

10 May 2022

Reedy Lagoon Corporation's Offer is open

RLC's offer to eligible shareholders* of RLC ordinary shares at 4 cents per share is now open (refer ASX announcement 2 May 2022 for details of the Offer).

Reedy Lagoon is seeking to raise \$3 million to fund exploration at RLC's existing lithium brine projects in North America, expand new lithium projects that it has been generating, fund land holding costs (Placer Claims) and provide working capital. These activities are described in more detail on the following page.

The board sees significant growth potential in the Company's lithium, iron and gold projects. Directors have demonstrated this by their subscriptions for 5,331,375 RLC shares at 4.04 cents (\$215,375) in December 2021 and for 500,000 RLC shares at 5.46 cents (\$27,300) in March this year.

The managing director and his related parties intend taking up 3 million of the shares comprising their entitlement under the Offer.

When the Company first moved to acquire lithium brine projects in 2016, it did so because the direct extraction of lithium from brine offered the lowest cost and most ecologically friendly method of obtaining battery grade lithium carbonate. At that time battery grade lithium carbonate was priced at US\$8,000 per tonne, which the Board considered sufficient to make lithium from lithium brine production profitable and very competitive with hard rock extraction of lithium. Today, some contracts have prices in the range of US\$20,00 to US\$30,000 per tonne and spot prices of above US\$60,000 per tonne for battery grade lithium carbonate are reported.

The Offer Booklet and personalised Entitlement and Acceptance Form have been sent to the registered address of eligible shareholders today. Eligible shareholders registered for electronic communications have been notified the Offer Booklet with details of the Offer and their personalised Entitlement and Acceptance Form are available to download at www.reedylagoon.com.au/.

Authorised for release on behalf of the Company.

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**Eligible shareholders are persons registered as the holder of RLC shares on the Record Date (7.00pm (AEST) on Thursday 5 May 2022) with a registered address in Australia or New Zealand.*

Planned activities and estimated expenditures following completion of the Offer.

| Lithium brine projects in Nevada, U.S. : Clayton Valley Project & Alkali Lake North projects | | |
|---|--|--------------------|
| Alkali Lake North project | | |
| Drilling | 1 core hole to 650 metres | \$950,000 |
| Drill testing for lithium bearing brine in a large tubular shaped target located in the eastern side of the project (refer ASX releases 14/10/2021 and 29/04/2022). 1 bore hole (to target depth of 650 metres) is planned for Alkali Lake North. | | |
| Ground geophysical survey | 3D – AMT | \$240,000 |
| Acquisition of electrical conductivity (3D AMT) data at the Alkali Lake North project. Recent Shallow Seismic Reflection (SSR) survey has identified flat lying reflectors (sedimentary strata) extending beyond the current 3D AMT survey coverage (within the Company's tenure) (refer ASX release 29/04/2022). The planned 3D-AMT survey will provide data to aid drill target selection for testing the extensive flat lying aquifers interpreted in the 2-D AMT and SSR data across the project area. | | |
| Clayton Valley project | | |
| Drill target selection and site preparation for drilling is planned. The project has drill targets identified in 3D-AMT data (refer ASX release 23/08/2018). Drilling is not budgeted for under the current funding, but in the event other planned activities are curtailed or additional funding is obtained then a core hole to 500 metres depth would be prioritised. | | |
| New lithium project(s) to be developed in U.S. | | |
| New projects prospective for lithium-brine project are being followed up (refer ASX release 29/04/22). Estimated expenditures are provided as guidelines as follows: | | |
| | Geological prospecting | \$30,000 |
| | Ground acquisition (claim staking) | \$410,000 |
| | Geophysical surveys | \$450,000 |
| Other expenditures | | |
| | Annual filing fees in respect of Placer Claims | \$330,000 |
| | Contingencies and working capital | \$590,000 |
| Total | | \$3,000,000 |

Because of the current high levels of lithium exploration activity in the USA, the Company has prioritised expenditure on securing and developing additional project areas above the planned drilling at the Clayton Valley project.