



ASX Release

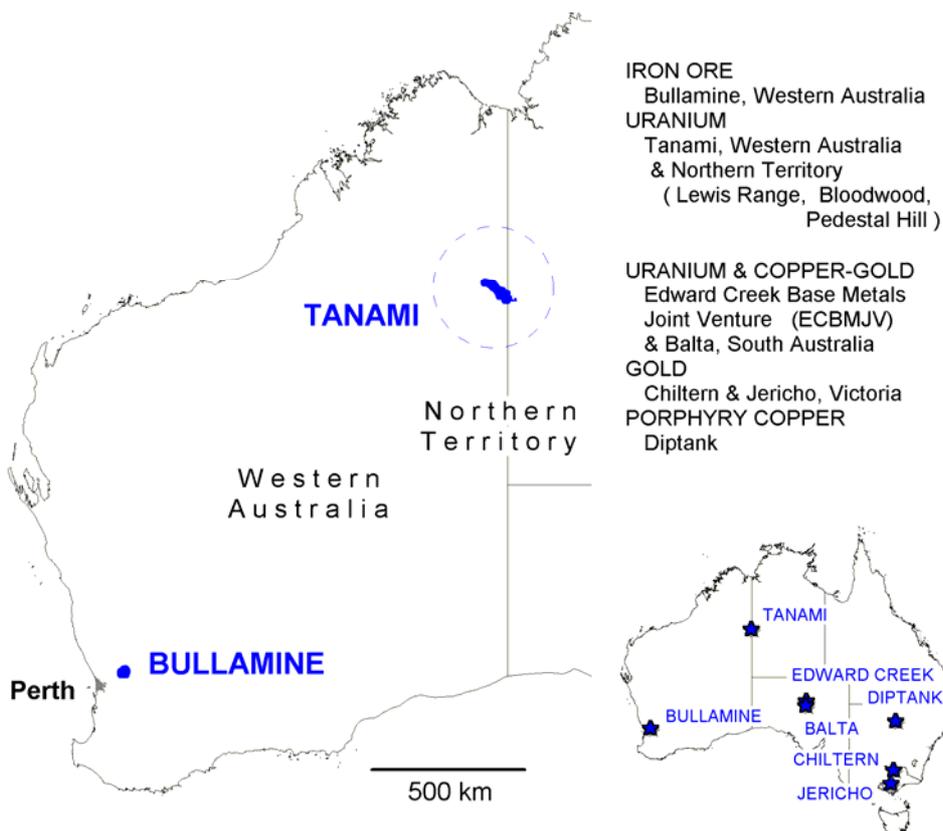
ASX Code: RLC

28 April 2008

Quarterly Report for the period ended 31 March 2008

HIGHLIGHTS

- Drilling commenced at the Jericho gold project in VIC.
- Archer became the first iron ore target for which a land owner agreement allowing drilling, and, if successful, mining, was signed at the Bullamine project in WA.
- Interpretation of the airborne magnetic data identified a number of targets indicative of rocks prospective for iron minerals having total strike length of 60 kilometres at the Bullamine project in WA. The individual target units range in length from 200 metres to 5,000 metres with widths between 40m and 150m but are mostly about 55 metres wide.
- Drilling scheduled for the June quarter includes:
 - Jericho (gold, VIC) –commenced 24 March.
 - Chiltern (gold, VIC) – commenced 2 April.



CURRENT EXPLORATION ACTIVITIES

Bullamine (WA)

Iron

RLC 100% : EL 2846, EL 3152, EL 3153

RLC 100% Bulla JV (provides interest in iron only) (EL 2719 & 2720)

Interpretation of the airborne magnetic data completed during the period identified a number of targets indicative of rocks prospective for iron minerals comprising a total strike length of 60 kilometres. The individual targets range in length from 200 metres to 5,000 metres with widths between 40m and 150m but are mostly about 55 metres wide.

Access negotiations were conducted with land owners during the report period. Land holdings and existing land uses are being identified in order to prioritise targets with potential for development and immediate drill testing. However, it is unlikely that RLC will be able to obtain regulatory approval for any drill testing in the June quarter.

The first land owner agreement, covering exploration and should it prove feasible, mining, was signed during the period. The target covered by the agreement has been named "ARCHER" after the famous Melbourne Cup winner. Both the land owner and RLC are hopeful that Archer can win another "race" by being the first iron prospect into production at Northam.

Work at Bullamine is exploring for near surface iron mineralisation to form the basis for a low cost shallow open cut mining operation for magnetite. The short distance, 90 kilometres, to bulk cargo facilities at Fremantle Ports' Kwinana facility south of Perth is a significant attribute of the project.

Tanami (NT/WA)

Uranium

RLC 100% : EL 24885 (NT), ELA 80/3860 (WA)

RLC 90% U₃O₈ JV (ELs 80/3706, 3707, 3708 & ELA 80/3939) (WA)

The Tanami project straddles the Western Australia/Northern Territory border. Target mineralisation is uranium precipitated and concentrated along unconformities and paleodrainage channels within sedimentary sequences or within fault zones.

Agreement was reached with the Kimberley Land Council for access and this enabled the grant of ELs 80/3706, 3707, 3708 which occurred on 25 March. Preliminary geological studies will be carried out concurrently with negotiations for access to the remaining tenements.

Edward Creek (SA)

Uranium, Copper, Gold

RLC 62% ECBMJV (ELs 3250, 3790, 3886)

The Edward Creek Base Metal Joint Venture is exploring for uranium and for copper-gold-uranium mineralisation on the north eastern margin of the Gawler Craton in South Australia.

Preliminary interpretation of EM data from our 2007 surveys has identified possible reduction/oxidation ("REDOX") boundaries. Such REDOX boundaries potentially present sites of uranium deposition. Further analysis of the data is continuing and it is planned that a selection of the interpreted REDOX boundaries will be drilled.

Drilling at the Santorini gravity anomaly (iron-oxide copper-gold-uranium or IOCG-U target), originally scheduled for last year, remained postponed due to continued drought conditions in the area. There was no water within trucking distance of the drill site and drilling cannot proceed until water is available.

Assessment of gravity data over EL 3790 downgraded its potential to contain IOCG type mineralization and this tenement will be relinquished in the June quarter. After relinquishing EL 3790 (84 sq km) the Edward Creek project area will reduce to 684 sq km.

Balta (SA)

Uranium

RLC 100% (excluding diamonds) Balta EL 3505

Target mineralisation is uranium which may be precipitated and concentrated along unconformities and paleodrainage channels within and at the base of Mesozoic sedimentary sequences throughout the tenement area. Data from our airborne EM surveys flown in 2007 are being processed and interpreted in order to identify targets for further investigation.

Chiltern (VIC)

Gold

RLC 100% : ELs 3032, 3281, 3376

Drilling (reverse circulation percussion or "RC") commenced on 2 April following the end of the report period.

The drill programme is investigating three chargeability anomalies. Such anomalies are commonly caused by sulphides which, in this environment, are prospective for gold mineralisation.

The Chiltern Project covers approximately 230 km² of the Chiltern Goldfield located in northern Victoria. The goldfield has produced 45 tonnes (1.4 M oz) of gold from alluvial deep lead systems (buried river beds). Notably little gold was produced from hard rock (quartz reef) deposits. The original source of the gold found in the deep leads has never been discovered although early workers identified sediment-hosted gold (in sandstone and siltstone pebbles and nodules) amongst the waste rock initially discarded during the alluvial mining. About one hundred tonnes of this "waste rock", in which very fine grained gold could be observed, was processed in the early 1900s at an average grade of over 20 g/t gold.

The exploration objective at Chiltern is to discover primary gold mineralisation – the source or sources to the gold previously mined from the deep leads.

Jericho (VIC)

Gold

RLC 100% : EL 3208

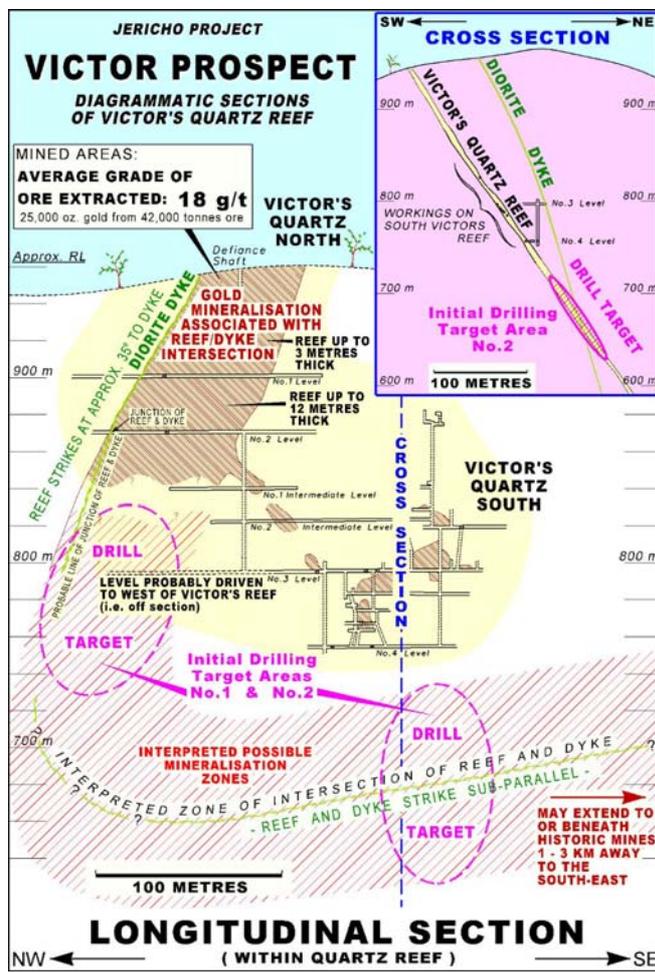
Diamond drilling at the Victor prospect commenced on 24 March targeting gold mineralisation in a zone of intersection between the Victor's Quartz Reef and a diorite dyke rock. The zone of intersection is structurally analogous with the setting of the Cohen's Reef Mine (which produced more than 1.4 M oz gold) located about 40 kilometres to the south of Victor.

The drill contractor experienced mechanical problems which slowed progress. By the end of the report period a total of 63.4 metres core had been drilled.

The program was for two holes. The first hole was targeting the reef and dyke rock intersection below the mined areas at Victors Quartz North. The second hole was to target a southern extension of Victors Quartz Reef.

Following the end of the report period the first hole was completed at 308.5 metres and was interpreted to have successfully penetrated the Victors Quartz Reef structure and associated thin dyke rock, beneath the historic mine workings. Insufficient time remained however, to complete the second hole before seasonal closure of the area on 1 May and the drilling programme was terminated.

Core recovered by the drilling is to be logged, sampled and assayed during the June Quarter



Diptank (NSW)

Copper-Gold

RLC 85% : EL 6202

Nine RC drill holes for total 898.9 metres were drilled during December 2007 and January 2008.

The program investigated the potential for a 2.5 kilometres diameter magnetic anomaly to be associated with a large intrusive and related mineralization. Prior to the drilling, elevated levels of copper, lead and gold had been recovered in rocks located peripheral to the magnetic anomaly.

Assay results and petrological reports from samples of the drill cuttings did not provide sufficient encouragement for RLC to continue with this project and RLC formally withdrew from the Diptank Joint venture with C L & J E Plumridge effective 1 April 2008. RLC retains no residual interest in the Diptank project.

Diptank is located 100 kilometres to the south east of Bourke in the Lachlan Fold Belt of NSW.

FORTHCOMING ACTIVITIES

The following activities are planned :-

Project	Activity Planned	Timetable
Bullamine <i>Iron</i>	Continue interpretation of survey data (magnetic) and finalisation of regulatory approvals for planned drilling.	ongoing
Tanami <i>Uranium</i>	Continue negotiations for grant of tenements (ELA 80/3860, 80/3939 and 24885) and access. Continue desktop studies.	ongoing
Edward Creek <i>Uranium, copper, gold</i>	Interpretation of EM data for uranium targets Drill test (diamond) Santorini (U,Cu,Au) – dependent on water supply Drill test (RAB / RC) selected uranium targets	April TBD TBD
Balta <i>Uranium</i>	Interpretation of EM data for uranium targets	May
Chiltern <i>Gold</i>	Complete drilling (RC) IP anomalies (gold targets)	April
Jericho <i>Gold</i>	Complete the drilling programme underway at end March	April

All exploration activities are subject to contractor availability.

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

The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers and Hugh Rutter, who are members of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG) respectively. Geof Fethers and Hugh Rutter are directors of the Company and each has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to each qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Geof Fethers and Hugh Rutter consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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")

31 MARCH 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	33	99
1.2 Payments for		
(a) exploration and evaluation	(339)	(710)
(b) development	-	-
(c) production	-	-
(d) administration	(72)	(320)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	126
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)- Receipt of June 2007 GST claim	-	79
Net Operating Cash Flows	(359)	(725)
Cash flows related to investing activities		
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)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(359)	(725)

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	(359)	(725)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(359)	(366)
1.20	Cash at beginning of quarter/year to date	3501	3,867
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,142	3,142

**Payments to directors of the entity and associates of the directors and
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	138
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Payment of consulting and director fees to directors

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	458
4.2 Development	-
Total	458

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	47	290
5.2 Deposits at call	3,005	3,337
5.3 Bank overdraft	-	-
5.4 Other (provide details)		
Deposits lodged as security for tenement bonds	90	90
Total: cash at end of quarter (item 1.22)	3,142	3,697

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	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	EL70/3512	Application now granted	100%	100%
	EL 70/3513	Application now granted	100%	100%
	E 80/3706 - 8	Application now granted (under joint venture arrangements)	90%	90%

+ 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 (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1 Preference securities <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter	-	-		
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 Ordinary securities	47,600,000 (1)	31,205,330		
7.4 Changes during quarter	-	-		
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter	-	-		
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	Refer table 1 below	NONE	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	NONE	NONE		
7.9 Exercised during quarter	NONE	NONE		
7.10 Expired during quarter	NONE	NONE		
7.11 Debentures <i>(totals only)</i>	NIL	NIL		
7.12 Unsecured notes <i>(totals only)</i>	NIL	NIL		

(1) on 28 April 2008 1 million shares were issued as final completion under the Tenement sale agreement dated 7 February 2007, for the acquisition of part of the Tanami project (U308 Joint Venture).

+ See chapter 19 for defined terms.



Table 1 – Options on Issue at 31 March 2008

Expiry Date	Exercise Price	Number of Options
31 December 2008	\$0.50	876,260
30 November 2009	\$0.30	2,600,000
31 December 2009	\$0.50	876,620
31 December 2010	\$0.20	1,850,000
31 March 2012	\$0.50	2,500,000
30 April 2012	\$0.30	6,000,000

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: 28 April 2008
(Director)

Print name: Geof 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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+ See chapter 19 for defined terms.