

For immediate release

11 February 2011

## **Reedy Lagoon and Cliffs Natural Resources form an exploration joint venture on the Bullamine project, WA**

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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 today entered 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 3,338 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.

Under the joint venture agreement Cliffs is to pay \$500,000 to RLC and has committed to spend \$1 million on exploration in the next twelve months and needs to expend a further \$4 million on exploration to maintain its 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 is the manager of the joint venture.

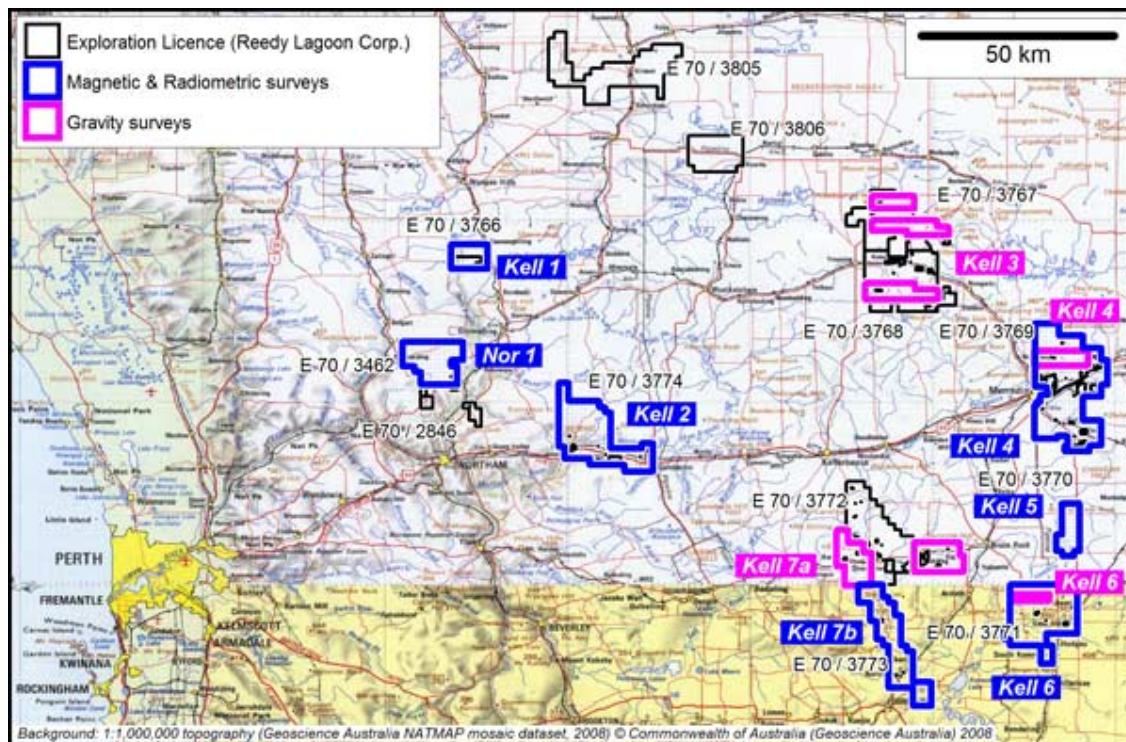
Substantial detailed airborne magnetic, radiometric and gravity surveys were commenced over the joint venture tenements in November last year. Data acquisition is expected to be complete for these surveys by the end of this month. Data from the gravity surveys, flying of which has now been completed, and magnetic and radiometric data from one of the areas (Nor 1) have been received and processing and interpretation is underway.

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](http://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 Joint Venture tenements showing areas covered by the geophysical surveys underway. The magnetic and radiometric surveys are being flown at 50 metre flight line spacing, whilst the Falcon (gravity) surveys are at 200 metre flight line spacing.

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).

Issued shares: 48,600,000

Issued options: 13,550,000 unlisted (exercisable @ \$0.20, \$0.21, \$0.30 & \$0.50)

Share price: \$0.11

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Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Exploration Director