



ASX Release

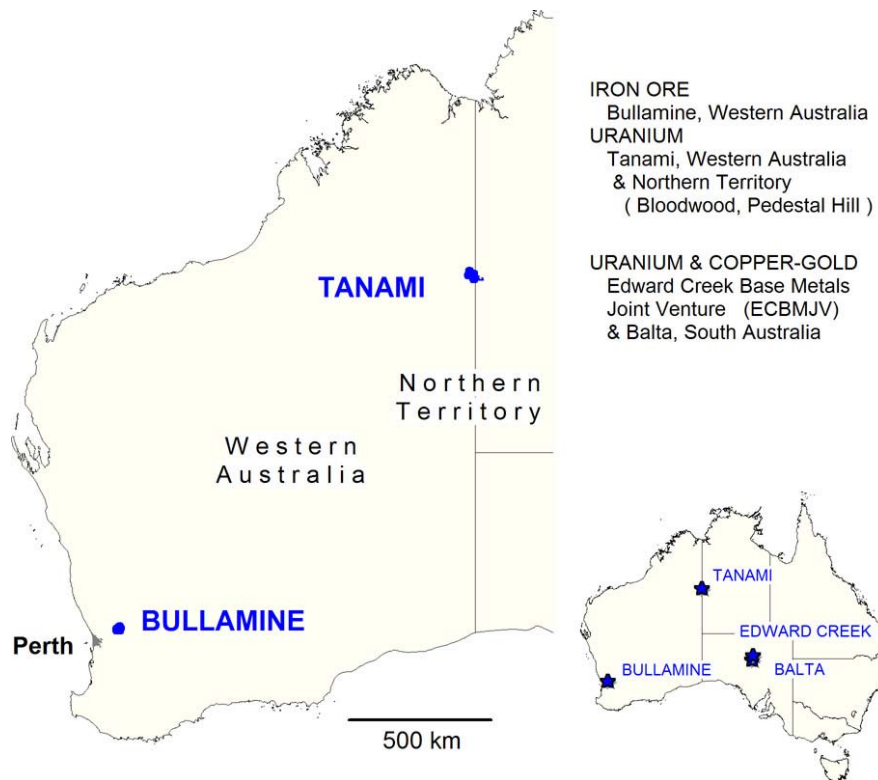
ASX Code: RLC

April 2009

Quarterly Report for the period ended 31 March 2009

SUMMARY

- ❑ Encouraging sample assay results received from Bullamine (iron-ore, WA)
- ❑ Completion and withdrawal from the U₃O₈ Joint Venture, part of the Tanami uranium project (WA/NT)



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)

Laboratory results indicate a high quality iron concentrate (at 69% Fe) can be produced from the Bullamine project.

The drilling, reported on 11 December 2008, comprised 13 RC holes each to nominal 60 metres down-hole depth for total 803 metres. All holes were drilled dipping 60 degrees towards 245 degrees azimuth. Outcropping exposures of the target banded iron formations ("BIFs") generally indicated a steep easterly dip, however modelling of magnetic data indicated a steep westerly dip.

Cuttings from selected one metre intervals (220) were submitted for assay. XRF analysis of 157 (71%) of these samples detected grades of 20% iron or higher and low phosphorous (table 1).

Table 1. Average assay for 157 samples grading 20% iron or higher from bore holes: BCS 4, 5, 6, 8, 9, 11, 12, 13, 14, 15 & 16.

	Fe %	SiO2 %	Al2O3 %	TiO2 %	Mn %	CaO %	P %	MgO %	K2O %	LOI %
OXIDISED	29.4	41.6	8.2	0.40	0.03	0.2	0.05	0.8	0.4	5.4
FRESH	31.5	44.5	3.6	0.19	0.19	1.7	0.05	2.7	0.6	0.1
Average	30.4	43.1	5.9	0.29	0.11	0.9	0.05	1.7	0.5	2.8

Assay by Kalassay.

The results were sufficiently encouraging to undertake additional sampling to determine the parameters and characteristics of iron concentrates that could be produced. 5 samples covering a range of intersections were submitted for Davis Tube Recovery ("DTR") tests.

Results from these tests, received in early April, indicate a high quality iron concentrate (at 69% Fe) can be produced from the Bullamine project. DTR results from two samples of unweathered material tested are provided in (table 2).

The remaining three samples comprised oxidised (weathered) material from shallow borehole depths (boreholes 6, 12 and 16) and reported low magnetite contents. The low magnetite content indicates magnetic separation would be less efficient at recovering and concentrating iron from the weathered material sampled. Studies into iron liberation and concentration methods for processing this weathered material commenced during the report period.

Table 2. Assay results for 2 concentrates (Davis Tube Recovery at +45 micron) from intervals of fresh Banded Iron Formation at the Cleansweep target, Bullamine project.

Borehole	Interval (downhole)	Total Fe recovered %	Fe in concentrate %	SiO2 %	Al2O3 %	TiO2 %	Mn %	CaO %	P %	MgO %	K2O %	LOI %
5	42 to 50 m	93.3	70.0	1.3	1.0	0.3	0.10	0.0	0.00	0.2	0.04	-3.7
6	85 to 90 m	90.5	69.4	1.9	1.5	0.2	0.16	0.1	0.00	0.3	0.01	-3.2

Assay by ALS Chemex.

The Company believes the above assay results are encouraging. The high iron content and low levels of impurities assayed in the concentrates indicate a premium product. Such a concentrate might find application for a smelter where lower quality feed could be improved by blending.

As noted in the Quarterly report for the period ended 31 December 2008, 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. The Company proposes to undertake ground magnetic surveys to plan further drilling to determine whether sufficient mineralisation exists to comprise a mineable resource at the target.

During the report period assay results from surface sampling at the Olive target were also received (table 3). Field mapping indicates a magnetite formation of 5 metres width extends for about 1,500 metres strike length although magnetic data suggest a more substantial width may be present.

Table 3. Average assay for 8 samples, Olive target.

	Fe %	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	Mn %	CaO %	P %	MgO %	K ₂ O %	LOI %
Average	42.6	29.7	5.0	0.23	0.04	0.1	0.05	0.1	0.03	3.62

Assay by Kalassay.

The Company considers these results are sufficient to warrant drilling of the Olive target and ground magnetic survey to assist determining a drill programme to investigate the target is planned.

In other developments at the Bullamine project, notices of surrender of tenements E70/3152 and E70/3153 were posted. Iron targets identified on these tenements were not considered sufficient to warrant continued work.

Drilling planned during the period was postponed pending the gaining of regulatory approvals and additional landowner agreements.

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% U₃O₈ JV (ELs 80/3706, 3707, 3708 & EL 80/3939) (WA)

The Company withdrew from the U₃O₈ Joint Venture (ELs E80/3706, E80/3707, E80/3708 & E80/3939) following a review of the Tanami project. Continued work on the project is planned to focus on the area under application (ELA 24885) following its grant.

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.

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, previously planned to be drilled in the June quarter await determination by our joint venture partners.

Drilling at the Santorini gravity anomaly (iron-oxide copper-gold-uranium or IOCG-U target), originally scheduled for 2007, remained postponed during the period.

A provisional work program including diamond drilling to test the Santorini target and mud 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

Preparations continued for drilling uranium targets, interpreted during prior report periods on a possible reduction/oxidation (“REDOX”) boundary identified in EM data. Following the end of the period a drill contractor was identified and commencement of drilling (mud) was expected following finalisation of statutory approvals.

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)

RLC 100% : ELs 3032, 3281, 3376 – applications for renewals were withdrawn on 30/12/08.

A follow-up independent flora and fauna study of the areas in which the Company has conducted its drilling was submitted to Parks Victoria. The study follows two previous studies and forms a part of the Company’s monitoring and audit of the effects of its work within the Chiltern National Park.

Jericho (VIC)

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

All remedial and borehole abandonment work was approved and the security bond held by the Victorian department of Primary Industries was returned to the Company.

New Project Development

A number of “desk-top” investigations into projects were made.

COMMENT

At 31 Mar 2009 RLC had \$2.28 M in bank deposits and no debt. Net cash out flow for the March quarter was \$108,000.

The Company continues to implement its strategy of focussing on establishing a cash flow from operations as described in the December 2008 quarterly report.

On the 10th March the Company announced that in the face of the current tough markets for resources, particularly the market for raising money for exploration, it had taken steps to preserve the Company's capital. These steps included reducing discretionary exploration expenditure and cutting running costs. The stated intention to focus exploration effort on the Bullamine iron mineralisation project where relatively low cost steps can be taken to develop the project pending an improvement in iron prices is being implemented.

It was also announced that the Board and management had volunteered to take a 50% reduction in fees and salary, representing a saving of approximately \$160,000 per year. The reductions took effect on 1 April 2009. The Board is seeking to put Reedy Lagoon in the best position to take advantage of opportunities which may arise out of this downturn and to be ready when the market for exploration improves.

On 31 March 2009 Dermot Coleman resigned and Geof Fethers was appointed as Company Secretary to assist the Company reduce its running costs. Directors, on behalf of shareholders, thank Mr Coleman for his services to the Company since his appointment on 15 March 2002.

The Board will continue to monitor the market and will readdress its restrictions on exploration expenditure and reductions in fees and salary if circumstances change.

FORTHCOMING ACTIVITIES

The following activities are planned :-

Project	Activity Planned	Timetable
Bullamine <i>Iron</i>	Test work on drill cuttings from the Cleansweep target. Ground magnetic surveys. Drilling	Jun Q Jun Q Dec Q
Tanami <i>Uranium</i>	Continue negotiations for grant of EL 24885.	Ongoing
Edward Creek <i>Uranium, copper, gold</i>	Drill test (Mud) selected uranium targets Drill test (diamond) Santorini (U,Cu,Au)	TBD TBD
Balta <i>Uranium</i>	Drill test selected uranium targets	Jun Q
New Project Development		Ongoing

All exploration activities are subject to contractor availability.

TBD = to be determined

**Quarterly Report
for the period ended 31 March 2009**



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 2009

Consolidated statement of cash flows

		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	7	42
1.2	Payments for (a) exploration and evaluation	(62)	(334)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(75)	(228)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	22	101
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)	-	-
	Net Operating Cash Flows	(108)	(419)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	investments (b)equity	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	investments (b)equity	-	-
	(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)	(108)	(419)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(108)	(421)
	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) – GST adjustment on equity raising	-	(17)
	Net financing cash flows	-	(17)
	Net increase (decrease) in cash held	(108)	(436)
1.20	Cash at beginning of quarter/year to date	2,391	2,719
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,283	2,283

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)	95
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	47
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	48

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	145
4.2 Development	-
Total	145

In addition to the above exploration cost the Company estimates it will incur in the next quarter office and administration expenses of \$ 98,000

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	54	62
5.2 Deposits at call	2,139	2,239
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)	2,283	2,391

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	E80/3706; E80/3707, E80/3708 E80/3939 (Tanami).	} U3 08 Joint Venture	90 %	NIL
	E70/3152 E70/3153 (Bullamine)		100%	NIL

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased

None			
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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 Preference securities <i>(description)</i>	-	-		
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 (b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
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	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Table 1 – Options on Issue at 31 March 2009

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: 28 April 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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+ See chapter 19 for defined terms.