REEDY LAGOON CORPORATION LIMITED
ABN 41 006 639 514

ASX : RLC

For immediate release

17 November 2014

Excellent results from tests on Burracoppin magnetite

Metallurgical testwork shows the mineralization from the Burracoppin prospect is readily beneficiated into a high iron low impurity concentrate by conventional processing.

The results also show that "the project product can be sold at a stage of processing convenient for transport and handling with the confidence that it can be upgraded at a buyer's convenience with minimal loss of iron units."

The Executive Summary section of the report is attached and the full report is available from the NEWS page of www.reedylagoon.com.au

The Company intends using the report to assist it to find a partner interested in entering into future off-take arrangements involving funding or capital investment in RLC.

The Burracoppin prospect is located 250 kilometres east from Perth and adjacent to rail connecting to bulk cargo ports. Wide intersections of mineralization have been intersected in two of three bores completed to date (ASX release 23 November 2012). Detailed magnetic data indicate a strike length of 3,000 metres and a potential tonnage of magnetite bearing rock of between 140 and 220 million tonnes (ASX release 31 January 2013).

The report recommends further drilling be conducted to determine the various mineralogical zones present and to conduct further test work on any such zones identified with sufficient tonnage and grade to be potentially economic.

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The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Geof Fethers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this report, those releases are available to view on the NEWS page of reedylagoon.com.au.The company confirms that it is not aware of any new information or data that materially affects the information included in those earlier releases. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Reedy Lagoon Corporation Limited is exploring for:
- iron ore in WA
- gold and REE in the Tanami (NT)
- uranium on the Gawler Craton (SA)

Issued shares: 70,612,894
Issued options: 4,250,000 unlisted (exercisable @ $0.20)
Share price (last traded): $0.017
Directors and management:
Jonathan Hamer, Chairman, Non-Executive Director
Geof Fethers, Managing Director, Co. Secretary
Adrian Griffin, Non-Executive Director

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The following is an extract from the report by Engenium Pty Ltd referred to in ASX announcement dated 17 November 2014.

The full report is available from the NEWS page of www.reedylagoon.com.au

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REEDY LAGOON CORPORATION LTD

REEDY LAGOON CORPORATION
BULLAMINE IRON ORE PROJECT
METALLURGICAL TESTWORK REPORT

9396A-REP-0000-Z-001

1	Revised following client comments	NDO	DSO	CSE	13 Nov 14
0	Issued for Use	NDO	DSO	CSE	12 Nov 14
Rev	**Description**	**Author**	**Checked**	**Approved**	**Date**

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Engenium also point out that the utilisation of the term "ore" throughout this report is intended to be used in a descriptive manner only and the term does not indicate any inferred or intended compliance with the definition of "ore" in the JORC Code.

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1.0 EXECUTIVE SUMMARY

This Report contains the findings from metallurgical testwork arising from Engenium's assistance to Reedy Lagoon Corporation in assessing the Bullamine Iron Ore Project. The aim of the assessment was to provide metallurgical design data for a Scoping Study (SS) centred on the ore body referred to as the "Burracoppin prospect". This deposit contains magnetite based iron ore in host material. As the ore body shows high silica content, beneficiation of the ore is required to remove silica and hence increase the iron content. In order to assess the form of beneficiation, a metallurgical testwork programme was developed using selected samples from the first stage of diamond drilling. The work was performed at the Bureau Veritas Laboratory in Canning Vale, a suburb south of Perth, WA.

1.1 Metallurgical Testwork

There has been minimal geological modelling performed on the Burracoppin prospect, but three diamond drill holes have been drilled into the deposit targeting the ore body indicated by an airborne magnetic survey. The testwork was performed on composites taken from two of these drill holes as the third hole did not encounter mineralisation.

Compositing was based on selecting well defined bands of the mineralised material from the down hole samples. The metallurgical testwork programme was performed in two sections, dry and wet magnetic processing, including some comminution testing. The composites were referenced Composite "Drillhole number. Composite Number downhole".

The head sample of each composite was tested for the presence of asbestiform minerals and none were present.

The dry magnetic testwork was very successful producing a substantial low-grade tailings stream.

The wet processing stage required more than a single pass application, but the samples tested for cleaning did supply suitable concentrates.

A summary of the Cleaned Wet LIMS concentrates with the DTR performances is given in Table 1.1 below.

Comp Number	Parameter	Cleaned Wet LIMS Concentrate		DTR Concentrate	
	Closing screen size	125 µ	250 µ	150 µ	250 µ
1.1	P_{80} (µm)	NA	NA	97	190
1.1	Iron %	ND	ND	69.9	66.3
1.1	Silica %	ND	ND	1.54	6.27
1.1	Alumina %	ND	ND	0.32	0.31
1.2	P_{80} (µm)	NA	NA	97	195
1.2	Iron %	69.3	66.1	70.9	67.6
1.2	Silica %	3.3	7.6	1.19	5.5
1.2	Alumina %	0.44	0.41	0.35	0.37
1.3	P_{80} (µm)	NA	NA	92	189
1.3	Iron %	68.7	65	70.5	65.1
1.3	Silica %	3.9	8.9	1.8	8.84
1.3	Alumina %	0.33	0.35	0.23	0.27

Comp Number	Parameter	Cleaned Wet LIMS Concentrate		DTR Concentrate	
	Closing screen size	125 µ	250 µ	150 µ	250 µ
2.1	P_{80} (µm)	NA	NA	95	186
2.1	Iron %	ND	ND	69.8	64.9
2.1	Silica %	ND	ND	2.14	8.27
2.1	Alumina %	ND	ND	0.53	0.56
2.2	P_{80} (µm)	NA	NA	98	202
2.2	Iron %	69.9	67.4	71	68
2.2	Silica %	2.2	5.6	0.89	4.6
2.2	Alumina %	0.43	0.45	0.34	0.4
2.3	P_{80} (µm)	NA	NA	93	202
2.3	Iron %	68.7	66.5	71	66.3
2.3	Silica %	4.2	7.3	1.16	7.33
2.3	Alumina %	0.36	0.32	0.27	0.29

Table 1.1 – Cleaner LIMS and DTR Performance Comparison

The gradual increase in Iron Grade seen with additional processing testwork, with sustained Iron Recovery, illustrates the excellent beneficiation of these samples. The project product can be sold at a stage convenient for transport and handling with the confidence that it can be upgraded at a buyer's convenience with minimal loss of iron units.

The comminution data is summarised below, in Table 1.2.

Composite	True SG	Abrasive Index	BBWi (kWhr/t)
1.1	3.09	0.32	11.6
1.2	3.32	0.82	10.8
1.3	3.12	0.52	10.5
2.1	3.02	0.55	11.3
2.2	3.24	0.45	12.0
2.3	3.27	0.34	10.6

Table 1.2 – Comminution Test Results Summary

The comminution testing showed a quite abrasive ore. The Abrasive Index results are high enough to require some close consideration of wear materials, chute and drop box design to minimise wear and the ore's contact with wearing surfaces.

The BBWi testwork has resulted in low (10-12 kWhr/t) energy consumption data, which is an encouraging result.

The True SG data is typical for magnetite mineralisation.

1.2 Recommendations to Proceed

The results above certainly showed that the magnetite mineralisation responds to magnetic separation and the magnetite recovered to the concentrate very well. The concentrate grade did not perform as indicated by the Davis Tube Recovery (DTR) analysis so some mineralogical examination is warranted.

Going forward the following activities are recommended to develop the project processing knowledge.

- Determine a geological model showing the various mineralogical zones of the deposit that could be used for geo-metallurgical assessment of the ore body. This would enable the larger tonnage and higher grade ore zones to be determined.
- Perform a mineralogical study on an ore sample, determined as representative, to allow assessment of the beneficiation qualities and the various mineral associations.
- These ore zones should be drilled, at least HQ, but preferably PQ, diamond core to obtain the parameters for comminution. This is more important than usual as the Abrasion Indices determined for this prospect, to date, have been high.
- Composites based on the ore types determined above should be metallurgically tested to determine a robust beneficiation programme and develop an operational flowsheet. The testwork programme should include:
  - determination of coarse particle comminution parameters,
  - determination of fine particle comminution parameters,
  - dry processing of crushed particles at various sizings,
  - grinding qualities to get appropriate liberation of magnetite,
  - wet processing of ground particles,
  - removal of fine silica by gravity separation,
  - dewatering,
  - tailings dam parameter determinations, and
  - flow and storage properties of crushed ore and concentrates.
- When sufficient metallurgical testwork has been performed a capital and operating cost estimate should be developed in a Pre-Feasibility Study.
- The Pre-Feasibility Study should also include a study of the support facilities and logistical aspects needed for the project development.