

For immediate release
 22 October 2012

Maiden Bullamine JV iron-ore (magnetite) resource.

HIGHLIGHTS

Inferred Resource for the Chitterberin Deposit of 53.6 Mt @ 25.3% Fe

**Metallurgical studies indicate Davis Tube Concentrate parameters for P80 45 micron as:
 65.22% Fe 5.24% SiO₂ 0.59% S 1.87% Al₂O₃ 0.006% P (Fe head grade 29.31%, DT-WR 25.32%)**

The resource is open at depth.

The Bullamine joint venture (25% RLC) has completed a maiden JORC compliant resource. The resource has been calculated for the Chitterberin deposit and comprises an expected surface mineable Inferred Resource of 53.6 Mt magnetite ore grading 25.3% Fe. The deposit remains open at depth.

Full details of the resource estimate are provided in table 1 below.

Table 1. Chitterberin Deposit expected surface mineable resources as of October 2012.

Class	Tonnes	DT WR%	DTC Fe%	DTC SiO ₂ %	DTC S%	DTC Al ₂ O ₃ %	DTC P%	Fe Head %
Inferred	53,546,000	25.32	65.22	5.24	0.59	1.87	0.006	29.31

Figures in table 1 are based on ordinary kriging at a 15% threshold for Davis Tube Fe recovery and grind size of 80% passing -45 micron. The resource estimate has been calculated by ProMet Engineers Pty Ltd and Tetra Tech Australia Pty Ltd which are independent of the Bullamine joint venture.

Determination of a resource at the Chitterberin Deposit is a significant step towards building sufficient reserves to enable mining. The size of the deposit, given its location and access to existing infrastructure and the potential to identify additional deposits in the region, is sufficient to justify conducting further metallurgical studies and to investigate beneficiation potential to upgrade the mineralisation.

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
 or contact
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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: \$0.075

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Director

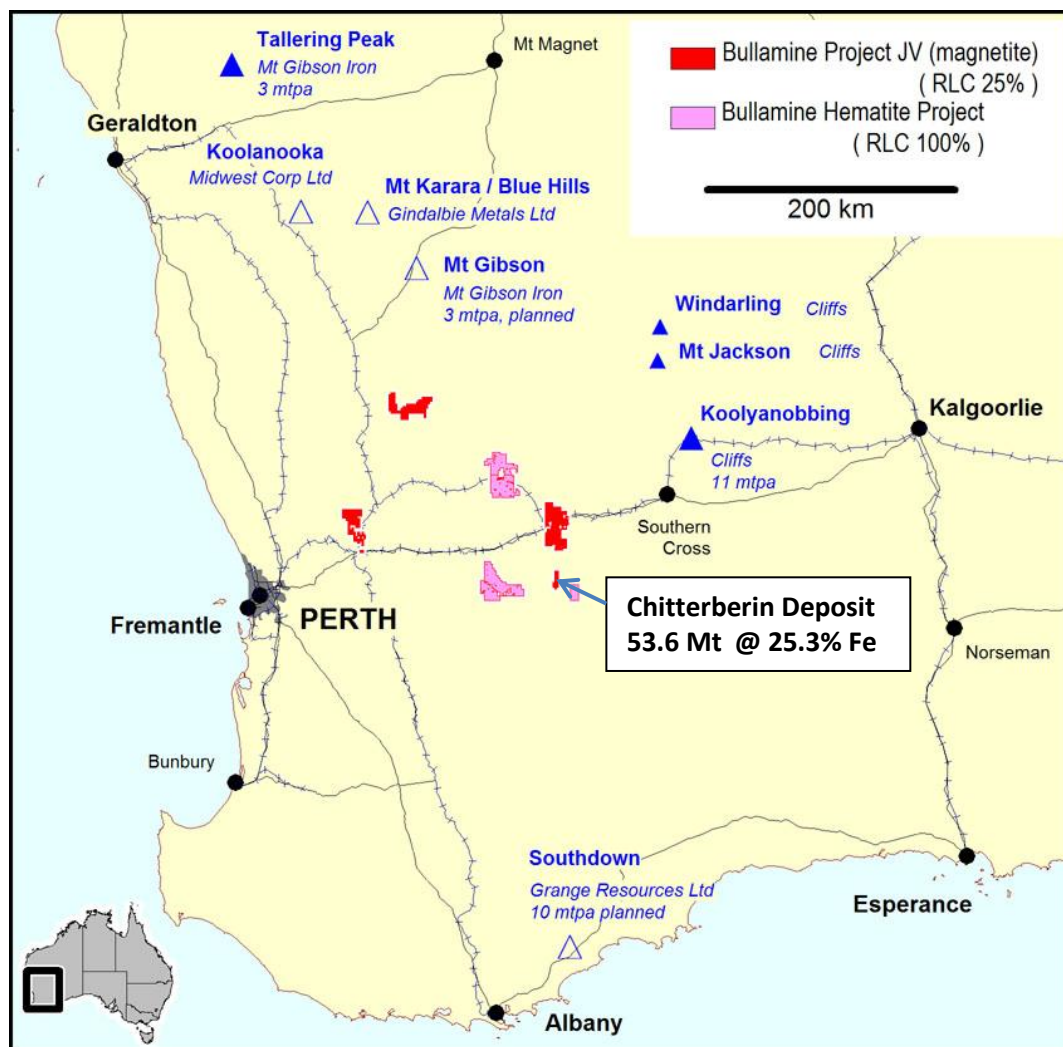


Figure 1. Location of Chitterberin magnetite deposit to the east of Perth.

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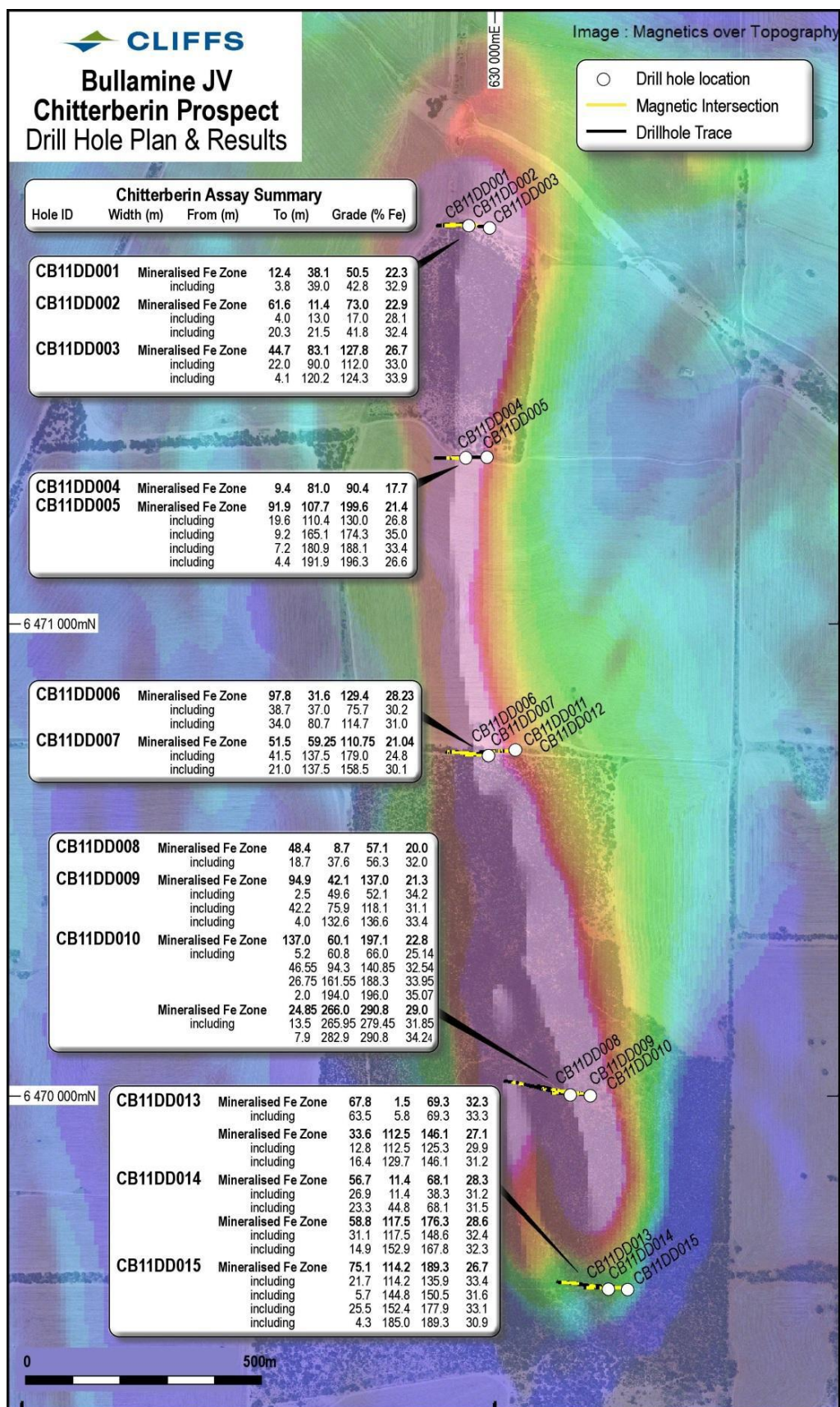


Figure 2 - Chitterberin Prospect (E70/3770) drill hole locations and summary mineralised intersections superimposed on TMI (total magnetic intensity from 50 metre line spaced airborne data).

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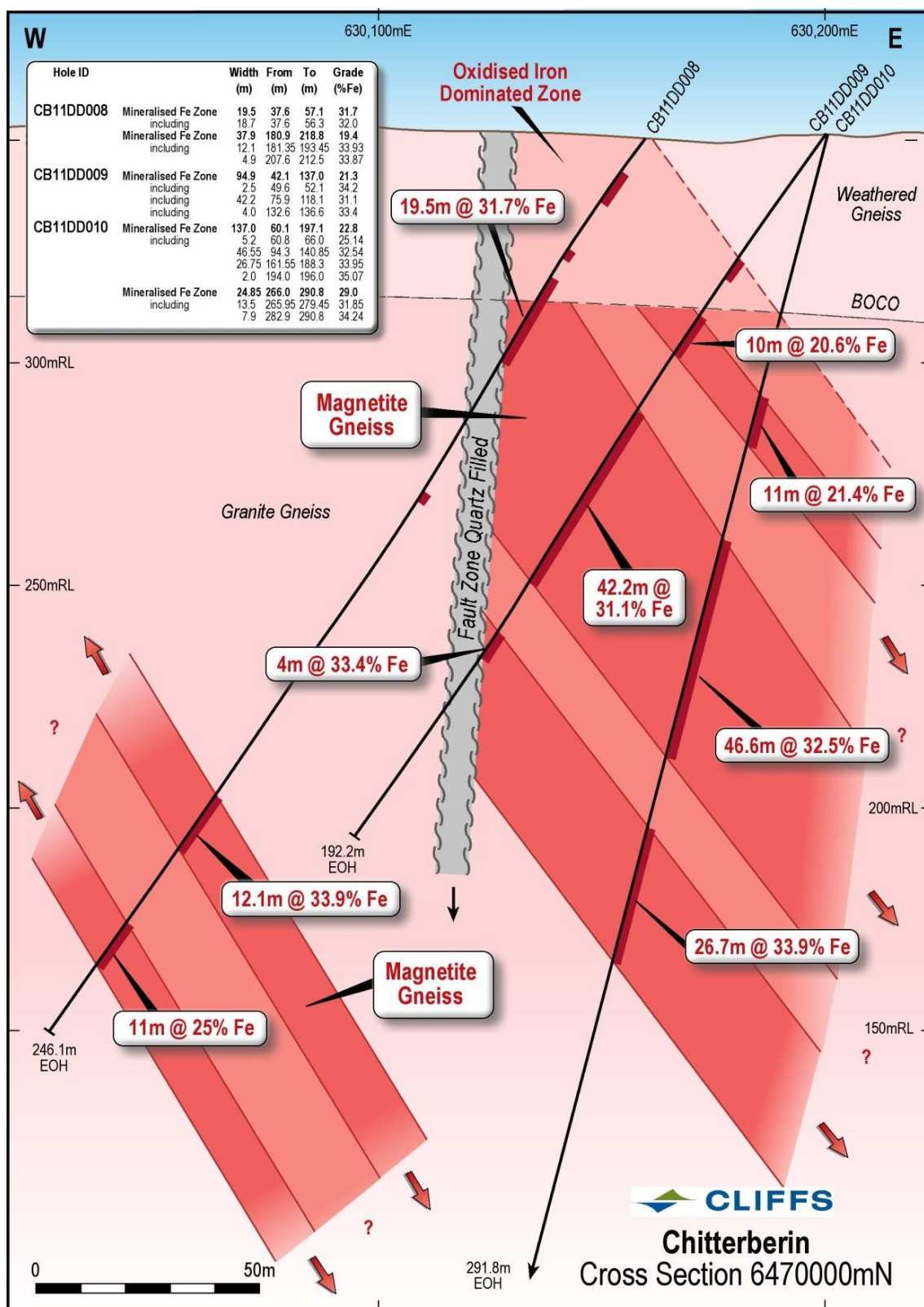


Figure 3 - Chitterberin Prospect Cross Section 6471000N

Table 2. Assay results from the Chitterberin Prospect, KEL 5.

Hole ID		Length (down-hole) m	From m	To m	Grade % Fe
CB11DD001	Mineralised Fe Zone	12.4	38.1	50.5	22.3
	including	3.8	39	42.8	32.9
CB11DD002	Mineralised Fe Zone	61.6	11.4	73.0	22.9
	including	4.0	13.0	17.0	28.1
	including	20.3	21.5	41.8	32.4
CB11DD003	Mineralised Fe Zone	44.7	83.1	127.8	26.7
	including	22.0	90.0	112.0	33.0
	including	4.1	120.2	124.3	33.9
CB11DD004	Mineralised Fe Zone	9.4	81.0	90.4	17.7
CB11DD005	Mineralised Fe Zone	91.9	107.7	199.6	21.4
	including	19.6	110.4	130.0	26.8
	including	9.2	165.1	174.3	35.0
	including	7.2	180.9	188.1	33.4
	including	4.4	191.9	196.3	26.6
CB11DD006	Mineralised Fe Zone	97.8	31.6	129.4	28.2
	including	38.7	37.0	75.7	30.2
	including	5.4	114.7	120.1	28.7
CB11DD007	Mineralised Fe Zone	51.5	59.3	110.8	21.0
	Mineralised Fe Zone	41.5	137.5	179.0	24.8
	including	21.0	137.5	158.5	30.1
CB11DD008	Mineralised Fe Zone	48.4	8.7	57.1	20.0
	including	18.7	37.6	56.3	32.0
CB11DD009	Mineralised Fe Zone	94.9	42.1	137.0	21.3
	including	2.5	49.6	52.1	34.2
	including	42.2	75.9	118.1	31.1
	including	4.0	132.6	136.6	33.4
CB11DD010	Mineralised Fe Zone	137.0	60.1	197.1	22.8
	including	5.2	60.8	66.0	25.1
	including	46.6	94.3	140.9	32.5
	including	26.8	161.6	188.3	34.0
	including	2.0	194.0	196.0	35.1
	Mineralised Fe Zone	24.9	266.0	291.0	29.0
	including	13.5	266.0	279.5	31.9
	including	7.9	282.2	290.8	34.2
CB11DD011	Hole abandoned and redrilled as CB11D012				
CB11DD012	No mineralisation of interest				
(continued ...)					
CB11DD013	Mineralised Fe Zone	67.8	1.5	69.3	32.3
	including	63.5	5.8	69.3	33.3

