



ASX Release

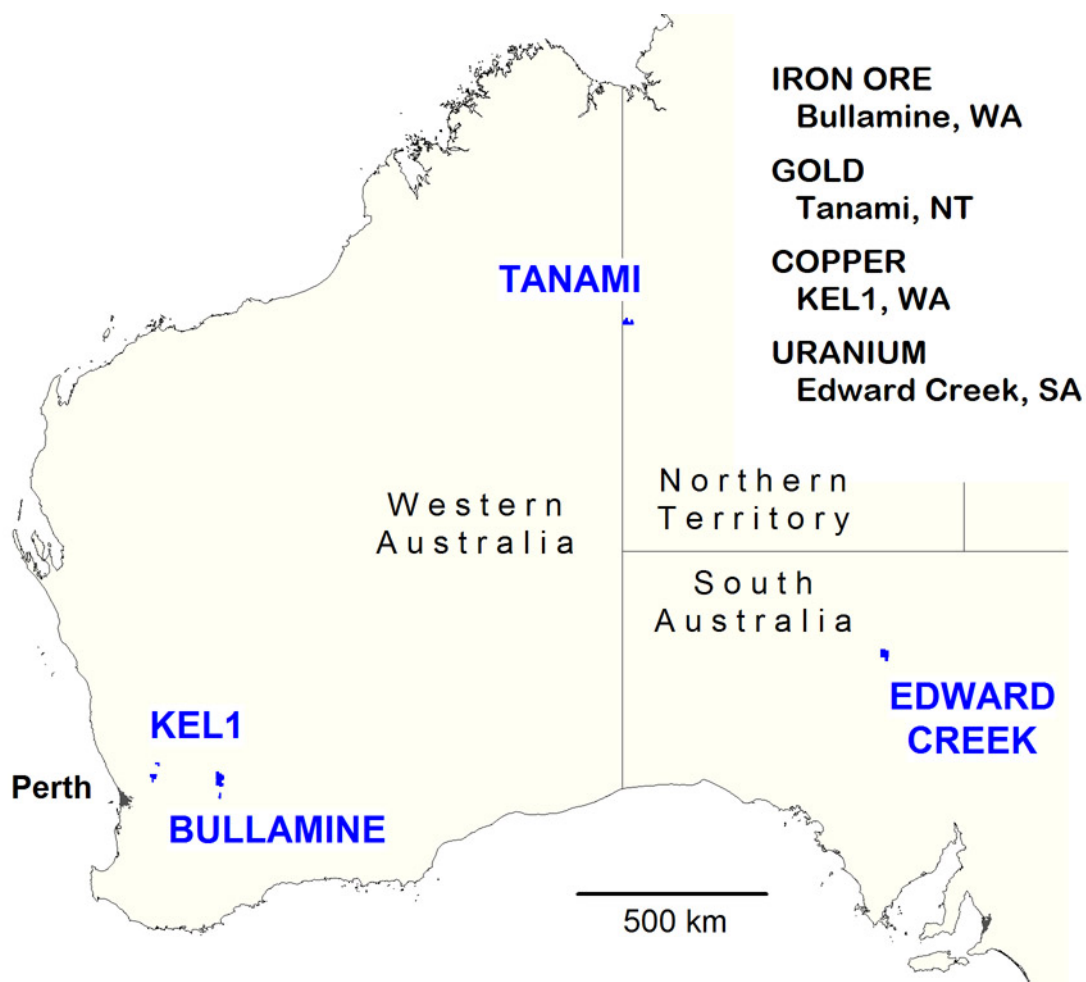
ASX Code: RLC

30 January 2015

Quarterly Report for the period ended 31 December 2014

HIGHLIGHTS

- Bullamine – Magnetite iron ore (WA):
 - Excellent results received from tests on Burracoppin magnetite.



CURRENT EXPLORATION ACTIVITIES

Bullamine Iron (Magnetite) (WA)

Iron (magnetite)

At the date of this report the tenements held comprise:

RLC 100% : E70/3462, 3769 & 3770

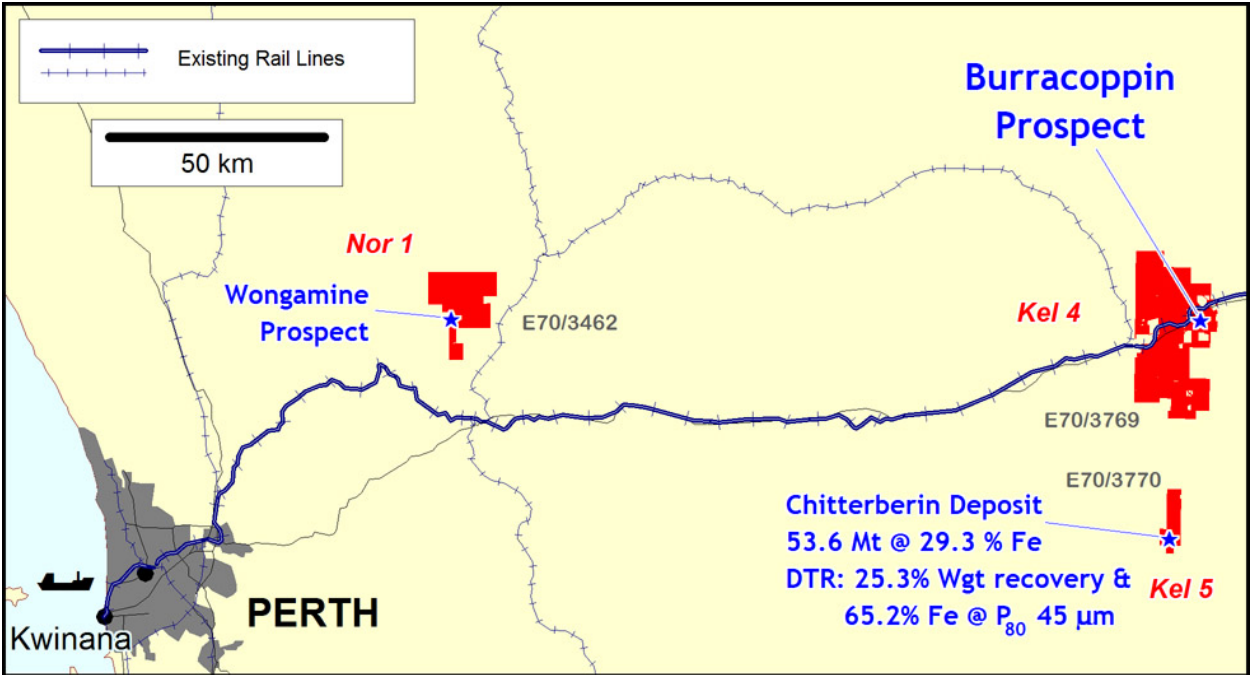
Total area 736 km²

Results from metallurgical test work on core samples previously acquired from the Burracoppin prospect show the mineralization is readily beneficiated into a high iron low impurity concentrate by conventional processing. The samples tested weighed in aggregate 795 kilograms and comprised 6 composite samples over three separate mineralised intervals from two diamond holes into the Burracoppin deposit. The testing was designed to investigate the composition of concentrates that can be produced using dry and wet LIMS (low intensity magnetic separation) for a range of particle sizes from 6 millimetre to 125 micron (0.125 mm). In addition to showing the mineralisation is readily beneficiated into a high-iron low-impurity concentrate by conventional processing, the tests also show minimal loss of iron to the waste at all size fractions. This finding indicates the project product can be sold at a stage of processing convenient for transport and handling with the confidence that it can be upgraded at a buyer's convenience with minimal loss of iron units.

A partner for the Burracoppin iron-ore magnetite prospect was sought and the Company planned to seek funding for work at Burracoppin and for working capital during the March 2015 quarter.

Subsequent to the end of the report period two separate parties had indicated interest in assessing the Bullamine project for the purpose of farming-in or otherwise gaining potential off-take arrangements.

RLC is focussing on the Burracoppin prospect because of the size indicated by the magnetic anomaly associated with it, the wide intersections of mineralisation in two of the three bore holes completed to date, the favourable metallurgy and its location adjacent to rail connecting it to bulk cargo ports.



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

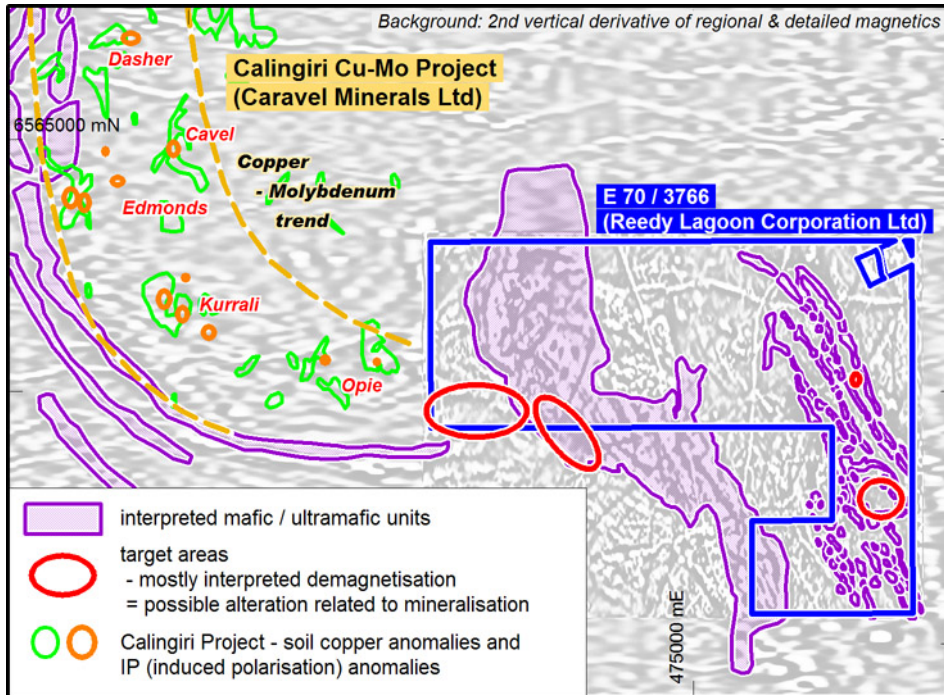
KEL 1 (WA)

Copper / Gold

RLC 100% E70/3766 total area 44 km²

No field activities were undertaken during the period.

KEL 1 is located in the Western Gneiss Terrane of the Yilgarn Craton 60 kilometres north of the town of Northam. Our initial exploration is taking advantage of 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.



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

Edward Creek (SA)

Uranium

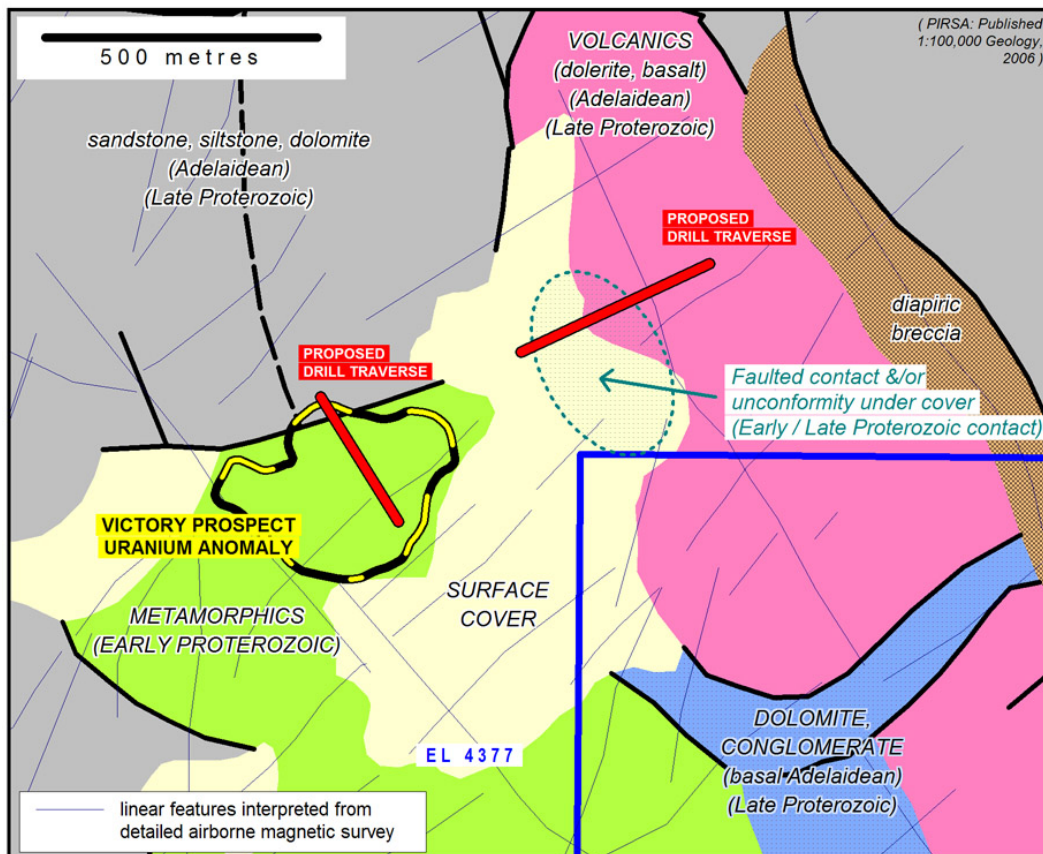
RLC 100% (excluding diamonds) EL 4377 total area 440 km²

No field activities were undertaken during the period.

Exploration for uranium was postponed. The low uranium price and a joint venture partner maintaining minimum exploration expenditure on the tenement enable RLC to postpone its planned exploration for uranium without penalty. Any exploration success with uranium in the current period would likely generate very little interest amongst potential joint venture partners and investors.

Work planned on the Edward Creek project includes drilling at the Victory uranium prospect. The drilling, now postponed until market conditions improve, 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 rocks of Early Proterozoic age. 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.

Application was made for a subsequent licence to cover most of EL 4377 as the 5 year term of EL 4377 expired 11/11/2014. The application is progressing and the subsequent licence is expected to cover 343 km².



Proposed drill traverses at the Victory uranium prospect, Edward Creek project, South Australia (work on hold until market conditions improve).

Tanami (NT)

Gold, REE & Phosphate

RLC 100% : EL 24885 area: 136 km²

No field activities were undertaken during the period.

Gold targets interpreted to be buried under less than 100 metres of cover together with REE and phosphate targets interpreted from airborne radiometric survey remain to be investigated.

The Tanami project is located in the Northern Territory and abuts the Western Australia border. The Newmont owned Callie Gold Mine (a 10 million oz plus deposit) is located 70 kilometres east from project area. Target mineralisation is gold, REE and phosphate.

COMMENT

1. Finances

Net cash outflow for the December 2014 quarter was \$170,516 (including \$111,760 of exploration related expenditure).

At 31 December 2014 RLC had \$108,412 in bank accounts and deposits with no debt.

A partner for the Burracoppin iron-ore magnetite prospect was being sought and the Company planned to seek funding for work at Burracoppin and for working capital during the March 2015 quarter.

2. Management

The Company's Annual General Meeting was held on Friday 31 October 2014. All resolutions put to the meeting were passed.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Bullamine <i>Iron - Magnetite</i>	Secure title to reduced areas covering specific prospects.	Mar Q
KEL 1 <i>Copper</i>	Gravity survey	Jun Q
Tanami <i>Gold, REE, Phosphate</i>	Field visit to inspect radiometric anomalies. Shallow aircore/RAB drilling	Jun Q TBD

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, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to 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 consents to the inclusion in the report of the matters based on his 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, those releases are available to view on the NEWS page of reedylagoon.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in those earlier releases and, in the case of the estimate of the Mineral Resource, all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Mining tenements.

Tenements at end of quarter		
Project / Location	Tenement number	Company Interest (%)
BULLAMINE – NOR 1 (WA)	E70/3462	100
BULLAMINE – KEL 4 (WA)	E70/3769	100
BULLAMINE – KEL 5 (WA)	E70/3770	100
KEL 1 (WA)	E70/3766	100
TANAMI (NT)	EL 24885	100
EDWARD CREEK (SA)	EL 4377	100 (excl. diamond)

Note: EL 4377 5 year term expires 11/11/2014. Application was lodged for a subsequent licence and this application is proceeding. EL 4377 has not expired notwithstanding the expiry of its 5 year term.

Joint ventures at end of quarter		
Agreement	Tenements	Company Interest (%)
Diamond Farm-out Agreement	EL 4377	100% all minerals excluding diamond

Tenements changed during the quarter: Nil

Joint ventures changed during period: Nil

JORC Code, 2012 Edition – Table 1 report

Applicable to the metallurgical results reported for the Burracoppin prospect, Bullamine Project.

Section 1 Sampling Techniques and Data

Criteria	
Sampling techniques	<ul style="list-style-type: none"> Core (mostly ½ core split) remaining after earlier tests (refer RLC ASX releases 23/11/2012, 18/01/2013,)
Drilling techniques	<ul style="list-style-type: none"> Core, HQ tailed to NQ
Drill sample recovery	<ul style="list-style-type: none"> Core recoveries were close to 100% for close to 100% of the core inspected and sampled for the metallurgical test work. No issues were reported at the time of drilling or in subsequent analysis that would indicate any sampling bias. Core was stored in core trays and had been logged when drilled in 2012. All core sampled for the metallurgical test work was laid out and photographed prior to processing.
Logging	<ul style="list-style-type: none"> Core samples had been geologically and geo-technically logged to a level of detail to support metallurgical studies. All relevant items such as interval, lithology, oxidation, mineralization, sulphide presence were recorded in the geological logs
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> The sampling was designed, overseen and managed by Engenium Pty Ltd, an independent consultant specializing in developing, budgeting and scheduling metallurgical test plans and sampling requirements. Assays and test work were performed by Bureau Veritas, an ISO 9001 accredited laboratory. All core sampled had been sawn by others for earlier assay and metallurgical test work. Results of prior DTR test work (refer RLC ASX release 23/11/2012) were used to guide sampling. The test work was performed on samples which usually comprised either 100% of the remaining ½ splits which were composited prior to tests being performed. Where a sampled interval included both HQ and NQ core the HQ sample was reduced to match NQ volumes and thereby remove bias. All sample types were split according to good laboratory practice and procedures to ISO 9001 (riffle splits). Quality control procedures were performed under ISO 9001 to ensure the sampling was representative of the in situ material collected. Sample sizes were appropriate to the grain size of the material being sample as per Australian standards (4433 part 1).
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature and quality of the assaying and laboratory procedures used were to ISO 9001 which is appropriate for the sample testing and assays. Routine quality control procedures were adopted (eg standards, blanks, duplicates, external laboratory checks) and performed by the BureauVeritas laboratory to ISO 9001 which are accepted within the industry to ensure acceptable levels of accuracy (ie lack of bias) and precision.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel.- NA The use of twinned holes.- NA Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.- NA Discuss any adjustment to assay data.- NA
Location of data points	<ul style="list-style-type: none"> Hole collars were located (including elevations) by dGPS and GPS. Down hole surveys were by GYRO. Grid system: GDA 94 MGA zone 50
Data spacing and distribution	<ul style="list-style-type: none"> Only 3 holes were drilled and these are not sufficient to establish a degree of geological and grade continuity appropriate for a determination of a Mineral Resource estimation. Sample compositing was applied.

Criteria	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Sampling was performed on potential ore zones determined by prior assay results, drill logs and visual selection. Sampled intervals of no less than 10 metres were used to align the sampling to prospective mining practices. • The relationship between the drilling orientation and the orientation of key mineralised structures was not determined as the testing completed was testing the selected drill intersections and was not designed to test the mineralization as a whole.
Sample security	<ul style="list-style-type: none"> • Core was stored in a locked core facility. Transport from the core facility to Bureau Veritas was arranged and performed by an approved sub-contractor.
Audits or reviews	<ul style="list-style-type: none"> • No audits or reviews of sampling techniques and data were performed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • E70/3769 is registered in the name of Bullamine Magnetite Pty Ltd which is a wholly owned subsidiary company of Reedy Lagoon Corporation Limited. • Areas considered sensitive to mining including where Native Title occurs or may occur and a reference area have been excised and do not form a part of the tenement area. • The tenement's 5 year term expires on 18/04/2015 and the Company intends applying for an extension or for a retention or mining licence over the Burracoppin prospect area only.
Exploration done by other parties	<ul style="list-style-type: none"> • Significant exploration and appraisal of the prospect has been done by the Bullamine Iron ore Joint Venture, of which the Company was a party, as reported in RLC ASX releases 23/11/2012, 18/01/2013. The prospect was discovered by the Joint Venture.
Geology	<ul style="list-style-type: none"> • Steeply dipping bands of magnetite mineralization within and amongst felsic intrusive rocks ("granites" etc) and their deformed equivalents (gneisses).
Drill hole Information	<ul style="list-style-type: none"> • Refer to RLC ASX releases 23/11/2012, 18/01/2013 for summaries of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case – NA
Data aggregation methods	<ul style="list-style-type: none"> • Weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are stated in RLC ASX releases 23/11/2012, 18/01/2013 for earlier results and are not applicable to the metallurgical testing being reported as results have not been aggregated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail - NA • The assumptions used for any reporting of metal equivalent values should be clearly stated – NA
Relationship between mineralisation on widths and intercept lengths	<ul style="list-style-type: none"> • The nature of the geometry of the mineralisation with respect to the drill hole angle is not known. • The term "sampled interval" is used without reference to "widths" as there is insufficient information to make any comment on "true widths".

Criteria	
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts are not provided but have been provided in RLC ASX releases 23/11/2012, 18/01/2013..</i>
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results – all results have been reported.</i>
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Refer to RLC ASX releases 23/11/2012, 18/01/2013</i>
Further work	<ul style="list-style-type: none"> • <i>Additional drill data is required to determine the extent of the mineralization and a geological model on which to base further geo-metallurgical assessment if warranted.</i>

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 2014

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	19	27
1.2 Payments for		
(a) exploration and evaluation	(112)	(163)
(b) development	-	-
(c) production	-	-
(d) administration	(67)	(181)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
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)	(4)	(11)
Net Operating Cash Flows	(162)	(326)
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	-	-

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (carried forward)	(162)	(326)
1.13	Total operating and investing cash flows (brought forward)	(162)	(326)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		341
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 (share issue costs) GST adjustment on equity raising	(8)	(8)
	Net financing cash flows	(8)	(333)
	Net increase (decrease) in cash held	(171)	8
1.20	Cash at beginning of quarter/year to date	279	100
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	108	108

**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)	61
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 (incl. Superannuation)	\$000's 61

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

Director fees/salary settled by issue of shares - \$19,160
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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

+ 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	20
4.2 Development	-
4.3 Production	-
4.4 Administration	80
Total	100

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	28	100
5.2 Deposits at call	80	179
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	108	279

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	none			
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 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	71,379,294	70,612,894		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	766,400		2.5	2.5
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>	900,000	NONE	20 cents	31 December 2015
	900,000	NONE	20 cents	31 December 2016
	900,000	NONE	20 cents	31 December 2017
7.8 Issued during quarter	900,000	NONE	20 cents	31 December 2017
7.9 Exercised during quarter	-			
7.10 Expired during quarter	1,550,000	NONE	20 cents	31 December 2014
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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: 30 January 2015
(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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+ See chapter 19 for defined terms.