



For immediate release

6 September 2012

Drilling at Burracoppin, Bullamine iron-ore JV, WA, has commenced

Drilling has commenced at the Burracoppin prospect, which is part of the Bullamine JV project exploring for Iron Ore (magnetite) to the east of Perth.

A total of 1,200 metres diamond drilling is planned at the Burracoppin prospect and expected to be completed during September.

The program will investigate a magnetic target more than 2.5 kilometres in length shown on the attached figure.

Burracoppin is located 50 kilometres north from the joint venture's Chitterberrin magnetite deposit for which a resource estimate is being determined.

The Bullamine Iron Ore JV 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 or contact

Geof Fethers, Managing Director

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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.

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: 4,750,000 unlisted (exercisable @ \$0.20 & \$0.21)

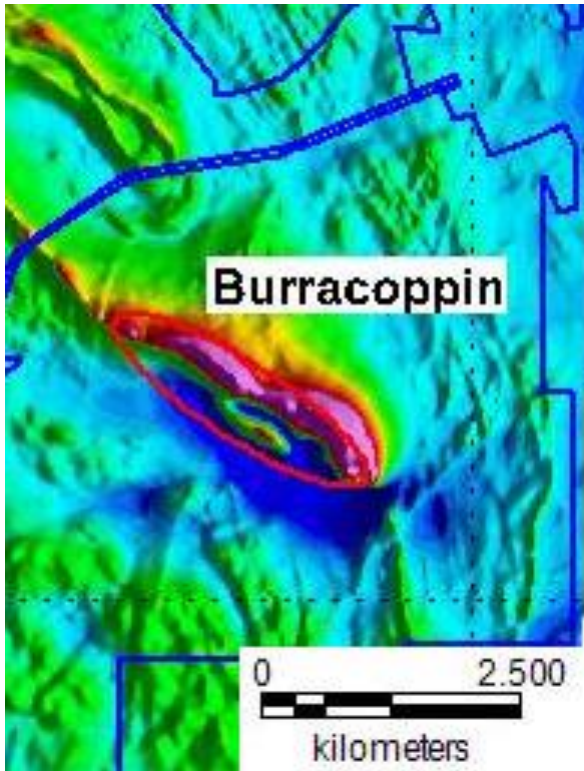
Share price: \$0.08

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Director



Burracoppin prospect, part of the Bullamine Joint Venture, shown in magnetic survey data acquired at 50 metre flight line spacing.