



ASX Release

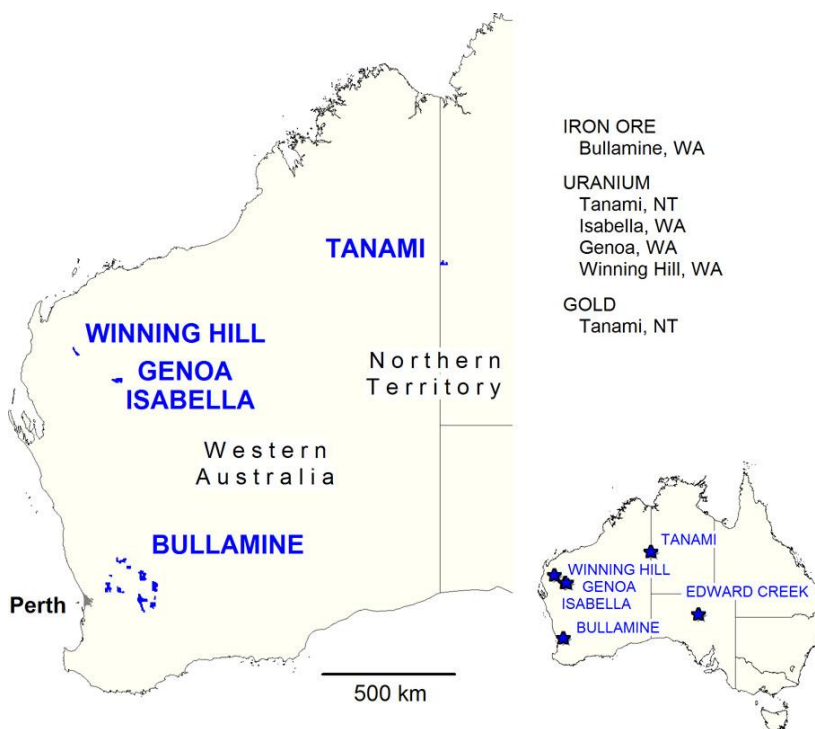
ASX Code: RLC

July 2012

Quarterly Report for the period ended 30 June 2012

SUMMARY

- Bullamine Joint venture – Magnetite iron ore (WA):
 - Chitterberin prospect metallurgical studies established that additional work is required at finer grind sizes than 75 micron (P75 passing 75 micron) in order to calculate a resource.
 - Burracoppin prospect readied for drill testing.
 - Wongamine prospect assay and metallurgical results received.
 - New target identified at BEN 1 from interpretation of airborne magnetic data.
- Bullamine Hematite project – DSO (WA) initiated
 - Gravity anomalies located within KEL 3 and KEL 7 were selected as targets for hematite (DSO) iron ore.
- Edward Creek – awarded up to \$50,000 in funding assistance for the planned Victory uranium prospect drilling under the South Australian government's PACE program.
- Corporate:
 - \$0.623 M cash on deposit (nil debt) at 30 June 2012
 - 48.6 M issued shares (4.75 M options)
 - \$ 4.4 M market cap (\$4.8 M fully diluted) at 9.0 cents per share



CURRENT EXPLORATION ACTIVITIES

Bullamine Joint Venture (WA)

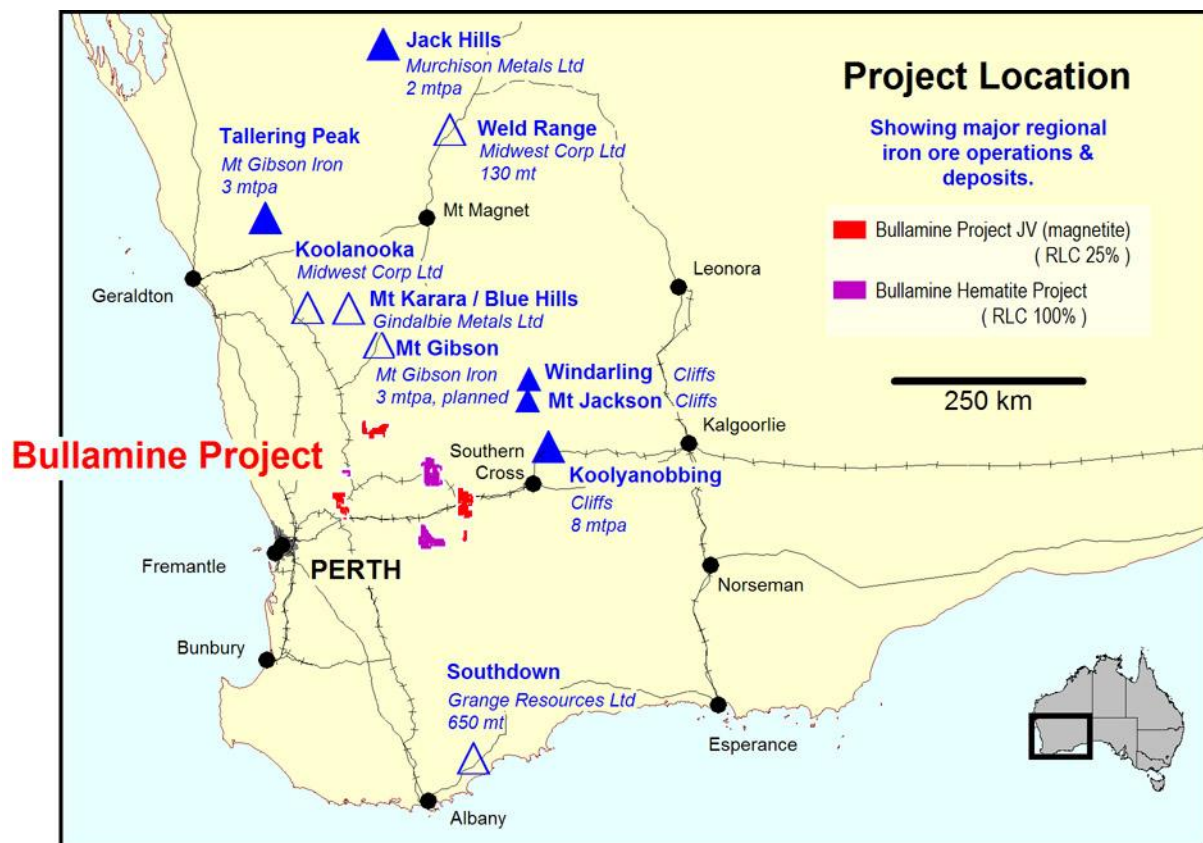
Iron (magnetite)

RLC 25% : E70/2846, 3462, 3766, 3767, 3768, 3769, 3770, 3771, 3772, 3773, 3774, E70/3805 & 3806).

RLC 25% : Bulla JV (provides interest in iron only) (E70/2719 & E70/2720)

Total area 3,342 km² reduced to 1,148 km² at quarter end.

The Bullamine Iron Ore Project is a joint venture between Reedy Lagoon Corporation and Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs"), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF, Paris: CLF). Cliffs is earning a 75% interest and is manager of the joint venture.



Activities undertaken during the June quarter included continued tests and studies to determine a resource estimate for the magnetite intersected at the Chitterberin prospect (KEL 5 area), assay and metallurgical studies on material from the Wongamine prospect, identification of a magnetite target in airborne magnetic data within the BEN 1 area, gaining land owner consent to access and drill the Burracoppin prospect (on KELL 4).

The Manager completed its review of the joint venture tenements which the Manager commenced during the prior period. The review resulted in the joint venture reducing its tenements by the end of the report period to comprise: E70/2719, E70/2846, E70/3462 (for NOR 1, which includes: Bollo, Cleansweep, Wongamine prospects), E70/3769 (for KEL 4, Burracoppin prospect), E70/3770 (for KEL 5, Chitterberin prospect) and E70/3805 (for BEN 1). All other tenements previously held by the joint venture were surrendered back to RLC.

Details of the work conducted by the Bullamine Joint Venture follow:

Chitterberin Prospect – KEL 5 (tenement E70/3770)

Work on determining a mineral resource estimate for the Chitterberin prospect (KEL 5 area) continued. During the period Promet and Tetra Tech were contracted to provide a JORC compliant inferred resource for Chitterberin where mineralisation of between 30 to 100 metres thickness has been intersected by drilling a magnetic target extending over a strike length in excess of 2 kilometres.

Preliminary results indicated potential for 50 to 70 Mt of mineralized material grading higher than 20% Fe but found that further studies were necessary to determine any resource estimate. The work completed was based on testing down to P75 passing 75 micron.

Orientation samples are currently being resized to 45 micron to determine optimal characteristics for incorporation into the Chitterberin Inferred resource calculation.

The Resource Estimate is expected by the end of September 2012. The estimate is being prepared to meet the standards required by both the ASX (JORC Code) and TSX (NI 43-101).

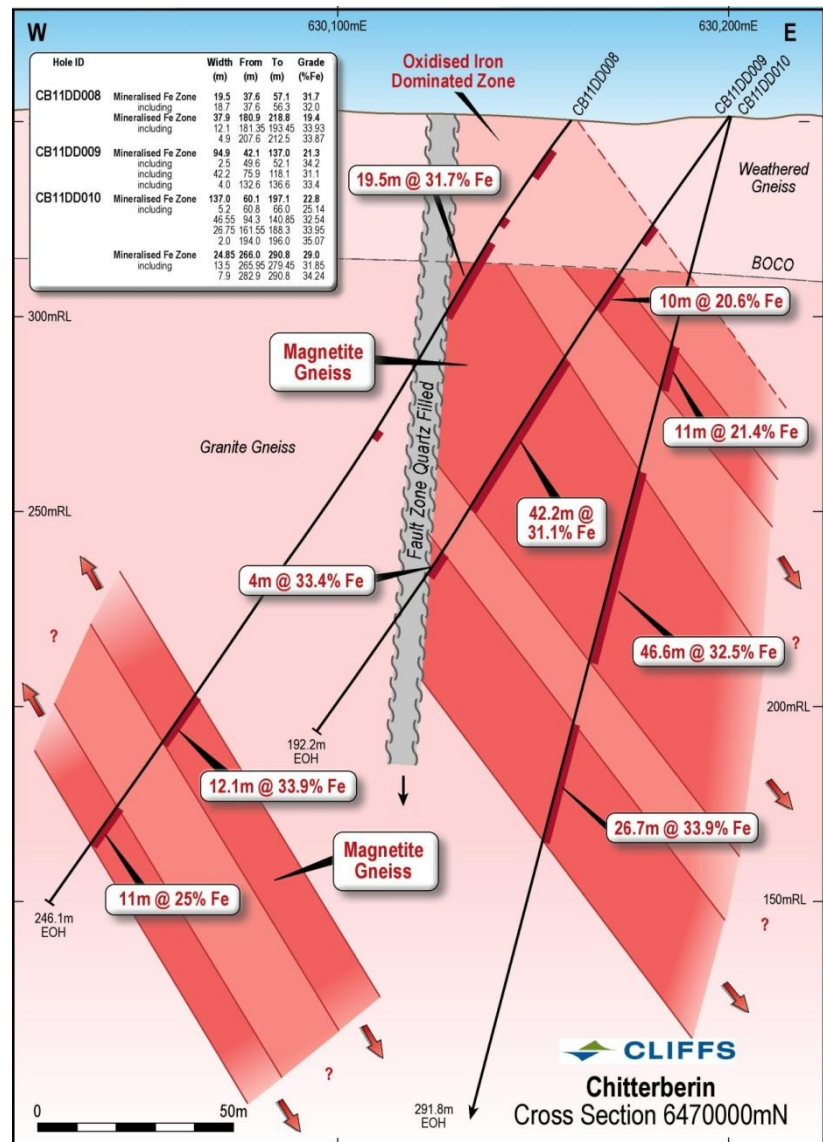


Figure 1. Chitterberin Prospect, KEL 5, Bullamine Joint Venture, Iron Ore (magnetite) Project.

Burracoppin Prospect – KEL 4 (tenement E70/3769)

During the quarter access to the Burracoppin prospect was granted by the landholder and drilling is planned later in the year (scheduled for September, subject to mines department approval and drill rig access).

The Burracoppin target is a magnetic anomaly located in the vicinity of the Chitterberin prospect, located about 50 kilometres south. Its dimensions are slightly larger than the dimensions of the magnetic anomaly associated with Chitterberin.

Wongamine Prospect – NOR 1 (tenements E70/2719, E70/2720, E70/2846, E70/3462)

Assay results have been received, for the drilling at the Wongamine Prospect and are summarised in table 1.

Metallurgical results for 79 samples submitted from the drilling conducted in the first quarter are summarised in table 2.

The data indicate a coarse magnetite concentrate for the Wongamine Prospect although elevated sulphur (see table 2) will need to be addressed before the prospect could be considered for further evaluation.

Table 1 - Wongamine Assay Summary Table

HOLE_ID	MGA_EAST	MGA_NORTH	RL	DEPTH	DIP	AZIMUTH	DepthFrom	DepthTo	Intercept	Fe_Pc
NW12DD001	462547.025	6523099.133	241.080	228.6	-71	274	128.10	132.75	4.65 m @ 35.275 % Fe	35.275
							143.35	151.20	7.85 m @ 30.759 % Fe	30.759
							151.90	157.80	5.90 m @ 32.512 % Fe	32.512
							158.30	174.10	15.80 m @ 35.427 % Fe	35.427
							175.40	178.70	3.30 m @ 24.644 % Fe	24.644
							179.30	184.90	5.60 m @ 29.222 % Fe	29.222
							185.20	194.00	8.80 m @ 30.131 % Fe	30.131
NW12DD002	462649.120	6523100.401	243.015	300.7	-71	274	196.65	199.65	3.00 m @ 33.699 % Fe	33.699
							205.70	211.90	6.20 m @ 32.426 % Fe	32.426
							220.55	224.40	3.85 m @ 33.541 % Fe	33.541
							230.90	234.95	4.05 m @ 30.820 % Fe	30.820
							250.15	260.10	9.95 m @ 34.236 % Fe	34.236
NW12DD003	462499.350	6522921.539	245.784	201.7	-69	279	85.30	95.20	9.90 m @ 32.826 % Fe	32.826
							105.05	109.90	4.85 m @ 35.514 % Fe	35.514
							113.90	118.50	4.60 m @ 33.163 % Fe	33.163
							149.20	153.00	3.80 m @ 36.465 % Fe	36.465
NW12DD004	462599.849	6522917.884	246.942	279.8	-71	275	165.25	170.45	5.20 m @ 29.709 % Fe	29.709
							224.20	227.95	3.75 m @ 32.986 % Fe	32.986
NW12DD005	462449.940	6523267.037	235.830	210.7	-72	270	112.50	130.30	17.80 m @ 39.042 % Fe	39.042
NW12DD006	462599.181	6523295.723	237.647	267.7	-70	271	219.30	225.15	5.85 m @ 29.131 % Fe	29.131

NW12DD007	464048.862	6523301.154	257.247	183.7	-70	273	82.85	85.95	3.10 m @ 36.093 % Fe	36.093
NW12DD008	463946.780	6523600.382	255.684	153.7	-70	269	76.75	80.60	3.85 m @ 26.151 % Fe	26.151
							104.00	110.30	6.30 m @ 34.152 % Fe	34.152

Note: Intercept grades are calculated from assays of 1 metre or less lengths of 1/4 core splits averaged over the stated interval. Grade estimates have been calculated by the joint venture manager using a lower cut off of 15% Fe in calculating the "Mineralised Fe Zone" intervals. Internal dilution is included where cut off achieved over 3 metres. Assays are by Ultratrace mineral laboratory in Perth.

For drill-hole information connected to these assay results refer to the Quarterly report lodged by RLC for the March 2012 quarter.

Table 2. Summary of metallurgical results for the Wongamine 2012 drilling program

Fe % Head Grade	DTR WtRecovery 75 micron	DTR WtRecovery 150 micron	DTR Fe % P80 75 micron	DTR Fe % P80 150 micron	DTR Si % P80 75 micron	DTR Si % P80 150 micron	DTR S % P80 75 micron	DTR S % P80 150 micron
30.1 %	31.2%	34.8%	70.5%	64.5%	2.73%	7.31%	0.5%	0.47%

BEN-1 & BEN-2 Tenements E70/3805 & E70/3806

Geophysical modelling of airborne magnetic data indicated an increased magnetite concentration in the SE corner of E70/3805 and access discussions are underway with the landholder.

E70/3806 was considered to be non-prospective for economic magnetite deposits and was surrendered to RLC.

Bullamine Hematite Project (WA)

DSO Iron

RLC 100% : E70/3767, 3768 & 3772 total area 1,125 km²

Areas considered prospective by RLC for iron ore are located in some of the tenements surrendered by the Bullamine Joint Venture back to RLC. RLC interprets airborne gravity survey (Falcon Gravity Gradiometer) data acquired by the Bullamine Joint Venture in 2011 to indicate that these tenements contain significant, but small scale, volumes of high density rocks.

RLC intends investigating these high density rocks to determine whether they are associated with hematite mineralisation. Hematite is a non-magnetic form of iron mineralisation, which can occur with Fe grades higher than 60%. Where sufficient tonnages of hematite rocks containing concentrations approaching 60% Fe occur they may comprise iron ore capable of being mined and sold with no further beneficiation. These ores are referred to as direct shipping ores or DSO.

Potential targets for hematite interpreted from the gravity data occur within the KEL 3 (tenements E70/3767 & E70/3768) and KEL 7 (tenement E70/3772) areas.

The largest target area identified measures about 2 kilometres by 4 kilometres. Such an area would have potential to contain about 25 Mt per vertical metre.

Edward Creek (SA)

Uranium & REE

RLC 100% (excluding diamonds) (EL 4377) total area 440 km²

Work planned on the Edward Creek project includes drilling at the Victory uranium prospect. The drilling will investigate strong surface uranium anomalism associated with quartz veining, and along strike where a concealed unconformity is interpreted. The targets occur where uranium anomalism was identified by sampling in 2010 in a window of exposed, weathered and veined Palaeoproterozoic aged rocks. Results previously reported include assays of surface rock chip and auger samples up to 412 ppm uranium, 0.30 % copper, 0.39 % TREE.

Work during the period was directed towards gaining regulatory approvals for the planned drilling.

During the period our planned drilling at Victory was awarded government funding under the South Australian Government's initiative to encourage exploration by contributing funding towards exploration drilling. Whilst not yet finalised, the Company has been advised it is to be granted, subject to conditions, up to \$50,000 towards drilling costs of two RC drill traverses to test for uranium mineralisation.

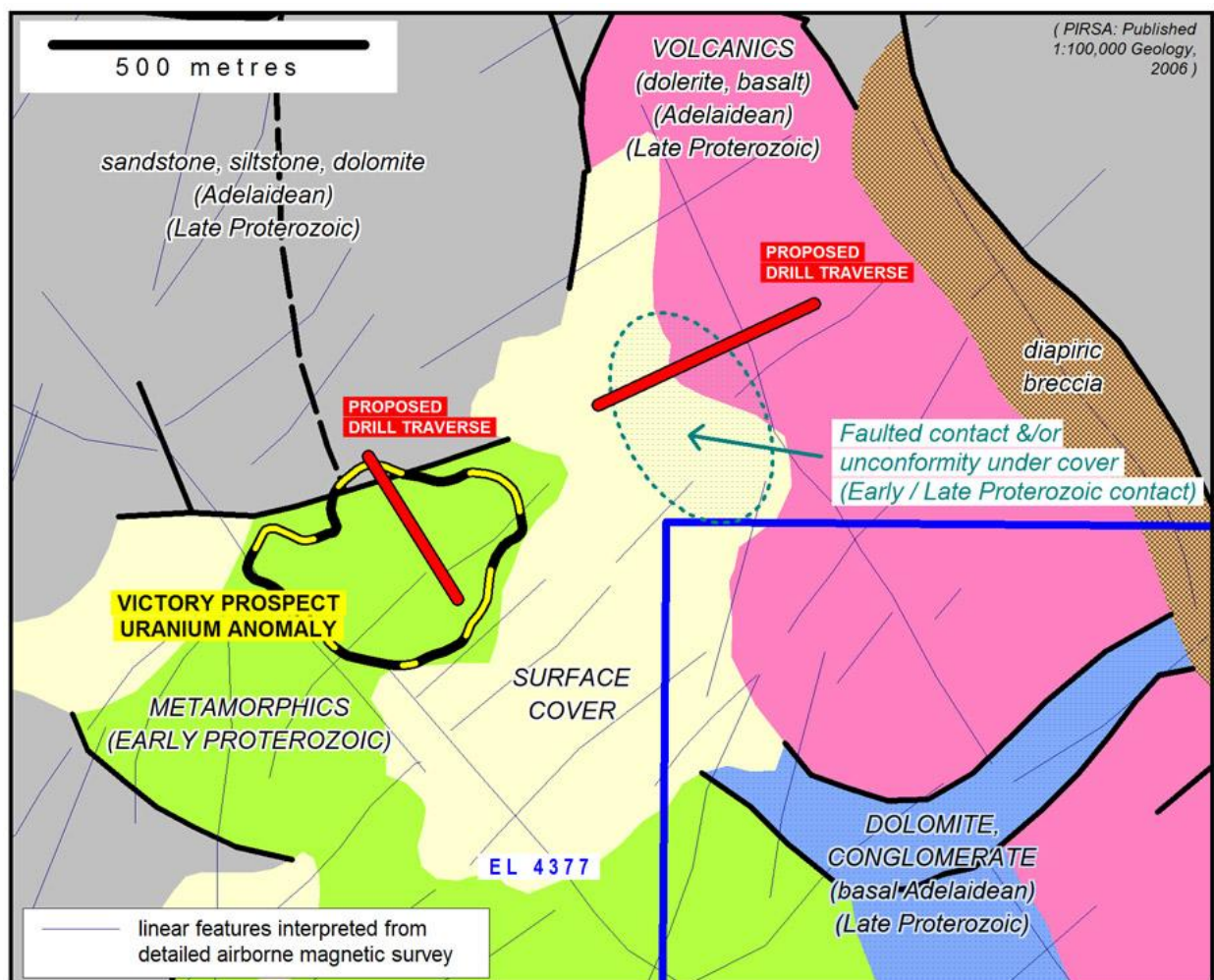


Figure 2. Planned drill traverses at the Victory uranium prospect, Edward Creek project, South Australia.

Tanami (NT)

Uranium & Gold

RLC 100% : EL 24885 area: 272 km²

No work of significance was conducted on the project during the report period.

The Tanami project is located in the Northern Territory and abuts the Western Australia border. The project area is within EL 24885 which was granted to the Company on 28 February 2012. Target mineralisation is uranium precipitated and concentrated along unconformities and paleodrainage channels within sedimentary sequences or within fault zones.

Gold is a secondary target. The project area is located 70 kilometres west from the Newmont owned Callie Gold Mine (a 10 million oz plus deposit) and about the same distance south east from Tanami Gold's Coyote Gold Mine.

Isabella (including Genoa) (WA)

Uranium

RLC 100% : E09/1702 & E09/1715 total area: 474 km² reducing to 349 km².

During the period drill core held at the Western Australian mines department core facility was inspected and intervals with anomalous gamma radiation were sampled and submitted to Genalysis for assay and XRF. No significant uranium mineralisation was identified.

Review of the project resulted in relinquishment of the Genoa tenement (E09/1715).

The project area contains folded Edmund Group ("Bangemall Basin") rocks, unconformably overlying Gascoyne Complex gneissic, granitic and metasedimentary basement. The basement is known to be uranium-bearing. Some carbon-rich stratigraphy in the Edmund Group is anomalous in uranium. RLC believes there may be potential for economic uranium mineralisation where this stratigraphy is affected by favourable deformation structures, such as folding, faulting or shearing, which may have provided pathways for and/or trapped circulating uranium rich fluids proximal to the reducing carbonaceous environment. RLC believes the geology may be analogous to that of the Rum Jungle Mineral Field in the Northern Territory, where several uranium deposits occur at similar junctions of structures and carbonaceous stratigraphy.

Winning Hill (WA)

Uranium

RLC 100% : E08/2073 area: 217 km²

No work of significance was conducted on the project during the report period.

The project area covers similar stratigraphy as is present at Isabella. The rocks form a large tightly folded inlier in Gascoyne Complex basement. It was explored for unconformity-related uranium by Nord Resources (Pacific) Pty Ltd in the period 1980-1982 and in joint venture with CRA in 1981-1982. The principal target reported on by Nord-CRA was beneath surface uranium anomalism where a major oblique transcurrent fault juxtaposes Edmund Group rocks with Gascoyne Complex basement. Nord considered its drilling to have defined an anomalous zone 300 metres long and up to 30 metres wide in weathered rocks where depletion of mineralisation is possible. Deeper drilling by CRA targeted

unweathered rocks, but failed to penetrate the fault zone. RLC believes that this drilling may have targeted the wrong area of faulted stratigraphy and the more prospective area may be the intersection of the faulting with specific carbonaceous strata. Typical “Athabasca Basin style” uranium mineralisation is associated with carbonaceous or graphitic material where faulting cuts the unconformity between younger strata and older basement rocks.

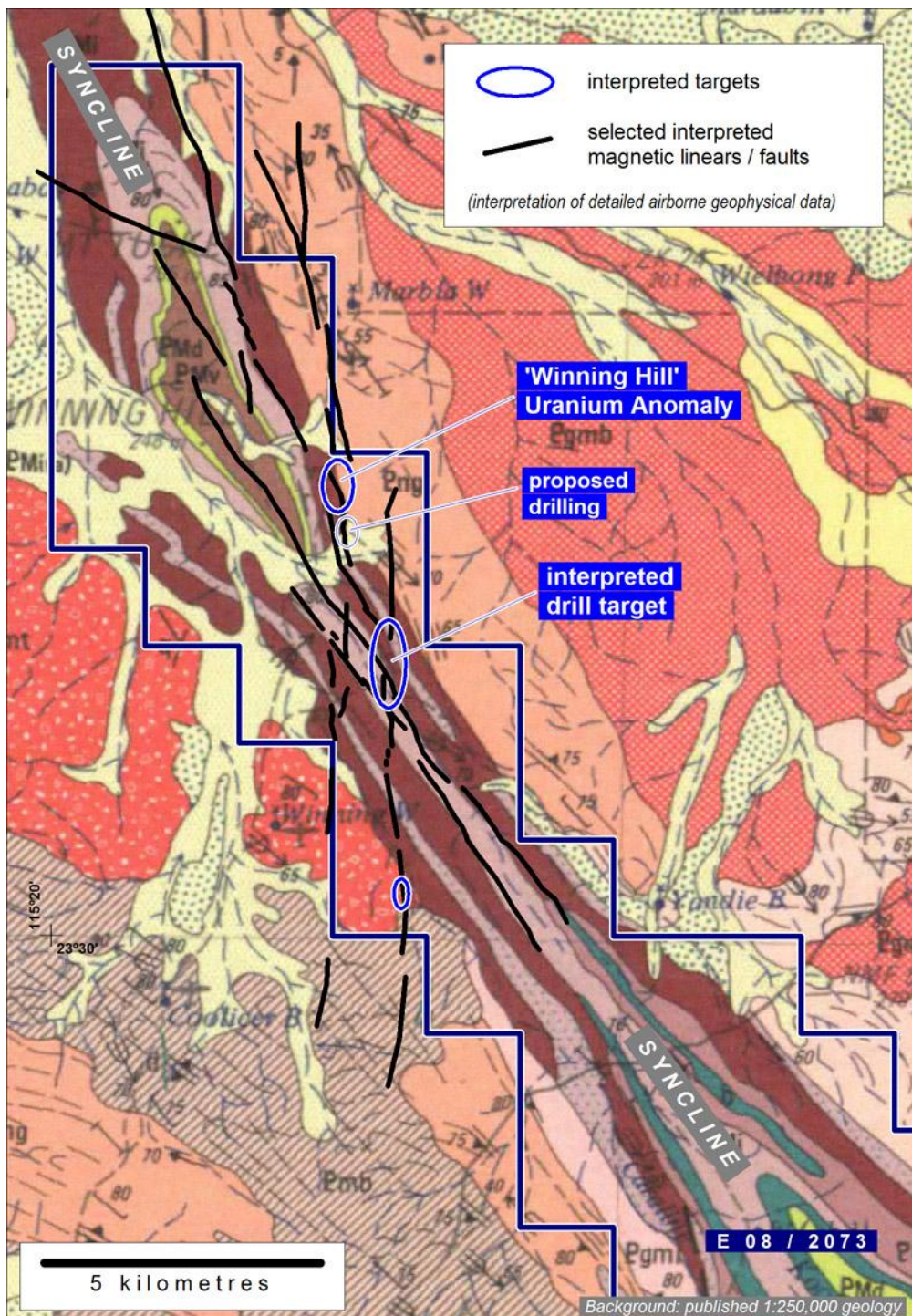


Figure 3. Winning Hill uranium project.

COMMENT

At 30 June 2012 RLC had \$0.623 M in bank deposits and no debt.

Net cash outflow for the June 2012 quarter was \$0.144 M (including \$0.035 M of exploration related expenditure).

The Bullamine Project Joint Venture Manager continues its work determining a mineral resource estimate for the Chitterberin prospect where iron (magnetite) mineralisation of between 30 to 100 metres thickness has been intersected by drilling. Positive results from the planned drilling at the Burracoppin prospect will have potential to enable the Chitterberrin and Burracoppin prospects to contribute to a combined tonnage which would increase the chances of achieving economies of scale in any potential development consideration.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Bullamine JV <i>Iron - Magnetite</i>	Resource determination for Chitterberin Diamond drilling at Burracoppin	Sep Q Sep Q / Dec Q
Bullamine Hematite KEL 3 & KEL 7 <i>Iron - Hematite</i>	RC drilling – RLC plans to test iron (hematite) ore targets interpreted in airborne gravity gradiometer data.	Dec Q
Edward Creek <i>Uranium</i>	RC drilling	Dec Q
Tanami <i>Uranium & gold</i>	Reconnaissance field investigations.	Sep Q
Isabella <i>Uranium</i>	Complete access agreements with Native Title claimants	Sep Q
Winning Hill <i>Uranium</i>	Complete access agreements with Native Title claimants.	Sep Q / Dec Q
New Project Development		On going

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.

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 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Full Year - June 2012 (12 months) \$A'000
1.1	Receipts from product sales and related debtors	10	54
1.2	Payments for		
	(a) exploration and evaluation	(36)	(225)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(130)	(423)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	44
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)	(3)	2
Net Operating Cash Flows		(144)	(548)
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) Proceeds from Farm-in Agreement	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(144)	(548)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(144)	(548)
	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		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(144)	(548)
1.20	Cash at beginning of quarter/year to date	767	1,171
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	623	623

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)	51
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
Payment of salaries and director fees to directors	\$000's 51
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	-

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

RLC's joint venture partner in Bullamine, Cliffs, has reported expenditure of \$412,835 on the Bullamine Joint Venture during the period.

+ 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	80
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	155

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	14	14
5.2 Deposits at call	172	424
5.3 Bank overdraft		
5.4 Other (provide details) Term deposits	436	329
Total: cash at end of quarter (item 1.22)	623	767

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E70/2720	Relinquished	25%	Nil
	E70/3771	Relinquished	25%	Nil
	E70/3773	Relinquished	25%	Nil
	E70/3774	Relinquished	25%	Nil
	E70/4250	Relinquished	25%	Nil
	E09/1715	Relinquished	100%	Nil
6.2 Interests in mining tenements acquired or increased	E70/3766	Interest held by Cliffs returned	25%	100%
	E70/3767	Interest held by Cliffs returned	25%	100%
	E70/3768	Interest held by Cliffs returned	25%	100%
	E70/3772	Interest held by Cliffs returned	25%	100%
	E70/3806	Interest held by Cliffs returned	25%	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	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	48,600,000		
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				
		Total number	Number quoted	Exercise price	Expiry date
7.7	Options <i>(description and conversion factor)</i>	1,650,000 1,550,000 1,550,000	NONE	20 cents 21 cents 20 cents	31 December 2012 31 December 2013 31 December 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	6,000,000	NONE	30 cents	30 April 2012
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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: 31 July 2012
(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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