

For immediate release
30 October 2013

Managing Director's Address
Annual General Meeting

During the 2013 financial year the Company's most important project, the Bullamine Joint Venture made significant progress. However, by the end of the period joint venture activities had reduced to minimum levels.

The Bullamine JV delivered the Company's maiden resource when the Chitterberin Inferred Resource of 53.6 mt magnetite @ 29.3% Fe was announced to the markets on 22 October 2012. This achievement was followed by the discovery of wide bands of magnetite intersected in bore holes investigating a 3 kilometre long magnetic anomaly at Burracoppin which we announced on 25 October. Core samples from this initial drilling at Burracoppin produced outstanding metallurgical results which suggest the mineralisation can be processed into a high purity Fe concentrate at a very coarse grind size relative to other Australian magnetite deposits.

In November our joint venture partner in Bullamine introduced two Japanese companies which each acquired 15% equity in the Bullamine JV from Cliffs. RLC's 25% interest continues to be fully funded by the other JV parties until a decision to mine with funding repayable only out of its portion of production.

By 24 April the Bullamine Joint Venture had identified magnetite at Burracoppin, Chitterberin and Wongamine. All magnetite prospects within the joint venture tenements for which access had been gained for exploration had been investigated and exploration for new deposits was ceased. Exploration was reduced to the level required to maintain the remaining tenements.

In our view Burracoppin is the most prospective of the Bullamine prospects but requires substantial drilling to determine whether or not a resource is present. The joint venture partners have advised they do not intend any drilling during 2013. We have no information on timing for when or if the partners might recommence drilling. Joint venture expenditure to date stands at \$8.7 million funded by the other joint venture partners during the period February 2011 to end September 2013, \$1.6 million of it during the report period. The current minimum annual expenditure requirements total \$489,500.

During the year we relinquished the Isabella tenement and two of the Bullamine Hematite project tenements.

Following the end of the report period we have relinquished the remaining Bullamine Hematite tenements and acquired airborne magnetic and radiometric data over our Tanami project (uranium and gold), acquired ground geophysical data (EM) over a part of the Winning Hill uranium project and identified potential copper targets in the KEL 1 project.

Whilst the Company's bank balance means the ability to fund exploration is severely limited, share-holders should be aware that the Company is secure for the present. The current cash balance is \$435,000 which exceeds our normal annual overheads. We are currently conserving the Company's funds pending resolution of the development timetable for the Bullamine JV. The directors have deferred exploration on the Company's uranium projects in the current poor market for uranium.

The directors thank shareholders for their support.

Geof Fethers

REEDY LAGOON CORPORATION LIMITED

