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LAGOON

CORPORATION LTD

A.C.N. 006 639 514

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Reedy Lagoon Corporation Limited

Contents

30 June 2021

REEDY LAGOON CORPORATION LIMITED

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30 September 2021

Dear Shareholders

Annual Report for FY 2021

During the financial year ended 30 June 2021 the Company made investigations into the viability of producing pig iron by smelting magnetite from the Burracoppin magnetite deposit using locally grown biomass to supply the carbon instead of coal which delivered positive results. Gold exploration also had success with positive signals recovered from soil sampling.

The Company had deferred work at its lithium projects pending development of lithium brine processing techniques without the use of evaporation ponds.

Recent developments in Nevada and elsewhere, indicate that commercial development of processing technologies that eliminate evaporation ponds and dramatically reduce water consumption is now likely.

Because of these developments the Company has moved quickly to expand its lithium-brine exploration in Nevada. Additional claims have been staked to expand one of our lithium project areas in Nevada and geophysical survey on the new ground is underway.

On 7th September 2021 Reedy Lagoon raised $1.1M through a placement of 70,000,000 shares.

Thank you for your continued support.

Yours sincerely,

Jonathan Hamer
Chairman

Overview

Reedy Lagoon has exploration projects for lithium, gold and magnetite.

Reedy Lagoon conducted soil sampling for gold at Burracoppin, investigated achieving net zero carbon emissions from producing pig iron by using locally grown biomass and Burracoppin magnetite and is currently conducting geophysical survey on its additional claims at Alkali Lake North lithium-brine project.

The Company until recently had deferred work at its lithium projects pending development of lithium brine processing techniques without the use of evaporation ponds.

As a consequence of recent developments associated with lithium the Company moved quickly to expand its lithium-brine exploration in Nevada while continuing its gold exploration and building its pig iron project in Australia.

Corporate.

Reedy Lagoon issued 67,462,074 shares at an issue price of $0.01 per share under a pro rata non-renounceable rights offer to shareholders raising $674,620 on 28 August 2020;

292,382 shares in consideration of payment of the $0.08 exercise price per share on options raising $23,391 on 12 April 2021; and

70,000,000 shares at an issue price of $0.016 per share under a placement raising $1,120,000 on 7 September 2021.

On 9 February 2021 Reedy Lagoon entered into an agreement with Dinsdale Consultants Pty Ltd and Smelt Tech Consulting Pty Ltd to pursue a commercial objective of establishing “green iron” production in Western Australia using HIsmelt Technology to smelt magnetite from the Burracoppin deposit using biochar as the reductant instead of coal.

On 12 February 2021 Reedy Lagoon engaged H & S Consultants Pty Ltd (“H&SC”) to assist in planning how best to establish if there is a Mineral Resource at RLC’s Burracoppin Magnetite deposit located near Merredin in Western Australia.

On 26 May Reedy Lagoon engaged with CSIRO through CSIRO Kick-Start, to develop a method of determining magnetite resources using magnetic modelling.

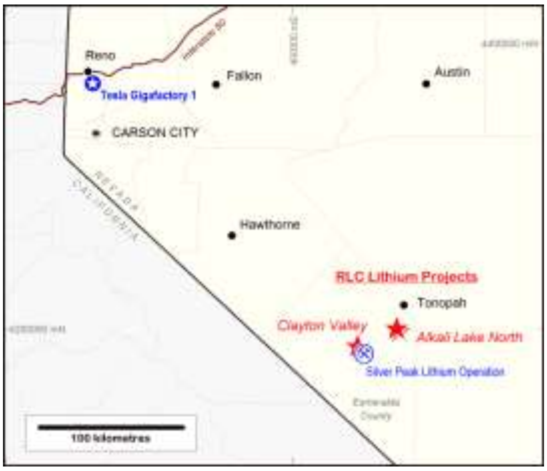
Review of Operations

Lithium

Nevada Lithium Brine Projects	LITHIUM BRINES	Nevada, USA	RLC 100%
Alkali Lake North:	334 claims – 6,415 acres (2,596 ha)		
Clayton Valley:	112 claims – 2,240 acres (906 ha)		

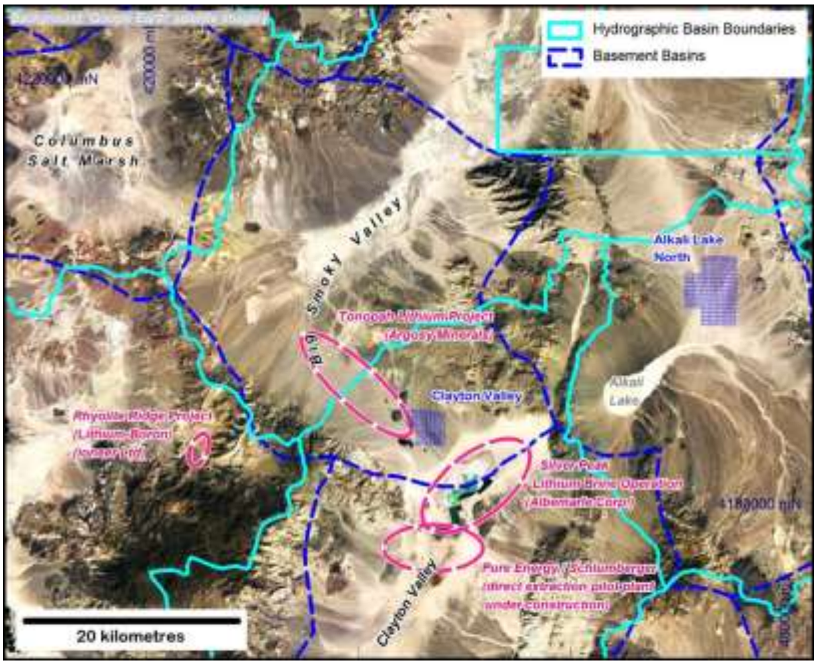
The Nevada lithium brine projects comprise: Alkali Lake North and Clayton Valley. The projects are located in 2 large and separate ground water catchment areas in Nevada, USA. The projects are within 25 kilometres of the Silver Peak Lithium Brine Operation owned by Albemarle Corp. which is located 360 kilometres by road (US-95 route) from the Tesla Gigafactory (Lithium-ion batteries) in Reno.

The lithium projects are targeting dissolved lithium in salty ground water ("brine").



Importantly, direct extraction of lithium 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 facilitate regulatory 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.

Two project areas are held, Clayton Valley and Alkali Lake North, and comprise a combined area of 3,502 hectares (8,655 acres) under 446 placer claims following claim staking activity in September 2021. All the placer claims are 100% owned and there are no royalty arrangements.



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

The Clayton Valley lithium-brine project is located within 10 kilometres northwest of the Silver Peak Lithium Operation (owned by Albemarle Corporation) where the southern end of Big Smoky Valley meets the western side of Clayton Valley.

The project area was acquired by claim staking following interpretation of the geology observed in drilling on Reedy Lagoon's nearby previously held Big Smoky South project (refer ASX 24 May 2018).

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 August 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 southeast.

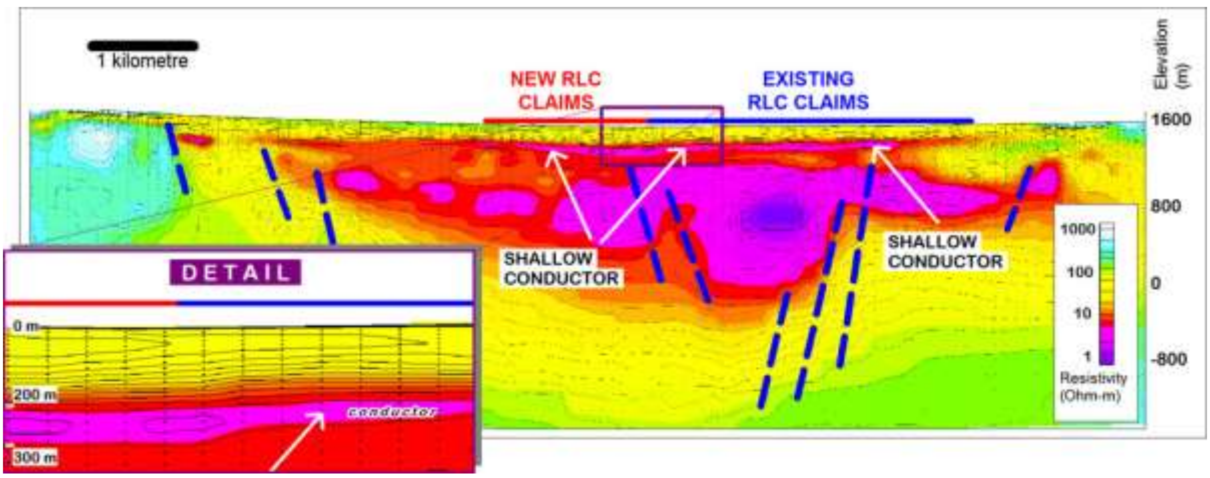
A Shallow Seismic Reflection (SSR) survey is under consideration to gain further information about the depth to and number of aquifers indicated by the MagnetoTelluric survey data.

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

The Alkali Lake North lithium-brine project covers part of a discrete sub basin located 30 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 southwest of the project area.

Brine targets potentially comprising multiple brine aquifers within sediments over vertical intervals of 100 metres have been identified (as conductors) in audio MagnetoTelluric survey data (refer ASX release 28/08/2018). Earlier 2-dimensional audio MagnetoTelluric (2D AMT) survey has also been conducted (refer ASX release 29/05/2017).

In early September 2021 the Company staked additional placer claims to cover a shallow brine layer (conductor) identified at a depth of 200 metres (refer to the image below and ASX release 7/09/2021). Additional 3D AMT survey was underway near the end of September 2021 (refer ASX release 21/09/2021). A Shallow Seismic Survey is also being planned in order to help determine depth to and number of aquifers.



Gold

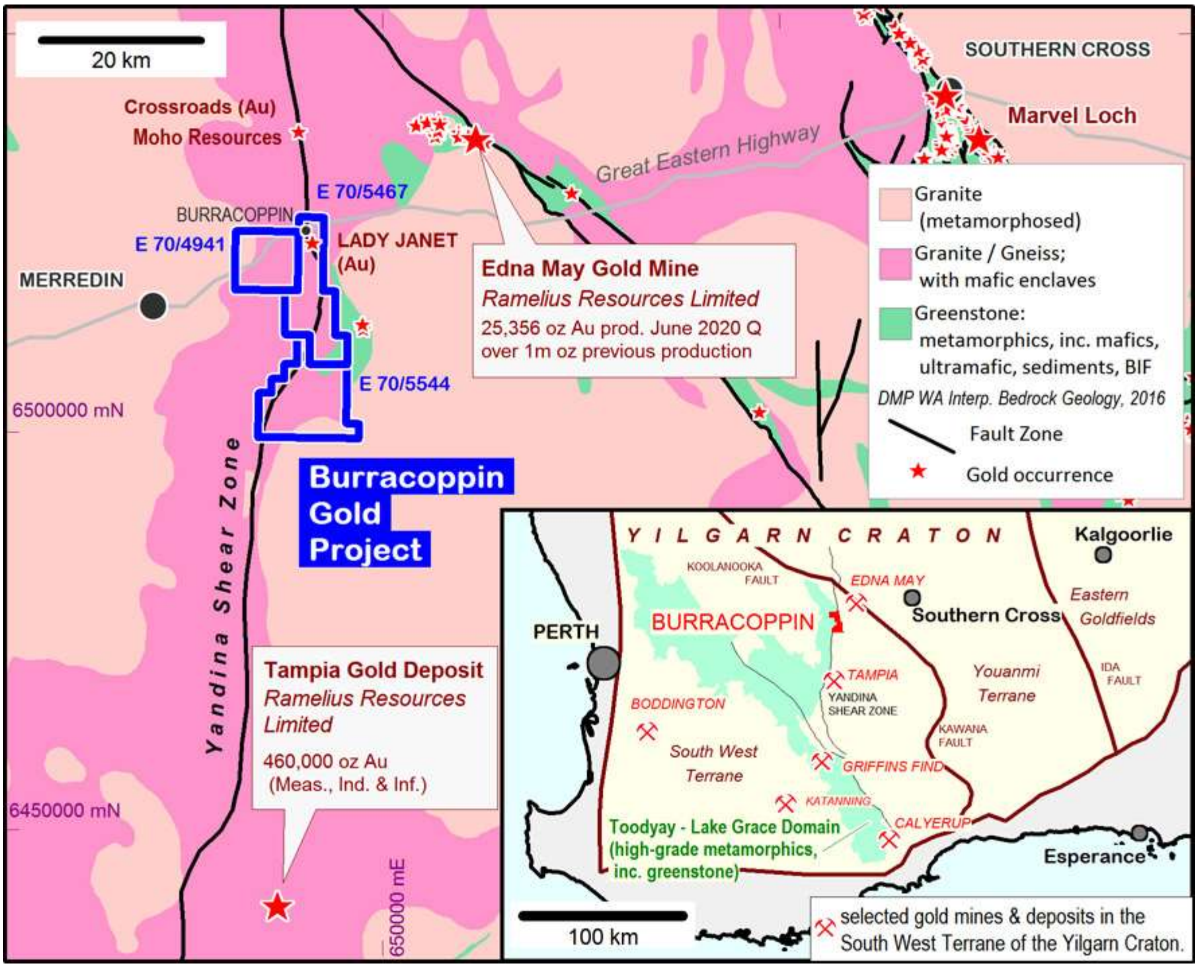
Western Australia **RLC 100%**

Burracoppin Gold **E70/4941, E70/5467, E70/5544 (241 km^2)**

Reedy Lagoon is targeting gold mineralization at Burracoppin in the vicinity of its magnetite deposit (part of the iron project) located 260 kilometres east of Perth in Western Australia. The project is 60 kilometres north of the Tampia gold mine and 30 kilometres southwest from the Edna May gold mine (both owned by Ramelius Resources Limited).

The project covers areas around the Yandina Shear Zone. Most of the 30 kilometre strike length of the Yandina Shear Zone within the project area has seen very little exploration.

First phase orientation soil sampling has identified gold targets. The next steps planned include infill/follow-up sampling at identified targets, systematic soil sampling to recover geochemical data for targeting gold-bearing mineralised systems for drill testing and additional exploratory traverses in untested areas (refer ASX release 27 May 2021).



Iron

Burracoppin | **IRON** | **Western Australia** | **RLC 100%**

MINING, BIOMASSING and SMELTING
to produce
GREEN HIGH PURITY PIG IRON.

Reedy Lagoon is pursuing a plan to produce and sell Green High Purity Pig Iron ("Green HPPI") by:

- Mining mineral magnetite from the Burracoppin deposit to produce iron concentrate
- Growing or otherwise acquiring biomass for processing to produce biochar
- Smelting the iron concentrate with the biochar using HIsmelt technology to produce Green HPPI
- Selling Green HPPI to steel makers in Australia, North America, Europe, UK and Asia.

Operating scenarios for processing Burracoppin magnetite to produce Green High Purity Pig Iron using HIsmelt technology and biochar from locally grown biomass were investigated in a study undertaken for the Company by Dinsdale Consultants (refer to ASX release 19/03/2021). The scenarios consider an initial 1 Mtpa rate of pig iron production which would require approximately 1.6 Mtpa Burracoppin iron concentrate and extends research previously conducted which identified that the HIsmelt technology could use biochar to smelt the coarse grained Burracoppin magnetite concentrate to produce HPPI with zero net emissions of CO_2 (refer to ASX release 20/08/2020).

Project economics are enhanced by using Burracoppin magnetite concentrate for feed to a HIsmelt smelter to produce High Purity Pig Iron for sale into the steel making market. The alternative of selling magnetite concentrate (an iron ore) into the iron ore market carries greater risk because of the concentration of the iron ore market. 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. 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 (refer to ASX release 20/08/2020).

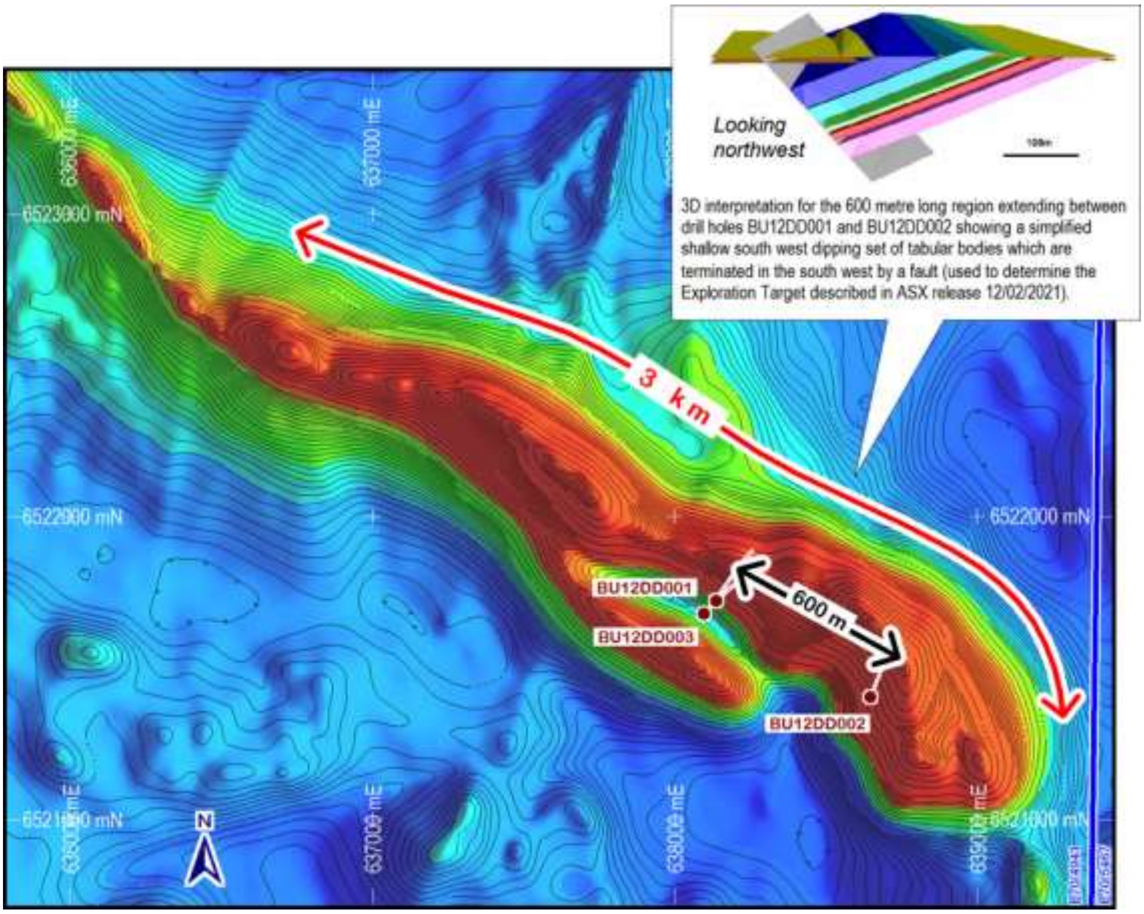
The steps required to achieve annual production of 1Mtpa Green High Purity Pig Iron include establishing the following:

- Mining - Burracoppin Magnetite
- Biomassing for Carbon Cycling
- Smelting - HIsmelt
- Production - High Purity Pig Iron

Burracoppin Magnetite Deposit | **Western Australia** | **RLC 100%**
E70/4941 (58 km^2)

The Burracoppin Magnetite deposit is evidenced in airborne magnetic data to be 3 kilometres long. Metallurgical studies of core samples from 2 of 3 diamond holes drilled into the deposit indicate a high grade iron concentrate with low levels of impurities can be produced at a relatively coarse grind size (P80 -150 micron) (refer to ASX release 23/11/2012). Additional drilling is required to better understand the extent of the mineralisation and define a Mineral Resource.

Work is currently progressing to establish sufficient magnetite within the deposit to support about 20 years of pig iron production at a rate of 1Mtpa. The planned resource definition work is focussed in the region between the 3 drill holes where, as part of the work in establishing a Mineral Resource, an Exploration Target has been determined (refer to ASX release 12/02/2021).



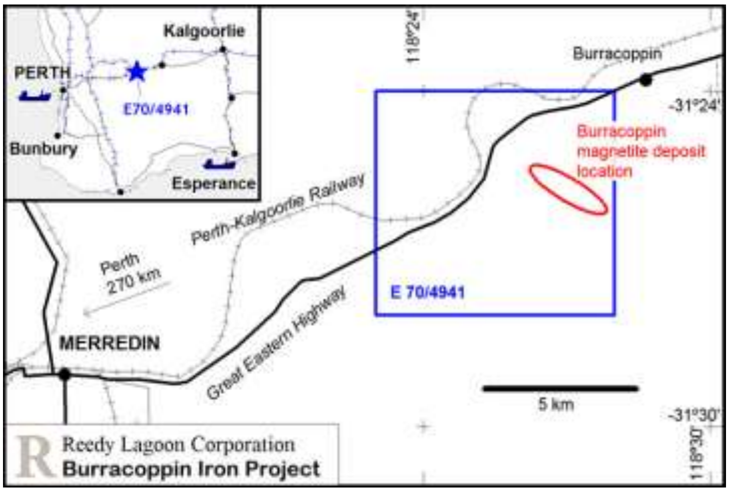
An Exploration Target of 100 to 120Mt at a Davis Tube Recovery ("DTR") grade of 25-35% to give 25 to 40Mt of magnetite concentrate with a 67 to 71% iron grade and a 1-4% SiO_2 grade with low alumina, phosphorous and sulphur has been determined at the Burracoppin Magnetite deposit for the purpose of planning drill-out to JORC compliant resource (refer to ASX release 12/02/2021).

It should be noted that the potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource; it is uncertain if further exploration will result in the estimation of a Mineral Resource.

CSIRO in research study of
Burracoppin magnetite deposit in WA.

A collaboration with CSIRO is investigating and trialling new ways to determine resource estimates that can rely more on geophysics than information solely from drill holes. The work is utilising previously drilled core to determine the physical properties (e.g., magnetisation and density) of the Burracoppin magnetite deposit, and using those results to constrain a detailed 3-D magnetic/density model of the mineralisation (refer to ASX release 26/05/2021).

If shown to be successful, the work with CSIRO may lead to a new method of estimating a resource to JORC standards with far less drilling than is currently required, saving much expense and reducing ground disturbance. The project was made possible through CSIRO Kick-Start, an initiative that provides funding and support for innovative Australian start-ups and small businesses to access CSIRO's research expertise and capabilities.



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

Biomassing – Carbon Capture

The Company is investigating the potential for establishing a biomass business to produce biochar to replace all coal used in the Iron Project's planned pig iron production. Studies have identified the potential for locally grown biomass to produce all the carbon required for the planned smelting of Burracoppin magnetite into pig iron (refer to ASX release 19/03/2021).

Biomass includes grass, wood, crops and certain "waste" products otherwise destined for landfill. Biomass has been used as a fuel but we intend harvesting the carbon it contains by processing it into biochar. The biochar will then be used to replace coal as the source of carbon required to smelt magnetite into pig iron. Our net operation will be smelting magnetite into metal which will release carbon dioxide into the air and cropping biomass to extract carbon dioxide from the air.

The project will have greenhouse (including carbon dioxide) emissions additional to those from the smelting operation, including from harvesting and processing biomass, mining and transport. These additional emissions in total will be significantly less than those from the smelting operation and it is anticipated that they could be mitigated by biomass/biochar production in excess of the smelter requirements and / or by purchasing carbon credits.

Our Iron Project will encompass carbon capture through agriculture and carbon release through industry: a cycle - what is taken out is put back in.

It is intended that the biomass business will enable the project to produce pig iron with net zero carbon dioxide emissions together with an alternative crop for wheat farmers in the Western Australian Wheatbelt.

Smelting – Green High Purity Pig Iron

HIsmelt technology + Magnetite + Biochar = Green High Purity Pig Iron.

In the event that Steps 1 (Mining), and 2 (Biomassing) are achieved then the following objectives and scenarios would be pursued:

HIsmelt is a proven technology that was initially developed in Australia before being purchased by Molong Petroleum Machinery Ltd and developed commercially in China. HIsmelt smelts iron ore into High Purity Pig Iron ("HPPI") with lower environmental emissions than the conventional blast furnace technology and can produce "green" pig iron via using sustainably produced biochar as the reductant instead of coal (refer to ASX releases 09/02/2021 and 19/03/2021).

HIsmelt is an innovative smelting process capable of using the coarse Burracoppin concentrate as direct feed thus significantly reducing process costs at the mine site and adverse emissions at the smelter site (as neither sintering or pelletising of the concentrate is required). HIsmelt is also capable of using other feedstocks including industrial products that would otherwise go to landfill.

The HIsmelt smelt process produces a net excess of electricity, which will be "green" electricity when using biochar as the reductant instead of coal. This green electricity may be able to be counted as mitigating carbon emissions. The excess electricity (estimated at 20MW during smelting operations) could potentially be used to produce green hydrogen for use in a first step in the smelt reaction in order to further reduce carbon emissions (refer to ASX release 19/03/2021).

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.

Tenement Schedule

Tenements held at 20 September 2021:

Located in Australia

Tenement	Area (km²)	Status	Date of grant	Minimum Annual Expenditure Commitment $	Company Interest (direct or indirect)
E70/4941 *Burracoppin (WA)*	58	Current	11 Feb 2019	20,000	100% [1, & 2]
E70/5467 *Burracoppin (WA)*	81	Current	22 Jan 2021	28,000	100% [1, & 2]
E70/5544 *Burracoppin (WA)*	102	Current	23 Mar 2021	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 WH-129 to WH-334 [5]	NMC 1138328 to NMC 1138455 To be determined	128 206	1,042 ha 1,554 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, E70/5467 and E70/5544 are 100% owned by RLC through its wholly owned subsidiary, Bullamine Magnetite Pty Ltd. The 3 tenements have each been granted for a 5 year term commencing at date of grant.
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 apply for each 12 month period following the grant date.
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 2022 in respect of Claims numbered CV-1 to CV-112 and WH-1 to WH-128. There is no minimum exploration expenditure requirement for Placer Claims located in Nevada, USA.
5. Land Fees in respect of Claims numbered WH-129 to WH-334 were unpaid at the date of reporting. These claims had been staked but filing was in process and Land Fees had not been determined nor paid at the report date.

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 2021.

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 $584,531 (30 June 2020: $383,743 (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
On 7 September 2021 the Company issued 70,000,000 shares raising $1,120,000. The net amount raised by the issue is $1,052,800 after payment of a fee of 6% ($67,200) of the funds raised was paid to brokers.

On 7 September 2021 the Company announced that it had expanded its tenure at its Alkali Lake North Lithium-brine project to cover 2,596 hectares by staking Placer Claims covering 1,554 hectares.

No other matter or circumstance has arisen since 30 June 2021 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.

Impact of COVID 19 Pandemic
During the report period the impact of COVID-19 was minimal. The Company's main activity was exploration on its Burracoppin gold project and continued research in connection with the Burracoppin Iron project. Both these projects are located in Western Australia where operations within the state that are not reliant on interstate travel have been relatively undisrupted.

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.

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.

The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the period 1 July 2020 to 30 June 2021 the directors have assessed that there are no current reporting requirements.

Information on directors

Name:	Jonathan M. Hamer
Title:	Chairman – Non-Executive
Age:	66
Qualifications:	BA, LLB.
Experience and expertise:	Jonathan Hamer is a former partner of King & Wood Mallesons where he practised in the areas of corporate and finance law. Jonathan has been advising the Company since 1988 on a range of legal and commercial issues, including in its various joint venture agreements and capital raisings. Jonathan was appointed as a non-executive director of Reedy Lagoon on 9 May 2007 and has served on the board as chairman since.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	14,661,946 fully paid ordinary shares
Interests in options:	900,000 options

Name:	Geoffrey H. Fethers
Title:	Managing Director
Age:	64
Qualifications:	B.Sc.(Hons), M AusIMM
Experience and expertise:	Geof Fethers is a geologist with more than 30 years exploration experience. He was employed by De Beers Australia Exploration Limited (formerly Stockdale Prospecting Limited) from 1980 to 1985. Geof founded Reedy Lagoon on 24 September 1986 and has managed operations since inception.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	41,876,733 fully paid ordinary shares
Interests in options:	1,500,000 options

Name:	Adrian C. Griffin
Title:	Director - Non-Executive
Age:	68
Qualifications:	B.Sc.(Hons), M AusIMM
Experience and expertise:	Adrian Griffin has accumulated over 40 years' experience in the resource sector. During that time he has held directorships of many private and listed resource companies and overseen the operation of large, integrated mining and processing facilities. He is currently Managing Director of Lithium Australia NL, a diversified battery materials company developing the circular economy for battery metals. Adrian 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 Reedy Lagoon as a director on 30 June 2014 Adrian was also a founding director of Northern Minerals Ltd and Parkway Minerals NL. Recently, he has been involved in developing a number of lithium extraction technologies, high-performance cathode materials for lithium ion batteries, and recycling of battery materials.
Other current directorships:	Lithium Australia NL (ASX:LIT) since 31 January 2011 Parkway Minerals NL (ASX:PWN) since 30 November 2010
Former directorships (last 3 years):	Northern Minerals Ltd (ASX:NTU) 22 July 2006 to 24 November 2020
Special responsibilities:	Nil
Interests in shares:	34,011,037 fully paid ordinary shares
Interests in options:	300,000 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 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Jonathan M. Hamer	6	6
Geoffrey H. Fethers	6	6
Adrian C. Griffin	5	6

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 2021 financial year

Voting and comments made at the company's 30 November 2020 Annual General Meeting ('AGM')

At the 30 November 2020 AGM, 98.59% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. 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	
	Cash salary and fees *	Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
2021	$	$	$	$	$	$	$
Non-Executive Directors:							
J Hamer	27,397	-	-	2,603	-	1,800	31,800
A Griffin	15,000	-	-	-	-	600	15,600
Executive Directors:							
G Fethers	55,217	-	-	25,000	2,624	3,000	85,841
	97,614	-	-	27,603	2,624	5,400	133,241

* 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.

2020	Short-term benefits: Cash salary and fees * $	Short-term benefits: Bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: 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

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
J Hamer	94%	98%	-	-	6%	2%
A Griffin	96%	99%	-	-	4%	1%
Executive Directors:						
G Fethers	97%	99%	-	-	3%	1%

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
Details: 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 2021. No shares were issued to any director in lieu of cash payable for fees/salary/super during the year ended 30 June 2021.

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
23 December 2020	23 December 2020	31 December 2023	$0.0147	$0.0060

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 2021 are set out below:

Name	Number of options granted during the year 2021	Number of options granted during the year 2020	Number of options vested during the year 2021	Number of options vested during the year 2020
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	-	8,575,348	-	41,876,733
J Hamer	13,661,946	-	1,000,000	-	14,661,946
A Griffin	34,011,037	-	-	-	34,011,037
	80,974,368	-	-	-	90,549,716

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	5,875,000	500,000	(250,000)	(4,625,000)	1,500,000
J Hamer	2,500,907	300,000	-	(1,900,907)	900,000
A Griffin	4,442,652	100,000	-	(4,242,652)	300,000
	12,818,559	900,000	(250,000)	(10,768,559)	2,700,000

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
07 December 2018	31 December 2021	$0.0160	900,000
11 December 2019	31 December 2022	$0.0049	900,000
23 December 2020	31 December 2023	$0.0147	900,000
			2,700,000

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
292,382 ordinary shares of Reedy Lagoon Corporation Limited were issued on the exercise of options during the year ended 30 June 2021 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 17 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 CNA Connect National Audit
There are no officers of the company who are former partners of CNA Connect National Audit.

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

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

On behalf of the directors

G.H. Fethers
Managing Director

30 September 2021
Melbourne

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

As lead auditor for the audit of Reedy Lagoon Corporation Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 30 September 2021

Reedy Lagoon Corporation Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue		160	128
Expenses			
Administration expenses		(155,201)	(155,747)
Employee benefits expense		(115,510)	(103,297)
Exploration expenditure		(273,223)	(121,415)
Share based payments		(5,400)	(2,621)
Realised exchange losses		4,078	-
Capital raising expenses		-	-
Impairment of Goodwill on business combination		-	-
Other expenses		(39,435)	(791)
Loss before income tax expense		(584,531)	(383,743)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Reedy Lagoon Corporation Limited		(584,531)	(383,743)
Items that may be reclassified subsequently to profit or loss			
Foreign Currency Translation		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Reedy Lagoon Corporation Limited		(584,531)	(383,743)
		Cents	**Cents**
Basic earnings per share	25	(0.127)	(0.095)
Diluted earnings per share	25	(0.127)	(0.095)

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 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	6	359,938	220,123
Trade and other receivables	7	10,121	2,355
Other	8	-	-
Total current assets		370,059	222,478
Non-current assets			
Deposits & Bonds	9	7,221	7,755
Total non-current assets		7,221	7,755
Total assets		377,280	230,233
Liabilities			
Current liabilities			
Trade and other payables	10	13,184	9,000
Employee benefits	11	158,109	129,470
Provision for site restoration		10,000	10,000
Total current liabilities		181,293	148,470
Non-current liabilities			
Employee benefits	11	-	-
Total non-current liabilities		-	-
Total liabilities		181,293	148,470
Net assets		195,987	81,763
Equity			
Issued capital	12	21,632,780	20,928,910
Reserves	13	24,058	803,849
Accumulated losses		(21,460,851)	(21,650,996)
Total equity		195,987	81,763

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 2021

Consolidated

	Issued capital $	Exchange Reserves $	Options Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2019	20,928,910	16,145	785,083	(21,267,253)	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 income for the year	-	-	-	(383,743)	(383,743)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	-	-	-	-	-
Share-based payments	-	-	2,621	-	2,621
					-
Balance at 30 June 2020	20,928,910	16,145	787,704	(21,650,996)	81,763

Consolidated

	Issued capital $	Exchange Reserves $	Options Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2020	20,928,910	16,145	787,704	(21,650,996)	81,763
Loss after income tax expense for theyear	-		-	(584,531)	(584,531)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(584,531)	(584,531)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	674,621	-	-	-	674,621
Excercise of Options	29,249		(5,859)		23,390
Share-based payments	-	-	5,400	-	5,400
Lapse of Options	-	-	(774,677)	774,677	-
Foreign currency translation	-	(4,655)	-	-	(4,655)
Balance at 30 June 2021	21,632,780	11,490	12,568	(21,460,850)	195,988

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 2021

	Note	Consolidated 2021 $	2020 $
Cash flows from operating activities			
Operating receipts		160	128
Payments to suppliers and employees		(285,090)	(249,353)
Payments for exploration activities		(273,223)	(121,415)
Interest received		-	-
Net cash used in operating activities	24	(558,153)	(370,640)
Cash flows from investing activities			
Proceeds from deposits and bonds refunds	9	-	224,136
Net cash from investing activities		-	224,136
Cash flows from financing activities			
Proceeds from issue of shares	12	674,621	-
Proceeds from exercise of share options		23,390	-
Net cash from financing activities		698,011	-
Net increase in cash and cash equivalents		139,858	(146,504)
Impact of exchange rates on foreign cash balances		(43)	-
Cash and cash equivalents at the beginning of the financial year		220,123	366,627
Cash and cash equivalents at the end of the financial year	6	359,938	220,123

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
Victoria 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 30 September 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

For the year ended 30 June 2021 the consolidated entity made a loss of $584,531 (2020: loss of $383,743), had net assets of $195,987 (2020: Net assets $81,763), and had operating cash outflows $558,153 (2020: $370,640). All project assets are valued in the accounts at $0 (refer to Exploration, Evaluation and Development Expenditure below).

Subsequent to the report period, on 7 September 2021 the Company issued 70,000,000 shares raising $1,120,000. The net amount raised by the issue is $1,052,800 after payment of a fee of 6% ($67,200) of the funds raised was paid to brokers.

At the date of this report 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).

The Directors have assessed the Company's current financial position, in particular the funds on deposit (in excess of $1m at the date of this report) and annual overheads which are budgeted at less than $500,000 and are of the view that the continued application of the going concern basis of accounting is appropriate.

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.

Note 2. Significant accounting policies (continued)

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 2021 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.

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. 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. 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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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 2021. 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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. 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	
	2021	**2020**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(584,531)	(383,743)
Tax at the statutory tax rate of 25% (2020: 27.5%)	(146,133)	(105,529)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Capital allowances share issue costs	(17,586)	(19,889)
Non deductible equity settled benefits expense	1,350	721
Other non-deductible (deductible) expenses	7,660	-
Non deductible overseas exploration expenditure	15,325	20,097
	(139,384)	(104,600)
Current year tax losses not recognised	139,384	104,600
Income tax expense	-	-
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	8,745,186	8,187,650
Potential tax benefit @ 25%	2,186,297	2,251,604

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 5. Income tax expense

Income Tax Rate

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by base rate entities for the 2022 and future income years. The base rate entity tax rate applies where the aggregated turnover of the entity is less than $50 million and less than 80% of assessable income is base rate entity passive income. The rate used is the one that is expected to apply when the deferred tax assets of the entity are realised and the deferred tax liabilities of the entity are settled. The corporate tax rate has been reduced when compared with the previous year, which used a rate of 27.5%.

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2021	2020
	$	$
Cash at bank	359,938	220,123

Note 7. Current assets - trade and other receivables

	Consolidated	
	2021	2020
	$	$
GST receivable	10,121	2,355

Note 8. Current assets - other

	Consolidated	
	2021	2020
	$	$
Prepayments	-	-

Note 9. Non-current assets - other

	Consolidated	
	2021	2020
	$	$
Security deposits	7,221	7,755

The security deposits are monies held in respect of rehabilitation works required on the Company's tenements located in the USA.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	2021	2020
	$	$
Other payables and accruals	13,184	9,000

Refer to note 15 for further information on financial instruments.

Note 11. Current liabilities - employee benefits

	Consolidated	
	2021	2020
	$	$
Annual leave	121,605	95,590
Long Service Leave	36,504	33,880
	158,109	129,470

Note 12. Equity - issued capital

	2021 shares	2020 shares	Consolidated 2021 $	Consolidated 2020 $
Ordinary shares - fully paid	470,026,166	402,271,710	21,632,780	20,928,910

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2019	402,271,710		20,928,910
Balance	30 June 2020	402,271,710		20,928,910
Issue of shares	26 August 2020	67,462,074	$0.0100	674,621
Excercise of Options	6 April 2021	292,382	$0.0800	29,249
Balance	30 June 2021	470,026,166		21,632,780

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 2020 annual report.

Note 13. Equity - reserves

	Consolidated 2021 $	Consolidated 2020 $
Foreign currency reserve	11,490	16,145
Share-based payments reserve	12,568	787,704
	24,058	803,849

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.

Note 13. Equity - reserves (continued)

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 2019	785,083	16,145	801,228
Foreign currency translation	-	-	-
Share based payments	2,621	-	2,621
Balance at 30 June 2020	787,704	16,145	803,849
Foreign currency translation		(4,655)	(4,655)
Lapse of Options	(774,677)	-	(774,677)
Option Excercise	(5,859)		(5,859)
Share based payment	5,400	-	5,400
Balance at 30 June 2021	12,568	11,490	24,058

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.

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.

Note 15. Financial instruments (continued)

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 - 2021	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	-	13,184	-	-	-	13,184
Total non-derivatives		13,184	-	-	-	13,184

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

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 2021 $	Consolidated 2020 $
Short-term employee benefits	97,614	84,400
Post-employment benefits	27,603	15,970
Long-term benefits	2,624	2,452
Share-based payments	5,400	2,621
	133,241	105,443

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by CNA Connect National Audit, the auditor of the Company:

	Consolidated 2021 $	Consolidated 2020 $
Audit services - CNA Connect National Audit		
Audit or review of the financial statements	16,000	-
Other services - CNA Connect National Audit		
Tax and compliance services	14,700	
	30,700	0

Note 17. Remuneration of auditors (continued)

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

Note 19. Exploration expenditure commitments

Projects located in North America
The consolidated entity held 240 Placer Claims at 30 June 2021 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 respect of the 240 Placer Claims amounted to US$42,800. At the date of this report all Land Fees in respect of the 240 Placer Claims held at 30 June 2021 were paid up to 31 August 2022. Land Fees in respect of 206 Placer Claims staked during September 2021 were unpaid at the date of reporting as filing was in process and Land Fees had not been determined nor paid at the report date. There is no minimum exploration expenditure requirement for Placer Claims located in Nevada, USA.

Projects located in Australia
The consolidated entity held three tenements: E70/4941, 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 tenements. 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 on a tenement is not satisfied the licence may be forfeited. The combined minimum annual expenditures for the Australian tenements is $83,000.

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	
	2021	**2020**
	$	**$**
Loss after income tax	(523,098)	(305,900)
Total comprehensive loss	(523,098)	(305,900)

Note 21. Parent entity information (continued)

Statement of financial position

	Parent 2021 $	Parent 2020 $
Total current assets	369,488	157,754
Total assets	3,268,663	3,055,528
Total current liabilities	171,293	138,470
Total liabilities	171,293	138,470
Equity		
Issued capital	21,632,780	20,928,910
Share-based payments reserve	12,568	787,704
Accumulated losses	(18,547,978)	(18,799,557)
Total equity	3,097,370	2,917,057

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 2021 and 30 June 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Conversion of loans to equity for fund movements between RLC and its subsidiary companies
On 11 December 2020 RLC transferred $1,400.95 to Sierra Lithium LLC (SL). In accordance with Conversion of Loans to Capital Agreement made on 29 June 2020, Nevada Nevada Lithium Pty Ltd (NL) issued 1,401 shares in NL to RLC in consideration for RLC transferring and assigning to NL all RLC's right and title in loans made by RLC to SL.

On 11 December 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 2021 %	Ownership interest 2020 %
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

On 7 September 2021 the Company issued 70,000,000 shares raising $1,120,000. The net amount raised by the issue is $1,052,800 after payment of a fee of 6% ($67,200) of the funds raised was paid to brokers.

On 7 September 2021 the Company announced that it had expanded its tenure at its Alkali Lake North Lithium-brine project to cover 2,596 hectares by staking Placer Claims covering 1,554 hectares.

No other matter or circumstance has arisen since 30 June 2021 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 2021 $	Consolidated 2020 $
Loss after income tax expense for the year	(584,531)	(383,743)
Adjustments for:		
Realised FX (gains)/losses	(4,078)	-
Share-based payments	5,400	2,621
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(7,767)	1,477
Decrease/(increase) in other operating assets	-	10,795
Decrease in trade and other payables	4,184	(8,477)
Increase in employee benefits	28,639	6,687
Decrease in other provisions	-	-
Net cash used in operating activities	(558,153)	(370,640)

Note 25. Earnings per share

	Consolidated 2021 $	Consolidated 2020 $
Loss after income tax attributable to the owners of Reedy Lagoon Corporation Limited	(584,531)	(383,743)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	459,311,277	402,271,710
Weighted average number of ordinary shares used in calculating diluted earnings per share	459,311,277	402,271,710
	Cents	**Cents**
Basic earnings per share	(0.127)	(0.095)
Diluted earnings per share	(0.127)	(0.095)

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 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes 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 2021 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

30 September 2021
Melbourne

CNA CONNECT NATIONAL AUDIT

Independent Auditor's Report
To the Members of Reedy Lagoon Corporation Limited
Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Reedy Lagoon Corporation Limited and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company as set out on page 36.

In our opinion, the financial report of Reedy Lagoon Corporation Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Group 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 confirm that the independence declaration required by the *Corporations Act* 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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 $584,531 and operating cash outflows of $558,153. 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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CONNECT NATIONAL AUDIT

Key Audit Matter	How our audit addressed the key audit matter
Accounting Treatment of Exploration and Evaluation Expenses	
We focus on the accounting treatment of exploration and evaluation expenses as this represents a significant expense of the consolidated entity and that the recognition of this amount is significantly affected by management's judgement. The consolidated entity has incurred significant exploration and evaluation expenditures. The accounting treatment of these expenditures (whether as capital or expense) can have a significant impact on the financial report. This is particularly relevant as this consolidated entity is in an exploration stage with no production activities. As such it is necessary to assess whether the facts and circumstances existed to suggest that these expenditures were recognised in accordance with AASB 6 para Aus7.2b (ii) and the consolidated entity's accounting policy.	We reviewed the consolidated entity's accounting policy specifying which expenditures are recognised as exploration and evaluation expenditures and its consistent application of the relevant accounting standard and accounting policy. We tested samples of the expenditures to ensure that these expenditures are associated with finding specific mineral resources We evaluated whether the exploration and evaluation expenditures are expected to be recouped, either through successful development and exploitation or through sale.. We enquired with management and evaluated 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. We also considered the appropriateness of the related disclosure in Notes 2 and 3 to the financial statements.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability 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 Group or to cease operations, or have 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 at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 16 of the directors' report for the financial year ended 30 June 2021.

In our opinion the Remuneration Report of Reedy Lagoon Corporation Limited for the financial year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the group 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.

George Georgiou FCA
Managing Partner
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 30 September 2021

The shareholder information set out below was applicable as at 16 September 2021.

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	65
1,001 to 5,000	28
5,001 to 10,000	67
10,001 to 100,000	845
100,001 and over	531
	1536
Holding less than a marketable parcel	305

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: 540,026,166

	Ordinary shares	
	Number held	% of total shares Issued
Mr Adrian C. Griffin	34,011,037	6.30
Needmore Investments Pty Ltd	33,000,000	6.11
Chromite Pty Ltd (Spinel A/C)	29,992,740	5.55
Citycastle Pty Ltd	28,627,460	5.30
Jagen Pty Ltd	20,038,623	3.71
Sked Pty Ltd	18,500,735	3.43
Park Road SF Pty Ltd (Park Road Super Fund A/C)	15,718,750	2.91
Mr Jonathan M. Hamer	13,622,594	2.52
AMAL Trustees Pty Ltd (Magnolia Capital ECMC A/C)	12,500,000	2.31
Mr Mahesh N. Kannangara	10,000,000	1.85
Pyrope Holdings Pty Ltd (Chromite Staff S/Fund A/C)	9,773,292	1.81
Comsec Nominees Pty Limited	9,677,589	1.79
Wifam Investments Pty Ltd (Wischer Family S/F A/C)	7,425,000	1.37
Tromso Pty Limited	6,343,065	1.17
BNP Paribas Nominees Pty Ltd (IB AU Noms retailclient DRP)	4,686,479	0.87
Adam and Belinda Connon Pty Ltd (Adam&Belinda Connon SF A/C)	4,420,629	0.82
RFCJ Pty Ltd (RCJ Super Fund A/C)	4,000,000	0.74
Citicorp Nominees Pty Limited	3,729,557	0.69
BNP Paribas Nominees Pty Ltd (DRP A/C)	3,460,964	0.64
Ladyman Super Pty Ltd (Ladyman Superfund A/C)	3,259,200	0.60
Top 20 shareholders	272,787,714	50.51
Other shareholders	267,238,452	49.49
TOTAL:	540,026,166	100.00

Substantial holders

Substantial holders in the Company as at 16 September 2021 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	9.56
Chromite Pty Ltd		
Chromite Pty Ltd (Spinel A/C)	29,992,740	
Geoffrey H. Fethers	1,532,010	
Pyrope Holdings Pty Ltd (Chromite Staff S/Fund A/C)	9,773,292	
Ranview Pty Ltd	578,691	
	41,876,733	7.75
Mr Adrian C. Griffin	34,011,037	6.30
Needmore Investments Pty Ltd	33,000,000	6.11

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
Unlisted	31 December 2021	1.16 cents	900,000
Unlisted	31 December 2022	0.49 cents	900,000
Unlisted	31 December 2023	1.47 cents	900,000

Reedy Lagoon Corporation Limited
Corporate directory
30 June 2021

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	CNA Connect National Audit Level 8, 350 Collins Street Melbourne Victoria 3000 www.connectaudit.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/