

For immediate release
9 November 2011

Managing Director's Address
Annual General Meeting

During the last twelve months the Company's exploration activities have taken a major step forward with highly encouraging results.

The main success has been the joint venture with Cliffs Asia Pacific Iron Ore Pty Ltd for our Bullamine magnetite iron ore project. Under the joint venture, Cliffs as manager is earning a 75% interest by funding exploration expenditure. To the end of September 2011 Cliffs has spent \$3.2 million on exploration on the Bullamine project and has further substantial exploration planned.

Results from preliminary exploration activities at Bullamine (airborne geophysical surveys and diamond drilling) have intersected magnetite mineralisation at a number of prospects and at two of these extending over good widths and lengths within 200 metres of the surface. Assays are underway of drill cores to give an indication of grade and these should be received within weeks. Hopefully, these will show similar grades, low impurities and large grind size processing qualities for magnetite that were identified at Cleansweep.

The benefits to shareholders of Reedy Lagoon's strategy of conducting exploration designed to generate projects capable of attracting major mining companies is evident in Bullamine. One of the biggest risks facing all junior "mining companies" – and particularly exploration specialists like RLC - is access to funds. Although the joint venture will reduce our equity in Bullamine from 100% to 25% , the value of that 25% has been increased dramatically without diluting shareholders' equity in RLC. Importantly the Company's interest is not at risk of inadequate funding nor will shareholders be called on to fund its continued development until a resource capable of supporting a mine has been identified. In addition, the Company has the benefit of a well funded and established mining company as a joint venturer - Cliffs brings to the joint venture a wealth of experience and expertise in mining magnetite.

Our exploration for uranium has also delivered encouraging results. Sample assay results from the Winning Hill project (WA) released yesterday support the Company's interpretation that uranium mineralisation identified in the 1980's may extend along a fault and remain preserved and concealed beneath a thin cover of sediments. Drilling is planned to investigate Winning Hill and also at the Victory prospect in South Australia.

The Company is in good shape. We see long term demand for iron and uranium – the two main commodities of our current focus. Established in 1986, Reedy Lagoon has survived 25 years of market swings and now looks well positioned to create wealth for its shareholders.

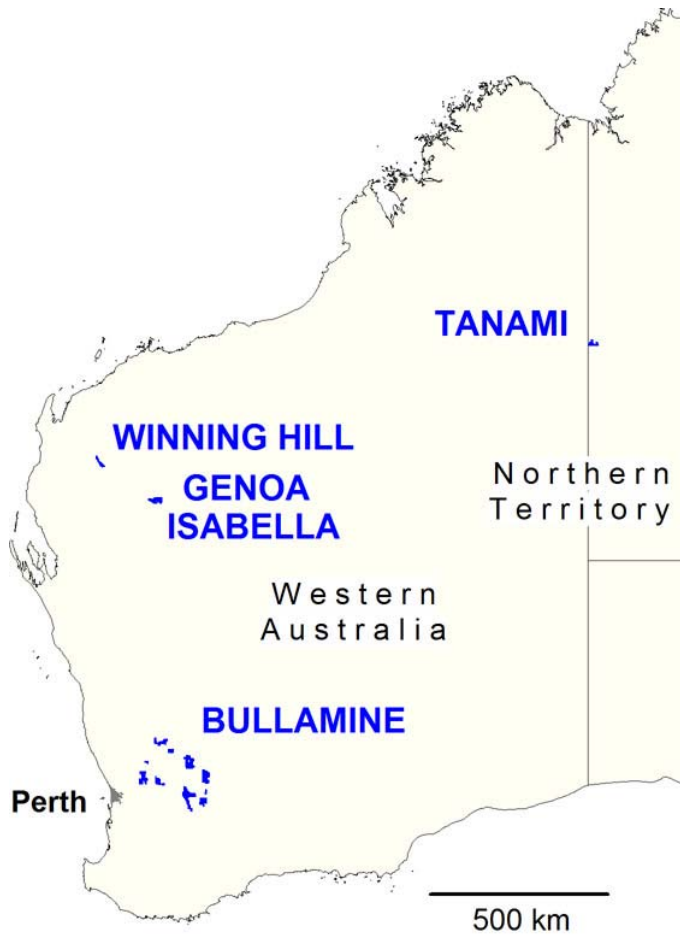
Geof Fethers



REEDY LAGOON CORPORATION LIMITED

ABN 41 006 639 514

ASX : RLC



- IRON ORE
Bullamine, WA
- URANIUM
Tanami, NT
Isabella, WA
Genoa, WA
Winning Hill, WA
- GOLD
Tanami, NT

