



ASX Release

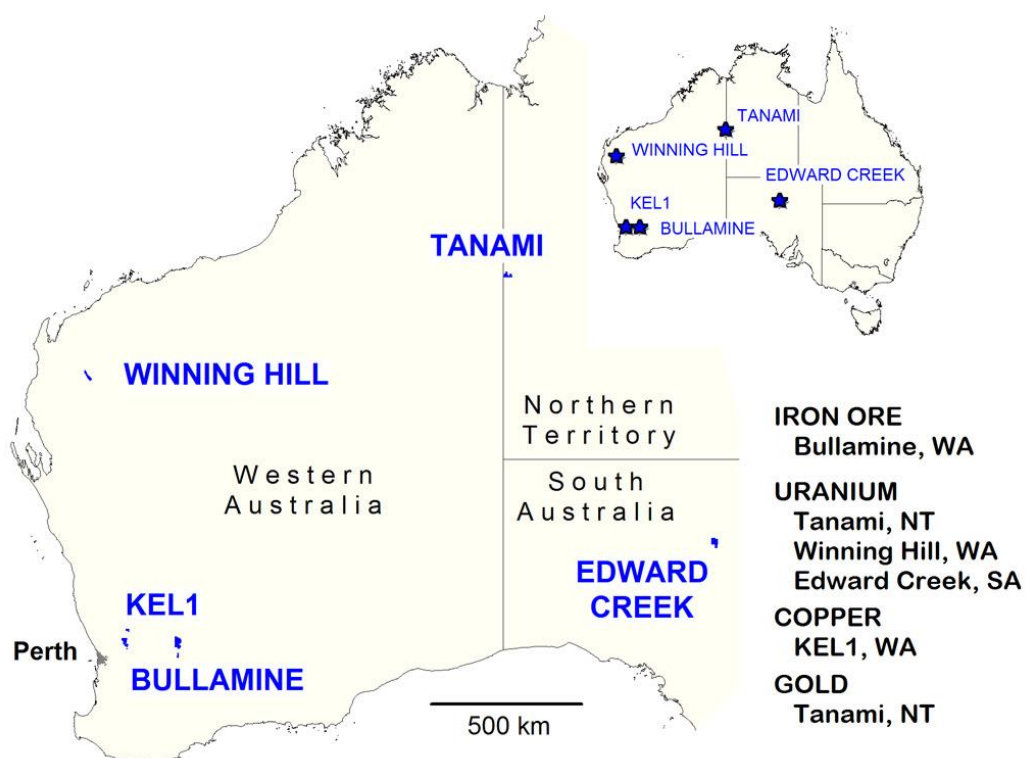
ASX Code: RLC

30 April 2014

Quarterly Report for the period ended 31 March 2014

SUMMARY

- Bullamine Joint venture – Magnetite iron ore (WA):
 - Independent study of the Burracoppin prospect suggests production of high quality concentrate would require high production rate to benefit from economies of scale.
 - Viability of producing a lower quality concentrate investigated.
- Tanami – uranium & gold (NT)
 - Gold prospective rocks interpreted from geophysical data.
 - REE and phosphate potential interpreted from airborne radiometric data
- Winning Hill – uranium (WA)
 - Uranium drill targets interpreted from ground EM survey data
- Corporate:
 - \$223,256 cash and deposits (nil debt) at 31 March 2014.
 - Shares on issue 53.5 M and 3.35 M options.



CURRENT EXPLORATION ACTIVITIES

Bullamine Iron (Magnetite) (WA)

Iron (magnetite)

At the date of this report the tenements are held:

RLC 100% : E70/2846, 3462, 3769 & 3770

RLC 100% : Bulla JV (provides interest in iron only) (E70/2719)

Total area 812 km²

Following the end of the report period RLC regained management and 100% interest in the Bullamine project tenements upon the withdrawal of the farm-in parties on 17 April 2014. The Bullamine Joint Venture has terminated.

Prior to 17 April 2014, the Bullamine Joint Venture had comprised 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. The joint venture funded \$8.8 m in exploration of the project tenements during the period from commencement on 11 February 2011 to 17 April 2014. The joint venture discovered magnetite mineralisation sufficient to generate prospects at Wongamine, Chitterberin (JORC compliant Inferred Resource) and Burracoppin.

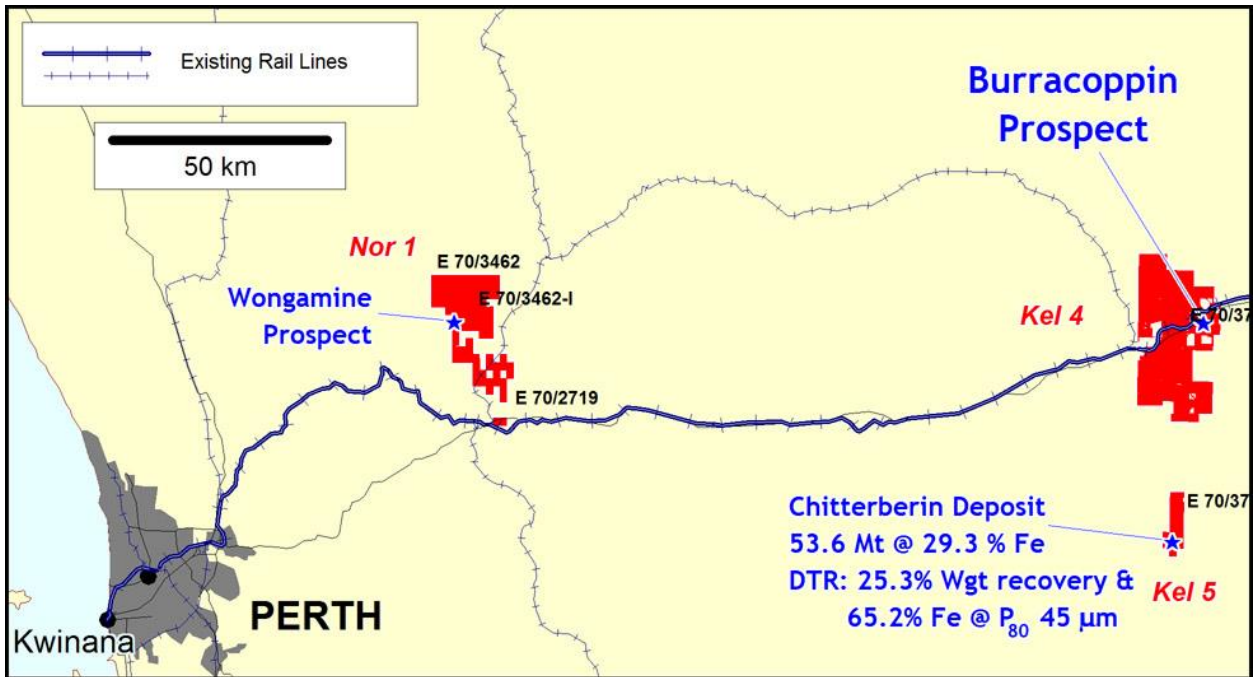
No field activities were undertaken during the period.

No work has been reported by the past joint venture partners for the period, however investigations into the potential viability of producing a premium high grade Fe concentrate from the Burracoppin deposit were commissioned by RLC. Results received during the quarter from this work indicated that high production rates would be needed to achieve economies of scale for the likely capital expenditures typically required to process magnetite mineralisation into a premium high grade Fe concentrate.

RLC also commenced investigating alternative processing options including the potential for producing a saleable product without grinding but instead magnetically separating an iron rich concentrate after crushing the mineralised material. RLC expects if such a product can be produced using only crushing equipment (no grinding) and dry LIMS (low intensity magnetic separation) then CAPEX and OPEX for this product would be substantially less than for production of a premium sinter product.

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

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

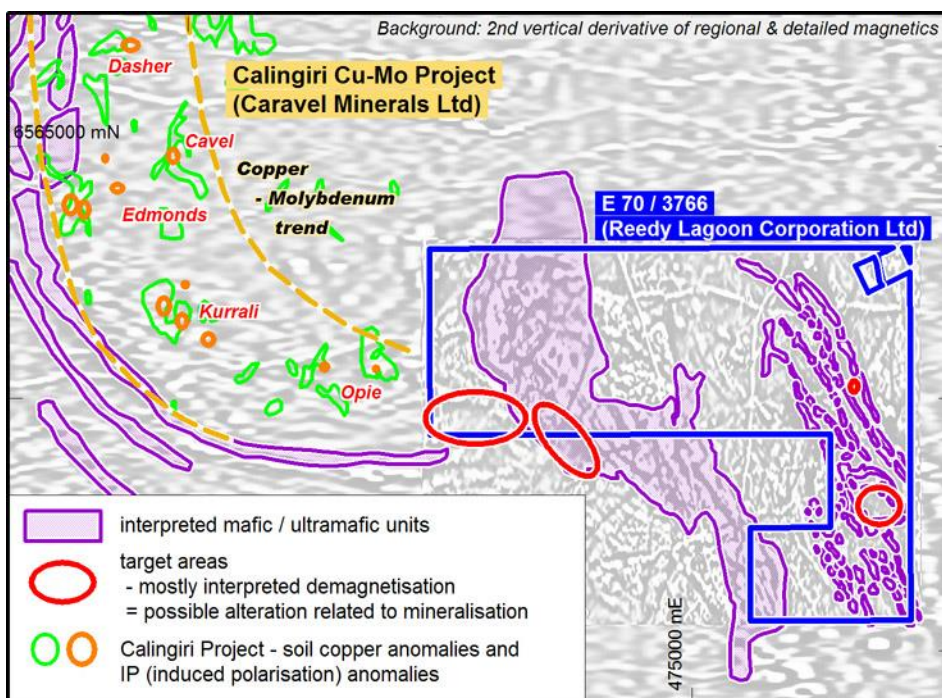
KEL 1 (WA)

Copper / Gold

RLC 100% E70/3766 total area 44 km²

No field activities were undertaken during the period.

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.



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

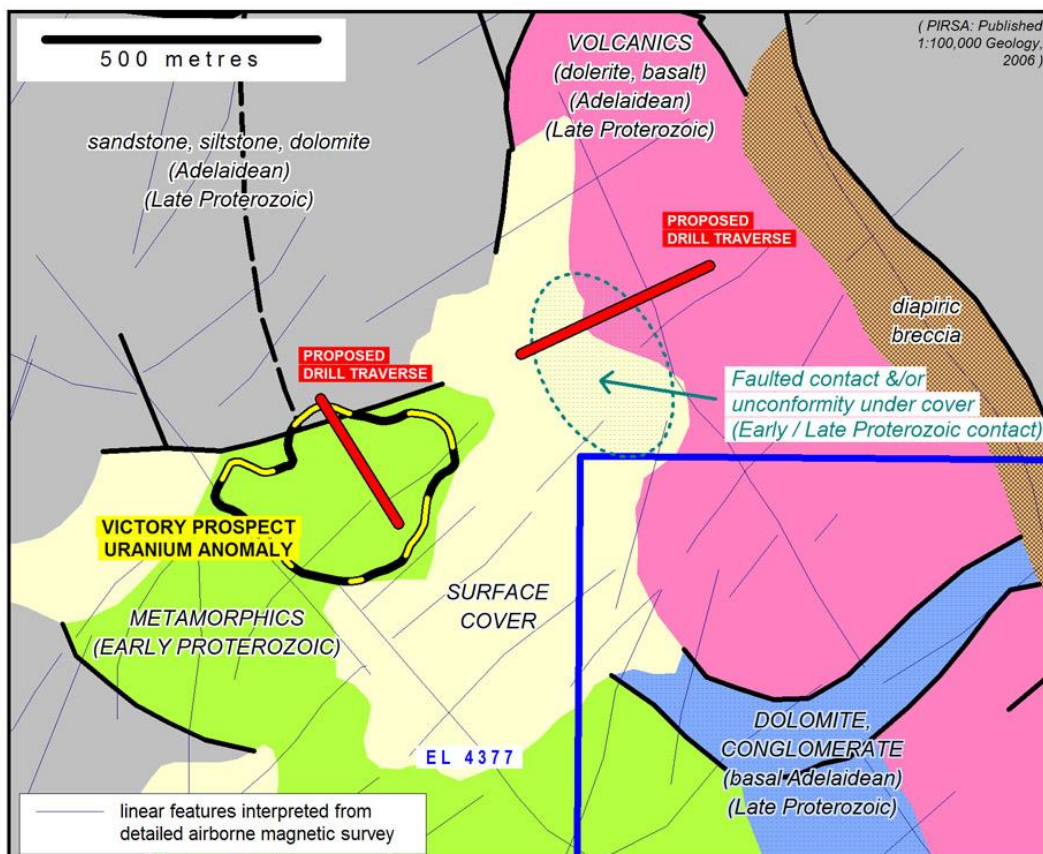
Edward Creek (SA)

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 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 (subject to funding).

Tanami (NT)

Uranium & Gold

RLC 100% : EL 24885 area: 136 km² (prior period 272 km²)

No field activities were undertaken during the period.

During the report period new interpretations of airborne magnetic and radiometric survey data acquired last year suggest the presence of sedimentary rocks similar to rocks which are associated with gold mineralization elsewhere in the Tanami Goldfield. Potential for REE and phosphate accumulations were also recognised as possibly indicated by the radiometric anomalies.

The Tanami project is located in the Northern Territory and abuts the Western Australia border. Target mineralisation is gold and uranium. 50% of the tenement area was surrendered on 11 March 2014.

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.

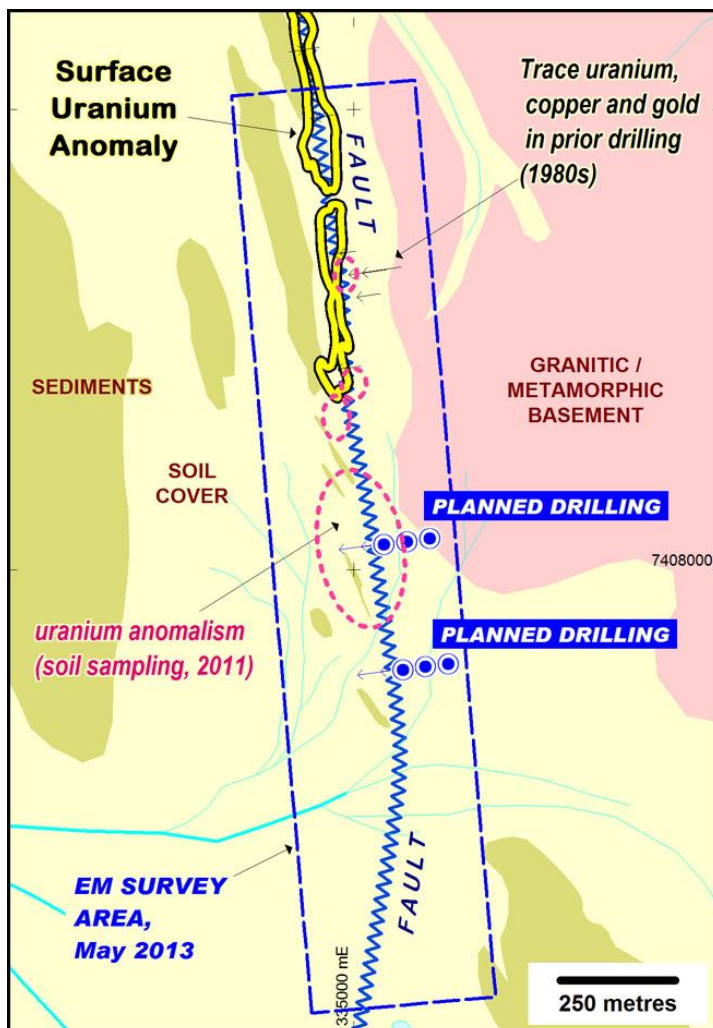
Uranium precipitated and concentrated along unconformities and paleodrainage channels within sedimentary sequences or within fault zones is targeted.

Winning Hill (WA)

Uranium

RLC 100% : E08/2073 area: 101 km²

No field activities were undertaken during the period.



Continued interpretation of ground geophysical data (EM) acquired previously by the Company resulted in delineation of conductors thought to be related to the fault and other conductors which may be indicative of the sedimentary units interpreted by RLC to be potential hosts for uranium mineralisation. 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 March 2014 RLC had \$223,256 in bank accounts and deposits with no debt.

Net cash outflow for the March 2014 quarter was \$90,985 (including \$54,800 of exploration related expenditure).

Expenditure for the June 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.

2. Bullamine Joint Venture ended on 17 April 2014 – the Bullamine project returns to RLC

Following the end of the report period our joint venture partners in Bullamine gave notice they were withdrawing and, as a consequence, RLC became the holder of all interests in the Bullamine project tenements.

RLC plans testing core from Burracoppin to assess if a marketable lower grade magnetite concentrate can be produced from this prospect without using grinding equipment. If feasible, commencement of such production may be possible more quickly and with much lower expenditure on plant and equipment than production of a high grade premium product.

FORTHCOMING ACTIVITIES

Project	Activity Planned	Timetable
Bullamine <i>Iron - Magnetite</i>	RLC – new scoping study into Burracoppin – for low Fe conc	Jun Q
KEL 1 <i>Copper</i>	Continue interpreting geophysical data, plan possible soil sampling and develop drill targets	Jun Q
Edward Creek <i>Uranium</i>	RC drilling – Victory prospect - work on hold pending funding	TBD Q
Tanami <i>Uranium & gold</i>	Field visit to inspect radiometric anomalies.	Jun/Sep Q
Winning Hill <i>Uranium</i>	Complete access agreements with Native Title claimants. Plan drill targets.	Jun Q
New Project Development		On going
Corporate	Entitlements offer to shareholders	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, 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.

1.13	Total operating and investing cash flows (carried forward)	(91)	(380)
1.13	Total operating and investing cash flows (brought forward)	(91)	(380)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		(4)
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		(4)
	Net increase (decrease) in cash held	(91)	(384)
1.20	Cash at beginning of quarter/year to date	314	607
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	223	223

**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)	46
	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	5

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 not reported any expenditure 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	85
4.2 Development	-
4.3 Production	-
4.4 Administration	75
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	22	24
5.2 Deposits at call	201	71
5.3 Bank overdraft		
5.4 Other (provide details) Term deposits	0	218
Total: cash at end of quarter (item 1.22)	223	313

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	EL 24885	Partial surrender Surrendered	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				
7.9 Exercised during quarter	-			
7.10 Expired during quarter				
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 April 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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+ See chapter 19 for defined terms.