

For immediate release
20 October 2010

Reedy Lagoon announces exploration joint venture with Cliffs Natural Resources on the Bullamine project, WA

Reedy Lagoon Corporation (“RLC”) and Cliffs Asia Pacific Iron Ore Pty Ltd (“Cliffs”), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF, Paris: CLF), have agreed to enter a joint venture under which Cliffs can earn a 75% interest in RLC’s iron-ore project located east of Perth in Western Australia.

The project comprises 3,496 square kilometres with extensive magnetic anomalies which are potentially indicative of magnetite mineralisation (iron-ore). Investigations by RLC to date have identified magnetite mineralisation with good processing attributes and low levels of impurities.

The terms agreed with RLC include payment to RLC of \$500,000, commitment to spend \$1 million on exploration in the next twelve months and a further expenditure of \$4 million to maintain their 75% interest. Subsequent exploration and development to completion of a feasibility study will be funded by Cliffs with RLC’s 25% share of these costs repayable out of RLC’s share of future mine production.

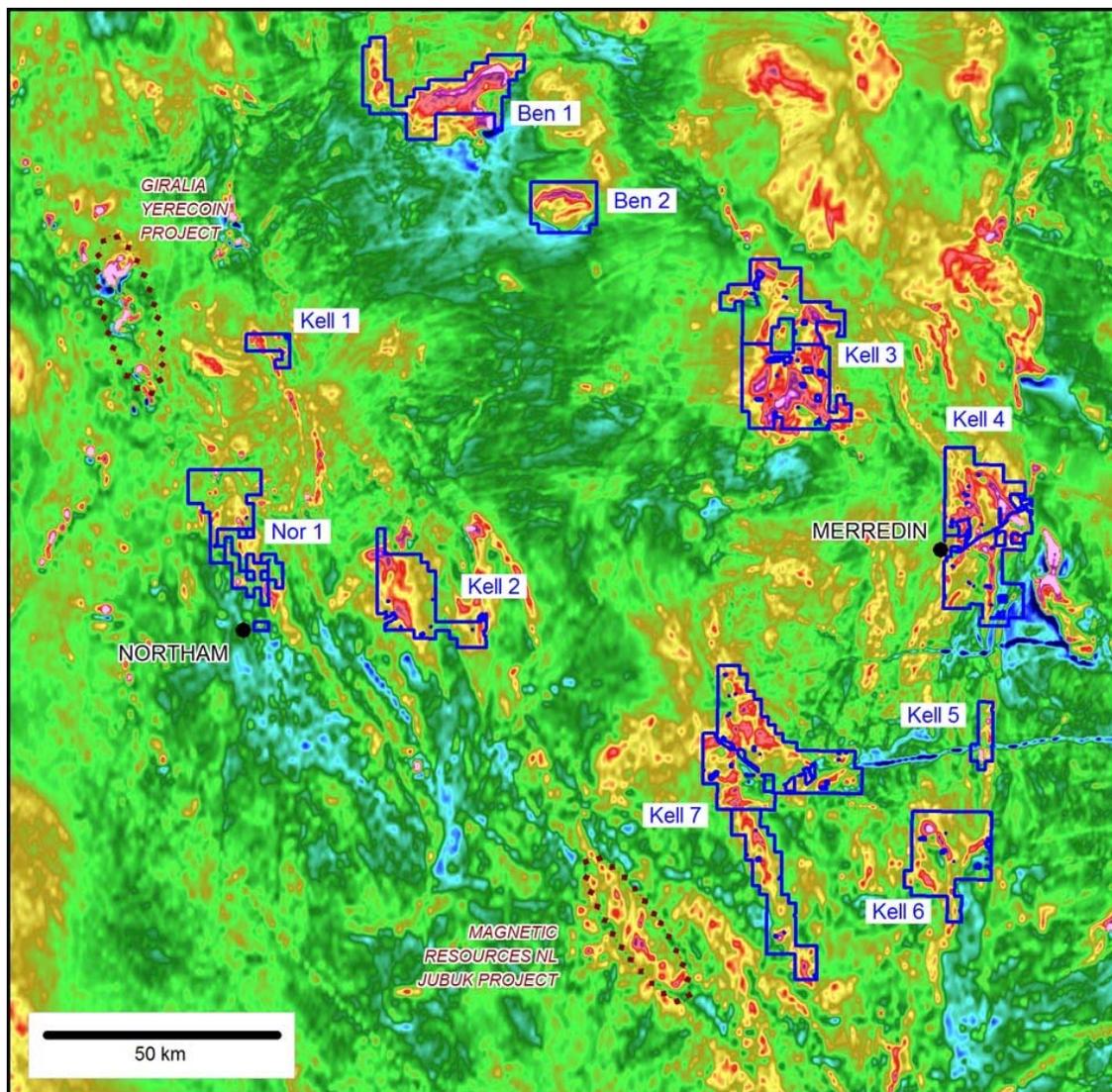
Cliffs will be the manager of the joint venture.

Cliffs Natural Resources Inc. is an international mining and natural resources company. A member of the S&P 500 Index, Cliffs is the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia and a significant producer of high and low volatile metallurgical coal. Its Australian operations include two iron-ore mining complexes in Western Australia. One of these, the Koolyanobbing Complex, is located 130 kilometres to the east of the Bullamine project and produced 8 million tonnes of iron-ore last year.

The joint venture secures a partner capable of bringing any discovery of sufficient scale at Bullamine through to production.

For further information, please visit www.reedylagoon.com.au
or contact
Geof Fethers, Managing Director
Telephone: (03) 8420 6280

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 mineralization 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 2004 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.



Bullamine project tenements with regional magnetic image (TMI) in background.

Reedy Lagoon Corporation Limited is exploring for:
iron ore in WA

uranium at projects in the Ashburton region (WA) on the Gawler Craton (SA) and in the Tanami (NT)
copper on the Gawler Craton (SA).

Issued shares: 48,600,000

Issued options: 13,850,000 unlisted (exercisable @ \$0.20, \$0.30 & \$0.50)

Share price: \$0.063

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Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Exploration Director