



ASX Release

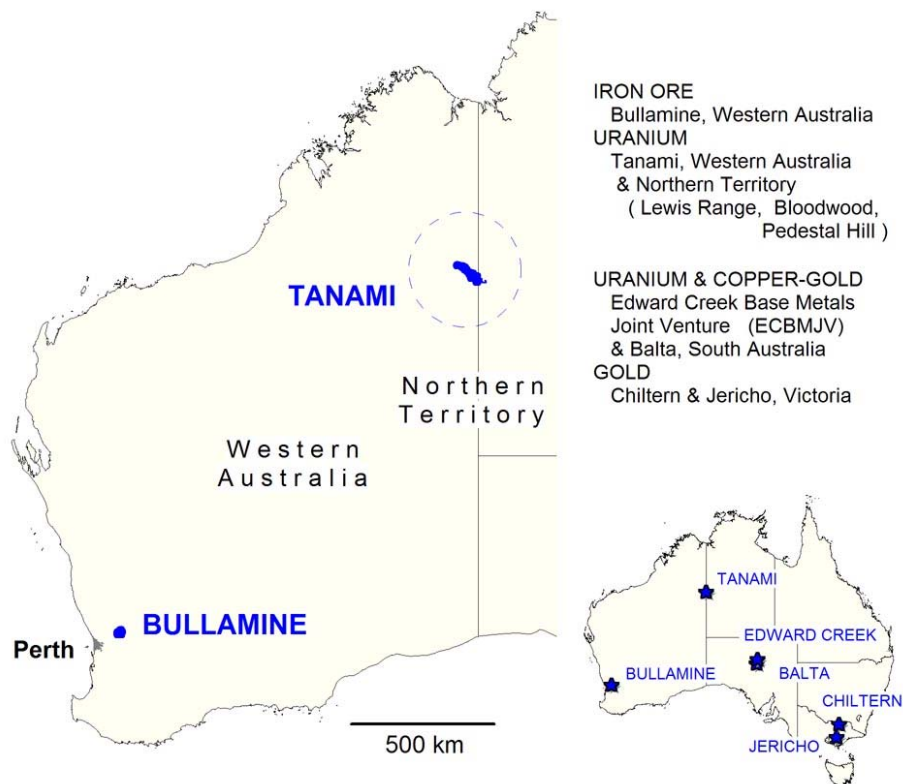
ASX Code: RLC

25 July 2008

Quarterly Report for the period ended 30 June 2008

HIGHLIGHTS

- Drilling at Chiltern (gold, Victoria)
- Completion of drilling at Victor, Jericho (gold, Victoria)
- Identification of uranium exploration targets from interpretation of airborne EM data at the Balta project in South Australia
- Cleansweep became the second iron ore target for which a land owner agreement allowing drilling, and, if successful, mining, was signed at the Bullamine project in WA.



CURRENT EXPLORATION ACTIVITIES

Bullamine (WA)

Iron

RLC 100% : E70/2846, E70/3152, E70/3153, ELA70/3462

RLC 100% Bulla JV (provides interest in iron only) (E70/2719 & E70/2720)

Interpretation of airborne magnetic data to target delineation stage was completed for the project area during the period.

Access negotiations with land owners were continued during the report period. By the end of the quarter agreements had been finalised over targets with combined dimensions sufficient to justify drilling.

Statutory and regulatory registration and approval processes have commenced and approval for drilling operations will be lodged during the September quarter. Environmental factors may necessitate avoiding the use of heavy wheeled or track mounted vehicles in the district whilst muddy conditions prevail.

Drilling is being planned for the December quarter – but any opportunity to drill sooner will be taken.

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.

Radiometric data obtained from Geoscience Australia, which included both company open file data and government collected data, was compiled and examined for indication of anomalous uranium. The results will be related to the known geology and further evaluated. An airborne electromagnetic survey is being considered over those areas which may be seen to be prospective as a result of the preliminary studies.

Edward Creek (SA)

Uranium, Copper, Gold

RLC 62% ECBMJV (ELs 3250, 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.

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.

A provisional work program including diamond drilling to test the Santorini target and RC drilling to investigate uranium targets interpreted on a possible reduction/oxidation ("REDOX") boundary identified in EM data was prepared by RLC and is being reviewed by the JV partners.

Balta (SA)

Uranium

RLC 100% (excluding diamonds) Balta EL 3505

A reduction/oxidation ("REDOX") boundary was interpreted from the EM data acquired during prior periods. Such REDOX boundaries potentially present sites of uranium deposition. Shallow drilling is planned to investigate for uranium mineralisation associated with the interpreted REDOX boundary.

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.

Chiltern (VIC)

Gold

RLC 100% : ELs 3032, 3281, 3376

Three chargeability anomalies, interpreted in IP survey data, were drilled (RC) during the period. Five holes were drilled for a total of 730.5 metres.

Analysis of samples from the drilling did not identify sufficient gold mineralisation at any of the three anomalies drilled to give any indication that the targeted anomalies are connected with the source for the alluvial gold previously mined from the historic goldfield.

Subsequent work will focus on investigating the potential for mining remnant placer gold from the deep leads previously mined in the late 1800s and early 1900s.

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.

Jericho (VIC)

Gold

RLC 100% : EL 3208

Diamond drilling at the Victor prospect, which commenced during the previous period on 24 March, successfully penetrated the target extension of the Victors Quartz Reef structure and associated thin dyke rock, beneath historic mine workings. The hole was drilled at a dip of at 61⁰ to a downhole depth of 308.5 metres.

Anomalous gold, generally in association with quartz and arsenopyrite, was recovered in some of the samples assayed. Whilst the results from the drilling establish the continuation of the reef structure, the grades and widths recovered do not indicate any mineable intersection was identified by the drilling completed.

A second hole planned to test a southern extension of the structure was abandoned due to the seasonal closure on 1 May of the water catchment within which the drilling was undertaken.

The zones of intersection under investigation are 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.

FORTHCOMING ACTIVITIES

The following activities are planned :-

Project	Activity Planned	Timetable
Bullamine <i>Iron</i>	Continue access negotiations with land owners, finalisation of regulatory approvals for planned drilling. Airborne magnetic survey over E70/3462 (application) subsequent to grant.	Ongoing (drilling in Dec Q)
Tanami <i>Uranium</i>	Continue negotiations for grant of tenements (ELA 80/3860, 80/3939 and 24885) and access. Continue desktop studies. Meeting with the Traditional Aboriginal Landowners connected with EL 24885.	Ongoing August
Edward Creek <i>Uranium, copper, gold</i>	Drill test (diamond) Santorini (U,Cu,Au) – dependent on water supply Drill test (RAB / RC) selected uranium targets	TBD TBD
Balta <i>Uranium</i>	Drill test selected uranium targets	Sep
Chiltern <i>Gold</i>	Literature review of the deep lead gold deposits at Chiltern and their potential to be re-mined.	Sep Q
Jericho <i>Gold</i>	Seasonal closure of water catchment until 1 November	TBD

All exploration activities are subject to contractor availability.

TBD = to be determined

For further information, please contact:

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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")

30 JUNE 2008

Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	37	136
1.2	Payments for		
	(a) exploration and evaluation	(343)	(1,053)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(107)	(426)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	85	211
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	(328)	(1,053)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	(65)	(65)
	(b) equity investments	-	-
	(c) other fixed assets	(30)	(30)
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	(95)	(95)
1.13	Total operating and investing cash flows (carried forward)	(423)	(1,148)

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	(423)	(1,148)
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	(423)	(1,148)
1.20	Cash at beginning of quarter/year to date	3,142	3,867
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,719	2,719

**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	151
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

		\$000's
Payment of salaries and director fees to directors	-	56
Payments to director related entities for other professional fees and charges provided to Reedy by those entities in relation to exploration or other activities of Reedy	-	95

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	295
4.2 Development	-
Total	295

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	28	47
5.2 Deposits at call	2,601	3,005
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)	2,719	3,142

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	EL 3790 EL 6202	Granted tenement 85% in Diptank JV	62% 85%	nil nil
6.2 Interests in mining tenements acquired or increased	E70/3462	Application lodged 16/05/08	nil	100%

+ 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 (description)	NIL	NIL		
7.2	Changes during quarter	-	-		
	(a) Increases through issues	-	-		
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3	+Ordinary securities	48,600,000	38,805,330		
7.4	Changes during quarter				
	(a) Increases through issues	1,000,000 ⁽¹⁾	7,600,000 ⁽²⁾	20	20
	(b) Decreases through returns of capital, buy-backs	-	-		
7.5	+Convertible debt securities (description)	NIL	NIL		
7.6	Changes during quarter				
	(a) Increases through issues	-	-		
	(b) Decreases through securities matured, converted	-	-		
7.7	Options (description and conversion factor)	NONE	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 (totals only)	NIL	NIL		
7.12	Unsecured notes (totals)	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 the Tanami project (U308 Joint Venture)

(2) on 20 June 2008 (being 12 months from admission to the ASX official list) escrow restrictions on 7.6 million shares lapsed

+ See chapter 19 for defined terms.

Table 1 – Options on Issue at 30 June 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: 25 July 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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