



# ASX Release

ASX Code: RLC

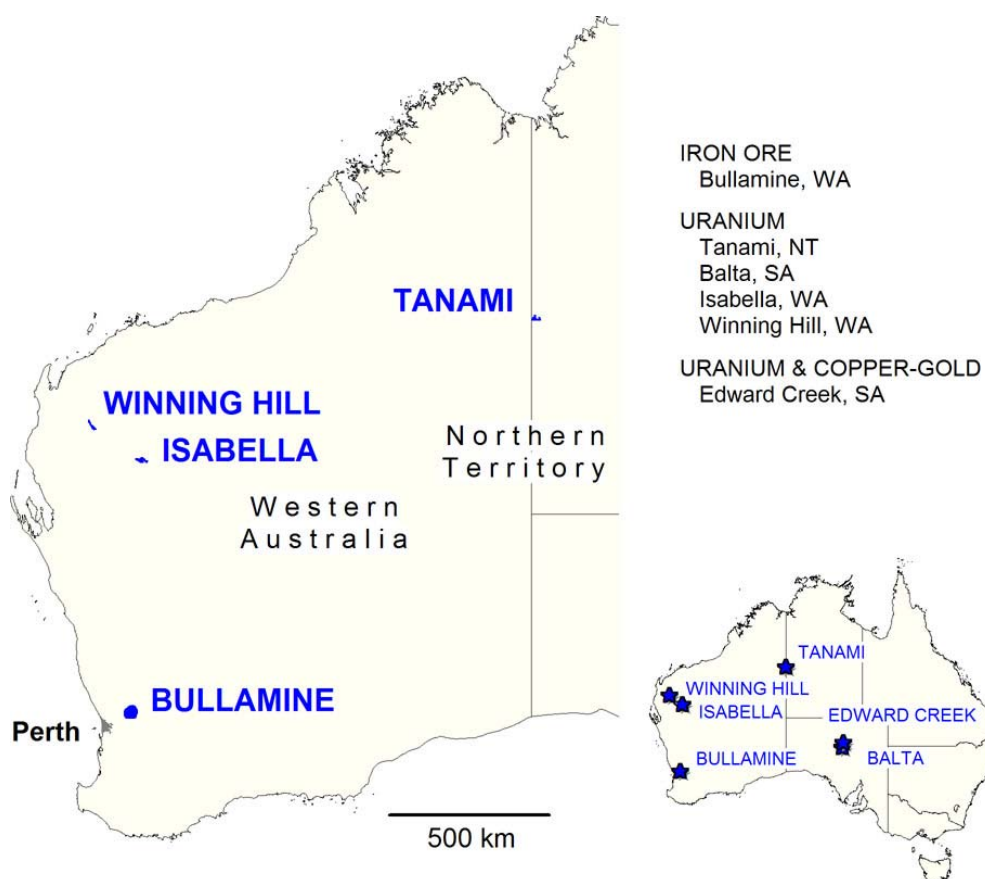
30 October 2009

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## Quarterly Report for the period ended 30 September 2009

### SUMMARY

- New uranium projects in WA generated
- Several additional projects assessed.
- Drilling investigated uranium targets at Balta and Edward Creek.



## **CURRENT EXPLORATION ACTIVITIES**

### **Bullamine (WA)**

**Iron**

RLC 100% : E70/2846, ELA70/3462

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

Assessment of the magnetic anomalies drilled in November 2008 is continuing. Additional magnetic anomalies are being assessed in readiness for further drill evaluation.

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 & Gold**

RLC 100% : ELA 24885 (NT)

Processing and interpretation of available geophysical survey data covering the ELA 24885 tenement area identified a magnetic feature interpreted to be a sub-surface granite. Whilst granite is a common constituent rock in basement rocks of this region several of the district's gold fields, with mines such as The Granites and Callie, occur in association with magnetic granites. Granites are also a potential source of uranium rich minerals from which uranium may be leached by oxygen-rich waters percolating down from the ground surface. Once dissolved by such waters the uranium can be transported in solution to sites of deposition and concentration.

During the period E80/3860, located on the WA side of the NT/WA border, was relinquished following a review completed during the previous period.

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. Gold is a secondary target.

### **Edward Creek (SA)**

**Uranium, Copper, Gold**

RLC 100% (excluding diamonds) (ELs 3250, 3886)

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

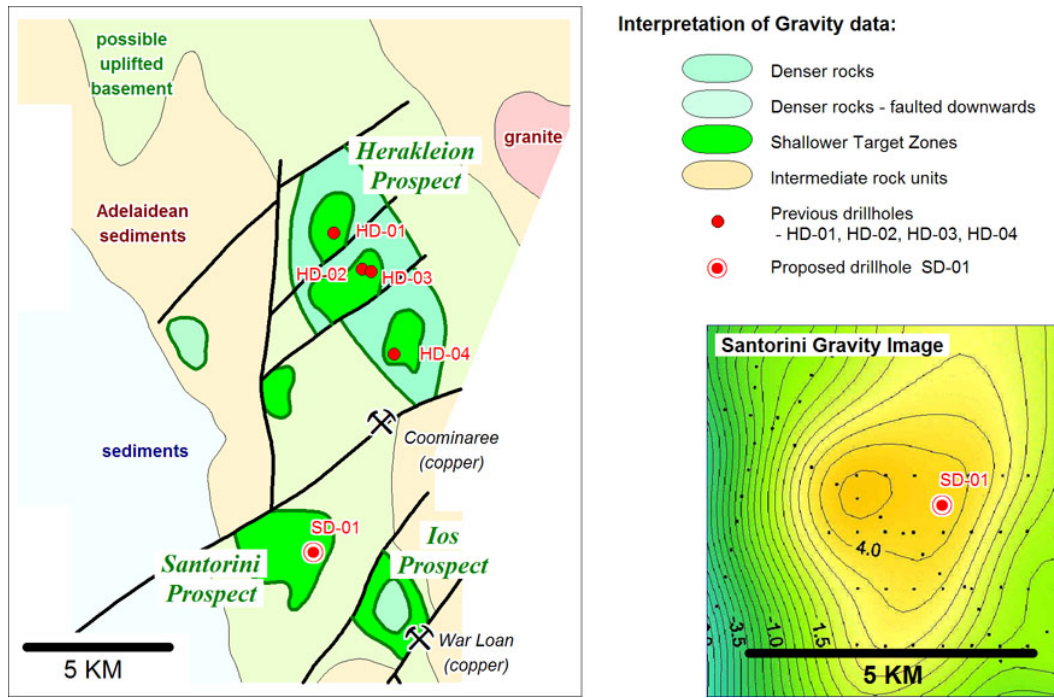
Two mud holes (178 metres) investigated a uranium target (WK70) on EL 3250 in early July. A low tenor uranium response was identified near the base of weathering and within interpreted Carboniferous sediments. The position is coincident with the interpreted top of the conductor identified in airborne EM survey data which was the target of the drilling. The results do not indicate commercial grades are likely to be associated with the target investigated.

During the prior period the ECBMJV joint venture between RLC, Wallaby Resources Pty Ltd and Eromanga Hydrocarbons NL was terminated and all interests in the ECBMJV were forfeited to RLC on 9 June 2009. The termination has been disputed and is expected to be determined shortly. The procedure provided in the joint venture agreement for determining disputes requires the appointment of an expert by

the President of the AusIMM. We received advice on 20 October that two experts had been selected and would be appointed.

A work program including diamond drilling to test the Santorini gravity anomaly (iron-oxide copper-gold-uranium or IOCG-U target), and the drilling to investigate uranium targets interpreted in EM data, had been under review by the ECBMJV since mid 2008.

Following determination of the disputed termination of the ECBMJV, RLC plans to proceed with drilling the Santorini IOCG target where a diamond hole (SD-01) to 850 metres depth is planned.



## **Balta (SA)**

## **Uranium**

### **RLC 100% (excluding diamonds) Balta EL 3505**

Four mud holes (337 metres) investigated an interpreted REDOX boundary (at target WU1), one during the prior period and 3 holes drilled in early July. Down hole gamma logging, reported in the June quarter report, detected a low tenor but anomalous response in sediments lying on an unconformity at a depth of about 60 metres below ground surface. Low level uranium response was measured by scintillometer in these samples during the current report period, confirming the gamma response to be associated with uranium.

Results to date will be reviewed prior to determining future work at this project.

Exploration at Balta has been targeting uranium mineralisation which may be precipitated and concentrated along unconformities and paleodrainage channels within and at the base of Mesozoic sedimentary sequences throughout the tenement area.

## COMMENT

At 30 September 2009 RLC had \$1.9M in bank deposits and no debt. Net cash out flow for the September 2009 quarter was \$208,000 (\$153,000 exploration expenditure).

RLC's strategy since February 2009 has been to focus on establishing a positive cash flow from the Bullamine iron project while generally preserving funds because the Board considered that the market for funding exploration was depressed. The Board now believes that the freeze on access to funding for exploration and project development costs has passed and so is working to expand the Company's activities.

The Board has conducted investigations into projects held by third parties who were seeking to either on-sell, farm-out or otherwise deal with their project interests. The Board believes there are opportunities for a company like RLC to take advantage of its existing funds and capital raising capacity to acquire projects in need of development. Projects that the Company has to date been investigating include projects for uranium, iron-ore and iron related and gold. No transactions have been concluded to date.

During the September quarter a study of past exploration by other companies in the 1980s and 1990s in the areas around and west from the Kintyre uranium deposit identified opportunities to acquire free ground covering two areas considered prospective for uranium. This work led to applications for two tenements: Isabella (349 km<sup>2</sup>) and Winning Hill (217 km<sup>2</sup>) which were lodged on 1 October.

## FORTHCOMING ACTIVITIES

The following activities are planned :-

<b>Project</b>	<b>Activity Planned</b>	<b>Timetable</b>
Bullamine <i>Iron</i>	Second pass drilling at Cleansweep and shallow drilling at targets located on E70/3462 (application) are planned.	Mar Q
Tanami <i>Uranium</i>	Continue negotiations for grant of EL 24885.	Ongoing
Edward Creek <i>Uranium, copper, gold</i>	Drill test (diamond) Santorini (U,Cu,Au) Drill test (mud) a uranium target on EL3886 – under re-assessment	TBD TBD
Balta <i>Uranium</i>	Review project status	Nov
Isabella <i>Uranium</i>	Continue building data-base	Dec Q
Winning Hill <i>Uranium</i>	Continue building data-base	Dec Q
New Project Development		Ongoing

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](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.*

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 2009

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	40	40
1.2 Payments for (a) exploration and evaluation	(153)	(153)
(b) development	-	-
(c) production	-	-
(d) administration	(97)	(97)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
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)	(6)	(6)
	(208)	(208)
<b>Net Operating Cash Flows</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>		
1.13 Total operating and investing cash flows (carried forward)	(208)	(208)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(208)	(208)
	<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		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(208)	(208)
1.20	Cash at beginning of quarter/year to date	2,133	2,133
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,925	1,925

**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)	85
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	23
	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	62

**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)	130
4.2 Development	-
<b>Total</b>	<b>130</b>

*In addition to the above exploration cost the Company estimates it will incur in the next quarter office and administration expenses of \$ 95,000*

### 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	63	38
5.2 Deposits at call	862	1,015
5.3 Bank overdraft		
5.4 Other (provide details)		
Term deposits (1 year maturity)	1,000	1,000
Deposits lodged as security for tenement bonds	-	80
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,925</b>	<b>2,133</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	E80/3860 EL3250	Exploration licence Exploration Licence (5 yr term expired , grant of subsequent Licence is expected)	100% 100%	0 0
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> <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	48,600,000		
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	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
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 30 June 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: 30 October 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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