



REEDY LAGOON CORPORATION LIMITED

ABN 41 006 639 514

Offer Booklet

4 for 5 non-renounceable pro rata rights issue of Reedy Lagoon Corporation Limited ordinary shares at an offer price of 2.5 cents per new share, closing 5.00pm AEDT Friday 8 December 2017.

This Information is important and requires your immediate attention.

This is an important document which is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. Please contact your professional adviser if you have any queries.

Date: 17 November 2017

Issuer

Reedy Lagoon Corporation Limited
ACN 006 639 514
Level 18, 530 Collins Street
Melbourne VIC 3000

Lead Manager and Underwriter

Patersons Securities Limited
ACN 008 896 311
Level 23 Exchange Tower
2 The Esplanade Perth WA 6000

Registry

Link Market Services Limited
Tower 4 727 Collins Street
Melbourne VIC 3008

Website

www.reedylagoon.com.au

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Level 18, 530 Collins Street
Melbourne, Australia
Ph: (03) 8420 6280

Postal Address: P O Box 2236,
Richmond VIC 3121

Email: info@reedylagoon.com.au
reedylagoon.com.au

Dear Shareholder,

Reedy Lagoon is seeking to raise \$3.5 million to drill one of its lithium brine targets in Nevada, USA.

The results of geophysical surveys of the project areas have enabled Reedy Lagoon to identify strong lithium brine targets at each of its 3 projects in Nevada. Permits to drill and to pump water for testing have been granted for the Columbus Salt Marsh project; a permit to drill has been granted for the Big Smoky South project and application made for a permit to pump water for testing purposes.

Details of the Offer are set out in this booklet. It is a non-renounceable pro rata rights offer made to eligible shareholders. In addition to a right to acquire their entitlements, eligible shareholders can apply for additional new shares at the offer price.

The Offer will also set the price for the issue of \$2,000,000 worth of RLC Shares to the vendors of Nevada Lithium Pty Ltd, which issue is required to complete the acquisition by RLC of that company, including the 3 lithium brine projects held by its wholly-owned subsidiary. Shareholders approved the issue of shares to the vendors at the EGM held on 16 November 2017. Completion of the acquisition will take place on the date shares are allotted under the Offer.

Please read this booklet before responding to this Offer. If you have any questions in respect of this Offer please call the RLC Offer Information Line on 1300 970 086 (within Australia) and +61 1300 970 086 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday or, alternatively, consult your stockbroker, accountant or other professional adviser.

On behalf of the Board of RLC, I invite you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely

Jonathan Hamer
Chairman
Reedy Lagoon Corporation Limited

KEY DATES

Announcement of Offer	Thursday 9 November 2017
Ex Date for Entitlements	Monday 20 November 2017
Record Date for determining Entitlements	7.00pm AEDT Tuesday 21 November 2017
Offer opens	Friday 24 November 2017
Offer closes	5.00pm AEDT Friday 8 December 2017
Issue of New Shares under the Offer	Friday 15 December 2017
Despatch of allotment confirmations for New Shares	Monday 18 December 2017
New Shares commence normal trading on ASX	Monday 18 December 2017

The above timetable is indicative only and subject to change. RLC reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the times and dates of the Offer, including extending the Offer or accepting late applications, either generally or in particular cases, without notice.

You cannot, in most circumstances, withdraw your application once it has been accepted. No cooling off rights apply to the Offer.

Enquiries:

If you have any questions, please call the RLC Offer Information Line on 1300 970 086 (or for callers outside Australia +61 1300 970 086) at any time between 8.30am and 5.30pm (AEDT) Monday to Friday during the offer period, or consult your stockbroker, accountant or other professional adviser.

OFFER DESCRIPTION

Your Entitlement and Additional Shares

Under the Offer, you as an Eligible Shareholder (as defined in section 2 of "**Important Information**") have the right to acquire 4 fully paid ordinary shares in RLC ("**New Shares**") at a price of 2.5 cents per New Share ("**Offer Price**") for every 5 RLC ordinary shares held at the Record Date.

The number of New Shares you have the right to acquire is shown on the personalised Entitlement and Acceptance Form that accompanies this Booklet which has been sent to you. This number of New Shares is called your "**Entitlement**". Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.

In addition, Eligible Shareholders may also apply for New Shares in excess of their Entitlement ("**Additional New Shares**"). However, you do not have a right to acquire Additional New Shares. Additional New Shares will only be allocated to Eligible Shareholders if there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlement or from New Shares that would have been offered to ineligible shareholders if they had been entitled to participate in the Offer. The issue to an Eligible Shareholder of Additional New Shares is subject to any allocation policy and scale-back that may be applied in the absolute discretion of RLC and the Underwriter.

There is no assurance that Eligible Shareholders who apply for Additional New Shares will be allocated all or any of those Additional New Shares. If an application for Additional New Shares is not accepted, the surplus Application Monies will be refunded, without interest, payable to the applicant, on or around 15 December 2017.

Note: The Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding RLC shares on behalf of a U.S. Person as that term is defined in the U.S. Securities Act of 1933 (as amended).

The Offer is only open to Eligible Shareholders and RLC reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Non-renounceable

Entitlements are non-renounceable, and RLC shareholders who do not take up their Entitlements will not receive any payment or value for their Entitlements. Entitlements will not be able to be traded on the ASX or privately transferred. If you do not take up your Entitlement under the Offer, your percentage shareholding in RLC will be diluted.

Fully Underwritten

The Offer is fully underwritten by Patersons Securities Limited. This means that, provided no Termination Event occurs, the Underwriter will take or place the number of New Shares required for RLC to have issued all New Shares offered under the Offer and the Offer will have raised \$3.5 million before costs. Details of the Underwriting Agreement are set out below under “Underwriting Agreement”.

Limit on Allocation

New shares acquired under the Offer do not fall within the exception to the 20% limit under the takeovers provisions of the Corporations Act 2001 (item 10 of s. 611). RLC may decline to issue New Shares to a person to the extent that the issue would otherwise result in that person holding more than 20% of the voting power in RLC.

PURPOSE OF FUND RAISING

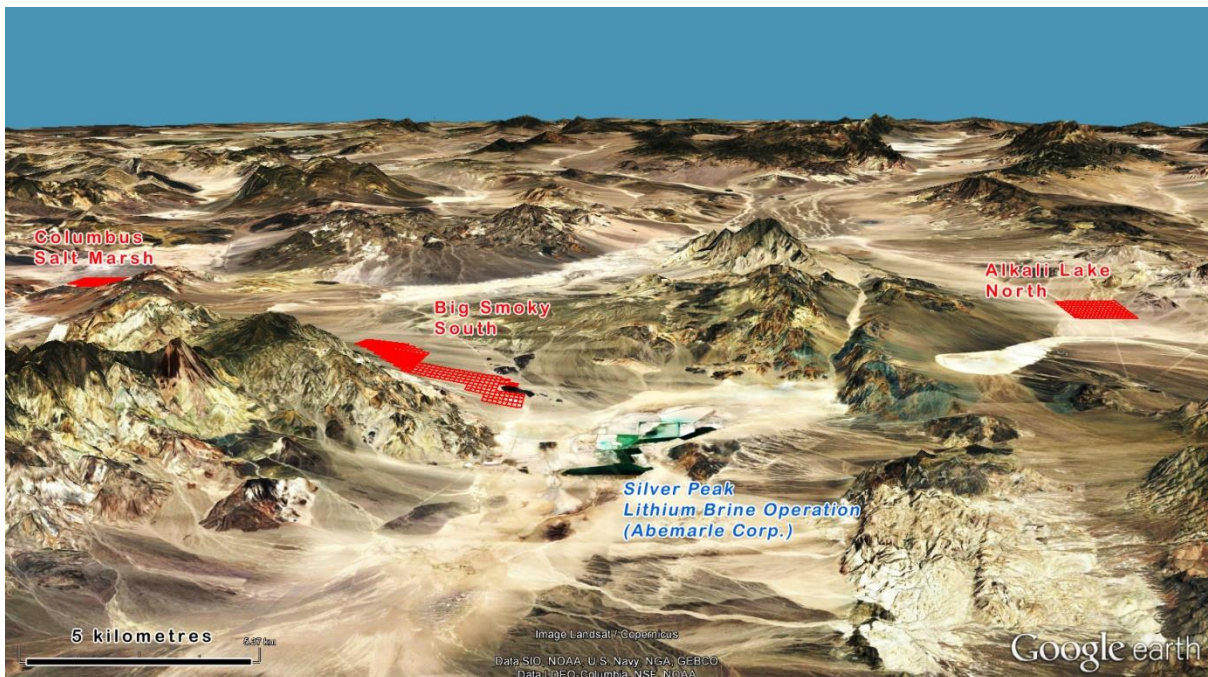
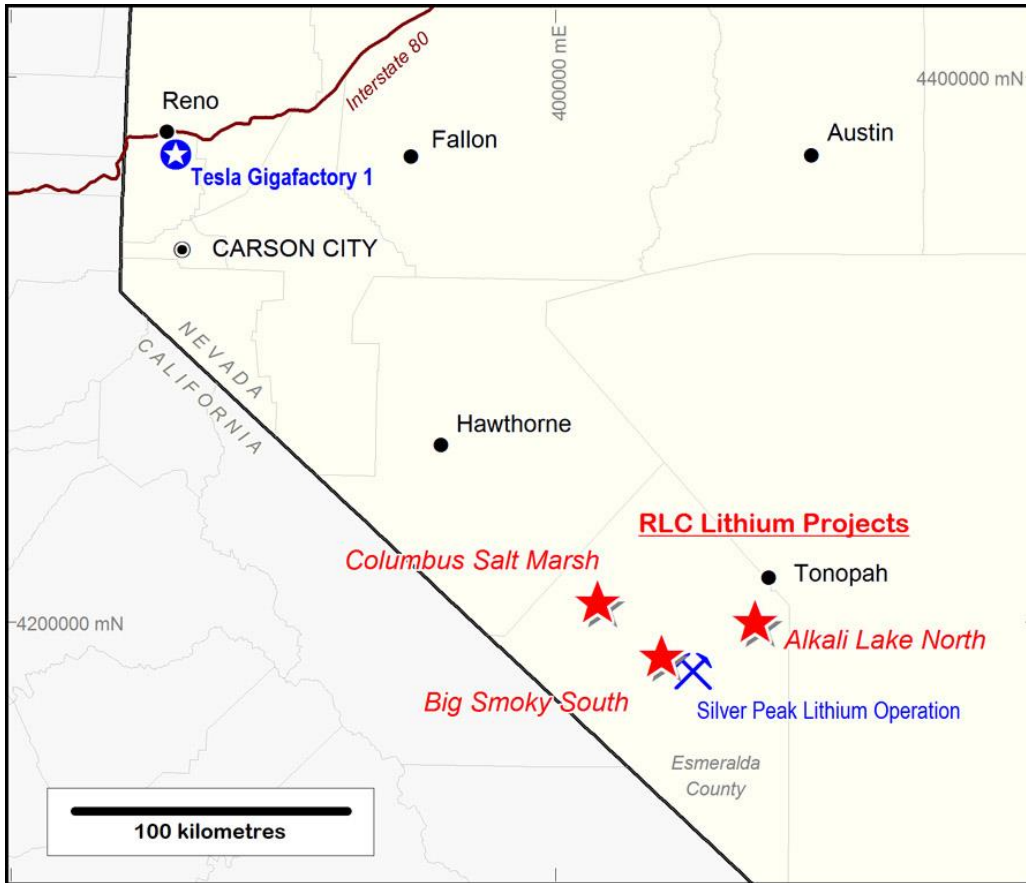
1. Nevada Lithium Brine Projects.

Reedy Lagoon Corporation Limited has entered an agreement to purchase 100% of Nevada Lithium Pty Ltd which owns 3 lithium brine projects located in Nevada, North America (refer ASX releases 13 October 2017, 28 February 2017, 20 February 2017, 22 December 2016).

The lithium brine projects currently comprise duly recorded and filed Placer Mining Claims over three prospects in large basins (ground water catchment areas) interpreted from topographic and geophysical survey data. Substantial research has driven the selection of which basins to target and sites within basins where substantial volumes of brines might accumulate or be trapped. This research includes studies of potential aquifer host rocks and lithium sources evidenced by existing lithium operations where abundant brines occur, including the Silver Peak Mine where lithium has been produced from brines since the 1960s.

The Projects comprise :

Alkali Lake North:	128 claims – 2,554 acres (1,033 ha)
Big Smokey South:	239 claims – 4,753 acres (1,924 ha)
Columbus Salt Marsh:	167 claims – 3,291 acres (1,332 ha)
TOTAL	534 claims 10,598 acres (4,289 ha)



2. Drilling Targets

Geophysical surveys have identified substantial brine targets at all three projects.

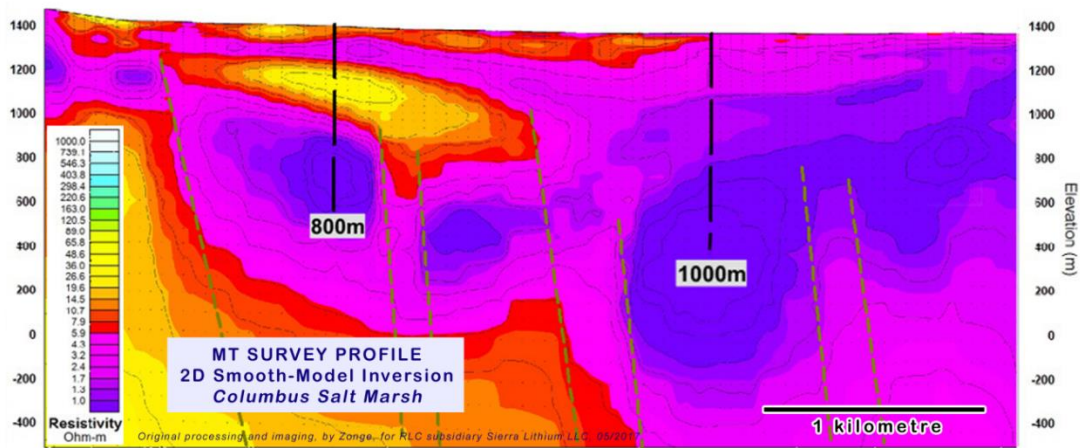
Priority targets are identified as those having resistivities of one ohm-metre or less as these targets can be expected to have the maximum salinity. Lithium concentration in brines correlates directly with salinity,

although there is no certainty that lithium will be present in a particular brine as other factors are required, such as a source for the lithium. In the Silver Peak area of Nevada the source for the lithium is considered to be the volcanic ash layers within the basins and the surrounding hills. The ash layers are known to form aquifers which can host lithium brines.

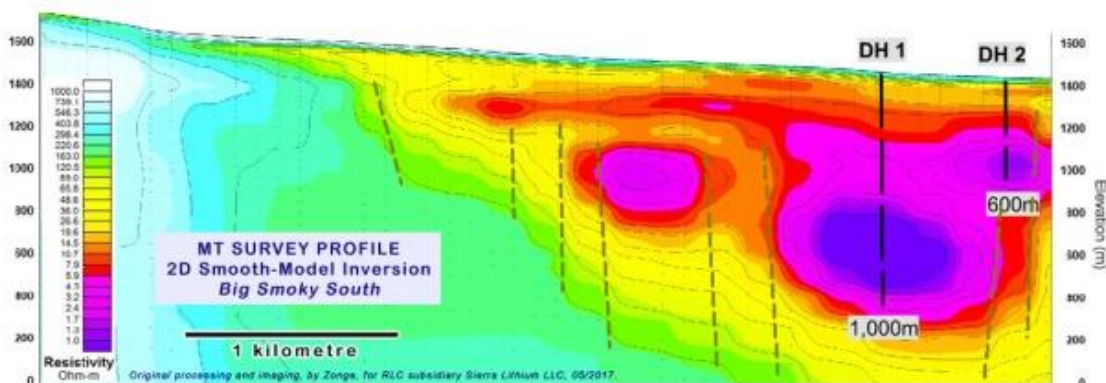
4 drill sites have been prioritised for drilling. Two of these are located on the Columbus Salt Marsh project and preparations for drilling completed include full permitting and grant of a temporary waiver that enables water to be extracted for testing purposes. The other two drill sites are located on the Big Smoky South project and preparations include granted drill permits and an application for a temporary waiver to enable water to be extracted for testing purposes.

Funds raised by this offer will be used to drill one of these drill holes. Selection of the hole to drill will not be made until closer to drill commencement.

The brine targets which have been permitted for drilling on the Columbus Salt Marsh project are shown in the MT survey profile below. The deeper of the two drill holes is a 1,000 metre deep hole designed to test the largest indicated aquifer system identified in the Company’s MT survey data.



The potential lithium brine targets selected for drilling on the Big Smoky South project are shown in the MT survey profile below. The deeper of the two drill holes is a 1,000 metre deep hole designed to test a substantial target extending from 600 metres below surface identified in the Company’s MT survey data.



The Big Smoky South project is located 7 kilometres to the north west of the lithium brine operation at Silver Peak owned by Albemarle Corporation Inc.

The Company staked the Big Smoky South area based on an interpretation that a substantial down-faulted basin was present plus a number of bounding fault structures on the southern margin of the prospect could

help to contain a substantial brine deposit in the project area. This interpretation is strongly supported by the results of the MT survey (above).

Anomalous levels of lithium have been reported by the US Geological Survey in spring water (1.45 mg/L) near RLC's claims and in well water (26.41 mg/L & 6.74 mg/L) close to Silver Peak. Silver Peak has been producing lithium since the 1960s pumping brines varying from 100 to 300 mg/L of lithium from multiple aquifers down to a maximum depth of 300 metres. These factors confirm the presence of lithium-bearing rocks and sediments in the Big Smoky South project area thus increasing the likelihood that the brines the Company plans to drill contain lithium. Although Big Smoky South is only a few kilometres distance from the Silver Peak lithium brine operation it is likely that the bounding faults on the project's southern margin separate any deep aquifer system at Big Smoky South from the aquifers supporting the Silver Peak lithium brine operation. If this separation is proven, it would mean brine extractions from Big Smoky South would not have any effect on the Silver Peak operation.

Drilling results obtained by Pure Energy Minerals Limited (TSXV:PE) at its Clayton Valley project show that lithium is present in brines from 130m depth to 600m depth, and geophysical surveys indicate that similar brine formations are present to a depth of 1500m. This is an encouraging indication that the interpreted hyper-saline brine in RLC's main target at Big Smoky South, which is located at a depth between 600 metres and 1,000 metres, may contain elevated lithium grades.

The Company's preferred drill contractor has confirmed availability of a suitable drill rig for the projects thereby enabling drilling to commence in January 2018. HQ size core drilling of the brine targets is planned 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 in order that individual aquifers can be isolated and 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 and the brine not contaminated from other sources in the drill hole.

The planned work includes hydrological testing to establish aquifer and brine extraction parameters, brine composition analysis, and casing the hole from surface to bottom with steel casing followed by well construction, development and testing, depending on results. The planned drilling and test work is designed to provide important information about the aquifers including lithium concentration and the grade of other elements such as potassium, boron and sulphates, as well as physical information about the aquifers including brine volume, aquifer geometry, specific yield, porosity, permeability and hydraulic conductivity. Additional wells and monitor holes will need to be established in order to determine the variability within the lithium brine deposit and the boundary of any Resource.

Upon completion of drilling and test-work the Company will have the option of capping the drill hole and maintaining it as a "Monitoring Well". A Monitor Well can be converted to a Producing Well provided water rights for pumping are obtained.

3. Why Lithium and Why Brines ?

The Lithium Brine Projects provide RLC with an opportunity to be a significant participant in one of the most exciting and dynamic sectors of the mining industry – lithium production.

The demand for lithium is increasing, driven primarily by the growth in sales of batteries using lithium.

New technologies in lithium processing are creating potential for new entrants to build new businesses which may have significant advantages over established producers. These advantages include lower production costs and reduced environmental impacts at the production site.

These new technologies include new ways of extracting lithium from brines economically at relatively low lithium concentration and producing battery grade lithium hydroxide for sale to battery manufacturers. New ways to extract lithium from brines would enable lithium production from brines without the need to use evaporation ponds to remove deleterious elements and compounds and increase the concentration of lithium prior to treatment. This would mean that brines could be returned to an aquifer in the basin they were

pumped from after extraction of the lithium, significantly reducing the impact of production on the environment, particularly in the fragile desert environments in which lithium rich brines are currently found.

It should be noted that these new technologies are not in operation at mine scale, but are undergoing pilot plant stage testing. Different brine compositions respond differently to the new process technologies currently being tested. Some lithium brines that have been tested have proven to be untreatable by the processes tested. The brines which show the greatest promise (due to their low magnesium, calcium and sulfate content) are brines recovered from aquifers in Clayton Valley, Nevada.

The 3 lithium brine projects which Reedy Lagoon is to acquire are located in Nevada within basins selected because of their geological similarity to the Clayton Valley. The basins in which our claims are located have potential to contain brines of similar composition to the brines being tested and processed from Clayton Valley. Developments at other sites, such as Pure Energy's Clayton Valley Project give Reedy Lagoon's directors reason to have confidence that within a few years the most efficient way to produce battery grade lithium compounds will be direct from brines using one of the new process technologies currently being tested or a variant of them.

4. Completion of the Acquisition of the Projects.

To complete the acquisition of the 3 Lithium Brine Projects, the Company needs to issue the vendors of Nevada Lithium with a total of 80,000,000 RLC Shares (\$2,000,000 worth of RLC Shares determined by reference to the offer price under this Offer).

USE OF FUNDS

RLC will use the proceeds of the equity raising primarily for funding expenses of drilling and hydrological testing potential lithium brine targets identified in MT geophysical data. A base program of 1 drill hole to 1,000 metres depth is planned. If sufficient additional funding is raised a second hole to 800 metres depth is planned. The hole or hole drilled will be sited at either the Columbus Salt Marsh or Big Smoky South projects.

Planned activities and estimated expenditures include:

- Drill contractor expenses (\$1.5m)
- Drilling related expenses, including geological, hydrological, drill access, sample analysis (\$0.4m)
- Bureau of Land Management Bonds – reimburse Sierra Lithium LLC (\$0.09m)
- Overheads - 12 months (\$0.60m)
- Costs of the Offer (\$0.30m)

OFFER PRICE

The Offer comprises 140,540,134 shares (representing 44.4 % of the expanded capital) at 2.5 cents per share and will imply a market capitalisation of \$7.9 million in the event that the Offer is fully subscribed.

Following the issue of the shares to the Vendors of the lithium projects there will be 396,415,302 shares issued and an implied market capitalisation of \$9.9 million at 2.5 cents per share in the event the Offer is fully subscribed.

KEY RISKS

Risk of no Mineral Resource being identified.

At all the prospects held under placer claims by the Nevada Lithium Brine Projects the potential quantity and grade of any mineralization is conceptual in nature, there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Claims are located within 3 large surface water catchment areas. Potential brine targets in underground aquifers within each of the 3 project areas have been identified in geophysical data. The presence of underground aquifers containing lithium rich brines and the lithium content of any such aquifers cannot be ascertained without drilling and testing.

Risks affecting production

Production of lithium from lithium brines requires the extraction of the brines from underground aquifers. Production therefore requires that water rights be held enabling a sufficient quantity of brines to be extracted for processing.

Processing of lithium brines by direct extraction and returning the treated brines to the aquifers should mean that only a relatively small net water allocation will be required to produce commercial quantities of lithium. If the composition of the brine does not allow direct extraction of lithium then it is unlikely that the project would proceed because the alternative processing route uses evaporation ponds which consume enormous volumes of water for which sufficient water rights are unlikely to be obtained. It is also unlikely that sufficient land will be available in relation to any of the Projects to enable processing lithium brines by evaporation.

The use of direct extraction to process the brines may be adversely affected or rendered commercially impractical by the presence of deleterious elements and compounds such as magnesium, calcium and sulphates in the brines.

There is accordingly a risk that production of lithium may not be commercial at a project notwithstanding encouraging lithium content because:

- Direct extraction of lithium from the brines at the project may not be practical because of the chemical composition of the brines;
- Return of treated brines to the aquifers at the project may not be possible;
- Sufficient water rights required for a commercial operation may not be obtainable.

In addition, the form and structure of the aquifer in the place it is accessed must enable the lithium brines to be extracted in sufficient quantities to enable commercial production.

Permits Required for Drilling

In order to drill a hole for the purpose of extracting groundwater in Nevada it is first necessary to obtain a permit to drill from the Bureau of Land Management (BLM). The BLM may require that certain surveys are carried out including flora and fauna surveys, archaeological, ethnographic and historical surveys. To-date no such surveys have been requested as a condition of permit approval. Once in hand a reclamation bond must be established with the Nevada Division of Minerals (NDOM). Finally approval is required in the form of a waiver from the Nevada Division of Water Resources (NDWR) for the purpose of extracting up to six million litres of water for testing. Permits to drill and to pump water for testing have been granted for the Columbus Salt Marsh project. A permit to drill has been granted for the Big Smoky South project and an application for a permit to pump water for testing purposes has been applied for. It is possible that pumping rights for testing purposes at Big Smoky South may not be given or delayed.

No permit to drill or permission to pump water for bulk sampling and testing purposes has yet been applied for the Alkali Lake North project. It is possible that the permit or pumping rights for Alkali Lake North may not be given or delayed.

The Company has been notified that legislation has been passed under which the Nevada Division of Minerals will become the body responsible for regulating dissolved minerals including lithium and pumping rights for testing purposes on 1 January 2018. The new regulations covering pumping rights have not yet been made and it is possible that the new regulations will not be in force until March 2018. Any delay in the regulations being made may delay the Company obtaining pumping rights for testing purposes.

Constraints on Drilling Activities

There is a risk that the carrying out of any drilling programme may be delayed or prevented or the costs may be increased by factors such as:

- adverse weather conditions over a prolonged period;
- unavailability of suitable equipment;
- unavailability of suitable contractors;
- delay or failure to obtain consents or approvals necessary for the conduct of exploration and mining or failure or delay to satisfy the conditions of any such consents or approvals unanticipated operational and technical difficulties encountered in survey, sampling, drilling and production activities;
- changes to the regulations and changes to the regulatory bodies administering the regulations or
- the proximity of endangered flora or fauna or aboriginal sites of significance or heritage sites.

Cultural Heritage and Protected Sites

The US Federal Government has legislation that obliges exploration and mining companies to identify and protect sites of cultural and heritage significance.

From a practical perspective, the key risks that arise in relation to cultural heritage protection are that:

- there may be considerable delays experienced in obtaining the consent of representative bodies or administering authorities (where applicable) to carry out exploration activities on land that has cultural and or heritage significance, which delays could impact upon project timing;
- consent, if granted, may be granted subject to onerous conditions; and
- consent may not be obtained, and will not be able to be obtained if mining activities would result in the destruction of an item of cultural heritage significance.

Share Market Risks

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand for, and supply of, capital.

Investors should recognise that once the New Shares are listed on ASX, the price of the New Shares may fall as well as rise. Many factors will affect the price of the Shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally.

Government Risk

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors.

Underwriting Agreement

Paterson Securities Limited (“**Underwriter**”) has entered into an Underwriting agreement with RLC under which the Underwriter has agreed to underwrite the entire Offer.

The Underwriter will be paid a fee of \$60,000 for advisory services, 2% of the Offer Amount for management services and 4% of the Offer Amount for underwriting the Offer.

The Underwriter may terminate its obligation to terminate the Underwriting Agreement in certain events (“Termination Events”), which include:

- (a) (*Indices fall*): any of the All Ordinaries Index or the Standard and Poors / ASX 200 Index as published by ASX is at any time, at the close of trading, on three consecutive Business Days after the date of this Agreement 10% or more below its respective level as at the close of trading on the Business Day prior to the date of this Agreement; or
- (b) (*Share Price*): the Shares of the Company trade on the ASX under the ASX code of “RLC”, on any Business Day prior to Completion at a 5 day Volume Weighted Average Price (“VWAP”) that is less than the Price;
- (c) (*New circumstance*): an obligation arises on the Company to give ASX a notice in accordance with subsection 708AA(12) of the Corporations Act (as inserted by ASIC Class Order 08/35), in relation to a matter that the Underwriter reasonably consider to be adverse, or a new circumstance that the Underwriter reasonably consider to be adverse, arises or becomes known which, if known at the time of issue of the Offer Materials and the Cleansing Notice would have been included in the Offer Materials or the Cleansing Notice; or
- (d) (*ASIC application*): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer Document, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (e) (*Hostilities*): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
- (f) (*Indictable offence*): a director or senior manager of a Relevant Company is charged with an indictable offence;

Paterson Securities Limited was not involved in the preparation of this Booklet and did not authorise or cause the issue of the Offer or this Booklet. Paterson Securities Limited makes no express or implied representation or warranty in relation to RLC or the Offer and does not make any statement in this Booklet, nor is any statement in it based on any statement made by Paterson Securities Limited. To the maximum extent permitted by law, Paterson Securities Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Booklet other than the reference to its name.

HOW TO APPLY

1. PLEASE READ CAREFULLY THE CHAIRMAN'S LETTER, IMPORTANT INFORMATION, ENTITLEMENT AND ACCEPTANCE FORM AND OTHER PUBLIC INFORMATION MADE AVAILABLE

The Offer is not being made under a prospectus or product disclosure statement. Instead, the Offer is being made pursuant to provisions of the Corporations Act 2001 (Cth) that allow entitlement offers to be offered by providing certain updates and confirmations to the market. Accordingly, before accepting your entitlement of New Shares you should carefully read and understand the publicly available information on RLC and the Offer, including this Booklet, RLC’s Annual Report and other announcements that have been made available at www.reedylagoon.com.au or www.asx.com.au.

2. CONSIDER THE ENTITLEMENT OFFER IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

If you have any queries or are uncertain about any aspect of the Offer, consult with your stockbroker, accountant or other professional adviser.

Please ensure that you review carefully the "**Key Risks**" section.

3. APPLY FOR PART OR ALL OF YOUR ENTITLEMENT AND ANY ADDITIONAL SHARES

If you want to take up all or part of your Entitlement or apply for Additional New Shares, you must complete and return the Entitlement and Acceptance Form with your payment **or** pay your application monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

RLC will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement. Amounts received by RLC in excess of your Entitlement may be treated as an application to apply for as many Additional New Shares as the excess amount will pay for in full.

Your Entitlement is set out in the accompanying Entitlement and Acceptance Form and has been calculated as 4 New Shares for every 5 RLC shares you held as at the Record Date of 7.00pm (AEDT) on Tuesday 21 November 2017 rounded up to the nearest share. If you have more than one holding of RLC shares you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

If you accept and pay for all or part of your Entitlement before the close of the Offer at 5.00pm (AEDT) on Friday 8 December 2017, you will be issued your New Shares on Friday 15 December 2017.

If you are allocated any Additional New Shares, you will be issued those Additional New Shares on 15 December 2017.

RLC reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims. The issue to an eligible RLC shareholder of any Additional New Shares is subject to any allocation policy and scale-back that RLC may apply in the absolute discretion of RLC and the Underwriter.

You do not have to pay any brokerage or other transaction costs to RLC on the issue of New Shares or Additional New Shares.

4. ACCEPTANCE OF THE OFFER

You may subscribe for all or part of your Entitlement and apply for Additional New Shares by either completing the Entitlement and Acceptance Form in accordance with the instructions set out on the back of that form, indicating the number of New Shares and Additional New Shares (if any) you wish to subscribe for and attaching payment or, if you have an Australian financial institution account that supports BPAY®, by paying by BPAY® (see below for more details).

The method of taking up the Offer will depend on your method of payment, being:

Payment by cheque, bank draft or money order

Should you wish to pay by cheque, bank draft or money order, then you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on that form and return the form accompanied by a cheque, bank draft or money order:

- in Australian currency, drawn on an Australian branch of a financial institution;
- for an amount equal to \$0.025 multiplied by the number of New Shares and Additional New Shares that you are applying for (rounded up to the nearest cent); and
- Made payable to "Reedy Lagoon Corporation Limited" and crossed "Not Negotiable".

Payment by BPAY®

For Eligible Shareholders wishing to pay by BPAY® (only available to Eligible Shareholders who hold an account with an Australian financial institution that supports BPAY®):

- Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). Your BPAY® payment must be received by no later than 5.00pm (AEDT) on Friday 8 December 2017. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.
- **If you pay by BPAY®, you do not need to submit your Entitlement and Acceptance Form** but, by making a payment through BPAY®, you will be taken to have made the declarations set out in the Entitlement and Acceptance Form.

Payments generally

Any application monies received for more than your final allocation of New Shares and Additional New Shares (if \$1.00 or more) will be refunded on or around 15 December 2017. No interest will be paid on any application monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

5. IF YOU DO NOT WISH TO TAKE UP YOUR ENTITLEMENT

If you do not wish to take up your Entitlement under the Offer, you can simply do nothing.

At the Offer close date, 5.00pm (AEDT), Friday 8 December 2017, if you have not completed your Entitlement and Acceptance Form and returned it with application money to the Registry at the address below, or alternatively made a payment through BPAY® for which RLC has received payment, then your Entitlements will lapse.

The Offer is non-renounceable. If you do not take up your Entitlement, you will not receive any value for your Entitlement.

6. MAIL OR DELIVERY

To participate in the Offer, your payment must be received by no later than 5.00pm (AEDT) on Friday 8 December 2017. If not paying by BPAY®, your completed Entitlement and Acceptance Form, together with application monies, should be mailed using the reply paid or self addressed envelope provided with this Booklet, or mailed to:

Reedy Lagoon Corporation Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Reedy Lagoon Corporation Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

IMPORTANT INFORMATION

This Booklet has been prepared by RLC. The Booklet is dated 17 November 2017.

The information in this report that relates to Exploration Results and geology for Lithium is based on information compiled by Geoff Balfe, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). 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 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). Mr Balfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this report, those releases are available to view on the NEWS 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 and, in the case of the estimate of the Mineral Resource, all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. 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.

No party other than RLC has authorised or caused the issue of this Booklet, or takes responsibility for, or makes any statements, representations or undertakings in this Booklet.

You should read this Booklet carefully and in its entirety before deciding to invest in New Shares or Additional New Shares. In particular you should consider the risk factors outlined in the Key Risks section that could affect the performance of RLC or the value of an investment in RLC.

The past performance of RLC, and the past share price of RLC should not be relied upon as (and is not) an indication of future performance.

1. NOT INVESTMENT ADVICE

The Offer to which this Booklet relates complies with the requirements of section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission (ASIC) Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

The Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Booklet is not financial product advice and does not purport to contain all the information that you may require to evaluate a possible application for New Shares. This Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of RLC shares the subject of the Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in RLC before making any investment decision based on your investment objectives.

You should also consider the "Key Risks" section.

2. ELIGIBLE SHAREHOLDERS

Eligible Shareholders are those who:

- (a) are the registered holder of RLC shares at 7.00pm (AEDT) on Tuesday 21 November 2017 (the "**Record Date**");
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person; and

(d) are eligible under all applicable securities laws to receive an offer under the Offer.

The Offer is not being extended to any RLC shareholder with a registered address outside Australia and New Zealand (see Section 8 below).

3. OFFER JURISDICTIONS

This Booklet is not intended to and does not constitute an offer of securities in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer and no action has been taken to register shares of RLC or otherwise permit a public offering of the shares in any jurisdiction outside of Australia and New Zealand. Return of the Entitlement and Acceptance Form with application money or your BPAY® payment shall be taken by RLC to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

The distribution of this document outside Australia and New Zealand may be restricted by law. Persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

The Offer to Eligible Shareholders who are members of the public in New Zealand is being made in reliance on an exemption under the New Zealand Securities Act 1978 (the Securities Act (Overseas Companies) Exemptions Notice 2013 (New Zealand)). This document is not a prospectus or investment statement under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority or in accordance with the New Zealand Securities Act 1978, New Zealand Financial Markets Conduct Act 2013 or any other relevant law in New Zealand. This document may not contain all the important information that an investment statement or a prospectus under New Zealand law is required to contain.

United States

This Booklet does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. Person, or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The offering of New Shares in the Offer has not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered, sold or resold in, or to persons in, the United States, or any other place in which, or to any person to whom, it would not be lawful to make such an offer or grant, except in accordance with an available exemption from registration and applicable state securities laws.

4. GOVERNING LAW

This Booklet, the Offer and the contracts formed on return of the Entitlement and Acceptance Form are governed by the laws applicable in Victoria, Australia. Each RLC shareholder who applies for New Shares submits to the jurisdiction of the courts of Victoria, Australia.

5. FUTURE PERFORMANCE

This Booklet contains certain forward-looking statements. The words "anticipate", "believe", "except", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of RLC, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward

looking statements and neither RLC nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

An investment in New Shares or Additional New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of RLC. Except as and to the extent required by law, RLC does not guarantee any particular rate of return or the performance of RLC nor does it guarantee the repayment of capital from RLC or any particular tax treatment. You should have regard to the "**Key Risks**" section.

6. TAXATION

Taxation implications will vary depending upon the individual circumstances of Eligible Shareholders. You should obtain your own professional advice before deciding whether to invest in New Shares or Additional New Shares.

7. FINANCIAL DATA

Unless otherwise stated, all dollar values are in Australian dollars (A\$).

8. OVERSEAS SHAREHOLDERS

RLC has decided that it is unreasonable to make offers under the Offer to RLC shareholders with registered addresses outside Australia and New Zealand having regard to the number of RLC shareholders in those places, the number and value of the securities they would be offered and the cost of complying with the legal and regulatory requirements in those places.

9. OPTIONHOLDERS

Optionholders will not be entitled to participate in the Offer unless they:

- have become entitled to exercise their options and do so prior to the Record Date: and
- have become a registered holder of RLC shares at 7.00 pm (AEDT) on the Record Date.

10. DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation in connection with the Offer that is not contained in this Booklet or an ASX Release made by the Company. Any information or representation that is not in this Booklet or an ASX Release made by the Company may not be relied on as having been authorised by RLC or its related bodies corporate in connection with the Offer.