



## ASX Release

ASX Code: RLC

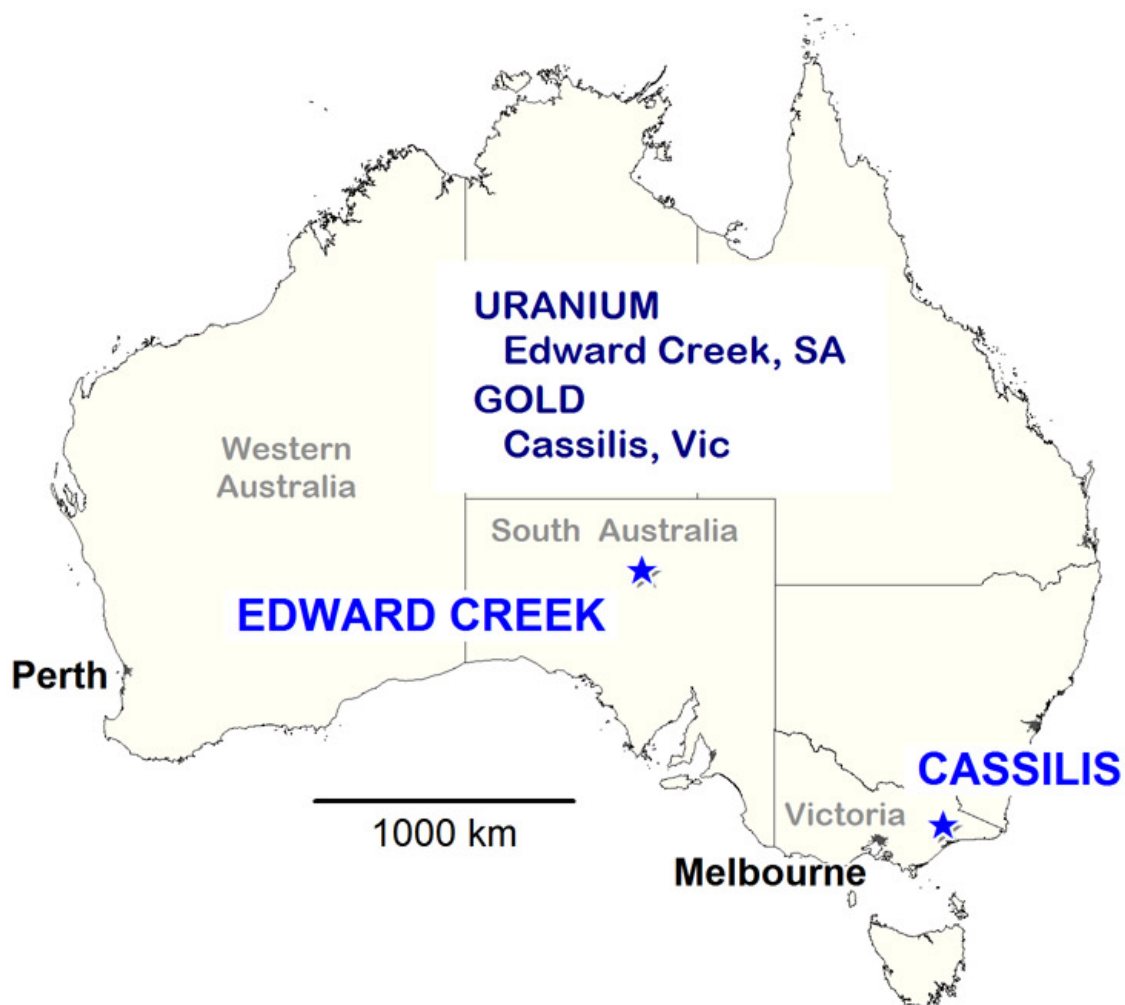
26 October 2016

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### Quarterly Report for the period ended 30 September 2016

#### SUMMARY

- Focus on new projects
- Cassilis gold project assessment delayed by uncertainties in tenure
- Edward Creek uranium project on hold



# CURRENT EXPLORATION ACTIVITIES

## Cassilis Gold (VIC)

Gold

Option to acquire Cassilis Mining Pty Ltd

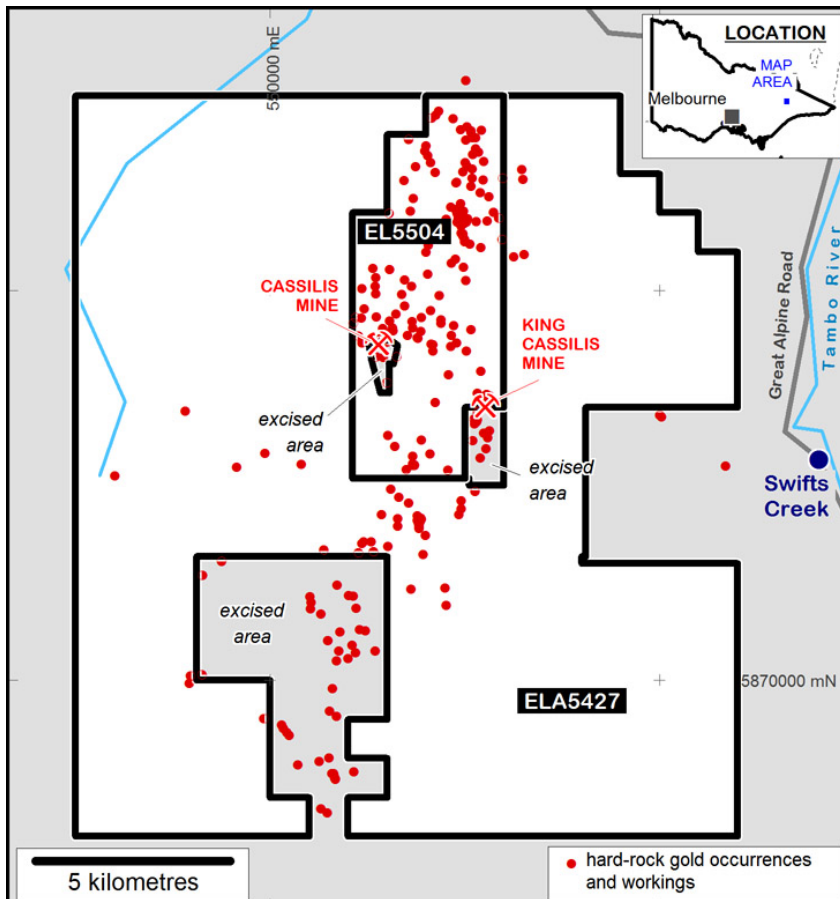
The Company continued its evaluation of the Cassilis gold project located near Omeo in Eastern Victoria.

No field work was conducted during the quarter.

Evaluation work has been hampered by continued uncertainty resulting from the protracted delays by the Victorian Department of Economic Development, Jobs, Transport and Resources ("DEDJTR") associated with the processing of an application for transfer of MIN 5335 to Cassilis Mining Pty Ltd and subsequent expiry of MIN 5335 resulting from the disclaiming of the licence by its registered holder, Rocky Mining Pty Ltd (in liquidation), on 19 July 2016. Correspondence dated 14 September 2016 from DEDJTR advised the Company of these developments and that the land previously subject to the licence had been exempted. The land remained exempted at the end of the report period.

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 exploration licence (EL 5504), a retention licence application (RLA 2005) and an exploration licence application (ELA 5427).

The project is of potential interest to RLC because it may present an opportunity for developing a gold mining operation with positive cash flow in a relatively short time frame. This opportunity for early cash flow has been adversely affected by the loss of the permitted mine site and infrastructure on the now expired MIN 5335. However, our investigations to date have recovered encouraging surface indications of potentially significant gold mineralised trends we intend evaluating, possibly by shallow trenching, in addition to our testing of mullock dumps within EL 5504.



*Tenements held and applied for by Cassilis Mining Pty Ltd. In the case of MIN5335, Cassilis Mining is the transferee under a transfer lodged with the Department but not yet registered.*

## Edward Creek (SA)

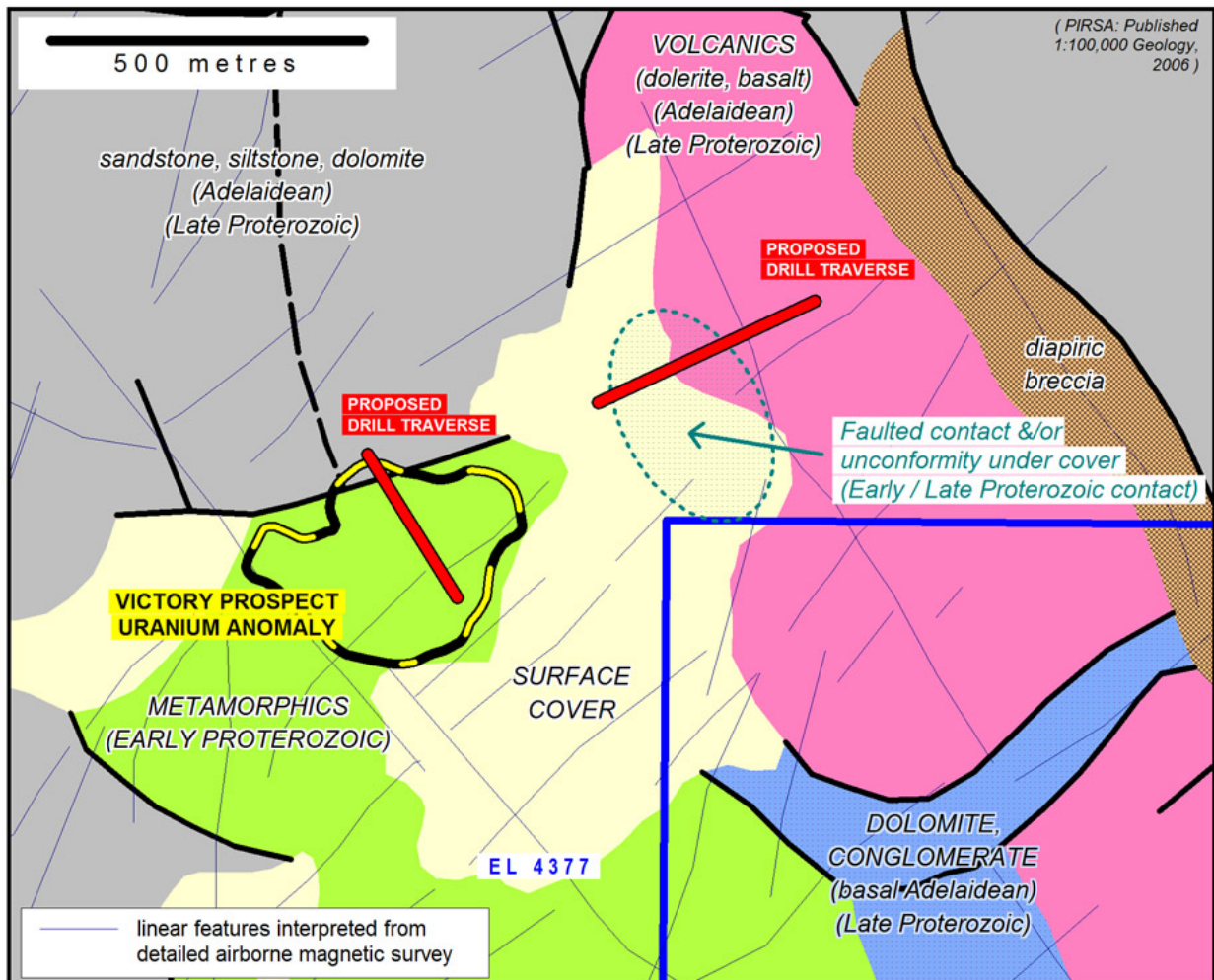
## Uranium

RLC 100% (excluding diamonds) EL 5580 total area 343 km<sup>2</sup>

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).

## COMMENT

Net cash outflow for the September 2016 quarter was \$5,636.

At 30 September 2016 RLC had \$42,587 in bank accounts and deposits.

No directors' fees or wages were paid during the report period.

A number of potential new projects were investigated during the period for commodities including: gold, cobalt, lithium, potash, scandium and tungsten. At the time of writing the most promising of these are a lithium brine project and a potash-lithium project.

## FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Cassilis (option to acquire) <i>Gold</i>	Geochemical sampling	TBD
Edward Creek <i>Uranium</i>	Drilling at Victory prospect	TBD
New Project Development	Investigate potential new projects.	On going

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](http://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. 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 (%)
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 2016

### 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	6	6
1.2	Payments for		
	(a) exploration and evaluation	(4)	(4)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(35)	(35)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
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)	(3)
	<b>Net Operating Cash Flows</b>	<b>(36)</b>	<b>(36)</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) Proceeds from loan by director	30	30

+ See chapter 19 for defined terms.

	<b>Net investing cash flows</b>	30	30
1.13	Total operating and investing cash flows (carried forward)	(6)	(6)
1.13	Total operating and investing cash flows (brought forward)	(6)	(6)
	<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 (share issue costs) GST adjustment on equity raising		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(6)	(6)
1.20	Cash at beginning of quarter/year to date	48	48
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	42	42

**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)	-
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

**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	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5
4.2 Development	-
4.3 Production	-
4.4 Administration	20
<b>Total</b>	<b>25</b>

### 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	27	7
5.2 Deposits at call	15	41
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>42</b>	<b>48</b>

### 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		-
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 <b>Preference +securities</b> (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>+Ordinary securities</b>	111,026,946	111,026,946		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> (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 <b>Options</b> (description and conversion factor)	900,000	NONE	20 cents	31 December 2016
	900,000	NONE	20 cents	31 December 2017
	900,000	NONE	1.1 cents	31 December 2018
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	<b>Debentures</b> <i>(totals only)</i>			
7.12	<b>Unsecured notes</b> <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: 26 October 2016  
(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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