



ASX Release

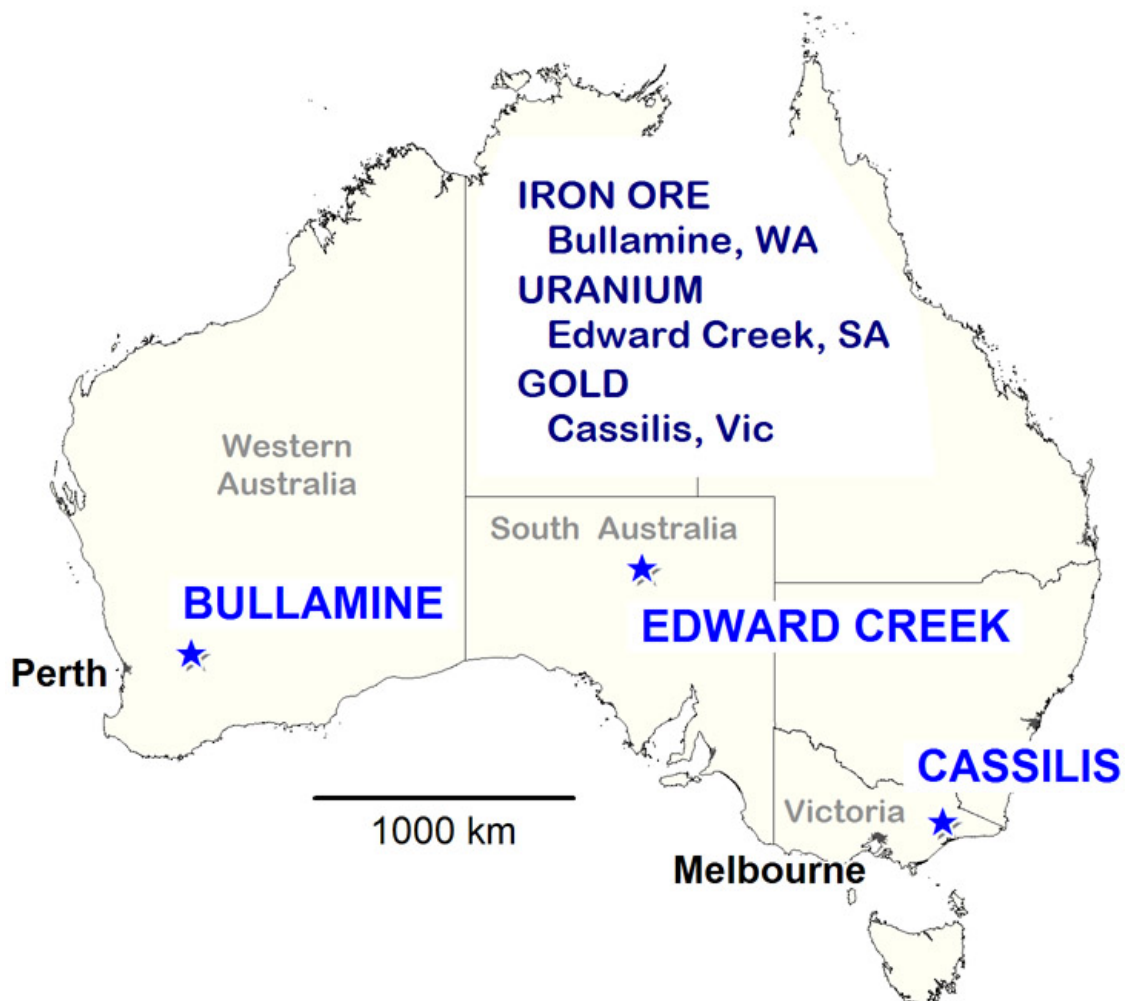
ASX Code: RLC

30 October 2015

Quarterly Report for the period ended 30 September 2015

HIGHLIGHTS

- Additional gold targets identified at Cassilis
- Pro-rata entitlement offer raises \$278,718



CURRENT EXPLORATION ACTIVITIES

Bullamine Iron (Magnetite) (WA)

Iron (magnetite)

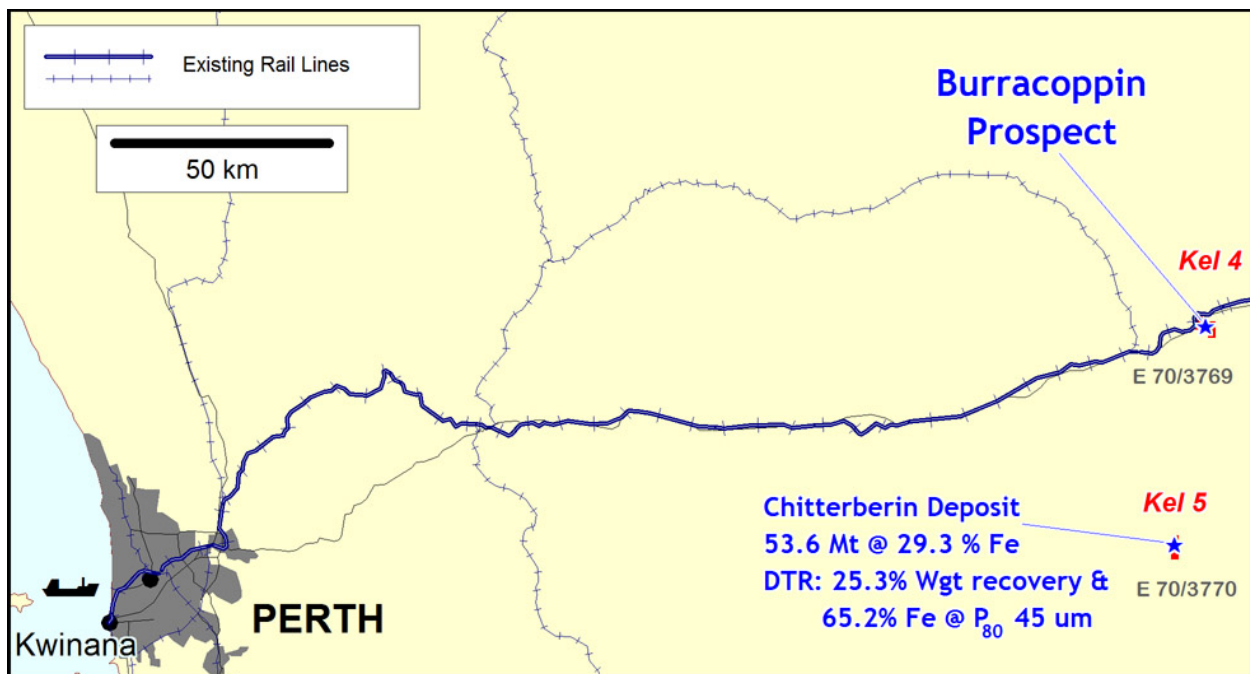
RLC 100% : E70/3769 & 3770

Total area 22.9 km²

No field activities were undertaken during the report period.

Past work has defined an Inferred Resource at Chitterberin (ASX release 22/10/2012) and established the presence of substantial magnetite mineralisation at the Burracoppin prospect where metallurgical studies have shown the mineralization is readily beneficiated into a high iron low impurity concentrate by conventional processing (ASX release 30/01/2015, Quarterly report for the period ended 31 December 2014).

A partner for the project is being sought.



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

Edward Creek (SA)

Uranium

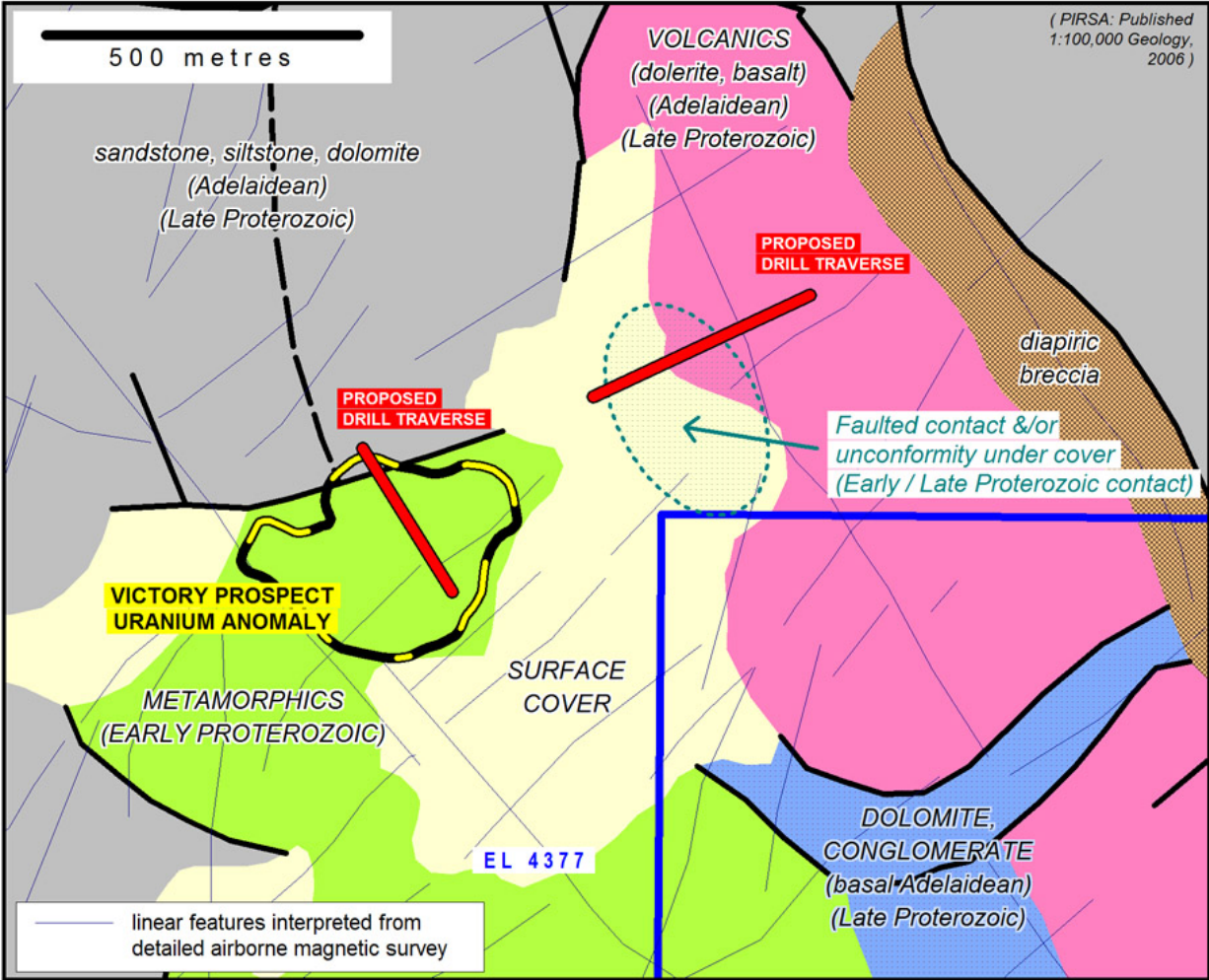
RLC 100% (excluding diamonds) EL 5580 total area 343 km²

No field activities were undertaken during the period.

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.



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

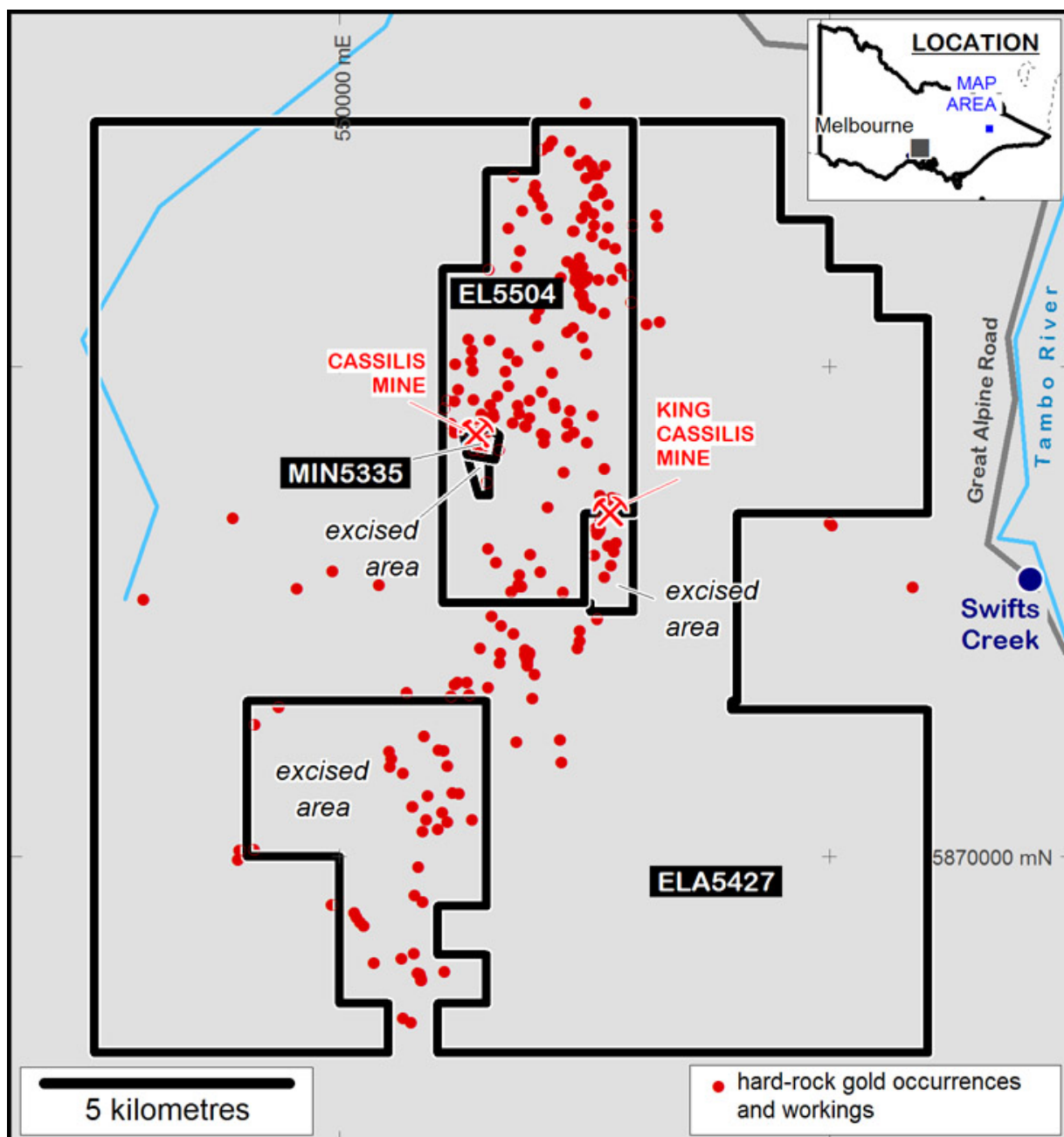
Cassilis Gold (VIC)

Gold

Option to acquire Cassilis Mining Pty Ltd

The Company continued its evaluation of the Cassilis gold project located near Omeo in Eastern Victoria. Evaluation work has been hampered by continued uncertainty resulting from protracted delays by the Victorian department of Economic Development, Jobs, Transport and Resources associated with the processing of tenement applications and with the application for transfer of MIN 5335 to Cassilis Mining Pty Ltd.

In June 2015 the Company entered into an agreement giving it the right to purchase 100% of Cassilis Mining Pty Ltd. Cassilis Mining has an agreement to acquire mining licence (MIN 5335) from Rocky Mining Pty Ltd, a retention licence application (RLA 2005) and two exploration licence applications (ELA 5504 and ELA 5427). EL 5504 was granted on 1 October 2015. An application for the transfer of MIN 5335 to Cassilis Pty Ltd was lodged with the Department in 2013. The recent appointment of liquidators to Rocky Mining Pty Ltd (in liquidation) has introduced uncertainty in relation to MIN 5335 because the licence remains in Rocky Mining's name. The Company is seeking to have the Department rectify the problem by immediately processing the transfer.



Tenements held and applied for by Cassilis Mining Pty Ltd.

MIN 5335 covers most of the Cassilis Gold Mine and on that tenement there are ore processing equipment including a tailings and two water storage dams, together with crushing and milling equipment capable of processing ore at a rate of about 7 tonnes per hour. Rock recovered from one of the adits of the Cassilis mine is stockpiled in preparation for transport to and processing through the plant. There are also various mullock dumps left from past mining activities on MIN 5335, EL 5504 and elsewhere within the Cassilis Goldfield.

Additional gold targets have been identified. Reports of work completed by prior companies include descriptions of gold recovered in surface rock chip sampling conducted within a mineralised trend which was followed for about 500 metres within EL 5504. A mineralised shear structure measuring up to 150 metres wide containing several parallel reefs is described within the trend. Further evaluation of this mineralised trend, possibly by shallow trenching, in addition to our testing of mullock dumps within MIN 5335 and EL 5504, is planned as part of the evaluation of the project.

COMMENT

Net cash outflow for the September 2015 quarter was \$113,042 (including \$9,484 of exploration related expenditure).

At 30 September 2015 RLC had \$160,055 in bank accounts and deposits.

34,839,772 shares were subscribed for (at an issue price of \$0.008) under a pro rata non-renounceable Entitlement Offer to shareholders dated 9 June 2015 raising \$278,718 new capital.

An additional 625,000 shares were issued in payment of \$4,000 in directors fees.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Cassilis (option to acquire) <i>Gold</i>	Field inspections Geochemical sampling	Dec Q TBD
Bullamine <i>Iron - Magnetite</i>	Seek retention licence tenure over existing deposits	Dec Q
Edward Creek <i>Uranium</i>	Drilling at Victory prospect	TBD

All exploration activities are restricted pending further capital raising and 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, 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 – KEL 4 (WA)	E70/3769	100
BULLAMINE – KEL 5 (WA)	E70/3770	100
EDWARD CREEK (SA)	EL 5580	100 (excl. diamond)

Joint ventures at end of quarter		
Agreement	Tenements	Company Interest (%)
Diamond Farm-out Agreement	EL 5580	100% all minerals excluding diamond

Mining tenements.

Tenements changed during the quarter:		
Project / Location	Tenement number	Change
NA	NA	Nil

Joint ventures changed during period: Nil

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 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to Date (3 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	5	5
1.2	Payments for		
	(a) exploration and evaluation	(9)	(9)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(105)	(105)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
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)	(5)	(5)
	Net Operating Cash Flows	(113)	(113)
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	-	-

+ See chapter 19 for defined terms.

	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(117)	(117)
1.13	Total operating and investing cash flows (brought forward)	(117)	(117)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	278	278
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)	(12)	(12)
	GST adjustment on equity raising		
	Net financing cash flows	266	266
	Net increase (decrease) in cash held	153	153
1.20	Cash at beginning of quarter/year to date	7	7
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	160	160

**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)	81
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) <inclusive of \$40,389 accrued amounts pre June 2015>	\$000's 81

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	-	-

NOTE: 34,839,772 shares were issued raising \$278,718 new capital after the report period.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	-
4.3 Production	-
4.4 Administration	35
Total	60

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	10	7
5.2 Deposits at call	150	-
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	160	7

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 (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	108,844,066	108,844,066		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	35,464,772	35,464,772		Fully paid
7.5 +Convertible debt securities (description)	-	-		
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 (description and conversion factor)	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	NONE	NONE		
7.9 Exercised during quarter	NONE			
7.10 Expired during quarter	NONE	NONE		

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

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 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.