



For immediate release

18 January 2013

Assay results from Burracoppin drilling, Bullamine iron ore project, WA.

Assay data from the Burracoppin prospect are set out in table 1. These assay data comprise all assay data provided to date by the manager of the Bullamine JV Iron (Magnetite) Project for diamond drilling completed during September 2012. Full assay data are expected later this month.

Metallurgical results from this drilling have previously been released and include concentrate compositions with high iron levels (67% to 70% Fe) and low levels of impurities after a relatively coarse grind (P₈₀ -150 micron) (ASX release dated 23 November 2012). These early metallurgical results are very encouraging as they indicate potential for a high grade low impurity concentrate at a grind size coarser than most other magnetite projects currently in production or planned in Australia (refer to figure 2). Grind size is ultimately established for each ore body to optimise a number of competing parameters, but is determined principally by the maximum particle size (ie least grinding) which will enable production of concentrate with less than 5% silica and at least 65% iron. Producing a concentrate using a large grind size (ie less grinding) should significantly reduce mine operating costs.

The assay results include substantial intersections grading above 20% iron recorded in two holes. The mineralisation appears to be in multiple bands which have variable continuity. The third hole did not intersect any interval grading 15% iron over the minimum 3 metre interval cut-off used. Based on outcrop measurements and the limited drilling completed so far, magnetite-bearing units are interpreted to form bands steeply dipping to the southwest with combined horizontal widths of between 150 metres and 200 metres.

Interpretation of detailed magnetic data (airborne at 50 metre line spacing) suggests the mineralisation dips at about 35 degrees to the northeast and extends over a strike length of 3,000 metres.

Additional drilling is required to better understand the extent of the mineralisation.

The Burracoppin prospect is within KEL4 (E70/3769) located near Merredin, about 225 kilometres east of Perth.

The Bullamine JV Iron (Magnetite) Project is a joint venture between Reedy Lagoon Corporation and Cliffs Magnetite Holdings Pty Ltd ("Cliffs"), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF, Paris: CLF), Nippon Steel & Sumitomo Metal Corporation and Sojitz Corporation. RLC retains a 25 % interest fully funded by the other JV parties until a decision to mine with funding repayable only out of its portion of production. Joint venture operations are managed by Cliffs.

For further information, please visit 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.

Table 1. Assay results from the Burracoppin prospect, Bullamine JV Iron (magnetite) project.

HOLE_ID	Intercept Details		
	Depth From	Depth To	Intercept
BU12DD001	24.90	28.03	3.13 m @ 34.199 % Fe
	28.50	35.88	7.38 m @ 33.755 % Fe
	43.60	47.60	4.00 m @ 36.601 % Fe
	50.10	53.53	3.43 m @ 39.388 % Fe
	64.87	68.90	4.03 m @ 32.968 % Fe
	108.00	112.65	4.65 m @ 32.352 % Fe
	113.50	121.80	8.30 m @ 35.668 % Fe
	126.63	135.10	8.47 m @ 36.891 % Fe
	137.65	140.80	3.15 m @ 36.806 % Fe
	162.31	166.54	4.23 m @ 36.308 % Fe
	173.90	178.00	4.10 m @ 31.320 % Fe
	225.50	234.46	8.96 m @ 34.460 % Fe
	234.77	237.90	3.13 m @ 36.742 % Fe
	238.52	242.80	4.28 m @ 36.095 % Fe
	244.62	252.00	7.38 m @ 26.303 % Fe
	261.00	264.00	3.00 m @ 32.002 % Fe
300.53	304.72	4.19 m @ 35.438 % Fe	
BU12DD002	43.68	48.60	4.92 m @ 26.266 % Fe
	58.49	61.58	3.09 m @ 28.567 % Fe
	74.50	78.80	4.30 m @ 28.092 % Fe
	97.17	103.50	6.33 m @ 33.358 % Fe
	264.39	268.90	4.51 m @ 35.835 % Fe
	270.30	274.12	3.82 m @ 36.242 % Fe
	279.50	285.71	6.21 m @ 35.701 % Fe
	289.53	297.78	8.25 m @ 36.806 % Fe
	300.00	305.00	5.00 m @ 30.991 % Fe
	312.70	317.93	5.23 m @ 25.212 % Fe
319.00	322.00	3.00 m @ 23.653 % Fe	
BU12DD003	Nothing passing the cut-offs		

Intercept Parameters :

Minimum intercept 3m @ 15% Fe

Lower cutoff grade 15% Fe

Note: Intercept grades are calculated from assays of 1 metre or less lengths of ¼ core splits averaged over the stated interval. Grade estimates have been calculated by the joint venture manager and are based on assays by independent laboratory, Ultratrace Mineral Laboratory in Perth. Refer to table 2 for further details.

Table 2: Schedule of diamond drilling completed at the Burracoppin prospect, KELL 4 in September 2012.

Prospect/Target	HoleID	Easting¹	Northing¹	DEM RL	Azimuth	Dip	Metres Drilled
Burracoppin	BU12DD001	638137	6521728	390	32	-55	349.5
Burracoppin	BU12DD002	638647	6521408	379	22	-54	339.6
Burracoppin	BU12DD003	638097	6521685	389	47	-55	306.6

¹ GDA 94, MGA Zone 50

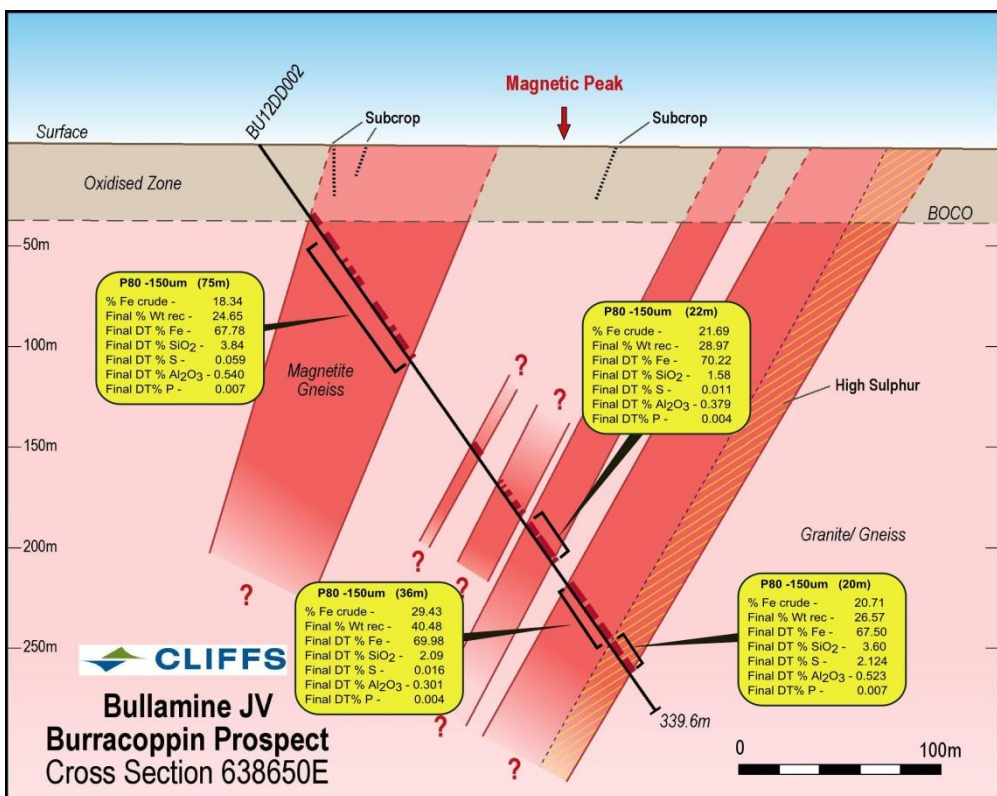
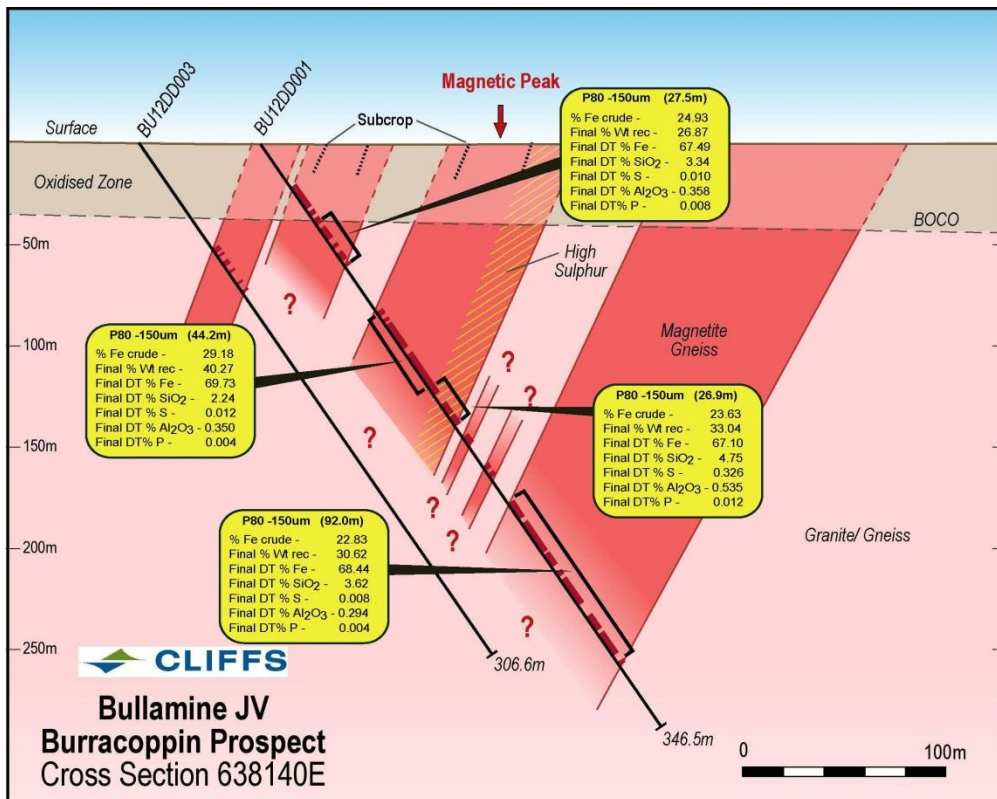


Figure 1. Bullamine Prospect sections showing metallurgical results for diamond drilling completed to date. Results are for composite samples over the intervals stated. The metallurgical data has been reported by BV Amdel, an independent laboratory in Perth. The cross sections show the orientation of diamond drill holes. The interpreted bands of magnetite gneiss intersected in the drilling are preliminary and simplistic, they do not accommodate recent interpretations of geophysical data which indicate a more complex arrangement.

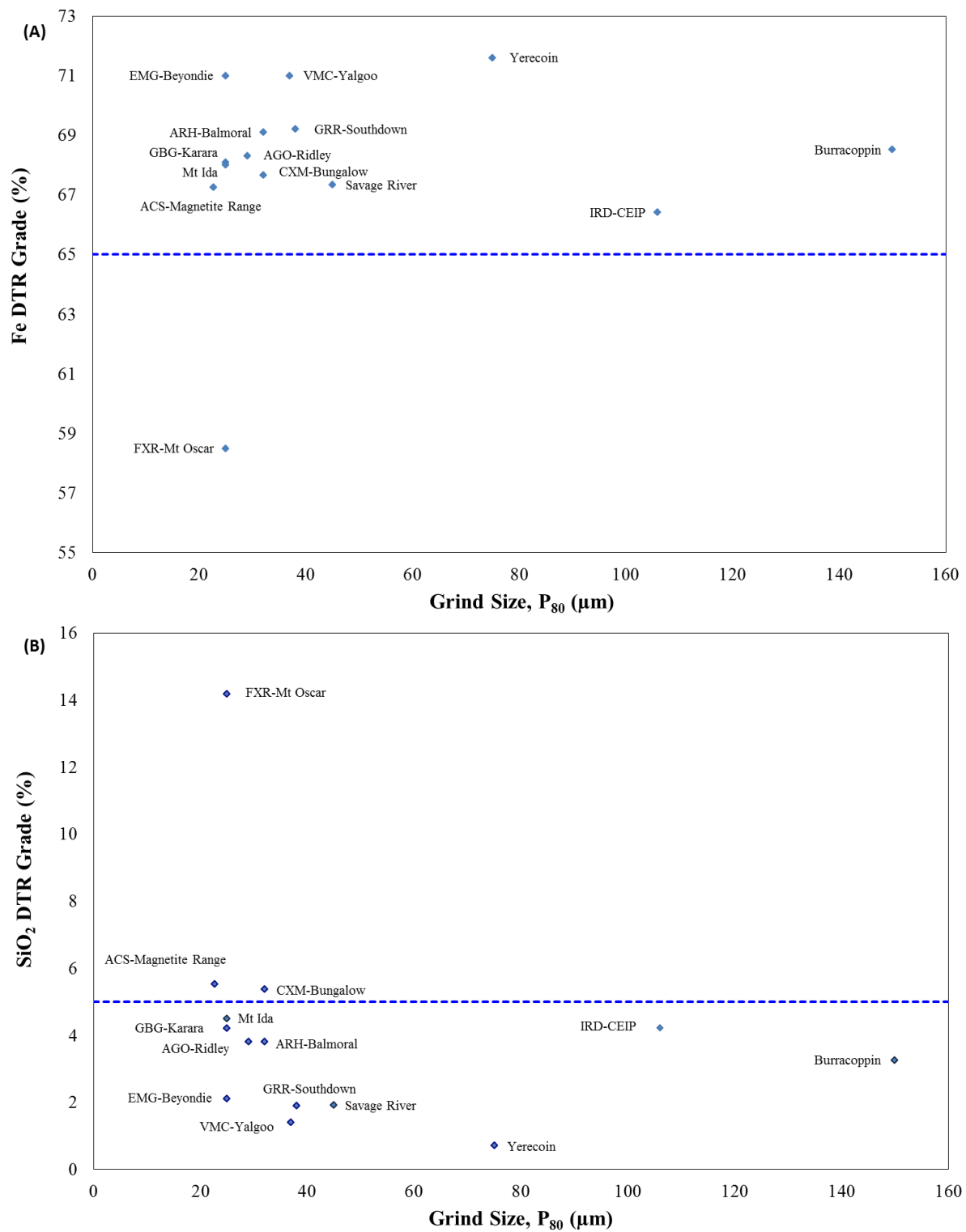


Figure 2: These graphs show Davis Tube Recovery (DTR) concentrates of several Australian magnetite projects plotted against grind size. Figure (A) shows Iron grades and Figure (B) shows Silica. Typical cut-off grades for commercial grade product are shown by the horizontal dotted lines, minimum 65% Iron and maximum 5% Silica. Preliminary metallurgy for the Burracoppin Project shows good comparison to other projects at a coarser grind size than is typically achievable.

The graph has been prepared for RLC by Mineral Engineering Technical Services Pty Ltd, an independent consultant, using information sourced from public documents.

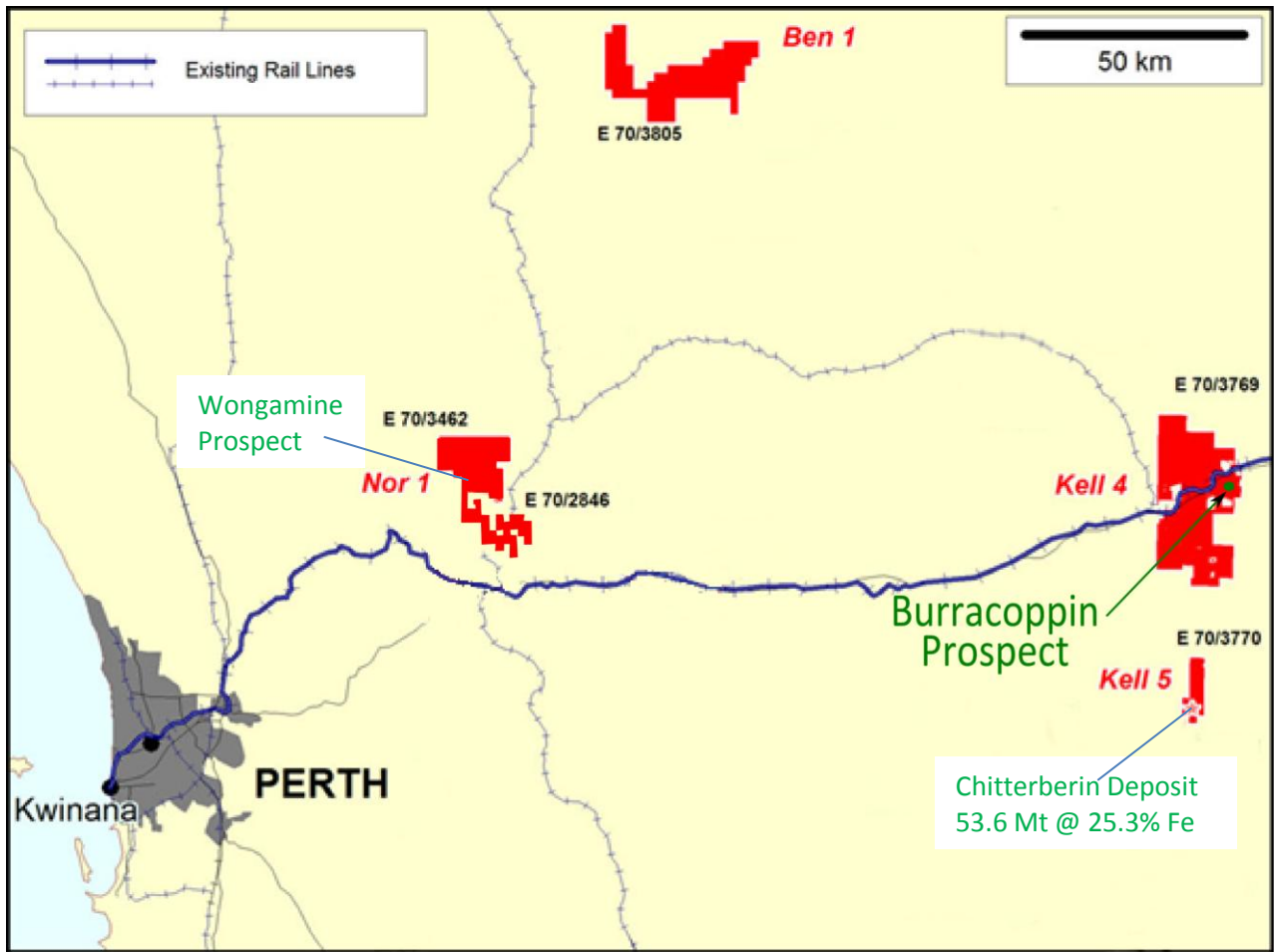


Figure 3: Map of the Bullamine JV iron (magnetite) project tenements with location of the Burracoppin Prospect indicated within KELL 4. Prior drilling by the joint venture has intersected magnetite mineralisation at the Wongamine prospect (NOR 1) and at the Chitterberin deposit within KELL 5 where an Inferred Resource has been determined.

Reedy Lagoon Corporation Limited is exploring for:

iron ore in WA

uranium at projects in the Gascoyne region (WA) on the Gawler Craton (SA) and in the Tanami (NT).

Issued shares: 48,600,000

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

Share price: \$0.055

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Director