)
Exchange Reserve		16,145	16,145
<b>Total equity</b>		<u>510,246</u>	<u>81,763</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Reedy Lagoon Corporation Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital</b>	<b>Exchange Reserves</b>	<b>Options Reserves</b>	<b>Accumulated losses</b>	<b>Total deficiency in equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2019	20,928,910	16,145	785,083	(21,267,253)	462,885
Loss after income tax expense for the half-year	-	-	-	(298,701)	(298,701)
Other comprehensive income for the half-year, net of tax	-	(3,486)	-	-	(3,486)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(3,486)</b>	<b>-</b>	<b>(298,701)</b>	<b>(302,187)</b>
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 7)	-	-	-	-	-
Share-based payments (note 10)	-	-	2,621	-	2,621
<b>Balance at 31 December 2019</b>	<b>20,928,910</b>	<b>12,659</b>	<b>787,704</b>	<b>(21,565,954)</b>	<b>163,319</b>
<b>Consolidated</b>	<b>Issued capital</b>	<b>Exchange Reserves</b>	<b>Options Reserves</b>	<b>Accumulated losses</b>	<b>Total deficiency in equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2020	20,928,910	16,145	787,704	(21,650,997)	81,762
Loss after income tax expense for the half-year	-	-	-	(251,537)	(251,537)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(251,537)</b>	<b>(251,537)</b>
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 7)	674,621	-	-	-	674,621
Share-based payments (note 10)	-	-	5,400	-	5,400
Lapse of Options	-	-	(24,826)	24,826	-
<b>Balance at 31 December 2020</b>	<b>21,603,531</b>	<b>16,145</b>	<b>768,278</b>	<b>(21,877,708)</b>	<b>510,246</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*



**Reedy Lagoon Corporation Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2020**

	<b>Consolidated</b>	
	<b>December</b>	<b>December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Operating receipts	124	-
Payments to suppliers and employees	<u>(122,846)</u>	<u>(197,112)</u>
	(122,722)	(197,112)
Interest received	-	96
Payments for exploration activities	<u>(140,483)</u>	<u>(97,774)</u>
<b>Net cash used in operating activities</b>	<u><u>(263,205)</u></u>	<u><u>(294,790)</u></u>
Cash flows from investing activities		
Proceeds from deposits and bonds refunds	-	204,256
Net cash from investing activities	<u>-</u>	<u>204,256</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	674,621	-
Net cash from financing activities	<u>674,621</u>	<u>-</u>
Net increase in cash and cash equivalents	411,416	(90,534)
Impact of exchange rates on foreign cash balances	-	-
Cash and cash equivalents at the beginning of the financial half-year	220,123	366,627
Cash and cash equivalents at the end of the financial half-year	<u><u>631,539</u></u>	<u><u>276,093</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Reedy Lagoon Corporation Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 1. General information**

The financial statements cover Reedy Lagoon Corporation Limited as a consolidated entity consisting of Reedy Lagoon Corporation Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Reedy Lagoon Corporation Limited's functional and presentation currency.

Reedy Lagoon Corporation Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18, 530 Collins Street  
Melbourne  
Victoria 3000

The nature of the consolidated entity's operations and its principal activities are mineral exploration.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 March 2021. The directors have the power to amend and reissue the financial statements.

**Comparatives**

The following comparative balances have been amended to be in line with balances at 31 December 2020

- Other Expenses
- Administration expenses

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Reedy Lagoon Corporation Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 2. Significant accounting policies (continued)**

**Going concern**

The financial report has been prepared on a going concern basis.

At the date of this report the Company has sufficient funds to meet all commitments as and when they fall due for at least 12 months other than discretionary expenditure (which can be deferred or discontinued).

As at 31 December 2020, the consolidated entity had cash and cash equivalents of \$631,539. The Company estimates expenditure of \$438,000 for wages, fees and overheads including listing fees for the 12 month period following the date of this report. This estimate includes wages, fees and superannuation at 50% of the contracted amounts payable because the directors have agreed to not receive 50% of the fees for the period unless the board subsequently determines to pay the fees in full.

The Company has sufficient funds to continue its current sampling programs at each of the Burracoppin gold and Burracoppin iron projects together with ongoing new project development. The Company plans to fund additional exploration including drilling at its existing projects by raising capital by issuing securities or through joint venture under project farm out agreements.

**Note 3. Operating segments**

**Identification of reportable operating segments**

The Company is organised into one operating segments: mineral exploration. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

**Note 4. Revenue**

	<b>Consolidated</b>	
	<b>December</b>	<b>December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Interest	124	96
Revenue	124	96

**Reedy Lagoon Corporation Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 5. Current liabilities - employee benefits**

	Consolidated	
	December 2020 \$	June 2020 \$
Annual leave	101,200	95,590
Long Service Leave	35,164	33,880
	136,364	129,470

**Note 6. Current liabilities - Provision for site restoration**

	Consolidated	
	December 2020 \$	June 2020 \$
Provision for site restoration	10,000	10,000

Restoration costs are provided for at the time of the activities that give rise to the need for restoration. If this occurs prior to commencement of production, the costs are included in deferred exploration and development expenditure. If it occurs after commencement of production, restoration costs are provided for and charged to the statement of financial performance as an expense.

**Note 7. Equity - issued capital**

	Consolidated			
	December 2020 shares	June 2020 shares	December 2020 \$	June 2020 \$
Ordinary shares - fully paid	469,733,784	402,271,710	21,603,531	20,928,910
Movements in ordinary share capital				
Details	Date	Shares	Issue price	\$
Balance	01-Jul-20	402,271,710		20,928,910
Issue of shares	26-Aug-20	67,462,074		674,621
Balance	31-Dec-20	469,733,784		21,603,531

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Share buy-back**

There is no current on-market share buy-back.

**Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Reedy Lagoon Corporation Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 8. Contingent liabilities**

The Company is not aware of any contingent liabilities other than outstanding rehabilitation of a drill site used by the Company during drilling at its Columbus Salt Marsh project (drill hole CBD-01). An amount of \$10,000 has been allocated for this work which is expected to be completed in the normal course of business.

**Note 9. Events after the reporting period**

There are no events after the reporting period.

**Note 10. Share-based payments**

A share option plan has been established by the Company and approved by shareholders at a general meeting, whereby the Company may, at the discretion of the board, grant options over ordinary shares in the Company to certain key management personnel.

Remuneration arrangements of key management personnel are disclosed in the annual financial report. In addition, on 23 December 2020, after approval at the Company's annual general meeting, a total of 900,000 options were issued to directors as part of their remuneration packages. Each director received the below options:-

- Geoffrey H. Fethers – 500,000 options, exercise price 0.0147 cents, expiring on 31/12/2023 with a value \$3,000
- Jonathan M. Hamer – 300,000 options, exercise price 0.0147 cents, expiring on 31/12/2023 with a value \$1,800, and
- Adrian C. Griffin – 100,000 options, exercise price 0.0147 cents, expiring on 31/12/2023 with a value \$600

Set out below are summaries of options granted under the plan:

<b>December 2020</b>			Balance at the start of the half-year	Granted	Exercised	Lapsed	Balance at the end of the half-year
Grant date	Expiry date	Exercise price					
29/12/17	31/12/20	\$0.0375	900,000		-	900,000	-
07/12/18	31/12/21	\$0.0116	900,000		-	-	900,000
11/12/19	31/12/22	\$0.0049	900,000		-	-	900,000
23/12/20	31/12/23	\$0.0147		900,000	-	-	900,000
			<u>2,700,000</u>	<u>900,000</u>	<u>-</u>	<u>900,000</u>	<u>2,700,000</u>
<b>December 2019</b>			Balance at the start of the half-year	Granted	Exercised	Lapsed	Balance at the end of the half-year
Grant date	Expiry date	Exercise price					
29/12/17	31/12/20	\$0.0375	900,000		-	-	900,000
07/12/18	31/12/21	\$0.0116	900,000		-	-	900,000
11/12/19	31/12/22	\$0.0049		900,000	-	-	900,000
			<u>1,800,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>2,700,000</u>

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/12/20	31/12/23	\$0.014	\$0.0147	98.30%	-	0.11%	\$0.006

An expense of \$5,400 (2019: \$2,621) has been recognised in the statement of comprehensive income for the current period in relation to the above options.

**Reedy Lagoon Corporation Limited**  
**Directors' declaration**  
**31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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G.H. Fethers  
Managing Director

12 March 2021  
Melbourne

## **Independent Auditor's Review Report**

**To the members of Reedy Lagoon Corporation Limited**

### **Report on the Half-year Financial Report**

#### *Conclusion*

We have reviewed the accompanying Half-year Financial Report of Reedy Lagoon Corporation Limited and its controlled entities (the "Group").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of the Group is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Consolidated statement of financial position as at 31 December 2020;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The Group comprises Reedy Lagoon Corporation Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half year.

#### *Material Uncertainty Related to Going Concern*

Without qualifying our opinion, we draw attention to matters set forth in Note 2 which indicates the existence of a material uncertainty that may cast doubt over the group's ability to continue as a going concern. If the group is unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### *Responsibilities of the Directors for the Half-year Financial Report*

The Directors of the Company are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

*Auditor's responsibility for the review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Reedy Lagoon Corporation Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



**George Georgiou FCA**  
Managing Partner  
Connect National Audit Pty Ltd  
ASIC Authorised Audit Company No.: 521888  
Melbourne, Victoria  
Date: 12 March 2021