REEDY
R
LAGOON
CORPORATION LTD

A.C.N. 006 639 514

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Reedy Lagoon Corporation Limited
Contents
30 June 2020

REEDY LAGOON CORPORATION LIMITED
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28 October, 2020

Dear Shareholders

Annual Report for FY 2020

During the financial year ended 30 June 2020 Reedy Lagoon expanded its focus beyond lithium and iron to include gold.

The Company's Burracoppin Gold project is described in the Review of operations. Subsequent to the end of the financial year, in August 2020 Reedy Lagoon raised approximately $674,000 before costs principally to fund exploration for gold and iron.

In addition, Reedy Lagoon has expanded the objectives of its Burracoppin Iron Project to incorporate the goal of establishing a smelter in Western Australia using HIsmelt technology to produce pig iron from Burracoppin magnetite. The Company has also obtained advice that the HIsmelt technology can use biomass as the source of carbon in the smelter instead of coal, thus opening up the prospect of being able to produce "green" iron. The Company is currently investigating the potential for it being involved in the supply of biomass (processed into biochar) as carbon feedstock to the smelter.

Reedy Lagoon is maintaining its lithium projects in Nevada, USA while it awaits developments in technology for the treatment of brines with low water consumption.

The Company continues to assess other projects for acquisition.

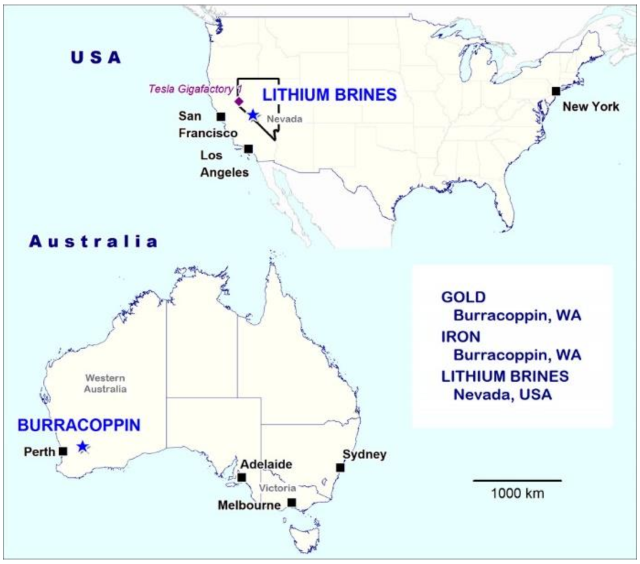
Thank you for your continued support.

Yours sincerely,

Jonathan Hamer
Chairman

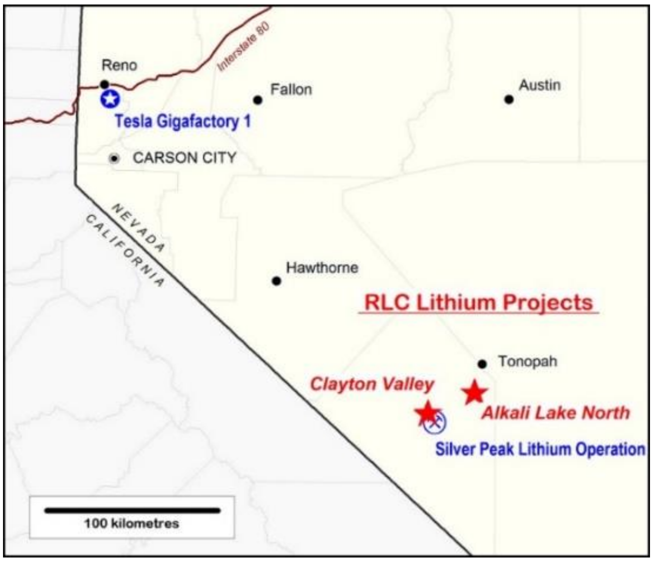
Overview

During the report period Reedy Lagoon identified areas prospective for gold, investigated additional process options for its iron project in Western Australia and maintained lithium brine projects in Nevada (USA).



The Burracoppin Gold project was commenced during the report period. The gold price has been rising in USD and AUD terms since the start of calendar 2019 but events since the start of calendar 2020 have seen it rise substantially (up 24% in AUD; 30% in US dollar to end August 2020). The effects of Covid 19 on global economies are likely to keep interest rates low and the gold price elevated.

In relation to the Burracoppin Iron project, investigations into potential development options have identified that project economics would be enhanced by processing Burracoppin's magnetite mineralisation to produce high quality pig iron in Western Australia for sale into the steel making market. Studies found that the alternative of selling magnetite concentrate (an iron ore) into the iron ore market carries greater price risk for the project as the iron ore market is dominated by a single buyer, China, with over 80% of the seaborne trade. This market dominance exposes the market to large price swings as is evidenced by price movements over the last two years ranging from around US$60 to US$120 per tonne of iron ore. In contrast, the market for solid pig iron is more diverse being spread across USA (60%), EU (30%) and others (10%) creating greater price stability with prices over the last two years in the range US$290 to US$410 per tonne of solid pig iron. Work is continuing to build confidence that pig iron production using HIsmelt technology will provide a pathway for the development of the Burracoppin deposit.



At 30 June 2020 the Company held two lithium brine projects located in Nevada: Alkali Lake North and Clayton Valley. The project areas are in closed geological basins which share similar geology with Clayton Valley where North America's only lithium producing brine operation is located.

The lithium brine projects are being maintained pending the development of technology (process pathways) that enable direct extraction of lithium from brines (that is, salty ground-water).

Post Report Period activities

The Company's current focus is on gold exploration including at its Burracoppin gold project and its ongoing search for new prospects. The Company is also identifying ways to expand its Burracoppin Iron project to include the establishment of a HIsmelt smelter to produce and market pig iron and potentially further processed metals and hydrogen.

Exploration

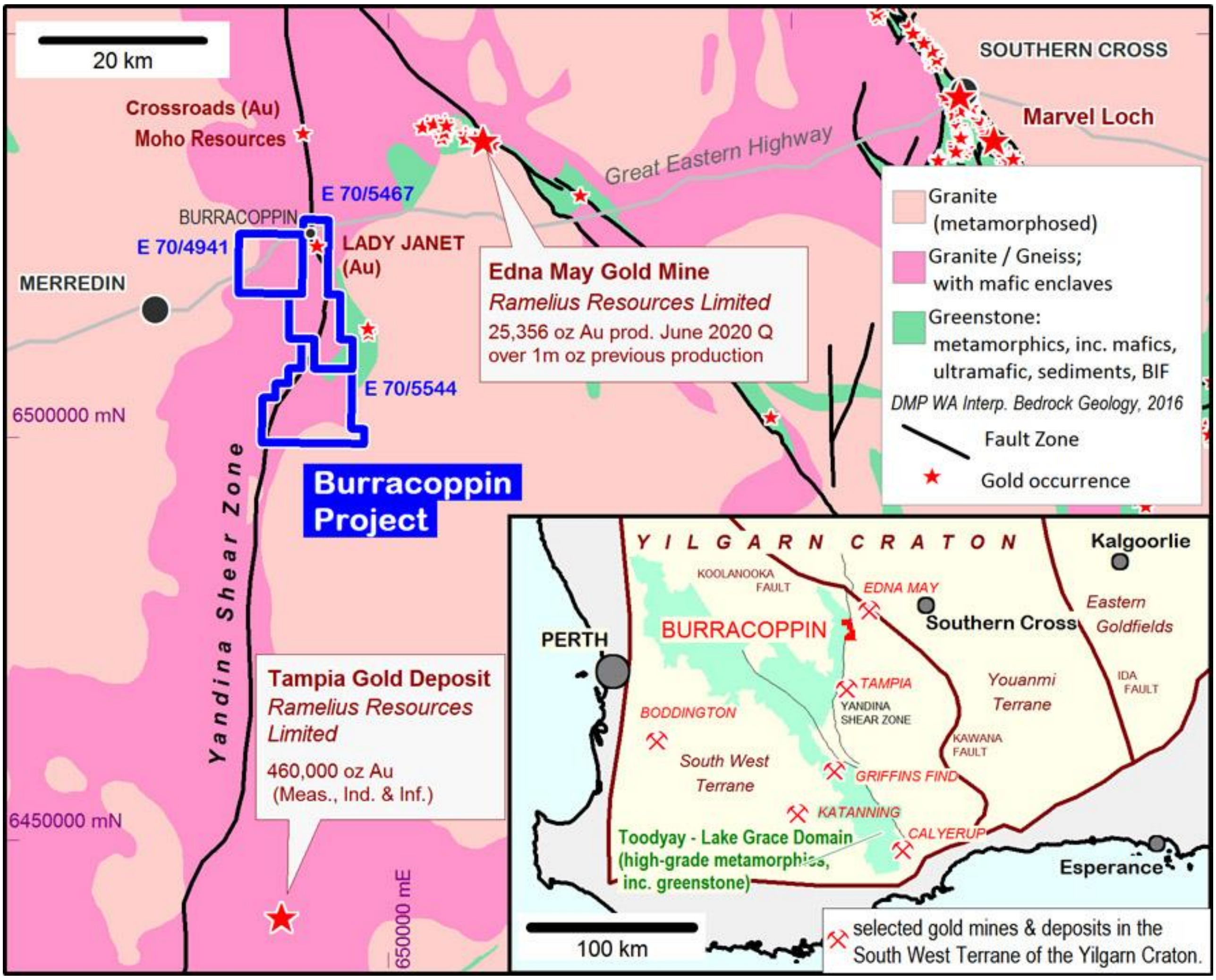
Gold — Western Australia — RLC 100%

Burracoppin Gold — E70/4941 (58 km^2); applications: E70/5467, E70/5544 (183 km^2)

The Burracoppin Gold project was established during the report period.

Orientation soil sampling is planned. The initial focus includes a structural feature, the Yandina Shear Zone, and areas adjacent to it. Old workings at Lady Janet, which had supported small scale shallow underground mining described in a 1936 geological report, are located adjacent to the Yandina Shear Zone within E70/5467 which lends support to the prospectivity of this target. Apart from some shallow RAB drilling in the vicinity of Lady Janet conducted in 1994 (maximum depth 27 metres and all but 3 holes less than 14 metres deep) most of the 30 kilometre strike length of the Yandina Shear Zone within the project area has seen very little exploration. The orientation sampling is being planned to include preliminary investigations for the presence of gold and a range of path finder elements at various locations within the project area.

The Burracoppin gold project is located 60 kilometres north of the Tampia gold deposit and 30 kilometres south west from the operating Edna May gold mine.

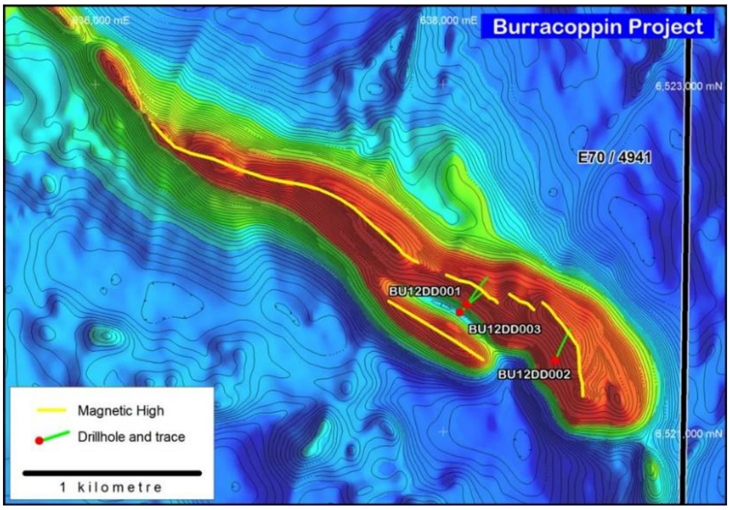


Iron

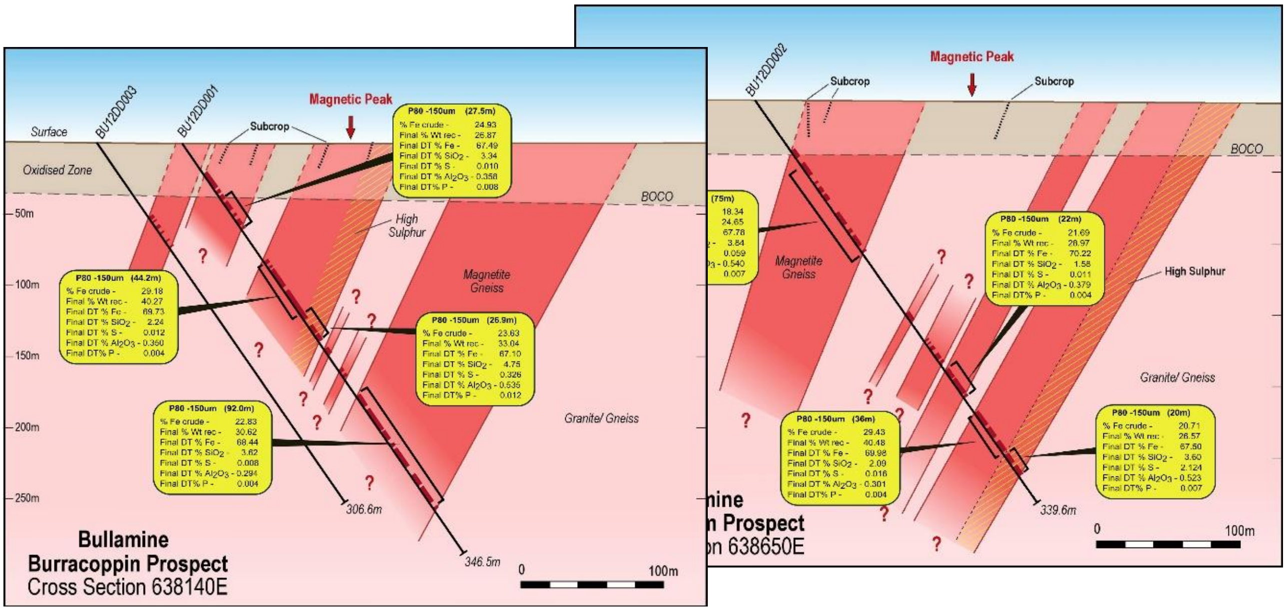
Burracoppin Iron — Western Australia — RLC 100%

Burracoppin Magnetite Deposit: E70/4941 (58 km^2)

The Burracoppin Iron project, currently comprising the Burracoppin magnetite deposit, was re-established in early 2019.



The Burracoppin Magnetite deposit was discovered when drilling proved a strongly magnetic feature is caused by magnetite mineralisation (ASX release dated 23 November 2012). Metallurgical test work conducted on samples from the drilling has shown 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).



Development options for the project were investigated during the report period. These investigations identified that in addition to producing a high quality iron concentrate for sale to smelters, further processing the Burracoppin concentrate using HIsmelt technology to produce a high-quality Pig Iron for export could be achieved (ASX release dated 10 September 2019).

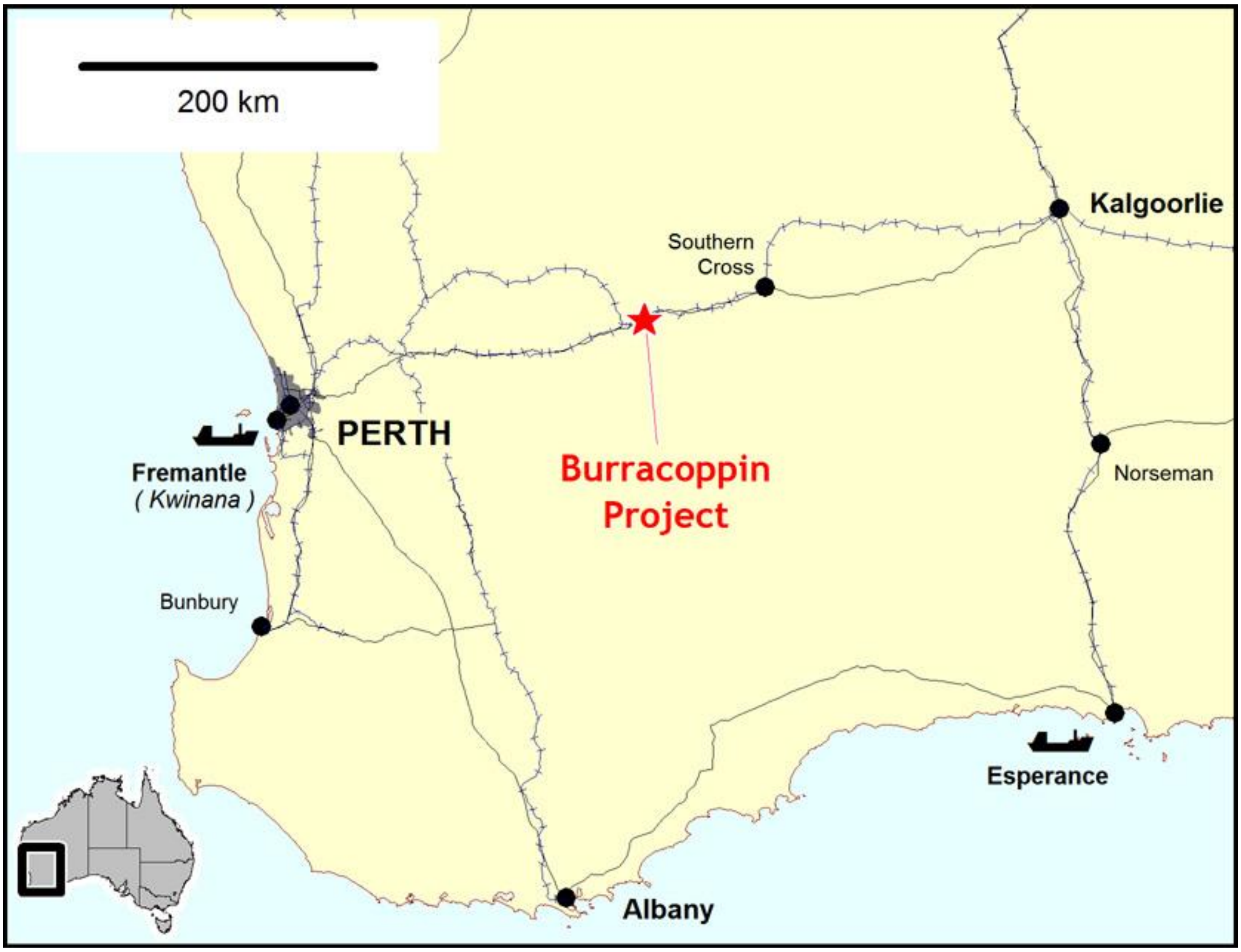
Ongoing investigations have strengthened the case for producing high quality pig iron. It has been found that processing the Burracoppin magnetite concentrate into pig iron better captures the value of the concentrate than selling the unprocessed concentrate into the iron ore market. This is a function of the coarse grained nature of the Burracoppin mineralisation, its amenity to the HIsmelt process and the higher sale price achievable for pig iron than for magnetite concentrate. Unlike conventional blast furnaces that smelt the bulk of the world's iron ore into iron, HIsmelt can use the coarse Burracoppin concentrate as direct feed into the smelter. Finer grained iron ore (including concentrate) feed generally requires processing into either pellets or sinter before it can be fed into the smelter. Neither of these steps would be required for Burracoppin magnetite feed for HIsmelt (ASX release 20 August 2020).

Current work is investigating potential for achieving net zero CO_2 emissions for the smelt reaction under the proposed HIsmelt process .

Net zero CO_2 emissions could be achieved by using biomass as the source of carbon used in the smelt reaction rather than coal. The smelt reaction involves the conversion of magnetite concentrate to pig iron using carbon as the reductant. Using biomass to produce biochar for use as the source of carbon for the smelt reaction rather than coal means that all the CO_2 produced in the smelt reaction will have come from CO_2 extracted from the air in growing the biomass.

The potential for pig iron to be made with net zero CO_2 emissions from the smelt reaction by substituting biochar for coal holds significant importance in a world increasingly adopting ways to mitigate CO_2 emissions. Such "green" pig iron may also attract a price premium (ASX release 20 August 2020).

The next steps for RLC include further investigations into the potential identified for biomass to support the proposed HIsmelt operation and establishing local magnetite resources including by additional drilling at Burracoppin.



The Burracoppin magnetite deposit is well positioned with existing open access infrastructure including, rail and port facilities.

Lithium

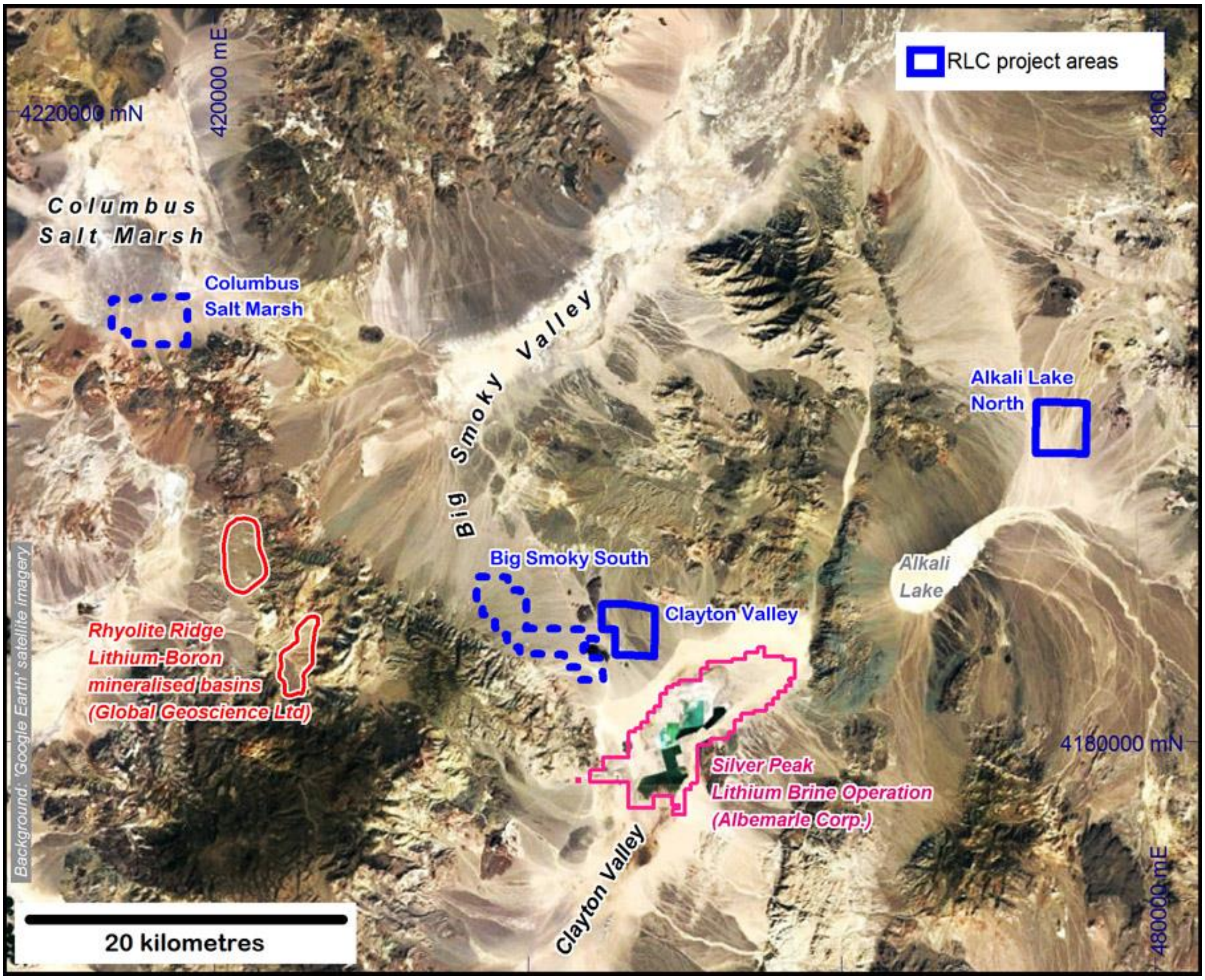
Nevada Lithium Brine Projects	**LITHIUM BRINES**	**Nevada, USA**	**RLC 100%**
Alkali Lake North:	128 claims – 2,554 acres (1,033 ha)		
Clayton Valley:	112 claims – 2,240 acres (906 ha)		
Big Smoky South:	*Divested 31 August 2019*		
Columbus Salt Marsh:	*Divested 31 August 2019*		

The Nevada lithium brine projects comprise: Alkali Lake North and Clayton Valley. The projects are located in 2 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.

Importantly, direct extraction enables the residual brine to be returned to the environment after harvesting its lithium rather than lost to evaporation as is the case with evaporation ponds. Reduced water consumption has potential to gain approvals to pump and process ground water in the event that “consumptive use” is used as the measure of the water allocation as opposed to the gross water extracted.

During the report period the Big Smoky South and Columbus Salt Marsh projects were divested.

The two remaining projects, Alkali Lake North and Clayton Valley, cover a combined area of 1,939 hectares (4,794 acres) under 240 placer claims. All the placer claims are 100% owned and there are no royalty arrangements.



Alkali Lake North Project **LITHIUM in BRINE** **Nevada, USA** **RLC 100%**

Alkali Lake North Project covers part of a discrete sub basin located 25 kilometres northeast of Silver Peak and it occurs within an extensive 30 kilometres long, northwest trending basin that drains to the south towards Alkali Lake. Satellite and gravity imagery suggest that a deep basin is masked by recent alluvium. Several hot springs discharge alkaline salts onto the surface of the playa lake located 10 kilometres to the south west of the project area.

A brine target potentially comprising multiple brine aquifers within sediments over a vertical interval from 500 to 600 metres below ground surface has been identified in audio magnetotelluric (3D AMT) survey data (refer ASX release 28/08/2018).

The project tenements are being maintained while work is on hold pending developments in brine processing technologies. Work planned includes drilling the brine target in order to recover water samples to test for dissolved lithium. Seismic survey may also provide data that could aid delineation of potential aquifers associated with the target prior to drilling.

Clayton Valley Project **LITHIUM in BRINE** **Nevada, USA** **RLC 100%**

Clayton Valley Project is located within 10 kilometres northwest of the Silver Peak lithium operation where the southern end of Big Smoky Valley meets the western side of Clayton Valley.

A brine target potentially comprising a 200 metre thick interval of sediments containing multiple brine filled aquifers has been identified in audio magnetotelluric (3D AMT) survey data (refer ASX release 23/08/2018). Importantly, we see similarities between the geology indicated in our 3D AMT survey with the geology that has been determined and reported for the Silver Peak lithium brine production area located a few kilometres to the south east.

The project tenements are being maintained while work is on hold pending developments in brine processing technologies. Work planned includes drilling the brine target in order to recover water samples to test for dissolved lithium. Seismic survey may also provide data that could aid delineation of potential aquifers associated with the target prior to drilling.

Big Smoky South Project – divested on 31 August 2019.

All rehabilitation works have been completed and approved by the Bureau of Land Management. All bond monies held pending satisfactory completion of rehabilitation have been released back to the Company.

Columbus Salt Marsh Project – divested on 31 August 2019.

Areas disturbed by the Company's exploration within the project area including prior drilling activities were contoured and seeded during 2019. The rehabilitation work was inspected by the Bureau of Land Management ("BLM") in May 2020 and the reclamation obligation was reduced to $US5,429. A further review is expected later in 2020 when the balance of the bond (US$5,429) is expected to be refunded.

Reedy Lagoon's strategy for lithium:

The Company sees strong long-term demand fundamentals for battery-grade lithium products resulting from the growth in the use of lithium-ion batteries in electric vehicles, energy storage systems and portable electronics. Commodity research group Roskill has reported Li-ion capacity reached 180GWh in 2019 and forecasts the pipeline capacity of battery gigafactories will exceed 2,000GWh in 2029. Short term demand has been affected by oversupply of mined lithium products in 2018 and 2019 as well as the global fall in motor vehicle sales including battery electric vehicles in reaction to the measures implemented to contain the spread of COVID-19, but the long term demand fundamentals are likely to remain strong.

From a mining point of view there are two alternative sources of lithium. One is from hardrock ore deposits, which are most commonly based on spodumene minerals but also include lepidolite, petalite and others. The other source is from brines (saline ground water), commonly salt lakes (or "Salars") with high lithium concentrations and where the lithium exists typically as lithium chloride in solution.

Where suitable brine compositions and process methods allow, production costs for battery-grade lithium products from brines can be less than from hardrock (mineral) deposits.

Reedy Lagoon has targeted brine sources of lithium because it intends becoming a low-cost producer of battery grade lithium. It sees risk in producing a lithium concentrate for sale as feedstock to a convertor which will process the concentrate into a battery grade (or other) lithium product.

In 2016 when the Company initiated its Nevada lithium brine projects, a new way to extract lithium from brines located in Clayton Valley, Nevada had been reported by Pure Energy Minerals (a "direct extraction" method). The new direct extraction method not only had low projected operating costs for battery-grade lithium carbonate and lithium hydroxide production but most importantly, involved extraction of the lithium as a first step allowing the bulk of the brine to be returned to the basin. All existing production of lithium from brines involves pre-treating the brine prior to extracting the lithium and this pre-treatment involves pumping the brine through vast evaporation ponds from which the bulk of the brine water is evaporated.

Reedy Lagoon now considers there are at least 3 alternative direct extraction process methods that might enable commercial production of lithium from brine. Two are being developed in Nevada: Pure Energy is continuing its work in Clayton Valley having introduced a partner to build a pilot plant for its process; Dajin Resources Corporation with a project in Alkali Lake (Nevada) has an alliance with Moselle Technologies which is developing a method it describes as a magnetic extraction process involving nanoparticle technology which selectively removes lithium from brine; and Eramet has reported it and its partners have developed an active solid which selectively removes lithium from brine.

The critical importance of the direct extraction processes is their potential to drastically reduce the volume of water consumed by enabling the brine to be returned to the basin unchanged other than by the removal of lithium.

Water rights control access to ground water including lithium-bearing brine. While the mineral rights including the ownership of lithium contained in a brine, are held in a Placer Claim (under Nevada legislation) the legal right to pump ground water from a basin is controlled separately. Water in deserts is a valuable and scarce commodity. Water rights as a consequence are highly regulated and allocations are restricted.

Reedy Lagoon's two lithium brine projects in Nevada each have brine targets defined in detailed geophysical data (3D-AMT). There are insufficient water rights available for conventional evaporation-pond based brine processing at either of the Company's projects.

Accordingly, the Company intends holding and maintaining its existing brine projects while minimising its expenditure on them until a suitable direct extraction process is available.

Geof Fethers
Managing Director

Competent Person's Statements:

The information in this report other than information in the section headed "Lithium" as it relates to exploration results and geology was compiled by Mr Geoffrey Fethers who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Fethers is a director of Reedy Lagoon Corporation Limited and a Competent Person. Mr Fethers 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 Fethers 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 Exploration section headed "Lithium" 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. Mr Balfe is a consultant to Reedy Lagoon Corporation Limited and a Competent Person. 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.

Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this report, those releases are available to view on https://www.reedylagoon.com.au/investors/asx-announcements/*. 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.*

Reedy Lagoon Corporation Limited
Tenement Schedule
30 June 2020

Tenements held at 15 September 2020:

Located in Australia

Tenement	**Area (km^2)**	**Status**	**Minimum Annual Expenditure Commitment $**	**Company Interest (direct or indirect)**
E70/4941 *Burracoppin (WA)*	58	Current	20,000	100% [1, & 2]
E70/5467 *Burracoppin (WA)*	81	Application	*28,000*	100% [1, & 2]
E70/5544 *Burracoppin (WA)*	102	Application	*35,000*	100% [1, & 2]

Located in USA
Tenements (all Placer Claims located in Nevada) [3 & 4]

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

Notes to the tenement schedule:

1. E70/4941 is 100% owned by RLC through its wholly owned subsidiary, Bullamine Magnetite Pty Ltd. It was granted for a 5 year term commencing 11 February 2019. Applications for E70/5467 and E70/5544 have been made in the name of Bullamine Magnetite Pty Ltd.
2. The Statutory expenditure requirement for Australian tenements is subject to negotiation with the relevant state department, and expenditure commitments may be varied between tenements, or reduced subject to reduction of exploration area and/or relinquishment of non-prospective tenements. Expenditure requirements commence at grant and do not apply while under application.
3. The Placer Claims in the lithium brine projects in Nevada are owned 100% by RLC through its wholly owned subsidiary, Sierra Lithium LLC.
4. Annual Land Fees comprising maintenance fees payable to the BLM and Esmeralda County are payable in respect of the Placer Claims. All Land Fees were paid up to 31 August 2021. There is no minimum exploration expenditure requirement for Placer Claims located in Nevada, USA.

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 year ended 30 June 2020.

Directors
The following persons were directors of Reedy Lagoon Corporation Limited during the whole of the financial 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 year the principal continuing activities of the consolidated entity consisted of:
- exploration for minerals in Australia and the United States of America.

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $383,743 (30 June 2019: $875,403(Loss)).

Refer to the separate review of operations that comes before this directors' report.

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

Matters subsequent to the end of the financial year
Shareholders subscribed $674,620.74 for 67,462,074 RLC shares at an issue price of $0.01 per share under a pro rata non-renounceable rights offer and the related offer of additional shares both of which closed on 21 August 2020.

The COVID-19 pandemic has created unprecedented uncertainty in the economic environment both domestically and globally. Actual economic events and conditions may be materially different from those estimated by the Group at reporting date. In the event, the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts in the Group. At the date of annual report, an estimate of the future effects of the COVID-19 pandemic on the group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

At the date of this report, there are no future developments of the Company which warrant disclosure.

Environmental regulation

The consolidated entity's operations are subject to environmental regulations in relation to its exploration activities under State legislation in Australia and Federal legislation in USA.

The directors are not aware of any breaches of environmental regulations during the period covered by this report.

Information on directors

Name:	Jonathan M. Hamer
Title:	Chairman – Non Executive
Age:	65
Qualifications:	BA, LLB.
Experience and expertise:	A former partner of King & Wood where he practised in the areas of corporate and finance law. Jonathan has been advising RLC since 1988 on a range of legal and commercial issues, including in its various joint venture agreements and capital raisings. Jonathon has served on the RLC board for 13 years.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	13,661,946 fully paid ordinary shares
Interests in options:	2,500,907 options

Name:	Geoffrey H. Fethers
Title:	Managing Director
Age:	63
Qualifications:	B.Sc.(Hons), M AusIMM
Experience and expertise:	Manages the operations of RLC. He is a geologist with approximately 30 years exploration experience. He was employed by De Beers Australia Exploration Limited (formerly Stockdale Prospecting Limited) from 1980 to 1985. He founded RLC in 1986. He is a Member of the Geological Society of Australia and the Australian Institute of Mining and Metallurgy. Geoffrey is a founding director.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Manages the operations of RLC.
Interests in shares:	33,301,385 fully paid ordinary shares
Interests in options:	5,875,000 options

Name:	Adrian C. Griffin
Title:	Director - Non Executive
Age:	67
Qualifications:	B.Sc.(Hons), M AusIMM
Experience and expertise:	Adrian Griffin, aged 67, has accumulated extensive experience in the resource sector over the past 35 years. During that time he has held directorships in a number of private and listed resource companies and overseen the operation of large, integrated mining and processing facilities, including the Bulong nickel-cobalt operation in the late 1990s to his current position as Managing Director of Lithium Australia NL, a company developing lithium extraction and recovery technologies. Mr Griffin was a director of Reedy Lagoon from 9 May 2007 until resigning on 27 November 2009 to act as technical director of Ferrum Crescent, an iron-ore developer in South Africa. He re-joined RLC as a director on 30 June 2014. Mr Griffin was also a founding director of Northern Uranium and Parkway Minerals (developer of the KMax process to recover potassium and other metals from glauconite). Recently, he was instrumental in identifying the global opportunity to establish lithium micas as a source feed for the lithium chemical industry.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	34,011,037 fully paid ordinary shares
Interests in options:	4,442,652 options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Interests in shares and options' quoted above are as at the date of this report.

Company secretary

Geoffrey H. Fethers is the company's secretary. Details of his qualifications and experience are disclosed in the information on directors section above.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Jonathan M. Hamer	10	10
Geoffrey H. Fethers	10	10
Adrian C. Griffin	8	10

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

This remuneration report outlines the Director and Executive remuneration arrangements of the Company in accordance with the Corporations Act 2001 and its Regulations. It also provides the remuneration disclosures required by paragraphs AUS25.4 and AUS 25.7.2 of AASB 124 Related Party Disclosures which have been transferred to the Remuneration Report in accordance with the Corporations Regulation 2M 6.04.

This report outlines the remuneration arrangements in place for the Directors (both Executive and Non Executive) and Executives of the Company.

This report is audited as the entity has transferred the disclosures from the financial statements.

For the purposes of this report the term 'Senior Executive' encompasses the Managing Director, Executive Directors and Secretary of the Company.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

Currently, the Company does not have a separate remuneration committee. Because of the size of the Board and the operations of the Company, the Directors are of the view that there is no need for a separate remuneration committee.

The Board as a whole reviews the remuneration packages and policies applicable to the Chairman, Senior Executives and Non-Executive Directors on an annual basis. Remuneration levels are set to attract or retain, as appropriate, qualified and experienced Directors and Senior Executives. From time to time and as required, the Board will seek independent professional advice on the appropriateness of remuneration packages.

The current nature and amount of remuneration payable to Chairman, Executives and Non-Executive Directors is not dependent upon the satisfaction of a performance condition. Instead part of the remuneration takes the form of options which will have value if the Company's share price increases.

Use of remuneration consultants
The Company did not make use of remuneration consultants during the 2020 financial year.

Voting and comments made at the company's 12 November 2019 Annual General Meeting ('AGM')
At the 12 November 2019 AGM, 97.62% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables and the sub-section: Service Agreements below.

The key management personnel of the consolidated entity consisted of the following directors of Reedy Lagoon Corporation Limited:
- J Hamer
- G Fethers
- A Griffin

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2020	Cash salary and fees * $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
J Hamer	36,530	-	-	3,470	-	874	40,874
A Griffin	20,000	-	-	-	-	291	20,291
Executive Directors:							
G Fethers	27,870	-	-	12,500	2,452	1,456	44,278
	84,400	-	-	15,970	2,452	2,621	105,443

* Also includes annual leave expenses.

Directors agreed to not receive or be entitled to receive much of their remuneration otherwise payable to them in respect of the report period on the basis that amounts not receivable during the period would become payable if and only if (1) the board agreed to make payment; (2) the Company is solvent at the time of payment; and (3) the Company would remain solvent after the payment.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2019	Cash salary and fees * $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
J Hamer	73,059	-	-	6,941	-	1,469	81,469
A Griffin	40,000	-	-	-	-	490	40,490
Executive Directors:							
G Fethers	119,542	-	-	25,000	2,555	2,449	149,546
	232,601	-	-	31,941	2,555	4,408	271,505

* Also includes annual leave expenses.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2020	2019	2020	2019	2020	2019
Non-Executive Directors:						
J Hamer	98%	98%	-	-	2%	2%
A Griffin	99%	99%	-	-	1%	1%
Executive Directors:						
G Fethers	99%	98%	-	-	1%	2%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	G Fethers
Title:	Managing Director
Agreement commenced:	1 May 2007
Details:	Mr G Fethers is the Company's Executive Managing Director under a contract of employment which commenced on 1 May 2007. Under the contract Mr Fethers is entitled to $132,000 per annum plus statutory superannuation. The contract does not have any fixed term and may be terminated by the Company or Mr Fethers on reasonable notice. No payments or retirement benefits are payable on termination.

Name:	J Hamer
Title:	Chairman - Non Executive
Agreement commenced:	1 May 2007
Details:	Mr J Hamer is employed as the Company's Non-executive Chairman. His appointment as a Director commenced on 9 May 2007 with agreed director fees payable at an annual rate of $40,000 plus options under the terms of the Directors Options Scheme. His annual rate was increased from $40,000 to $80,000 commencing 1 January 2018. There is no fixed term and no set retirement benefits are payable on termination.

Name:	Mr Adrian Griffin
Title:	Director
Agreement commenced:	30 June 2014
Term of agreement:	Mr A Griffin is employed as a Non-executive Director. His appointment as a Director commenced on 30 June 2014 with agreed director fees payable at an annual rate of $40,000 plus options under the terms of the Directors Options Scheme. There is no fixed term and no set retirement benefits are payable on termination.

Key management personnel have no entitlement to termination payments, other than accrued leave balances, in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020. No shares were issued to any director in lieu of cash payable for fees/salary/super during the year ended 30 June 2020.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
11 December 2019	11 December 2019	31 December 2022	$0.0049	$0.0029

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Number of options granted during the year 2020	Number of options granted during the year 2019	Number of options vested during the year 2020	Number of options vested during the year 2019
J Hamer	300,000	300,000	300,000	300,000
G Fethers	500,000	500,000	500,000	500,000
A Griffin	100,000	100,000	100,000	100,000

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received in lieu of remuneration	Additions	Held on appointment	Balance at the end of the year
Ordinary shares					
G Fethers	33,301,385	-	-	-	33,301,385
J Hamer	13,661,946	-	-	-	13,661,946
A Griffin	34,011,037	-	-	-	34,011,037
	80,974,368	-	-	-	80,974,368

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired / Forfeited	Balance at the end of the year
Options over ordinary shares					
G Fethers	5,375,000	500,000	-	-	5,875,000
J Hamer	2,200,907	300,000	-	-	2,500,907
A Griffin	4,342,652	100,000	-	-	4,442,652
	11,918,559	900,000	-	-	12,818,559

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Reedy Lagoon Corporation Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
29 December 2017	31 December 2020	$0.0375	900,000
6 April 2018	6 April 2021	$0.0800	37,710,515
7 December 2018	31 December 2021	$0.0160	900,000
11 December 2019	31 December 2022	$0.0049	900,000
			40,410,515

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Reedy Lagoon Corporation Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers
During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive officers of the Company and of any related body corporate against a liability incurred in such capacity of director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer.

Indemnity and insurance of auditor
During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive officers of the Company and of any related body corporate against a liability incurred in such capacity of director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 19 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 17 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Moore Australia Audit (Vic)
There are no officers of the company who are former partners of Moore Australia Audit (Vic).

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.

Auditor
Moore Australia Audit (Vic) continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

G.H. Fethers
Managing Director

28 October 2020
Melbourne

MOORE

Moore Australia Audit (VIC)
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AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF REEDY LAGOON CORPORATION LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Moore Australia

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit & Assurance

Melbourne, Victoria

28 October 2020

Reedy Lagoon Corporation Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Revenue			
Interest revenue calculated using the effective interest method		128	2,350
Expenses			
Corporate and administration expenses		(155,747)	(197,958)
Employee and director benefits expense		(103,297)	(242,163)
Exploration expenditure		(121,415)	(425,166)
Share based payments expense		(2,621)	(4,408)
Other expenses		(791)	(8,058)
Loss before income tax expense		(383,743)	(875,403)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Reedy Lagoon Corporation Limited		(383,743)	(875,403)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		-	16,145
Other comprehensive income for the year, net of tax		-	16,145
Total comprehensive loss for the year attributable to the owners of Reedy Lagoon Corporation Limited		(383,743)	(859,258)
		Cents	**Cents**
Basic earnings per share	25	(0.095)	(0.218)
Diluted earnings per share	25	(0.095)	(0.218)

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 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Assets			
Current assets			
Cash and cash equivalents	6	220,123	366,627
Trade and other receivables	7	2,355	3,832
Other	8	-	10,795
Total current assets		222,478	381,254
Non-current assets			
Other	9	7,755	231,891
Total non-current assets		7,755	231,891
Total assets		230,233	613,145
Liabilities			
Current liabilities			
Trade and other payables	10	9,000	17,477
Employee benefits	11	129,470	122,783
Provisions		10,000	10,000
Total current liabilities		148,470	150,260
Total liabilities		148,470	150,260
Net assets		81,763	462,885
Equity			
Issued capital	12	20,928,910	20,928,910
Reserves	13	803,849	801,228
Accumulated losses		(21,650,996)	(21,267,253)
Total equity		81,763	462,885

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 year ended 30 June 2020

Consolidated	Issued capital $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2018	20,919,160	(20,391,850)	780,536	1,307,846
Loss after income tax expense for the year	-	(875,403)	-	(875,403)
Other comprehensive income for the year, net of tax	-	-	16,145	16,145
Total comprehensive income for the year	-	(875,403)	16,145	(859,258)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 12)	9,750	-	-	9,750
Share-based payments	-	-	4,547	4,547
Balance at 30 June 2019	20,928,910	(21,267,253)	801,228	462,885

Consolidated	Issued capital $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2019	20,928,910	(21,267,253)	801,228	462,885
Loss after income tax expense for the year	-	(383,743)	-	(383,743)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	(383,743)	-	(383,743)
Transactions with owners in their capacity as owners:				
Share-based payments	-	-	2,621	2,621
Balance at 30 June 2020	20,928,910	(21,650,996)	803,849	81,763

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 year ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		128	4,461
Payments to suppliers and employees (inclusive of GST)		(249,353)	(429,999)
Payments for exploration activities		(121,415)	(471,750)
Interest received		-	2,350
Net cash used in operating activities	24	(370,640)	(894,938)
Cash flows from investing activities			
Receipts from refund of deposits	9	224,136	-
Net cash from investing activities		224,136	-
Cash flows from financing activities			
Proceeds from issue of shares	12	-	9,750
Net cash from financing activities		-	9,750
Net decrease in cash and cash equivalents		(146,504)	(885,188)
Cash and cash equivalents at the beginning of the financial year		366,627	1,248,204
Effects of exchange rate changes on cash and cash equivalents		-	3,611
Cash and cash equivalents at the end of the financial year	6	220,123	366,627

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

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 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 VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 October 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity does not hold leases, and therefore the impact of its adoption was not material.

Going concern

For the year ended 30 June 2020 the consolidated entity made a loss of $383,743 (2019: loss of $875,403), had net assets of $81,763 (2019: Net assets $462,885), and had operating cash outflows $370,640 (2019: $894,938). All project assets are valued in the accounts at $0 (refer to Exploration, Evaluation and Development Expenditure below).

Note 2. Significant accounting policies (continued)

The Directors have assessed the Company's current financial position and are of the view that the continued application of the going concern basis of accounting is appropriate. They note in particular that:

- Shareholders subscribed $674,620.74 for 67,462,074 RLC shares at an issue price of $0.01 per share under a pro rata non-renounceable rights offer and the related offer of additional shares both of which closed on 21 August 2020.
- At the beginning of October the Group had approximately $750k in bank deposits.
- There were no known committed liabilities (other than trade payable and employee provisions).
- Annual overheads have been budgeted at $500,000.
- At the date of this report directors believe the Group 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).

In the event the above matters do not eventuate as detailed or circumstances significantly change, or in the event that the Group cannot raise additional funding or enter into joint venture arrangements to permit continued project exploration, the Group may not be able to continue its operations as a going concern.

Comparatives

The comparative figures have been classified in certain circumstances to provide a more meaningful representation of the financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Reedy Lagoon Corporation Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Reedy Lagoon Corporation Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 2. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Reedy Lagoon Corporation Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Exploration, Evaluation and Development Expenditure

Expenditure incurred on the acquisition of exploration properties and exploration, evaluation and development costs, including acquisition of Nevada Lithium Pty Ltd are written off as incurred where the activities in the areas of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Once it is determined that the costs can be recouped through sale or successful development and exploitation of the area of interest then the on-going costs are accumulated and carried forward for each area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward exploration, evaluation and development costs are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Each area of interest is also reviewed annually and accumulated costs written off to the extent that they will not be recoverable in the future.

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 2. Significant accounting policies (continued)

Revenue recognition
The consolidated entity recognises revenue as follows:

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established, less allowance for doubtful receivables.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 2. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Reedy Lagoon Corporation Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST')
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
Equity-settled share-based payments are measured at fair value of the equity instrument at the grant date. Fair value is measured by the use of either a Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Management has determined not to recognise the deferred tax asset, given that the group has experienced losses, on a historical basis.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Exploration expenditures
The consolidated entity expenses expenditures relating to exploration where the activities in the areas of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. At the date of this report insufficient data has been recovered to permit an assessment of the existence of economically recoverable reserves at any of the Company's projects. The Company has accordingly expensed all its expenditure relating to exploration during the report period.

Provision for restoration
Significant estimates and assumptions are made in determining this provision as there are a number of factors that will affect the ultimate liability. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases/decreases and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the present value of the future restoration costs required.

Note 4. Operating segments

Identification of reportable operating segments
The Company is organised into one operating segments: mineral exploration in Australia. 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 5. Income tax expense

	Consolidated 2020 $	Consolidated 2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(383,743)	(875,403)
Tax at the statutory tax rate of 27.5% (2019: 30%)	(105,529)	(262,621)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Capital allowances share issue costs	(19,889)	(21,698)
Non deductible equity settled benefits expense	721	1,364
Other non-deductible (deductible) expenses	-	1,560
Non deductible overseas exploration expenditure	20,097	109,092
	(104,600)	(172,303)
Current year tax losses not recognised	104,600	172,303
Income tax expense	-	-

	Consolidated 2020 $	Consolidated 2019 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	8,187,650	7,812,532
Potential tax benefit @ 27.5%	2,251,604	2,148,446

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The potential future income tax benefit will only be obtained if:
a) The Company derives future assessable income of a nature and amount sufficient to enable the benefit to be realised;
b) The Company continues to comply with the conditions for deductibility imposed by the law; and
c) No changes in tax legislation adversely affect the Company in realising the benefit.

Note 6. Current assets - cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash at bank	220,123	366,627

Note 7. Current assets - trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
GST receivable	2,355	3,832

Note 8. Current assets - other

	Consolidated 2020 $	Consolidated 2019 $
Prepayments	-	10,795

Note 9. Non-current assets - other

	Consolidated 2020 $	Consolidated 2019 $
Security deposits	7,755	231,891

The security deposits are monies held in respect of rehabilitation works required on the Company's tenements located in the USA. During the report period inspections of works completed led to the amount being reduced US$164,979 (A$231,891) to US$5,429 (A$7,755) and the difference was refunded. A further review is expected later in 2020 when the balance of the security deposits is expected to be refunded to the Company.

Note 10. Current liabilities - trade and other payables

	Consolidated 2020 $	Consolidated 2019 $
Other payables and accruals	9,000	17,477

Refer to note 15 for further information on financial instruments.

Note 11. Current liabilities - employee benefits

	Consolidated 2020 $	Consolidated 2019 $
Annual leave	95,590	91,355
Long service leave	33,880	31,428
	129,470	122,783

Note 12. Equity - issued capital

	Consolidated			
	2020 Shares	**2019 Shares**	**2020 $**	**2019 $**
Ordinary shares - fully paid	402,271,710	402,271,710	20,928,910	20,928,910

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	401,408,878		20,919,160
Shares issued to directors	29 September 2018	862,832	$0.0113	9,750
Balance	30 June 2019	402,271,710		20,928,910
Balance	30 June 2020	402,271,710		20,928,910

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.

Capital risk management
RLC's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and exploit the mineral assets under its control in order to provide future returns for shareholders and benefits for other stakeholders.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Company continuously reviews the capital structure to ensure:-
• sufficient funds are available to implement its exploration expenditure programs in accordance with forecasted needs; and
• sufficient funds for the other operational needs of the Company is maintained.

The capital risk management policy remains unchanged from the 30 June 2019 annual report.

Note 13. Equity - reserves

	Consolidated	
	2020 $	**2019 $**
Foreign currency reserve	16,145	16,145
Share-based payments reserve	787,704	785,083
	803,849	801,228

Note 13. Equity - reserves (continued)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share based payments $	Foreign currency $	Total $
Balance at 1 July 2018	780,536	-	780,536
Foreign currency translation	-	16,145	16,145
Share based payments	4,547	-	4,547
Balance at 30 June 2019	785,083	16,145	801,228
Share based payment	2,621	-	2,621
Balance at 30 June 2020	787,704	16,145	803,849

Note 14. Equity - dividends

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

Note 15. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

Price risk
The consolidated entity is not exposed to any significant price risk.

Note 15. Financial instruments (continued)

Interest rate risk
The consolidated entity is not exposed to significant interest rate risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The consolidated entity trade and other receivables consist of GST receivable and interest receivable. For this reason the consolidated entity is not exposed to significant credit risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade other payables	-	9,000	-	-	-	9,000
Total non-derivatives		9,000	-	-	-	9,000

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade other payables	-	17,477	-	-	-	17,477
Total non-derivatives		17,477	-	-	-	17,477

Note 15. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	84,400	232,601
Post-employment benefits	15,970	31,941
Long-term benefits	2,452	2,555
Share-based payments	2,621	4,408
	105,443	271,505

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Moore Australia Audit (Vic), the auditor of the Company:

	Consolidated	
	2020	**2019**
	$	**$**
Audit services - Moore Australia Audit (Vic)		
Audit or review of the financial statements	16,000	22,000
Other services - Moore Australia Audit (Vic)		
Tax and compliance services	8,600	14,765
	24,600	36,765

It is the company's policy to engage the external auditor to provide services additional to their audit duties where the external auditor's experience and expertise with the Company's are important and it is logical and efficient for them to provide those services. The provision of non-audit services during the year by the external auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001.

Note 18. Contingent liabilities

The consolidated entity did not have any contingent liabilities at 30 June 2020 or 30 June 2019.

Note 19. Exploration expenditure commitments

Lithium Brine Projects
The consolidated entity held 240 Placer Claims in connection with its Alkali Lake North and Clayton Valley Lithium Brine projects located in Nevada, USA. Annual Land Fees are payable to the Bureau of Land Management ("BLM") and Esmeralda County for these claims with payment required prior to 1 September each year. The Annual Land Fees payable in 2020 in respect of the 240 Placer Claims amounted to US$42,540. At the date of this report all Land Fees were paid up to 31 August 2021. There is no minimum exploration expenditure requirement for Placer Claims located in Nevada, USA.

Burracoppin Iron Ore Project
The consolidated entity held one tenement, E70/4941 and two tenement applications, E70/5467 and E70/5544, located in Western Australia at the date of this report. Ongoing annual exploration expenditure is required to maintain title to the entirety of E70/4941. Tenement expenditure will be determined by the Company and is dependent upon exploration results and available cash resources. The statutory expenditure requirement is subject to negotiation with the relevant state department, and expenditure commitments may be reduced subject to reduction of exploration area and/or relinquishment of non-prospective tenements. Unless the Minister determines otherwise, if the minimum annual expenditure ($20,000) is not satisfied the licence would be forfeited. At the date of this report the minimum expenditure requirement for the current term has been met. The renewal date for E70/4941 is 11/02/2021.

No provision has been made in the accounts for exploration commitments.

Note 20. Related party transactions

Parent entity
Reedy Lagoon Corporation Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Key management personnel
Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020	**2019**
	$	**$**
Loss after income tax	(305,900)	(522,133)
Total comprehensive loss	(305,900)	(522,133)

Note 21. Parent entity information (continued)

Statement of financial position

	Parent 2020 $	Parent 2019 $
Total current assets	157,754	2,716,592
Total assets	3,055,528	2,843,397
Total current liabilities	138,470	152,585
Total liabilities	138,470	152,585
Equity		
Issued capital	20,928,910	20,928,910
Share-based payments reserve	787,704	785,083
Accumulated losses	(18,799,556)	(19,023,181)
Total equity	2,917,058	2,690,812

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2020 and 30 June 2019.

Conversion of loans to equity for fund movements between RLC and its subsidiary companies
On 30 June 2020 Nevada Lithium Pty Ltd (NL) issued 2,892,815 shares in NL to RLC in consideration for RLC transferring and assigning to NL all RLC's right, title and interest in loans made by RLC to Sierra Lithium LLC (SL) to the extent which they remain owing, excluding US$5,429 owing by SL to RLC in respect of loans made by RLC to fund bonds.

On 30 June 2020 NL converted all loans and other amounts owing by SL to NL including the loans acquired by NL detailed above, into capital in SL and for that purpose, released SL from its obligations as debtor in respect of those loans in substitution for SL treating the amount of the loans as a capital contribution to SL made by NL.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Bullamine Magnetite Pty Ltd	Australia	100.00%	100.00%
Nevada Lithium Pty Ltd	Australia	100.00%	100.00%
Sierra Lithium LLC	USA	100.00%	100.00%

Note 23. Events after the reporting period

Shareholders subscribed $674,620.74 for 67,462,074 RLC shares at an issue price of $0.01 per share under a pro rata non-renounceable rights offer and the related offer of additional shares both of which closed on 21 August 2020.

The COVID-19 pandemic has created unprecedented uncertainty in the economic environment both domestically and globally. Actual economic events and conditions may be materially different from those estimated by the Group at reporting date. In the event, the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts in the Group. At the date of annual report, an estimate of the future effects of the COVID-19 pandemic on the group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2020 $	2019 $
Loss after income tax expense for the year	(383,743)	(875,403)
Adjustments for:		
Share-based payments	2,621	4,547
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,477	31,372
Decrease/(increase) in other operating assets	10,795	(540)
Decrease in trade and other payables	(8,477)	(18,794)
Increase in employee benefits	6,687	8,000
Decrease in other provisions	-	(44,120)
Net cash used in operating activities	(370,640)	(894,938)

Note 25. Earnings per share

	Consolidated	
	2020 $	2019 $
Loss after income tax attributable to the owners of Reedy Lagoon Corporation Limited	(383,743)	(875,403)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	402,271,710	400,994,028
Weighted average number of ordinary shares used in calculating diluted earnings per share	402,271,710	400,994,028
	Cents	Cents
Basic earnings per share	(0.095)	(0.218)
Diluted earnings per share	(0.095)	(0.218)

Note 25. Earnings per share (continued)

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 'Earnings per Share'. The rights to options are non-dilutive as the Company has generated a loss for the financial year.

Reedy Lagoon Corporation Limited
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

G.H. Fethers
Managing Director

28 October 2020
Melbourne

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REEDY LAGOON CORPORATION LIMITED AND CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Reedy Lagoon Corporation Ltd and controlled entities (the Company), which comprises the (consolidated) statement of financial position as at 30 June 2020, the (consolidated) statement of profit or loss and other comprehensive income, the (consolidated) statement of changes in equity and the (consolidated) statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.
In our opinion:

a) the accompanying financial report of the Company is in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying the opinion expressed above, we draw attention to Note 2 "Significant Accounting Policies
– Going Concern" which indicates the company incurred a loss for the period ended 30 June 2020 of $383,743 and operating cash outflows of $370,640. Further, the company's ability to continue the exploration and development of its mining tenements, continue to assess new projects and meet operational expenditure at current levels is dependent upon future capital raising. These conditions along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. Except for the matters described in the Material Uncertainty Related to Going Concern section above we have determined that there are no other key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 18 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Reedy Lagoon Corporation Ltd, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Moore Australia

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit & Assurance

Melbourne, Victoria

28 October 2020

The shareholder information set out below was applicable as at 15 September 2020.

Distribution of quoted equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	41
1,001 to 5,000	25
5,001 to 10,000	73
10,001 to 100,000	473
100,001 and over	328
	940
Holding less than a marketable parcel	398

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Total shares issued: 469,733,784

	Ordinary shares	
	Number held	% of total shares Issued
Mr Adrian C. Griffin	34,011,037	7.24
Needmore Investments Pty Ltd	33,000,000	7.03
Chromite Pty Ltd (Spinel A/C)	29,549,843	6.29
Citycastle Pty Ltd	28,627,460	6.09
Jagen Pty Ltd	20,038,623	4.27
Sked Pty Ltd	18,500,735	3.94
Park Road SF Pty Ltd (Park Road Super Fund A/C)	16,718,750	3.56
Mr Jonathan M. Hamer	13,622,594	2.90
Yucaja Pty Ltd (The Yoegiar Family A/C)	10,806,892	2.30
M&K Korkidas Pty Ltd (M&K Korkidas P/L S/Fund A/C)	10,512,115	2.24
Pyrope Holdings Pty Ltd (Chromite Staff S/Fund A/C)	9,773,292	2.08
BNP Paribas Nominees Pty Ltd	9,699,564	2.06
Tromso Pty Limited	8,775,000	1.87
Wifam Investments Pty Ltd (Wischer Family S/F A/C)	7,425,000	1.58
Mr Jamie Lai	6,720,000	1.43
DJ Coughlan Drilling Pty Ltd	6,580,000	1.40
Est Clark Barnett Dudley	6,000,000	1.28
Dale Estates No 1 Pty Ltd	4,500,000	0.96
RFCJ Pty Ltd (RCJ Super Fund A/C)	4,000,000	0.85
JHY Investments Pty Ltd	3,259,200	0.69
Top 20 shareholders	282,120,105	60.06
Other shareholders	187,613,679	39.94
TOTAL:	469,733,784	100.00

Substantial holders

Substantial holders in the Company as at 15 September 2020 are set out below:

	Ordinary shares	
	Number held	**% of total shares issued**
Sked Pty Ltd		
City Castle Pty Ltd	28,627,460	
Sked Pty Ltd	18,500,735	
Sked Pty Ltd (Super Fund A/C	2,141,518	
Traders Macquarie Pty Ltd	2,345,948	
	51,615,661	10.99
Chromite Pty Ltd		
Chromite Pty Ltd (Spinel A/C)	29,549,843	
Geoffrey H. Fethers	1,532,010	
Pyrope Holdings Pty Ltd (Chromite Staff S/Fund A/C)	9,773,292	
Ranview Pty Ltd	771,588	
	41,626,733	8.86
Mr Adrian C. Griffin	34,011,037	7.24
Needmore Investments Pty Ltd	33,000,000	7.03

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

There are no other classes of equity securities.

Options on issue

	Expiry Date	Exercise Price	Number
Listed (ASX:RLCO)	6 April 2021	8 cents	37,710,515
Unlisted	31 December 2020	3.75 cents	900,000
Unlisted	31 December 2021	1.16 cents	900,000
Unlisted	31 December 2022	0.49 cents	900,000

Directors	Jonathan M. Hamer Chairman, Non Executive Director Geoffrey H. Fethers Managing Director and Company Secretary Adrian C. Griffin Non Executive Director
Contact details	Phone : 03 8420 6280 Fax : 03 8420 6299 Email : info@reedylagoon.com.au
Company secretary	Geoffrey H. Fethers
Share register	Link Market Services Limited (ABN 54 063 214 537) Tower 4, 727 Collins Street Melbourne, Victoria 3008 Telephone : 1300 554 474 www.linkmarketservices.com.au
Auditor	Moore Australia Audit (Vic) Level 18, 530 Collins Street Melbourne Victoria 3000 www.moore-australia.com.au
Stock exchange listing	Reedy Lagoon Corporation Limited shares are listed on the Australian Securities Exchange (ASX code: RLC)
Website	www.reedylagoon.com.au
Corporate Governance Statement	Refer to www.reedylagoon.com.au/about-us/corporate-governance/