



29 December 2011

## Yerecoin magnetite acquisition good for RLC

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Dear shareholder,

Reedy Lagoon's joint venture partner, Cliffs Natural Resources (Cliffs), has agreed to purchase the Yerecoin Magnetite project located 50 kilometres northwest from the Bullamine Joint Venture's Wongamine magnetite prospect. Reedy Lagoon has no involvement with Cliffs' acquisition of Yerecoin.

The increase in potential tonnage renders the mining of magnetite more likely which is good for the interests of Reedy Lagoon in the Bullamine Joint Venture.

The Bullamine Iron Ore Project is a joint venture between Reedy Lagoon Corporation and Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs"), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF, Paris: CLF). Cliffs is earning a 75% interest and is manager of the joint venture.

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.*

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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: \$0.095 21 December 2011

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Director