



# ASX Release

ASX Code: RLC

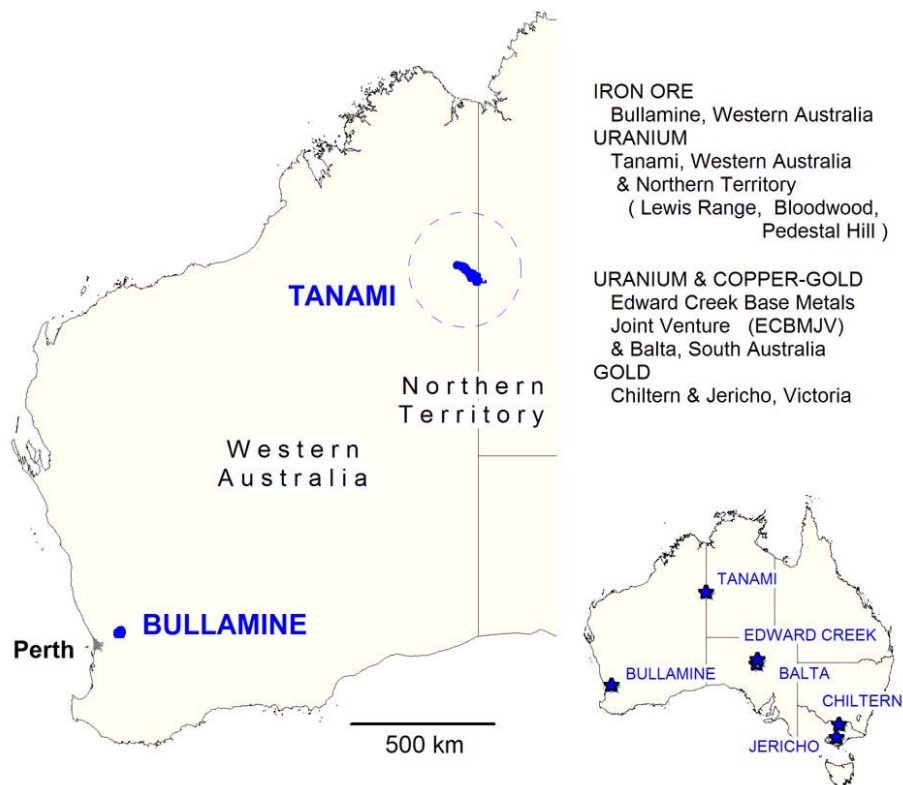
29 January 2009

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## Quarterly Report for the period ended 31 December 2008

### SUMMARY

- ❑ Drilling iron-ore targets at Bullamine (iron-ore, WA)
- ❑ Completion and close of both Victorian gold projects



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## 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)

Drilling intersected iron mineralisation at the Cleansweep target. 13 Reverse Circulation holes, for a total 809 metres, were completed at the target. The deepest hole was 92 metres (down-hole) and the average vertical depth from surface was 54 metres. Steeply dipping narrow pods of banded iron formation, comprising magnetite and weathered products, were intersected. 220 samples from one metre intervals of the drill cuttings were submitted for assay. The assay results, expected in February, will be used to select intervals for repeat sampling in order to determine potential iron recoveries.

The drilling conducted to date at Cleansweep is preliminary and too wide spaced to provide information about the extent and continuity or otherwise of the iron mineralisation at Cleansweep. However, results to date indicate that at the Cleansweep target, mineralised pods occur within the target area. Additional drilling would be required to determine whether sufficient mineralisation exists to comprise a mineable resource at the target. Additional drilling at Cleansweep may be warranted but will be dependent on results from the sample assays underway and the planned processing tests.

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 existing rail service and short distance, 90 kilometres, to bulk cargo facilities at Fremantle Ports' Kwinana facility south of Perth are significant attributes of the project.

### **Tanami (NT/WA)**

### **Uranium**

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

RLC 90% U<sub>3</sub>O<sub>8</sub> JV (ELs 80/3706, 3707, 3708 & EL 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.

A project review resulted in a decision to focus further work at the Tanami project on the area under application in the Northern Territory, ELA 24885.

During the period the Company agreed to a request from the Central Land Council to extend the negotiating period for exploration licence number 24885. The period was extended until 31 October 2010.

### **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.

Uranium targets, interpreted during prior report periods on a possible reduction/oxidation ("REDOX") boundary identified in EM data, are planned to be drilled after summer in the June quarter.

Drilling at the Santorini gravity anomaly (iron-oxide copper-gold-uranium or IOCG-U target), originally scheduled for 2007, remained postponed. Rainfall during the report period has replenished surface water storages and drilling will be planned in the cooler weather following summer.

A provisional work program including diamond drilling to test the Santorini target and RC drilling to investigate the uranium targets described above remains under review by the JV partners.

### **Balta (SA)**

### **Uranium**

RLC 100% (excluding diamonds) Balta EL 3505

Uranium targets, interpreted during prior report periods on a possible reduction/oxidation ("REDOX") boundary identified in EM data, are planned to be drilled after summer.

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 – applications for renewals were withdrawn on 30/12/08.

A project review resulted in a decision to cease further work at the Chiltern project.

### **Jericho (VIC)**

### **Gold**

RLC 100% : EL 3208 – application for renewal was withdrawn on 30/12/08.

A project review resulted in a decision to cease further work at the Jericho project.

## **COMMENT**

At 31 Dec 2008 RLC had \$2.39M in bank deposits and no debt. Net cash out flow for the December quarter was \$192,000.

RLC's strategy in the current market conditions is to focus on establishing a cash flow from operations. Bullamine remains the Company's most promising opportunity to establish a cash flow and is accordingly receiving the most attention. Our shallow uranium targets in South Australia are another potential route to create a cash flow as exploration and development costs for such deposits can be modest.

## FORTHCOMING ACTIVITIES

The following activities are planned :-

Project	Activity Planned	Timetable
Bullamine <i>Iron</i>	Additional test work on drill cuttings from the Cleansweep target is planned during the March quarter. Subject to board approval following further investigations of the drill sites and then existing economic conditions, continued drilling is planned for late in the March 09 quarter but is dependent on completing land owner agreements and gaining regulatory approvals.	Possible drilling in Mar Q
Tanami <i>Uranium</i>	Continue negotiations for grant of EL 24885.	Ongoing
Edward Creek <i>Uranium, copper, gold</i>	Drill test (Mud/RC) selected uranium targets Drill test (diamond) Santorini (U,Cu,Au)	TBD TBD
Balta <i>Uranium</i>	Drill test selected uranium targets	TBD
New Project Development		Ongoing

All exploration activities are subject to contractor availability.

*TBD = to be determined*

For further information, please contact:

Geof Fethers, Managing Director.

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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 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 DECEMBER 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	35	35
1.2 Payments for (a) exploration and evaluation	(187)	(273)
(b) development	-	-
(c) production	-	-
(d) administration	(70)	(177)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	35	79
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)	(5)	25
<b>Net Operating Cash Flows</b>	<b>(192)</b>	<b>(311)</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)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(192)</b>	<b>(311)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(192)	(311)
	<b>Cash flows related to financing activities</b>		
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) – GST adjustment on equity raising	-	(17)
	<b>Net financing cash flows</b>	-	(17)
	<b>Net increase (decrease) in cash held</b>	(192)	(328)
1.20	Cash at beginning of quarter/year to date	2,583	2,719
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,391	2,391

**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)	116
1.24	Aggregate amount of loans to the parties included in item 1.10	-

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	60

**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
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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
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+ 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 (assuming the drilling planned at Bullamine proceeds)	230
4.2 Development	-
<b>Total</b>	<b>230</b>

In addition to the above exploration cost the Company estimates it will incur in the next quarter office and administration expenses of \$ 70,000

## 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	62	36
5.2 Deposits at call	2,239	2,457
5.3 Bank overdraft	-	-
5.4 Other (provide details)		
Deposits lodged as security for tenement bonds	90	90
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,391</b>	<b>2,583</b>

## 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 3032, EL 3281 & EL 3376 – Chiltern; EL 3208 - Jericho		100% 100% 100% 100%	nil nil nil nil
6.2 Interests in mining tenements acquired or increased	E80/3939 Tanami	Granted tenement	100% application	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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>+Ordinary securities</b>	48,600,000	38,805,330		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	Refer table 1 below	NONE	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	1,850,000	NONE	\$0.20	31/12/2011
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	876,260	NONE	\$0.50	31/12/2008
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.



Table 1 – Options on Issue at 31 December 2008

Number of Options	Exercise Price	Expiry Date
2,600,000	\$0.30	30 November 2009
876,620	\$0.50	31 December 2009
1,850,000	\$0.20	31 December 2010
1,850,000	\$0.20	31 December 2011
2,500,000	\$0.50	31 March 2012
6,000,000	\$0.30	30 April 2012

### 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 January 2009  
(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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