



## **ASX Release**

**ASX Code: RLC**

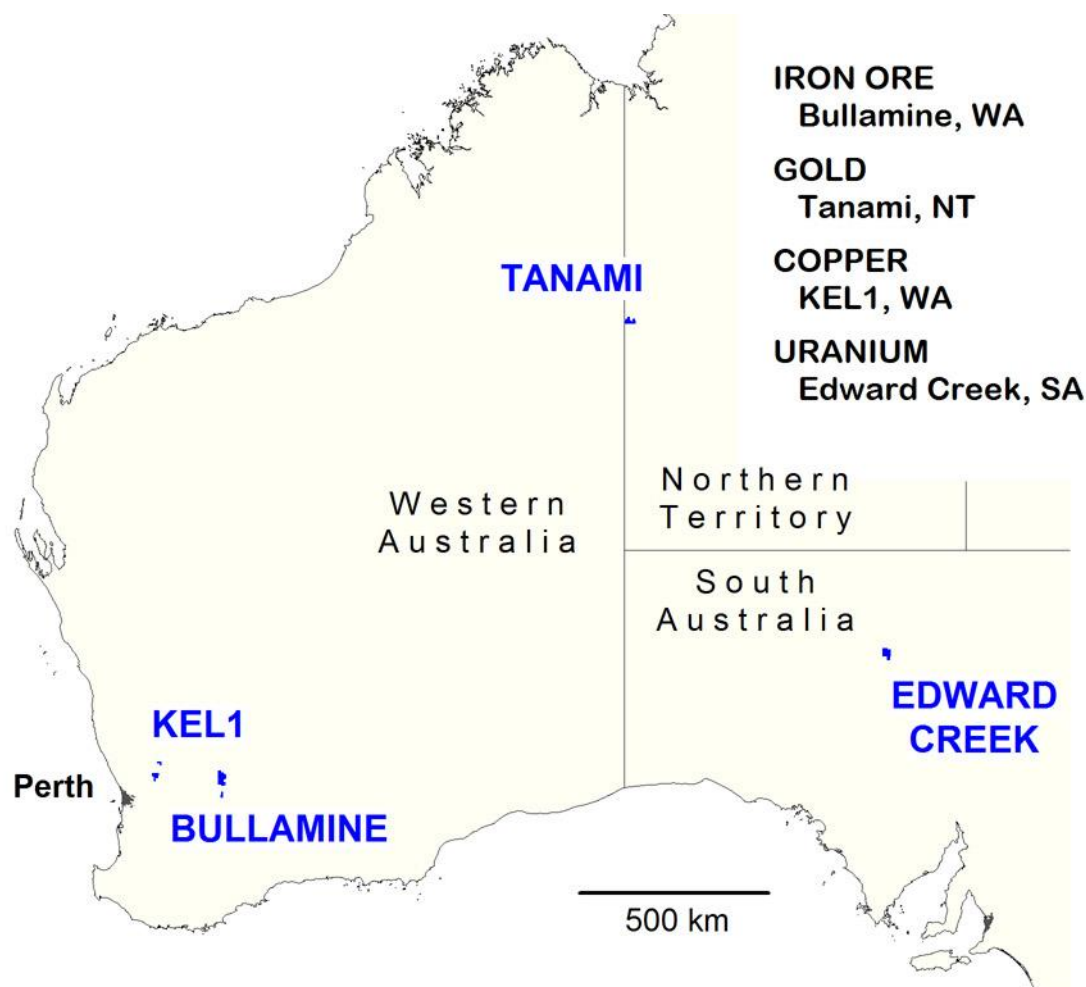
29 October 2014

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### **Quarterly Report for the period ended 30 September 2014**

#### **HIGHLIGHTS**

- Bullamine – Magnetite iron ore (WA):
  - Commenced testing program to determine range of product possible from Burracoppin.



## CURRENT EXPLORATION ACTIVITIES

### **Bullamine Iron (Magnetite) (WA)**

### **Iron (magnetite)**

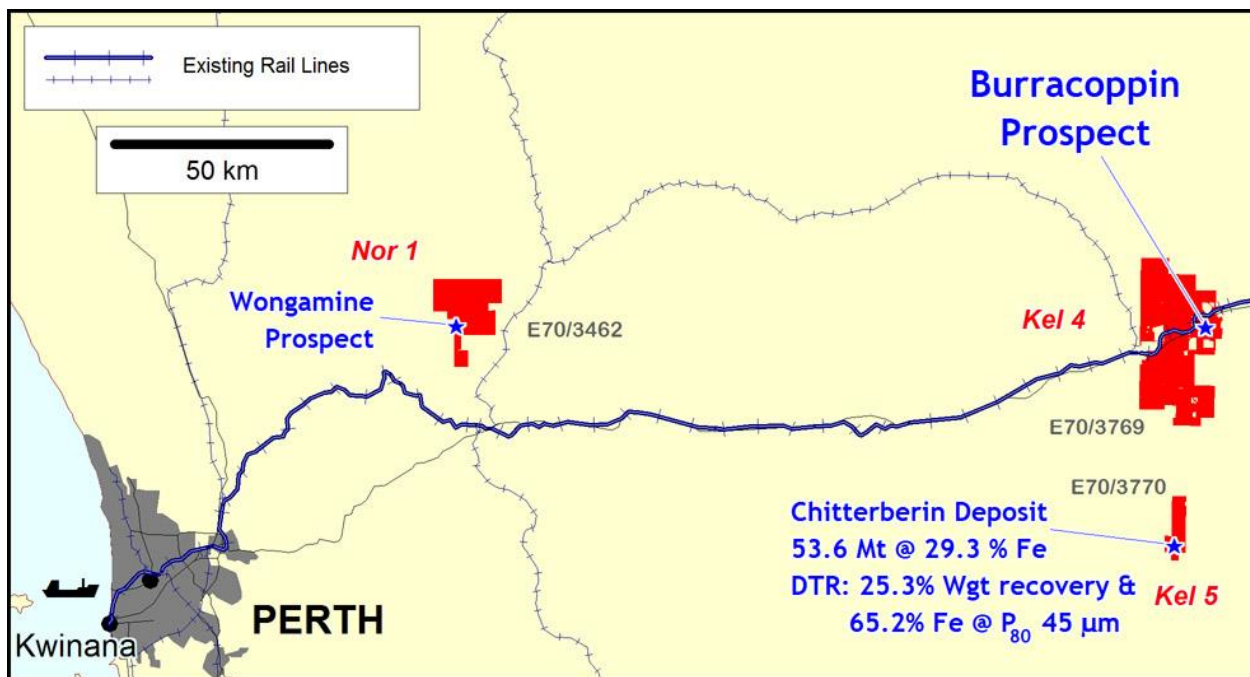
At the date of this report the tenements are held:

RLC 100% : E70/3462, 3769 & 3770

Total area 736 km<sup>2</sup>

Metallurgical testing commenced on core samples previously acquired from the Burracoppin prospect. The tests were completed subsequent to the end of the quarter and results are expected before the end of October. The samples tested weighed in aggregate 795 kilograms and comprised 6 composite samples over three separate mineralised intervals from two diamond holes into the Burracoppin deposit. The testing has been designed to investigate the composition of concentrates that can be recovered using dry and wet LIMS (low intensity magnetic separation) for a range of particle sizes from 6 millimetre to 125 micron (0.125 mm).

RLC is focussing on the Burracoppin prospect because of the size indicated by the magnetic anomaly associated with it, the wide intersections of mineralisation in two of the three bore holes completed to date, the favourable metallurgy and its location adjacent to rail connecting it to bulk cargo ports.



Location of Bullamine tenements and main prospects. The Chitterberin Deposit comprises an Inferred Resource described in RLC's ASX Release 22 Oct 2012.

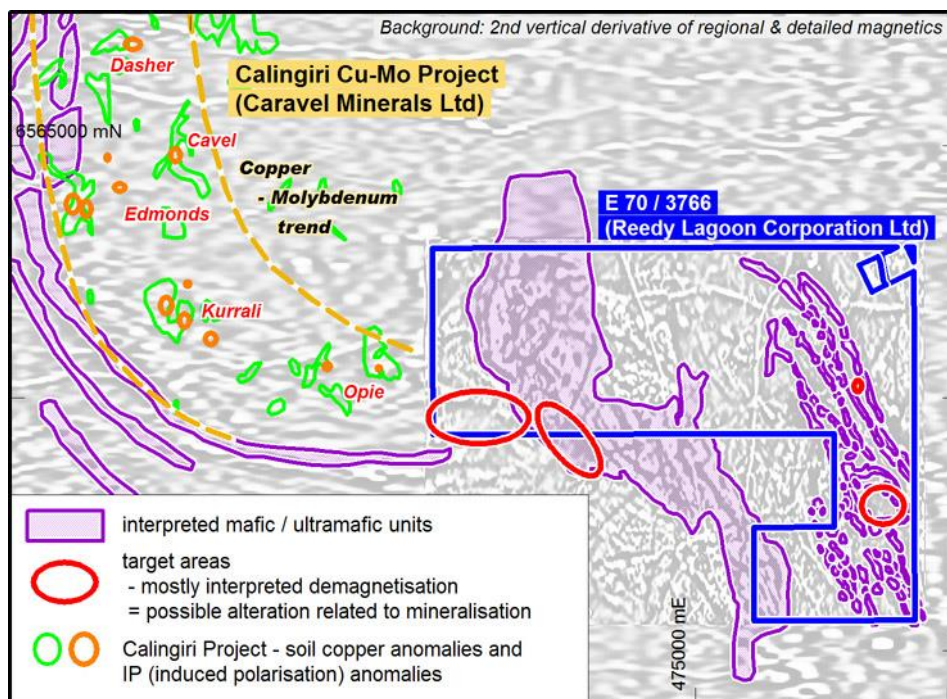
### **KEL 1 (WA)**

### **Copper / Gold**

RLC 100% E70/3766 total area 44 km<sup>2</sup>

No field activities were undertaken during the period.

KEL 1 is located in the Western Gneiss Terrane of the Yilgarn Craton 60 kilometres north of the town of Northam. Our initial exploration is taking advantage of remote sensing techniques, such as geophysical methods since more than half of the tenement area is buried beneath recent alluvium, lateritic soil and sandy plains.



*KEL 1 project area (E70/3766) showing potential copper-cobalt-nickel targets interpreted from magnetic data.*

## Edward Creek (SA)

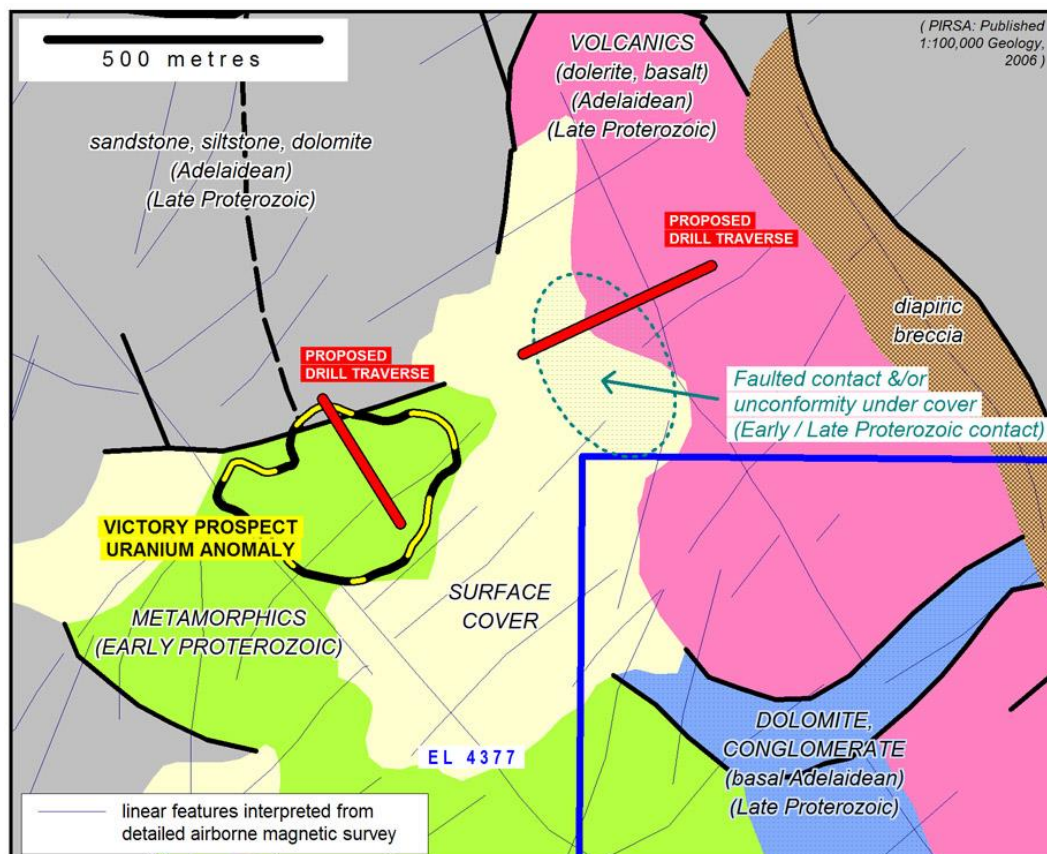
## Uranium

RLC 100% (excluding diamonds) EL 4377 total area 440 km<sup>2</sup>

No field activities were undertaken during the period.

Exploration for uranium was postponed. The low uranium price and a joint venture partner maintaining minimum exploration expenditure on the tenement enable RLC to postpone its planned exploration for uranium without penalty. Any exploration success with uranium in the current period would likely generate very little interest amongst potential joint venture partners and investors.

Work planned on the Edward Creek project includes drilling at the Victory uranium prospect. The drilling, now postponed until market conditions improve, will investigate strong surface uranium anomalism associated with quartz veining and along strike where a concealed unconformity is interpreted. The targets occur where uranium anomalism was identified by sampling in 2010 in a window of exposed, weathered and veined rocks of Early Proterozoic age. Results previously reported (RLC's ASX Release 17 Nov 2010) include assays of surface rock chip and auger samples up to 412 ppm uranium, 0.30 % copper, 0.39 % TREE.



*Proposed drill traverses at the Victory uranium prospect, Edward Creek project, South Australia (work on hold until market conditions improve).*

## **Tanami (NT)**

## **Gold, REE & Phosphate**

RLC 100% : EL 24885 area: 136 km<sup>2</sup>

No field activities were undertaken during the period.

Gold targets interpreted to be buried under less than 100 metres of cover together with REE and phosphate targets interpreted from airborne radiometric survey remain to be investigated.

The Tanami project is located in the Northern Territory and abuts the Western Australia border. The Newmont owned Callie Gold Mine (a 10 million oz plus deposit) is located 70 kilometres east from project area. Target mineralisation is gold, REE and phosphate.

## **COMMENT**

### **1. Finances**

Net cash inflow for the September 2014 quarter was \$178,529, following completion of a capital raising (\$341,288) in August 2014.

At 30 September 2014 RLC had \$278,927 in bank accounts and deposits with no debt.

Expenditure for the December 2014 quarter is forecast to be approximately \$ 185,000.

A partner for the Burracoppin iron-ore magnetite prospect was being sought and the Company planned to seek funding for work at Burracoppin and for working capital during the December 2014 quarter.

### **2. Management**

The Company's Annual General Meeting has been scheduled for Friday 31 October 2014 commencing at 10 am at the Company's offices located at suite 2, 337a Lennox Street, Richmond Victoria.

## FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Bullamine <i>Iron - Magnetite</i>	Test work on Burracoppin mineralisation	Dec Q
KEL 1 <i>Copper</i>	Gravity survey	Mar Q
Tanami <i>Gold, REE, Phosphate</i>	Field visit to inspect radiometric anomalies. Shallow aircore/RAB drilling	Mar Q TBD

All exploration activities are subject to contractor availability and funding.

TBD = to be determined

For further information, please contact:

Geof Fethers, Managing Director.

Telephone: (03) 8420 6280

or visit our Website at [www.reedylagoon.com.au](http://www.reedylagoon.com.au)

*The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)". Geof Fethers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this report, those releases are available to view on the NEWS page of [reedylagoon.com.au](http://reedylagoon.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in those earlier releases and, in the case of the estimate of the Mineral Resource, all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

### Mining tenements.

Tenements at end of quarter		
Project / Location	Tenement number	Company Interest (%)
BULLAMINE – NOR 1 (WA)	E70/3462	100
BULLAMINE – KEL 4 (WA)	E70/3769	100
BULLAMINE – KEL 5 (WA)	E70/3770	100
KEL 1 (WA)	E70/3766	100
TANAMI (NT)	EL 24885	100
EDWARD CREEK (SA)	EL 4377	100 (excl. diamond)

Joint ventures at end of quarter		
Agreement	Tenements	Company Interest (%)
Diamond Farm-out Agreement	EL 4377	100 all minerals excluding diamond

Tenements changed during the quarter: Nil

Joint ventures changed during period: Nil



Rule 5.3

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

REEDY LAGOON CORPORATION LIMITED

ABN

41 006 639 514

Quarter ended ("current quarter")

30 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to Date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	9	9
1.2	Payments for		
	(a) exploration and evaluation	(51)	(51)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(114)	(114)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) – Net GST /PAYG paid(received/recovered)	(7)	(7)
<b>Net Operating Cash Flows</b>		<b>(162)</b>	<b>(162)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) Proceeds from Farm-in Agreement	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (carried forward)	(162)	(162)
1.13	Total operating and investing cash flows (brought forward)	(162)	(162)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	341	341
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material) – GST adjustment on equity raising		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	179	179
1.20	Cash at beginning of quarter/year to date	100	100
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	279	279

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2 (net of GST)	51
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of salaries and director fees to directors (incl. Superannuation)	\$000's 51

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

## Financing facilities available

Add notes as necessary **for** an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	110
4.2 Development	-
4.3 Production	-
4.4 Administration	75
<b>Total</b>	185

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	279	100
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	279	100

## Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	none			
6.2 Interests in mining tenements acquired or increased	none			

+ See chapter 19 for defined terms.



### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3	<b>*Ordinary securities</b>	70,612,894	53,548,490		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	17,064,404	17,064,404	2.0	2.0
7.5	<b>*Convertible debt securities</b> (description)	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
		Total number	Number quoted	Exercise price	Expiry date
7.7	<b>Options</b> (description and conversion factor)	1,550,000 900,000 900,000	NONE NONE NONE	20 cents 20 cents 20 cents	31 December 2014 31 December 2015 31 December 2016
7.8	Issued during quarter				
7.9	Exercised during quarter	-			
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )		
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## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 29 October 2014  
(Director)

Print name: GEOFF FETHERS

## Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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