



ASX Release

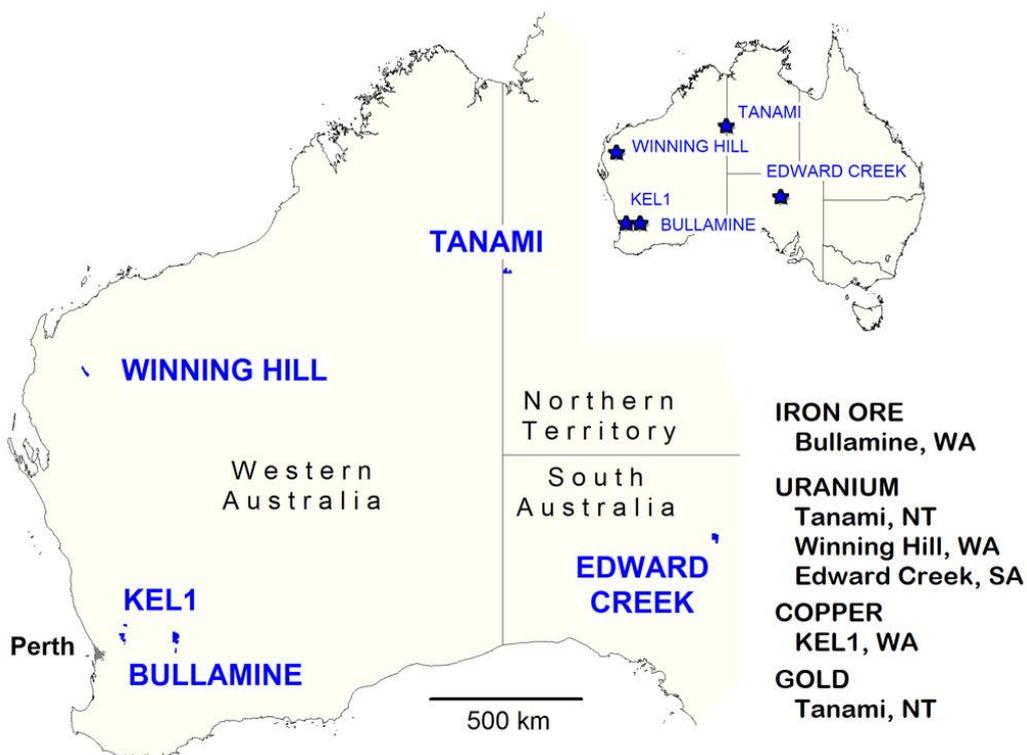
ASX Code: RLC

28 January 2014

Quarterly Report for the period ended 31 December 2013

SUMMARY

- Bullamine Joint venture – Magnetite iron ore (WA):
 - JV partners gave notice they are seeking buyers for their farm-in interest.
 - RLC commissioned an independent study of the Burracoppin prospect.
- Tanami – uranium & gold (NT)
 - Interpretation of geophysical survey (magnetic and radiometric) data conducted.
- KEL 1 – copper (WA)
 - Targets for copper, cobalt and nickel interpreted and reviewed.
- Corporate:
 - \$313,142 cash and deposits (nil debt) at 31 December 2013.
 - shares on issue 53.5 M and 3.35 M options.



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CURRENT EXPLORATION ACTIVITES

Bullamine JV Iron (Magnetite) (WA)

Iron (magnetite)

RLC 25% : E70/2846, 3462, 3769 & 3770

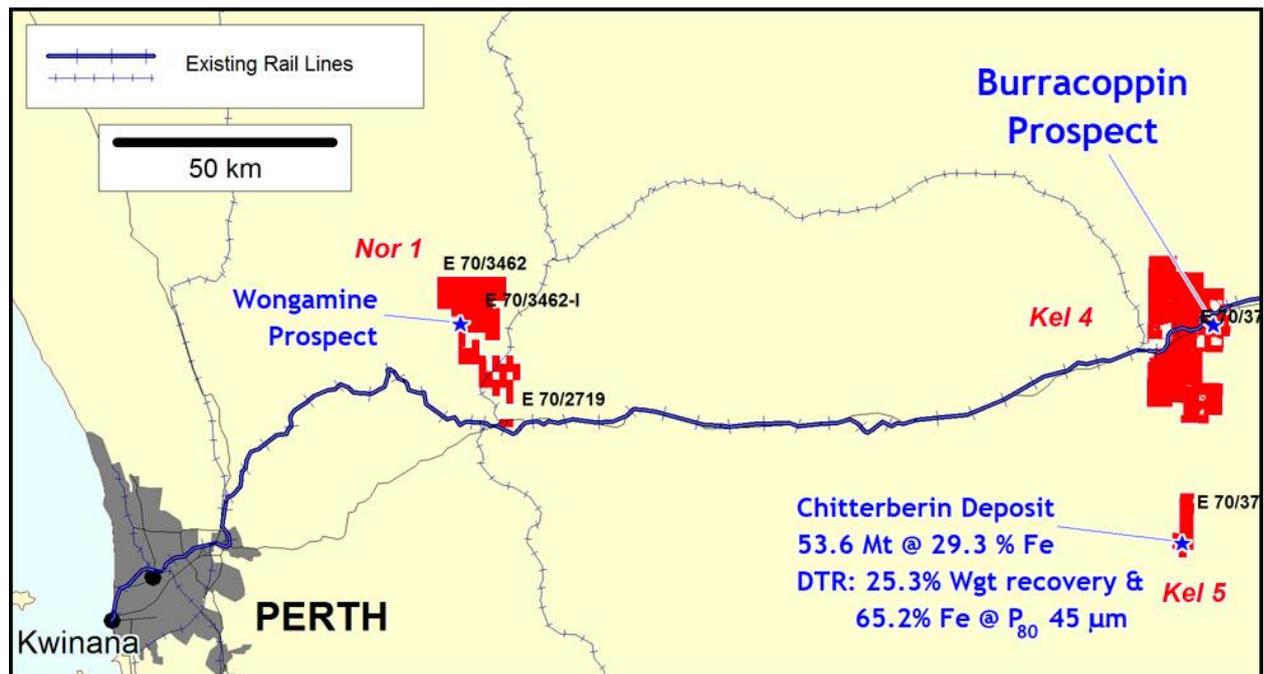
RLC 25% : Bulla JV (provides interest in iron only) (E70/2719)

Total area 812 km²

The Bullamine JV Iron (Magnetite) Project is a joint venture between Bullamine Magnetite Pty Ltd, a wholly owned subsidiary of Reedy Lagoon Corporation ("RLC") and Cliffs Magnetite Holdings Pty Ltd ("Cliffs"), a wholly owned subsidiary of Cliffs Natural Resources Inc., NS Iron Ore Development Pty Ltd and Sojitz Mineral Development Pty Ltd. RLC retains a 25 % interest fully funded by the other JV parties until a decision to mine with funding repayable only out of its portion of production. Joint venture operations are managed by Cliffs.

In RLC's opinion the magnetite deposit discovered by the joint venture at Burracoppin is the most prospective of the deposits identified by the joint venture to date.

The deposit is within 2,000 metres of the main Perth – Adelaide railway line (standard and narrow gauge) and a few kilometres from the central wheatbelt township of Merredin (population 2,897 at 2011 census) halfway between Perth and Kalgoorlie. The deposit is extremely well located to take advantage of existing infrastructure.

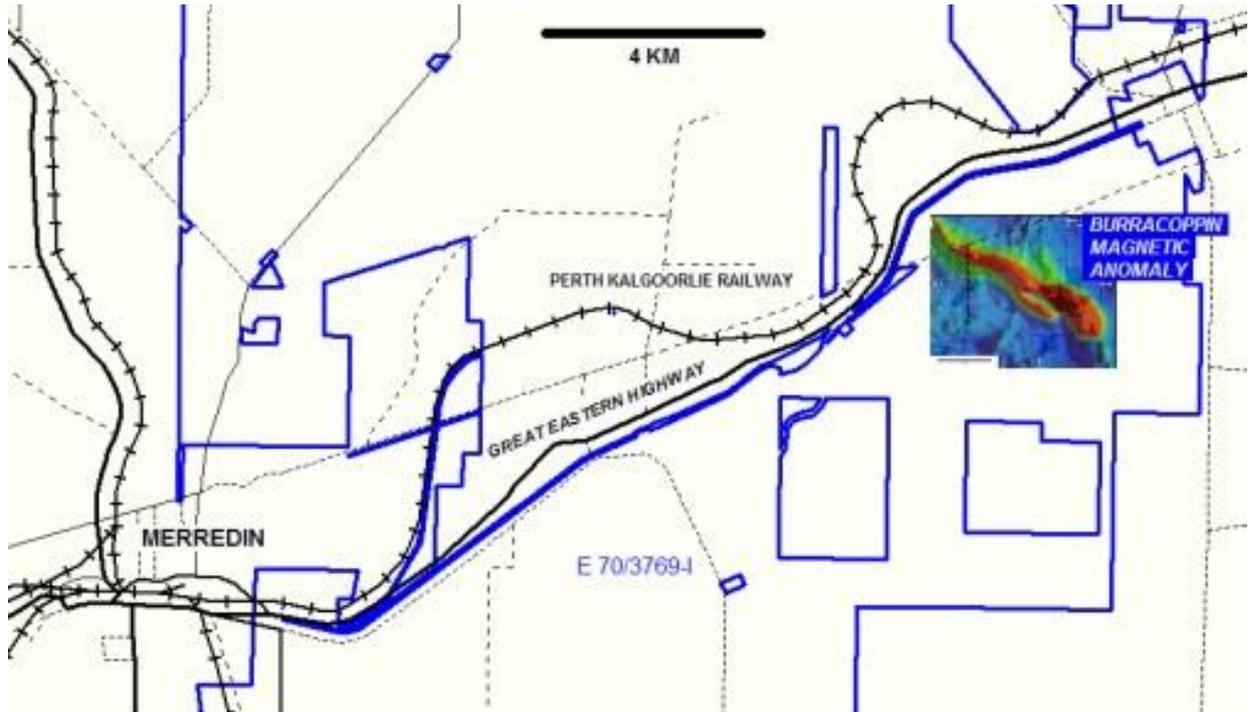


Location of Bullamine Joint Venture tenements and main prospects. The Chitterberin Deposit comprises an Inferred Resource described in RLC's ASX Release 22 Oct 2012.

No field activities were undertaken during the period.

During the period the joint venture partners gave notice they were seeking buyers for their 75% farm-in interest in the project. RLC has a pre-emptive right over that 75% interest.

RLC commissioned Mineral Engineering Technical Services Pty Ltd ("METS") in collaboration with Golder Associates Pty Ltd – Perth to report on the Burracoppin prospect in order to provide directors with information that would assist them to assess whether or not the Company should exercise its pre-emptive right. The report had not been completed by the date of this quarterly report.



The Manager has confirmed it will ensure mines department exploration expenditure commitments for the Bullamine Joint Venture tenements, currently \$489,500 per annum, will be met.

Bullamine Hematite Project (WA)

DSO Iron

RLC 100% : E70/3767 (KEL 3) & E70/4412 (KEL 8) total area 394 km²

No field activities were undertaken during the period and both tenements (E70/3767 & E70/4412) were surrendered on 18/10/2013.

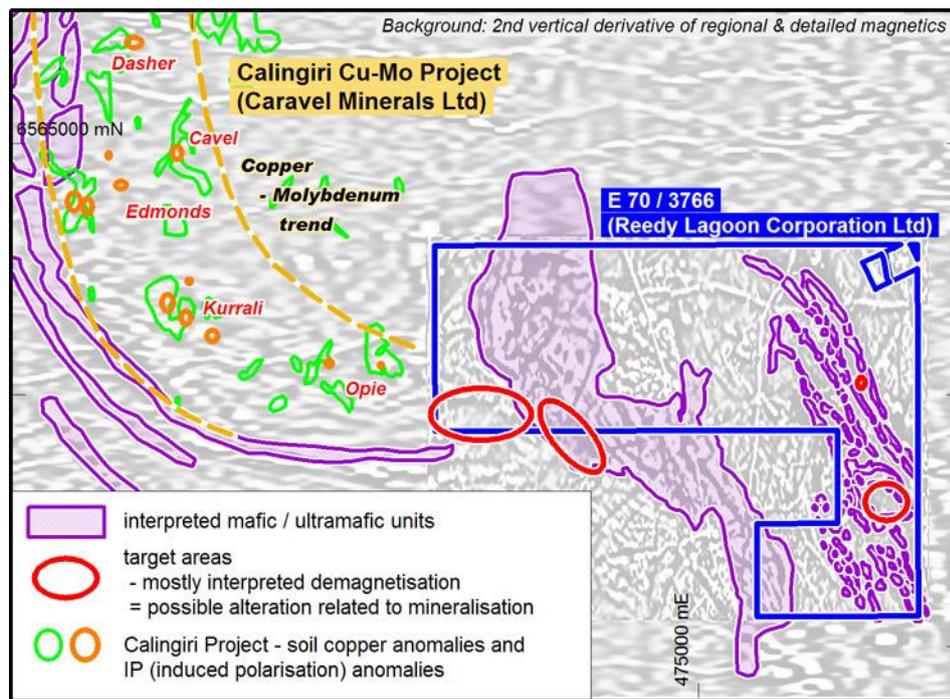
KEL 1 (WA)

Copper / Gold

RLC 100% E70/3766 total area 44 km²

No field activities were undertaken during the period.

Kell 1 is located in the Western Gneiss Terrane of the Yilgarn Craton 60 kilometres north of the town of Northam. Our initial exploration is exploiting remote sensing techniques, such as geophysical methods since more than half of the tenement area is buried beneath recent alluvium, lateritic soil and sandy plains. Work during the report period comprised continuing the review of geophysical data acquired during prior periods. The on-going discoveries by Caravel Minerals Limited of anomalous copper levels in soil and drill samples in its adjacent Calingiri Project were used to assist in identifying targets for copper and possibly associated cobalt and nickel within RLC's project area.



KEL 1 project area (E70/3766) showing potential copper-cobalt-nickel targets interpreted from magnetic data.

Edward Creek (SA)

Uranium & REE

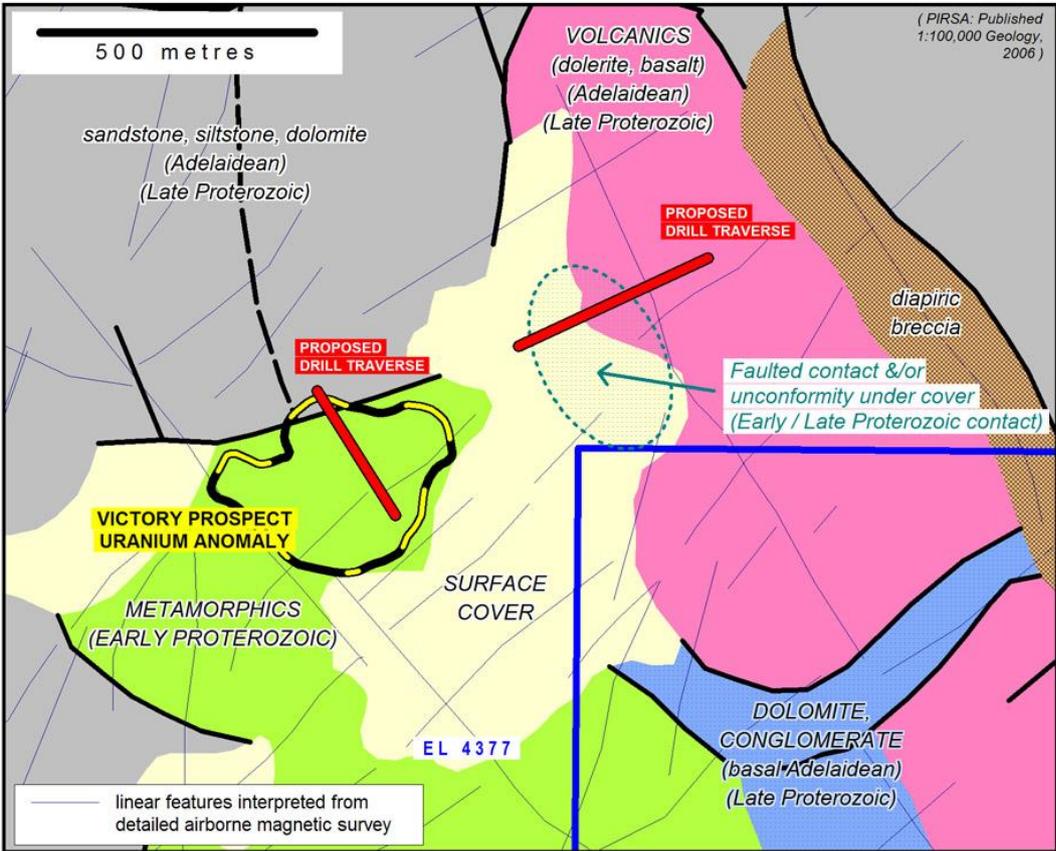
RLC 100% (excluding diamonds) EL 4377 total area 440 km²

No field activities were undertaken during the period.

Work planned on the Edward Creek project includes drilling at the Victory uranium prospect. The drilling, now being considered following summer but dependent on funding, 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 (RLC's ASX Release 17 Nov 2010) include assays of surface rock chip and auger samples up to 412 ppm uranium, 0.30 % copper, 0.39 % TREE.

The drilling program has been awarded government funding (“PACE”) under the South Australian Government’s initiative to encourage exploration by contributing funding towards exploration drilling.

However, the requirement to complete the drilling by 14 March 2014 is likely to render any drilling ineligible for the PACE funding.



Proposed drill traverses at the Victory uranium prospect, Edward Creek project, South Australia (subject to funding).

Tanami (NT)

Uranium & Gold

RLC 100% : EL 24885 area: 272 km²

Processing and interpretation of airborne magnetic and radiometric survey data acquired during the prior period continued.

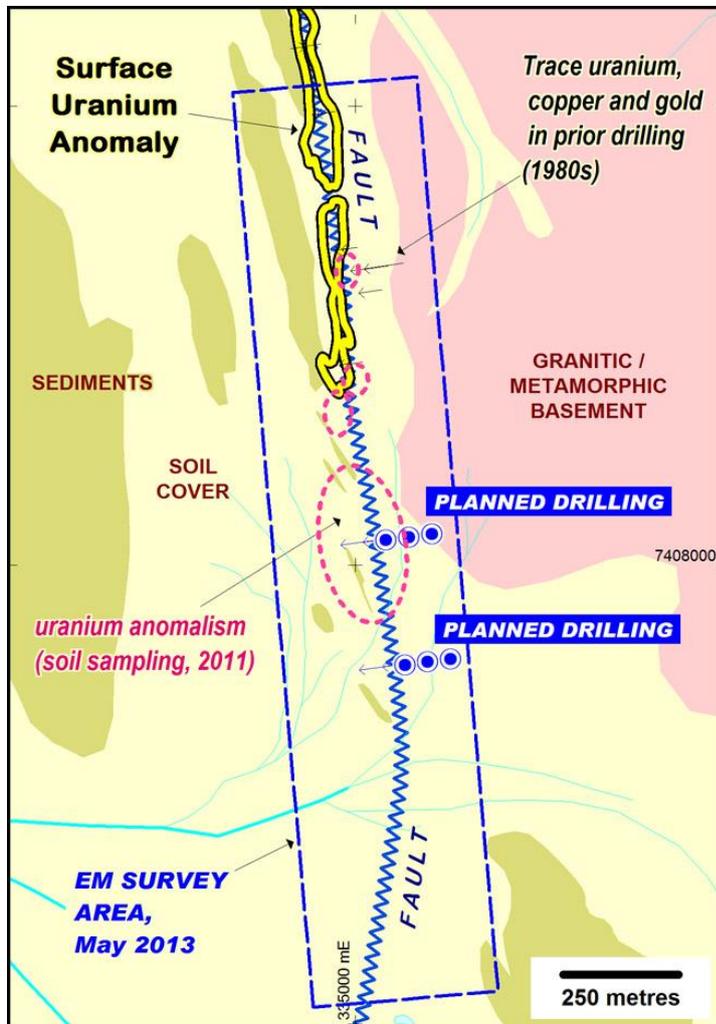
The Tanami project is located in the Northern Territory and abuts the Western Australia border. Target mineralisation is uranium precipitated and concentrated along unconformities and paleodrainage channels within sedimentary sequences or within fault zones.

Gold is a secondary target. 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.

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No field activities were undertaken during the period.

Review of the project area enabled a reduction in its area from 217 km² to 101 km² during the period.



Interpretation of ground geophysical data (EM) acquired previously by the Company suggests conductors which may be indicative of sedimentary units interpreted by RLC to be potential hosts for uranium mineralisation are present. These features will be used to assist determine the planned drilling.

The 'Winning Hill' project is located in the Gascoyne region in Western Australia. RLC is targeting zones of intersection between a regional fault and specific sedimentary units in which uranium mineralisation may occur. The target has been developed using the results of exploration conducted in the early 1980's which identified uranium anomalism where the fault juxtaposes younger rocks with Gascoyne Complex basement.

COMMENT

1. Finances

At 31 December 2013 RLC had \$313,142 in bank accounts and deposits with no debt.

Net cash outflow for the December 2013 quarter was \$148,358 (including \$73,490 of exploration related expenditure).

Expenditure for the March 2014 quarter is estimated at \$160,000.

Directors intend raising capital in the near future and will structure any offer of securities initially through an entitlements offer to shareholders. Any such offer would comprise an offer by the Company of RLC shares and possibly options over RLC shares. A disclosure document for the offer will be made available when any securities are offered and anyone wishing to acquire the securities will need to complete the application form that would be in or would accompany the disclosure document.

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2. Bullamine Joint Venture

Our joint venture partners in Bullamine informed us on 13 November 2013 they were seeking buyers for their 75% farm-in interest in the joint venture.

The Company's principal asset is its 25% interest in the Bullamine Joint Venture which is exploring for iron-ore in the south west of Western Australia. The directors consider that the work completed at the Burracoppin prospect by the joint venture to date has recovered sufficient information to warrant further work, including substantial drilling. The reduction in activities by our joint venture partners on the Bullamine magnetite project and their current intention to sell their interest is frustrating, but it should be noted that our joint venture requires that sufficient exploration is conducted in order to maintain the tenements in good standing. This requirement would apply to any third party should it acquire the interest.

3. Other Projects

The Company's exploration interests other than the Bullamine project are progressing with drill programs being prepared and optimised for investigation of uranium, copper and gold targets. It is noted however that the Company currently has insufficient funds available to conduct drill programs.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Bullamine JV <i>Iron - Magnetite</i>	No field activity planned. RLC – completion of scoping study into Burracoppin	Mar Q Mar Q
KEL 1 <i>Copper</i>	Continue interpreting geophysical data and generation of drill targets	Mar Q
Edward Creek <i>Uranium</i>	RC drilling – Victory prospect - work on hold pending funding	TBD Q
Tanami <i>Uranium & gold</i>	Continue interpreting magnetic & radiometric survey data to identify drill targets	Mar Q
Winning Hill <i>Uranium</i>	Complete access agreements with Native Title claimants. Continue interpreting EM survey data to prioritise drill targets.	Mar Q
New Project Development		On going
Corporate	Entitlements offer to shareholders	Mar or Jun Q

All exploration activities are subject to contractor availability and funding.

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 2012 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. Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this report, neither Geof Fethers nor Hugh Rutter has any information at the date of this report which would suggest that those Exploration Results have changed in any material respect.

1.13	Total operating and investing cash flows (carried forward)	(143)	(289)
1.13	Total operating and investing cash flows (brought forward)	(143)	(289)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(5)	(5)
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	(5)	(5)
	Net increase (decrease) in cash held	(148)	(294)
1.20	Cash at beginning of quarter/year to date	461	607
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	313	313

**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	\$000's
	Payment of salaries and director fees to directors (incl. Superannuation)	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

Cliffs, as Manager of the Bullamine Iron (Magnetite) JV, has reported expenditure of \$84,625 on the Bullamine Iron (Magnetite) Joint Venture for the quarter.

+ See chapter 19 for defined terms.

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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	95
4.2 Development	-
4.3 Production	-
4.4 Administration	65
Total	160

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	24	18
5.2 Deposits at call	71	230
5.3 Bank overdraft		
5.4 Other (provide details) Term deposits	218	213
Total: cash at end of quarter (item 1.22)	313	461

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	E70/3767	Surrendered	100%	Nil
	E70/4412	Surrendered	100%	Nil
	E08/2073	Partial surrender	100%	50% of area
6.2 Interests in mining tenements acquired or increased				

+ 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	53,548,490	53,548,490		
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	<i>Exercise price</i>	<i>Expiry date</i>
7.7 Options <i>(description and conversion factor)</i>	1,550,000	NONE	20 cents	31 December 2014
	900,000	NONE	20 cents	31 December 2015
	900,000	NONE	20 cents	31 December 2016
7.8 Issued during quarter	900,000	NONE	20 cents	31 December 2016
7.9 Exercised during quarter	-			
7.10 Expired during quarter	1,550,000	NONE	21 cents	31 December 2013
7.11 Debentures <i>(totals only)</i>				

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7.12	Unsecured notes (<i>totals only</i>)		
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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 January 2014
(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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