



## **ASX Release**

**ASX Code: RLC**

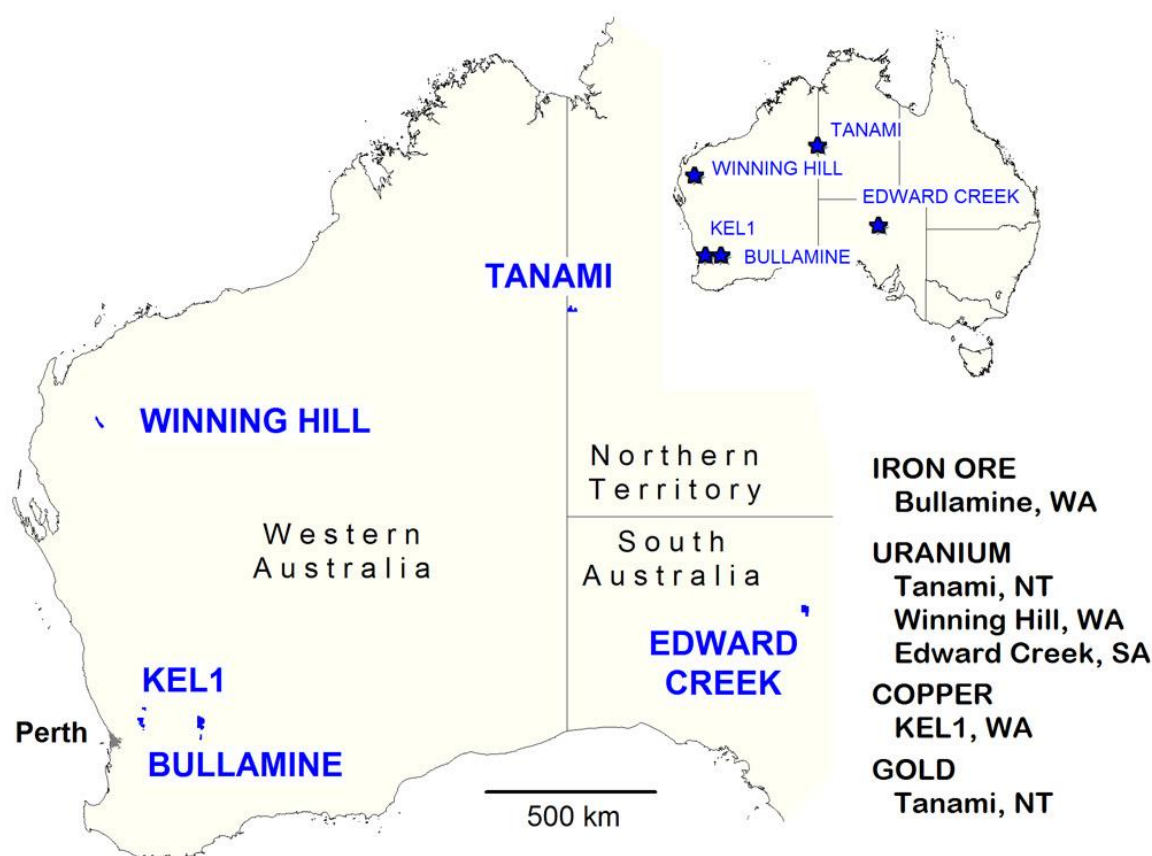
September 2013

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### **Quarterly Report for the period ended 30 September 2013**

#### **SUMMARY**

- Bullamine Joint venture – Magnetite iron ore (WA):
  - No exploration was conducted by the Joint Venture during the period.
  - The Manager has confirmed that it will ensure mines department exploration expenditure commitments will be met.
- Tanami – uranium & gold (NT)
  - Airborne geophysical survey (magnetic and radiometric) conducted.
- KEL 1 – copper (WA)
  - Targets for copper, cobalt and nickel interpreted.
- Winning Hill uranium (WA)
  - Commenced processing geophysical survey (EM) data.
- Corporate:
  - \$461,000 cash and deposits (nil debt) at 30 September 2013.
  - shares on issue 53.5 M and 4 M options.



## CURRENT EXPLORATION ACTIVITES

### **Bullamine JV Iron (Magnetite) (WA)**

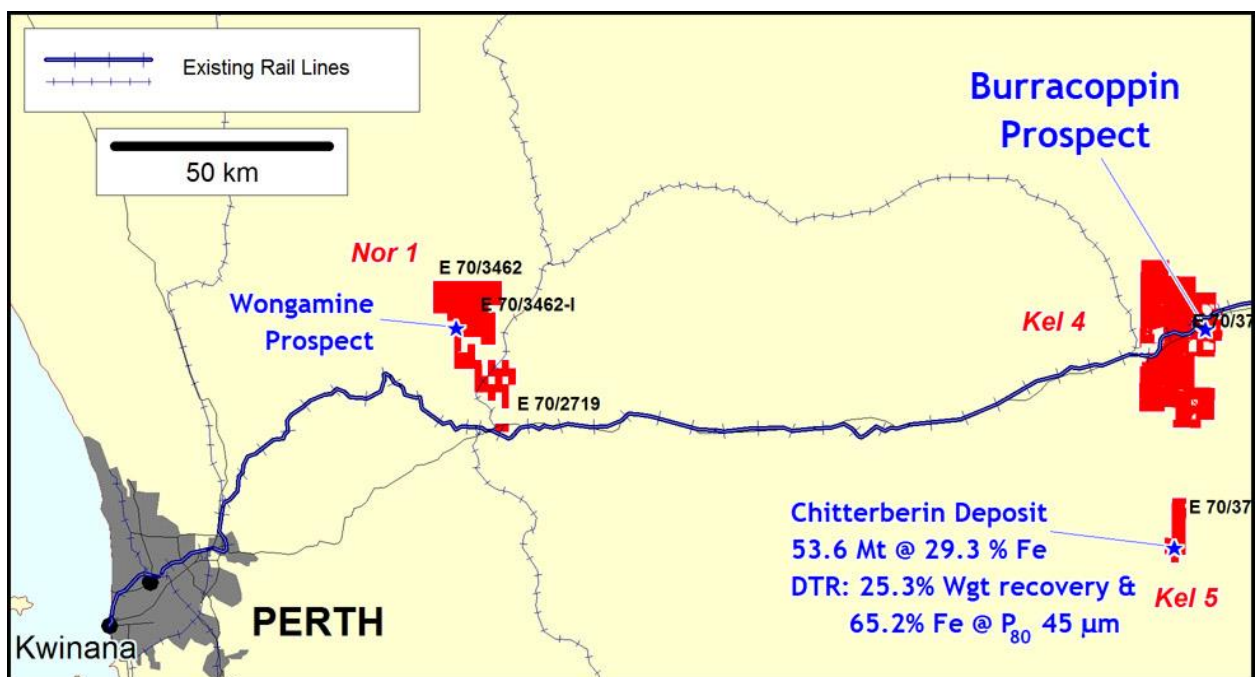
### **Iron (magnetite)**

RLC 25% : E70/2846, 3462, 3769, 3770 & 3805. (E70/3805 was surrendered on 16/07/2013)

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

Total area 812 km<sup>2</sup> (after surrender of E70/3805)

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.

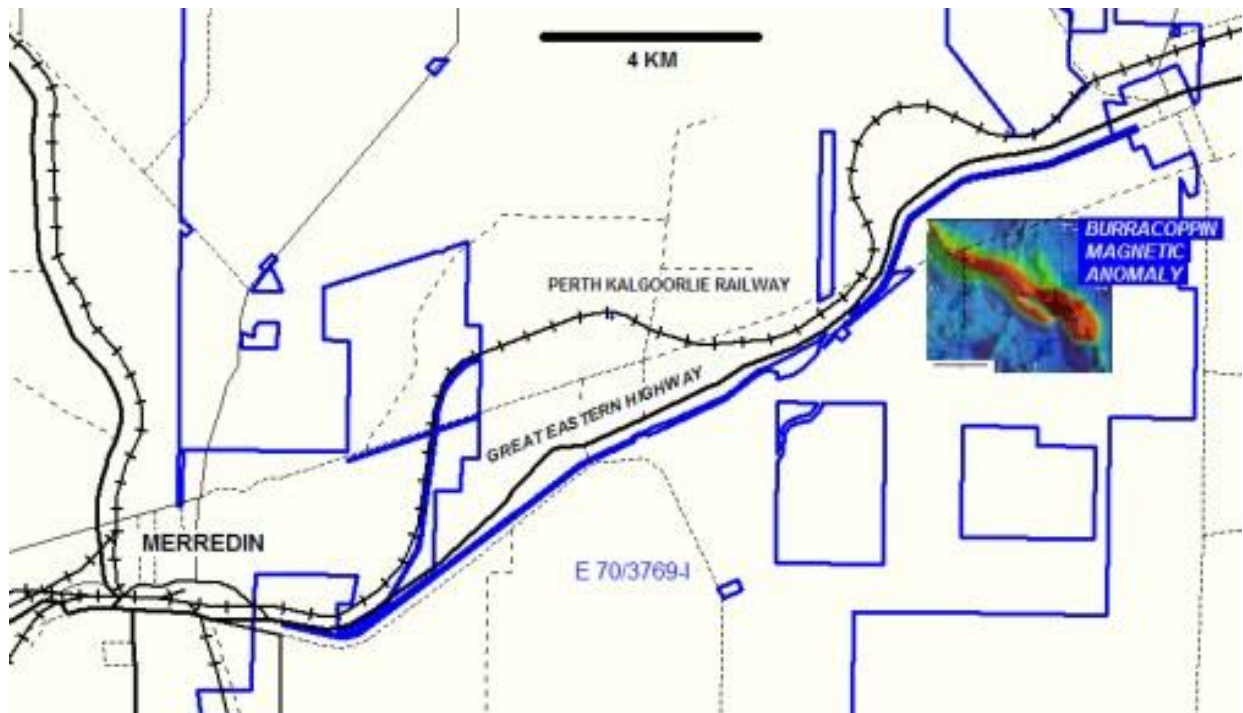


*Location of Bullamine Joint Venture tenements and main prospects. The Chitterberin Deposit comprises an Inferred Resource described in RLC's ASX Release 22 Oct 2012.*

No field activities were undertaken during the period. E70/3805 BEN was surrendered on 16/07/2013.

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.



The Manager has confirmed it will ensure mines department exploration expenditure commitments, 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 km<sup>2</sup>

No field activities were undertaken during the period.

Project review downgraded the Company's interest and both tenements (E70/3767 & E70/4412) were surrendered subsequent to the end of the period.

The Bullamine Hematite project explored for hematite mineralisation located close to existing infrastructure including transport links to shipping ports at Fremantle and Esperance. The project was wound up following relinquishment of the tenements on 18/10/2013.

### **KEL 1 (WA)**

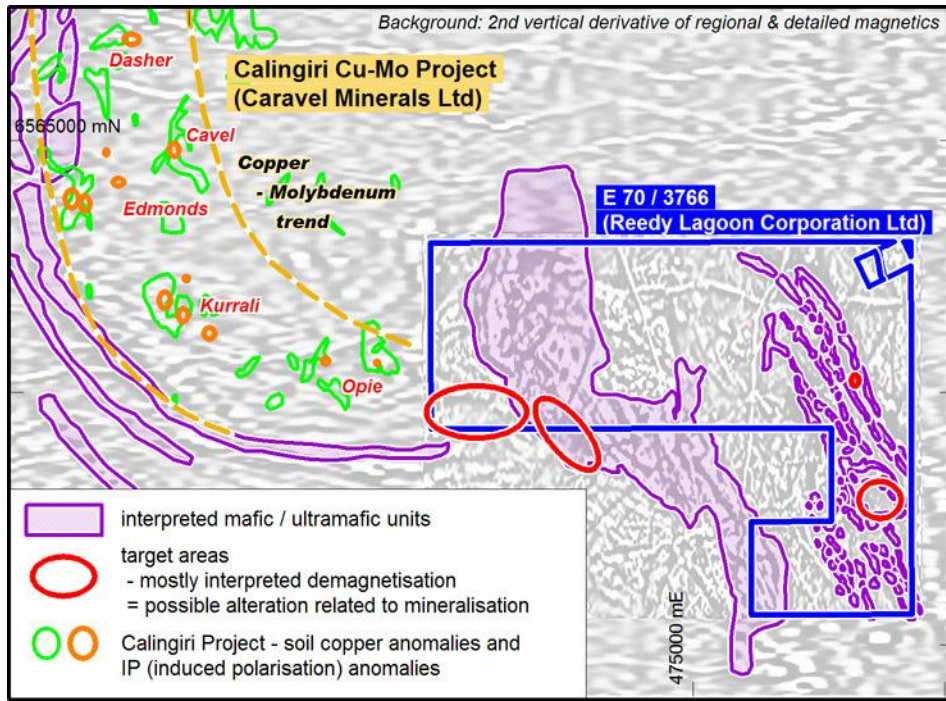
**Copper / Gold**

RLC 100% E70/3766 total area 44 km<sup>2</sup>

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 concealed beneath recent alluvium, lateritic soil

and sandy plains. Work during the report period comprised continuing the review of geophysical data acquired during prior periods and integration of our detailed data (50 metre line spaced magnetic and radiation) with regional data. The on-going discoveries by Caravel Minerals Limited of anomalous copper levels in soil and drill samples in its adjacent Calingiri Project are being 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**

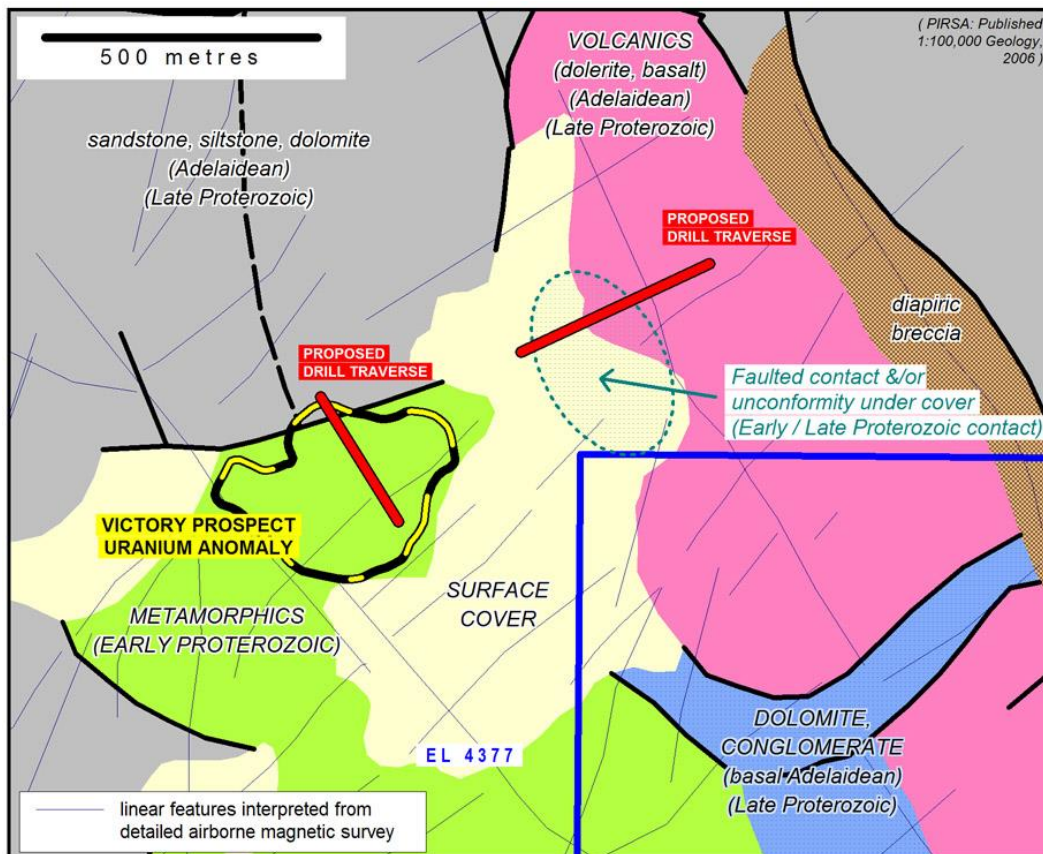
RLC 100% (excluding diamonds) EL 4377 total area 440 km<sup>2</sup>

No field activities were undertaken during the period.

A Native Title Mining Agreement was completed on 18 September 2013. The agreement enables approvals to be given to the Company's proposed drilling program.

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. The requirement to complete the drilling by 30 August 2013 has been extended to 14 March 2014.



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

## Tanami (NT)

## Uranium & Gold

RLC 100% : EL 24885 area: 272 km<sup>2</sup>

Airborne magnetic and radiometric survey data were acquired in early August 2013. The survey recovered 2,365 line kilometres at flight line separations of 100 metres in the western half of the tenement and at 50 metres in the eastern half. Flight height above the ground averaged 45 metres. Processing and interpretation of the data commenced during the period.

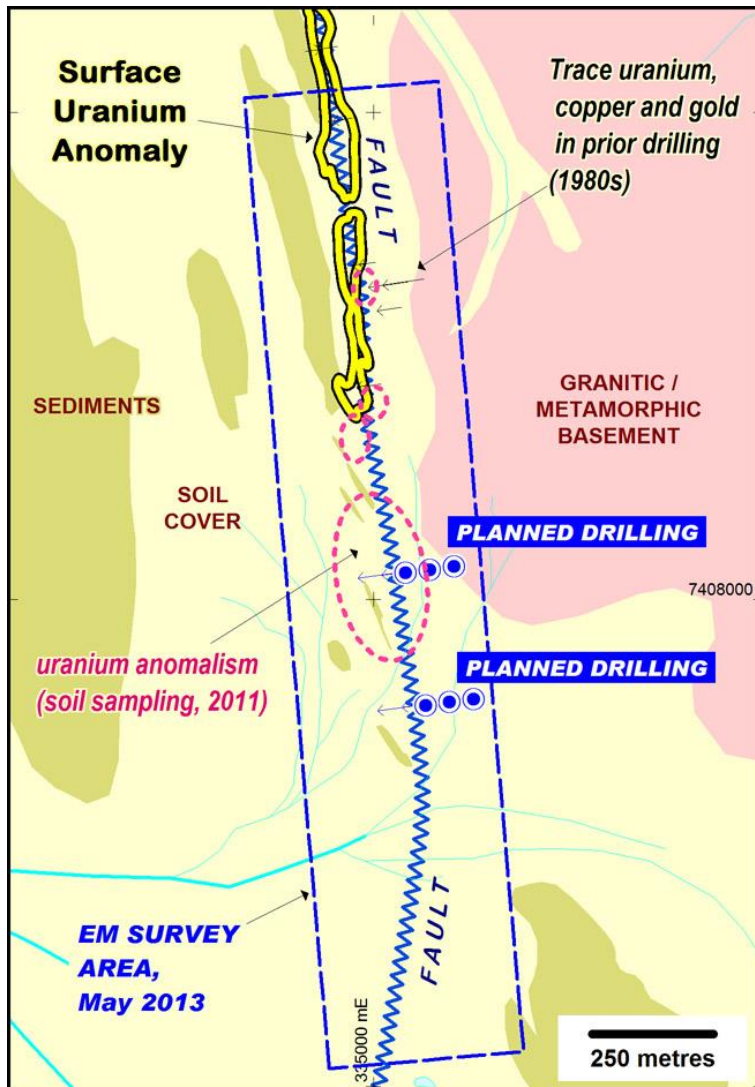
The Tanami project is located in the Northern Territory and abuts the Western Australia border. Target mineralisation is uranium precipitated and concentrated along unconformities and paleodrainage channels within sedimentary sequences or within fault zones.

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.

## Winning Hill (WA)

## Uranium

RLC 100% : E08/2073 area: 217 km<sup>2</sup>



Preliminary interpretation of ground geophysical data (EM) acquired in the previous period suggests conductors are present. This work is continuing and it is hoped that these conductors may be indicative of sedimentary units interpreted by RLC to be potential hosts for uranium mineralisation.

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

At 30 September 2013 RLC had \$461,000 in bank accounts and deposits with no debt.

Net cash outflow for the September 2013 quarter was \$146,000 (including \$48,000 of exploration related expenditure).

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 the work completed at the Burracoppin prospect by the joint venture to date has recovered sufficient information to warrant further work, including substantial drilling, in order to determine whether a high margin magnetite mining operation can be achieved at this prospect. Whilst the decline in activities by our joint venture partners on the Bullamine magnetite project is frustrating, the terms of our joint venture require the incoming parties to conduct sufficient exploration expenditure to maintain the tenements in good standing.

Since the end of the quarter we have surrendered the Bullamine Hematite project tenements and are now focussed on building the KEL 1, Tanami and Winning Hill projects using recently acquired geophysical data.

## FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Bullamine JV <i>Iron - Magnetite</i>	No field activity planned	Dec Q
Bullamine Hematite <i>Iron - Hematite</i>	Project discontinued	NA
KEL 1 <i>Copper</i>	Process and interpret geophysical data	Dec Q
Edward Creek <i>Uranium</i>	RC drilling – Victory prospect - work on hold pending funding	TBD Q
Tanami <i>Uranium &amp; gold</i>	Process and interpret magnetic & radiometric survey data	Dec Q
Winning Hill <i>Uranium</i>	Complete access agreements with Native Title claimants. Process and interpret ground EM survey data	Dec 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](http://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.*

# 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 2013

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to Date
		\$A'000	(3 months) \$A'000
1.1	Receipts from product sales and related debtors	5	5
1.2	Payments for		
	(a) exploration and evaluation	(48)	(48)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(107)	(107)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	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)	2	2
<b>Net Operating Cash Flows</b>		<b>(146)</b>	<b>(146)</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 Farm-in Agreement	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (carried forward)	(146)	(146)
1.13	Total operating and investing cash flows (brought forward)	(146)	(146)
	<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 (provide details if material) – GST adjustment on equity raising		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(146)	(146)
1.20	Cash at beginning of quarter/year to date	607	607
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	461	461

**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 \$8,916 on the Bullamine Iron (Magnetite) Joint Venture for the quarter.

+ 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	54
4.2 Development	-
4.3 Production	-
4.4 Administration	70
<b>Total</b>	124

### 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	18	6
5.2 Deposits at call	230	388
5.3 Bank overdraft		
5.4 Other (provide details) Term deposits	213	213
<b>Total: cash at end of quarter</b> (item 1.22)	461	607

### 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	E70/3805	Relinquished	25%	Nil
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> <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>+Ordinary securities</b>	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 <b>+Convertible debt securities</b> <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 <b>Options</b> <i>(description and conversion factor)</i>	1,550,000	NONE	21 cents	31 December 2013
	1,550,000	NONE	20 cents	31 December 2014
	900,000	NONE	20 cents	31 December 2015
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <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 October 2013  
(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.