

For immediate release

1 February 2012

Encouraging assay results from Chitterberin iron ore prospect, WA.

Assay results have now been received from the Chitterberin prospect (table 2). Significant drill intercepts are shown in table 1 and figure 1. These include substantial intersections grading above 20% Fe.

The dip of the mineralisation is approximately 80 degrees E, in the northern portion of the prospect and gradually shallowing in dip with increasing distance south, where the mineralisation also increases in thickness, due to structural repetition. While generally 30 to 70 metres thick, drilling in the south has intersected bands of the magnetite-bearing rock with composite thickness approaching 100 metres (see figure 2).

Interpretation of detailed magnetic data (airborne at 50 metre line spacing) suggests the mineralisation extends over a strike length of 1,000 metres.

Additional assay data and results from metallurgical test work are pending. It is anticipated that an inferred resource will be calculated during the current quarter based on results from the drilling now completed.

The prospect is located on E70/3770 south of Merredin, and east of Bruce Rock.

Table 1. Summary of significant drilling results received to date from Chitterberin Prospect.

Hole ID		From	To	Length	Grade
		m	m	(down-hole) m	% Fe
CB11DD001	Mineralised Fe Zone	38.1	50.5	12.4	22.3
	including	39	42.8	3.8	32.9
CB11DD002	Mineralised Fe Zone	11.4	73.0	61.6	22.9
	including	13.0	17.0	4.0	28.1
		21.5	41.8	20.3	32.4
CB11DD003	Mineralised Fe Zone	83.1	127.8	44.7	26.7
	including	90.0	112.0	22.0	33.0
		120.2	124.3	4.1	33.9
CB11DD004	Mineralised Fe Zone	81.0	90.4	9.4	17.7
CB11DD005	Mineralised Fe Zone	107.7	199.6	91.9	21.4
	including	110.4	130.0	19.6	26.8
		165.1	174.3	9.2	35.0
		180.9	188.1	7.2	33.4
		191.9	196.3	4.4	26.6
CB11DD006	Mineralised Fe Zone	31.6	129.4	97.8	28.2
	including	37.0	75.7	38.7	30.2
		114.7	120.1	5.4	28.7
CB11DD008	Mineralised Fe Zone	8.7	57.1	48.4	20.0
	including	37.6	56.3	18.7	32.0
<i>continued next page</i>					

Table 1. Continued ... Summary of significant drilling results from Chitterberin Prospect.

Hole ID		From m	To m	Length (down-hole) m	Grade % Fe
CB11DD009	Mineralised Fe Zone	42.1	137.0	94.9	21.3
	including	49.6	52.1	2.5	34.2
		75.9	118.1	42.2	31.1
		132.6	136.6	4.0	33.4
CB11DD013	Mineralised Fe Zone	1.5	69.3	67.8	32.3
	including	5.8	69.3	63.5	33.3
	Mineralised Fe Zone	112.5	146.1	33.6	27.1
	including	112.5	125.3	12.8	29.9
		129.7	146.1	16.4	31.2
CB11DD014	Mineralised Fe Zone	11.4	68.1	56.7	28.3
	including	11.4	38.3	26.9	31.2
		44.8	68.1	23.3	31.5
	Mineralised Fe Zone	117.5	176.3	58.8	28.6
	including	117.5	148.6	31.1	32.4
		152.9	167.8	14.9	32.3
CB11DD015	Mineralised Fe Zone	114.2	189.3	75.1	26.7
	including	114.2	135.9	21.7	33.4
		144.8	150.5	5.7	31.6
		152.4	177.9	25.5	33.1
		185.0	189.3	4.3	30.9

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 Ultratrace mineral laboratory in Perth. Refer to tables 2 and 3 for further details.

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
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.

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: 13,250,000 unlisted (exercisable @ \$0.20, \$0.21, \$0.30 & \$0.50)

Share price: \$0.095

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Director

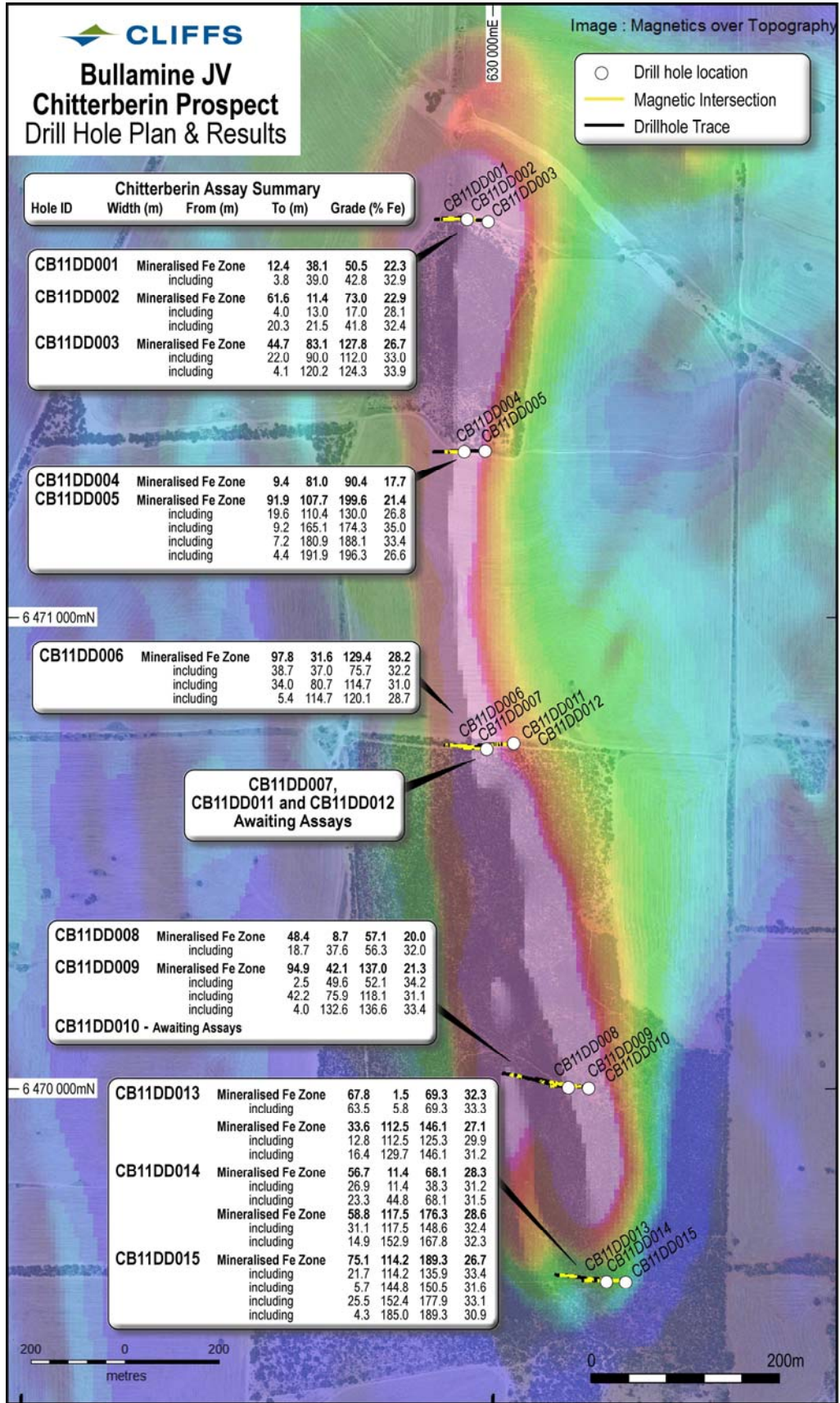


Figure 1 - Chitterberin Prospect drill hole locations and summary mineralised intersections

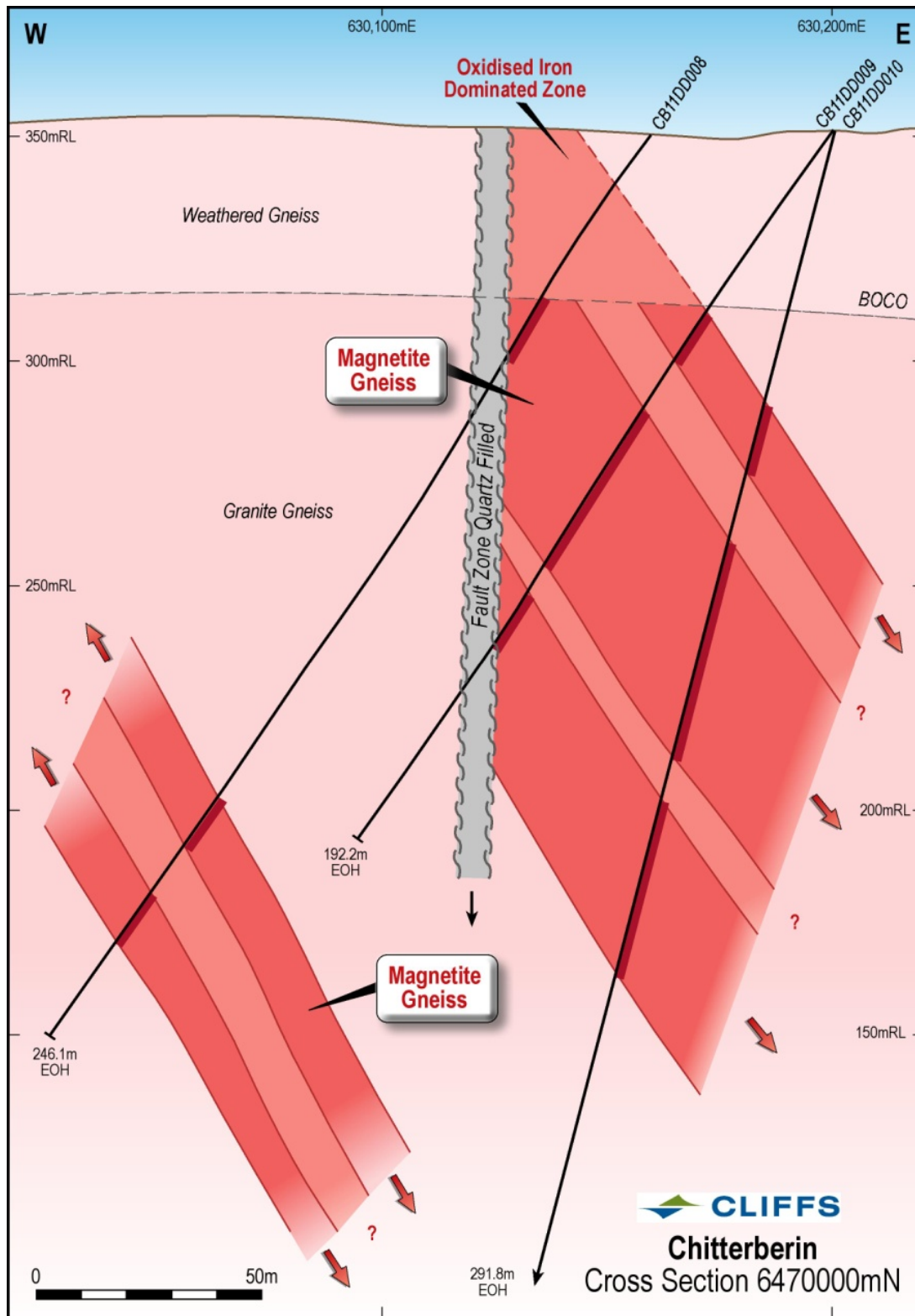


Figure 2 - Chitterberin Prospect Cross Section 6471000N

Table 2. Grade estimates as provided by the joint venture manager for down-hole intervals of all drill holes at the Chitterberin Prospect drilled to date. Drill hole details including dip and azimuth are provided in table 3.

HoleID	Cut Off Grade	Depth From (meters)	Depth To (meters)	Interval Length (meters)	Fe%
CB11DD001	Mineralised Fe Zone	38.1	50.5	12.4	22.3
CB11DD001	>25% Fe	39.0	42.8	3.8	32.9
CB11DD002	Mineralised Fe Zone	11.4	73.0	61.7	22.9
CB11DD002	>25% Fe	13.0	17.0	4.0	28.1
CB11DD002	>25% Fe	21.5	41.8	20.3	32.4
CB11DD003	Mineralised Fe Zone	83.1	127.8	44.7	26.7
CB11DD003	>25% Fe	90.0	112.0	22.0	33.0
CB11DD003	>25% Fe	120.2	124.3	4.1	33.9
CB11DD004	Mineralised Fe Zone	81.0	90.4	9.4	17.7
CB11DD005	>25% Fe	110.4	130.0	19.6	26.8
CB11DD005	Mineralised Fe Zone	107.7	199.6	91.9	21.4
CB11DD005	>25% Fe	165.1	174.3	9.2	35.0
CB11DD005	>25% Fe	180.9	188.1	7.3	33.4
CB11DD005	>25% Fe	191.9	196.3	4.5	26.6
CB11DD006	Mineralised Fe Zone	31.6	129.4	97.8	28.2
CB11DD006	>25% Fe	37.0	75.7	38.7	30.2
CB11DD006	>25% Fe	75.7	80.7	5.0	21.8
CB11DD006	>25% Fe	80.7	114.7	34.0	31.0
CB11DD006	>25% Fe	114.7	120.1	5.3	28.7
CB11DD008	Mineralised Fe Zone	8.7	57.1	48.4	20.0
CB11DD008	>25% Fe	37.6	56.3	18.7	32.0
CB11DD009	Mineralised Fe Zone	42.1	137.0	94.9	21.3
CB11DD009	>25% Fe	49.6	52.1	2.6	34.2

CB11DD009	>25% Fe	75.9	118.1	42.2	31.1
CB11DD009	>25% Fe	132.6	136.6	4.0	33.4
CB11DD013	Mineralised Fe Zone	1.5	69.3	67.8	32.3
CB11DD013	Mineralised Fe Zone	112.5	146.1	33.6	27.1
CB11DD013	>25% Fe	5.8	69.3	63.5	33.3
CB11DD013	>25% Fe	112.5	125.3	12.8	29.9
CB11DD013	>25% Fe	129.7	146.1	16.4	31.2
CB11DD014	Mineralised Fe Zone	11.4	68.1	56.7	28.3
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CB11DD014	>25% Fe	11.4	38.3	26.9	31.2
CB11DD014	>25% Fe	44.8	68.1	23.3	31.5
CB11DD014	>25% Fe	117.5	148.6	31.1	32.4
CB11DD014	>25% Fe	152.9	167.8	14.9	32.3
CB11DD015	Mineralised Fe Zone	114.2	189.3	75.1	26.7
CB11DD015	>25% Fe	114.2	135.9	21.7	33.4
CB11DD015	>25% Fe	144.8	150.5	5.7	31.6
CB11DD015	>25% Fe	152.4	177.9	25.5	33.1
CB11DD015	>25% Fe	185.0	189.3	4.3	30.9

* Grades calculated based on weighted averages of downhole assay grades as recieved from Ultra Trace.

Samples assayed are 1 metre (or smaller) downhole lengths 1/4 core splits.

A lower cut off of 15% Fe has been used in calculating the "Mineralised Fe Zone" intervals.

Internal dilution included where cut off achieved over 5 metres.

Assay data for drill holes CB11DD007, 10, 11 and 12 have not yet been received

Table 3. Drill hole details .

Hole No.	Prospect / target	Easting ¹	Northing ¹	Azimuth	Dip	Metres drilled
CB11DD001	Chitterberrin	629945	6471840	271	-49	105.5
CB11DD002	Chitterberrin	629945	6471840	271	-69	147.6
CB11DD003	Chitterberrin	629990	6471835	276	-69	183.9
CB11DD004	Chitterberrin	629990	6471350	268	-55	117.4
CB11DD005	Chitterberrin	629980	6471350	271	-70	234.5
CB11DD006	Chitterberrin	629990	6470720	274	-54	159.4
CB11DD007	Chitterberrin	629990	6470720	269	-75	198.6
CB11DD008	Chitterberrin	630160	6470000	280	-54	246.1
CB11DD009	Chitterberrin	630200	6470000	279	-55	192.2
CB11DD010	Chitterberrin	630200	6470000	280	-75	290.8
CB11DD011	Chitterberrin	630043	6470728	273	-75	41.4
CB11DD012	Chitterberrin	630043	6470728	269	-75	274.1
CB11DD013	Chitterberrin	630240	6469590	277	-55	192.1
CB11DD014	Chitterberrin	630240	6469590	276	-76	192.4
CB11DD015	Chitterberrin	630280	6469590	277	-75	243.8

¹ GDA 94, MGA Zone 50