

**REEDY**



**LAGOON**  
CORPORATION LTD

# REEDY LAGOON CORPORATION LIMITED

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December 2011

Iron, Uranium, Gold



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## Key Attributes of RLC

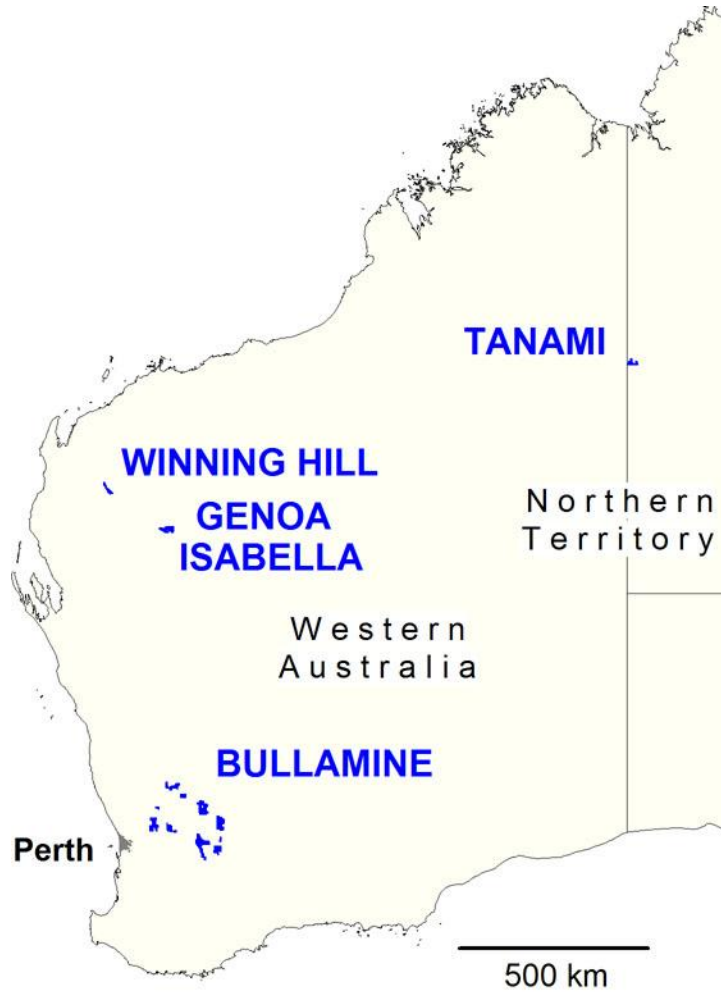
- Iron-ore project with major partner
- Uranium exploration projects

***Builds projects that can attract majors***



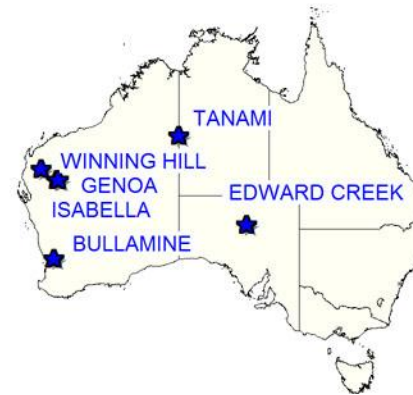


# Projects



IRON ORE  
Bullamine, WA

URANIUM  
Edward Creek, SA  
Tanami, NT  
Isabella, WA  
Genoa, WA  
Winning Hill, WA





# Magnetite – what is it ?

Magnetite and Hematite are common forms of iron mineralisation.

Hematite ores occur with Fe grades up to 64% and are sellable at grades greater than about 58%. These ores can be fed directly into iron-making blast furnaces

Magnetite ores generally have lower grades of Fe (often about 25%) and require processing to produce a concentrate in which the Fe grade is increased to 64% or higher value products at 68% and 69% Fe.

3 tonnes of Magnetite ore ~ 25% Fe = 1 tonne concentrate with > 64% Fe

Magnetite is magnetic and once liberated by crushing and grinding, can be easily separated from waste to form a high grade concentrate with low impurities (3 – 7 % silica, < 0.1% phosphorus, <3 % aluminium).

The grain size of the magnetite, its relationship with the waste rock – mainly quartz (silica) and the amount of fine silica incorporated within magnetite grains, determine the grind size to which the ore must be reduced to enable efficient separation to produce a high purity magnetite (Fe) concentrate. Some magnetite ores require grinding to between 45 and 32 microns (0.045 mm) to effect the liberation. (Note that Fe concentrates will ultimately be ground to 45 micron prior to being processed into pellets).

Costs: after transport (road/rail & port infrastructure), crushing & grinding are the next largest expenses.

Pricing: “\$130/t for iron ore” ... likely to be \$130/t iron-ore grading 62.5% Fe (= \$2.08 dmtu)

$\$2.08 \times 100 \times 62.5\% = \$130$

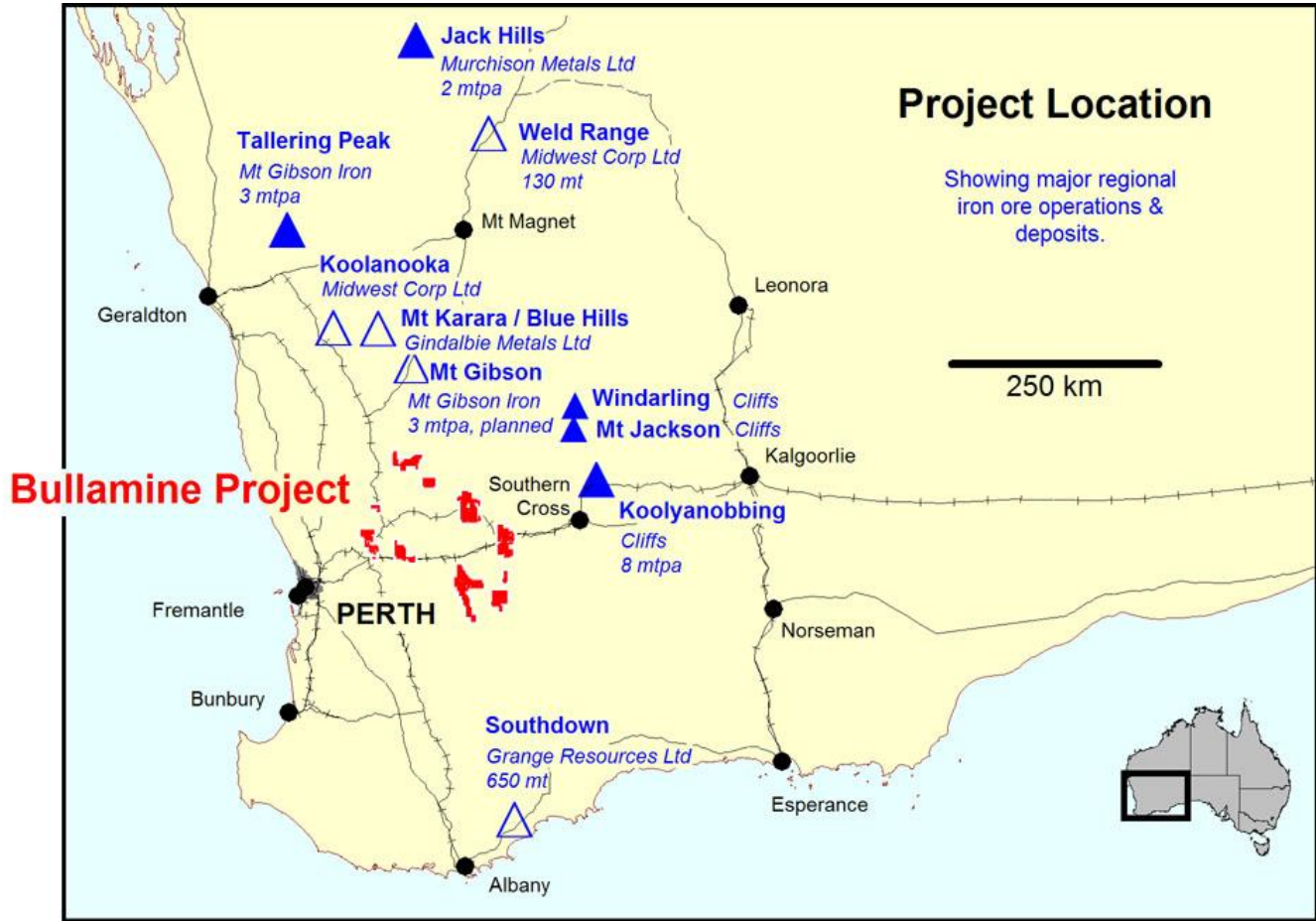
$\$2.08 \times 100 \times 69\% = \$144$

with additional market premiums for >62.5% Fe and for >69% ranging up to +\$20/t





# Bullamine – Iron (Magnetite) (RLC 25%)





## Bullamine – Iron (Magnetite) (RLC 25%)

- Located along existing rail corridor between Perth and Kalgoorlie
- Ports at Kwinana, Albany, Esperance +/- Oakajee
- 3,342 km<sup>2</sup> under tenement
- Joint Ventured with Cliffs earning 75%
  - Commenced February 2011
  - \$3.2 m JV exploration expenditure by end September 2011
- Cliffs sole funding \$5M – thereafter carrying RLC share of costs which will be refundable only from future production

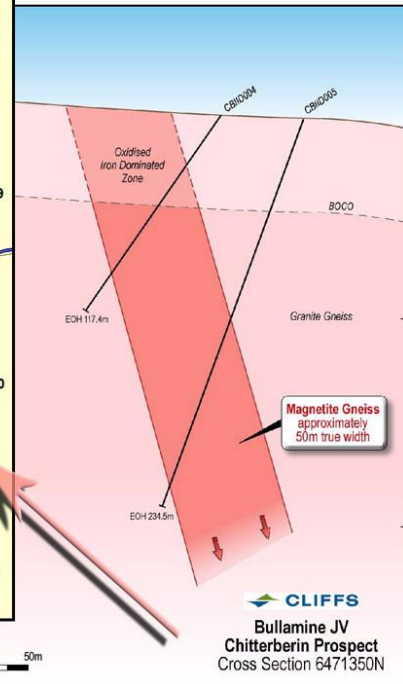
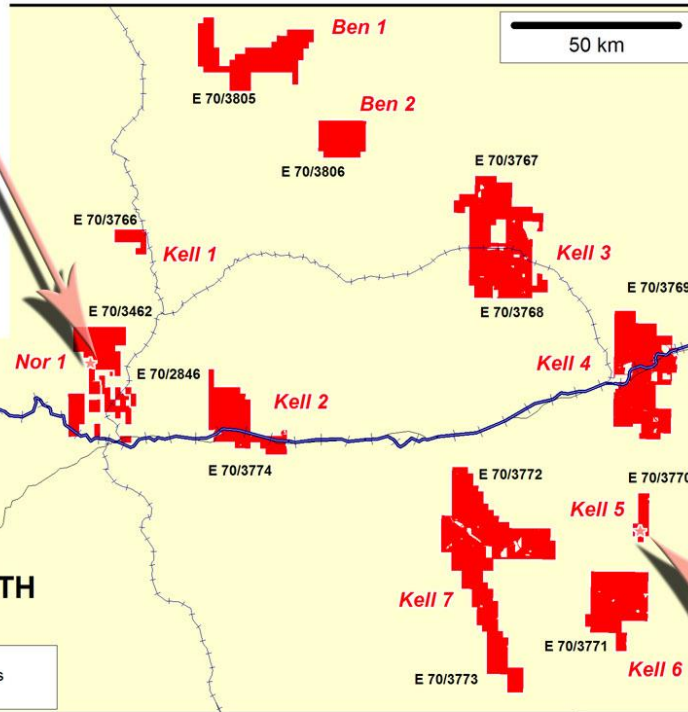
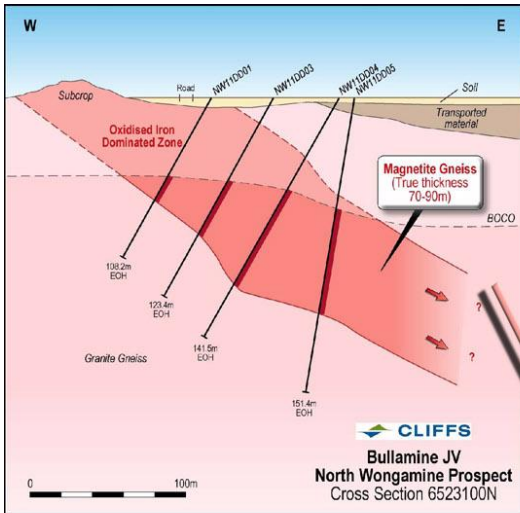
**Iron ore project managed by \$11B company with no cash required from RLC until decision to mine**





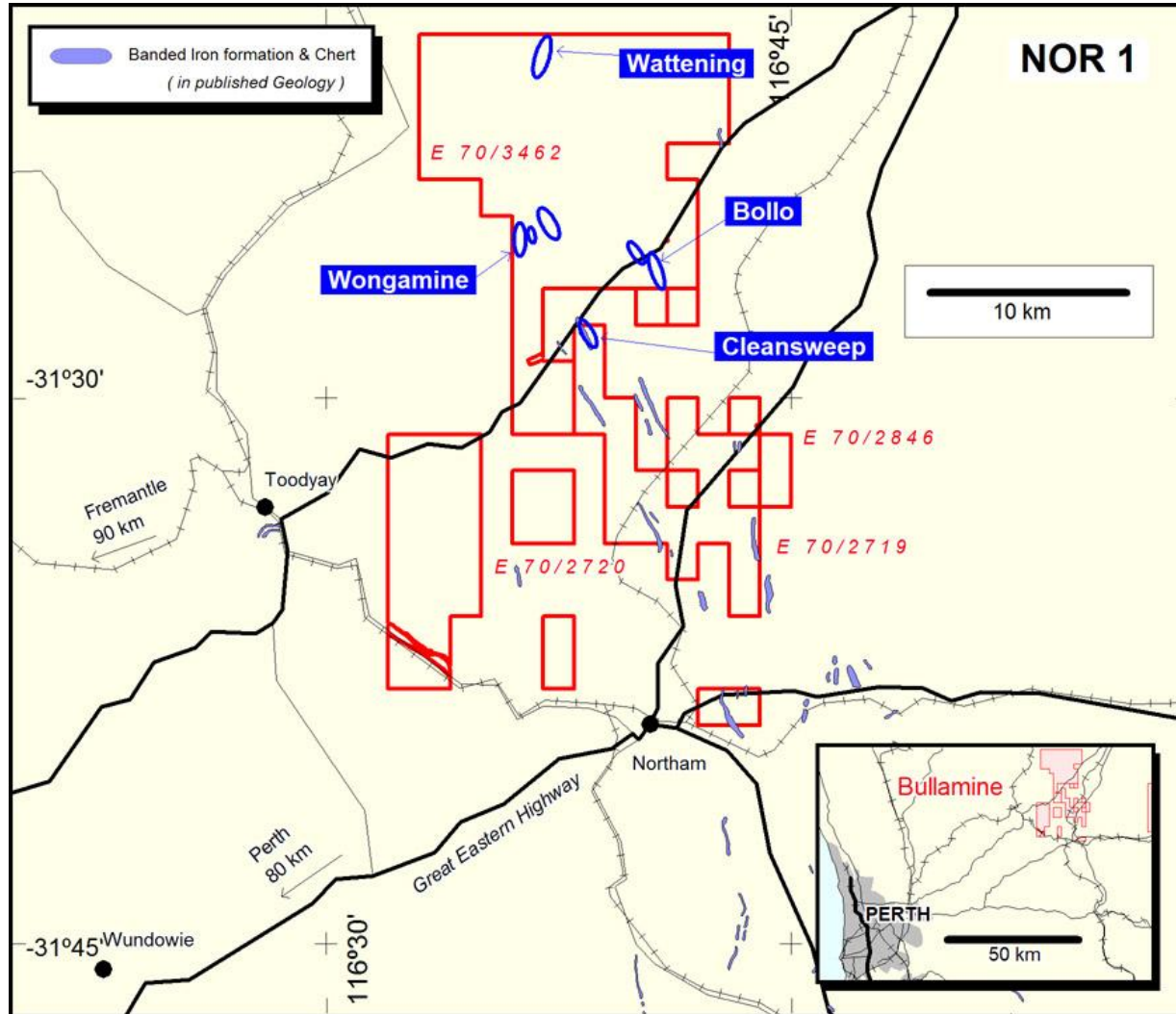
# Bullamine – Iron (Magnetite) (RLC 25%)

Thick bands of magnetite gneiss intersected.  
 RLC estimates potential for 30mt magnetite gneiss  
 at each of Wongamine North & Chitterberrin



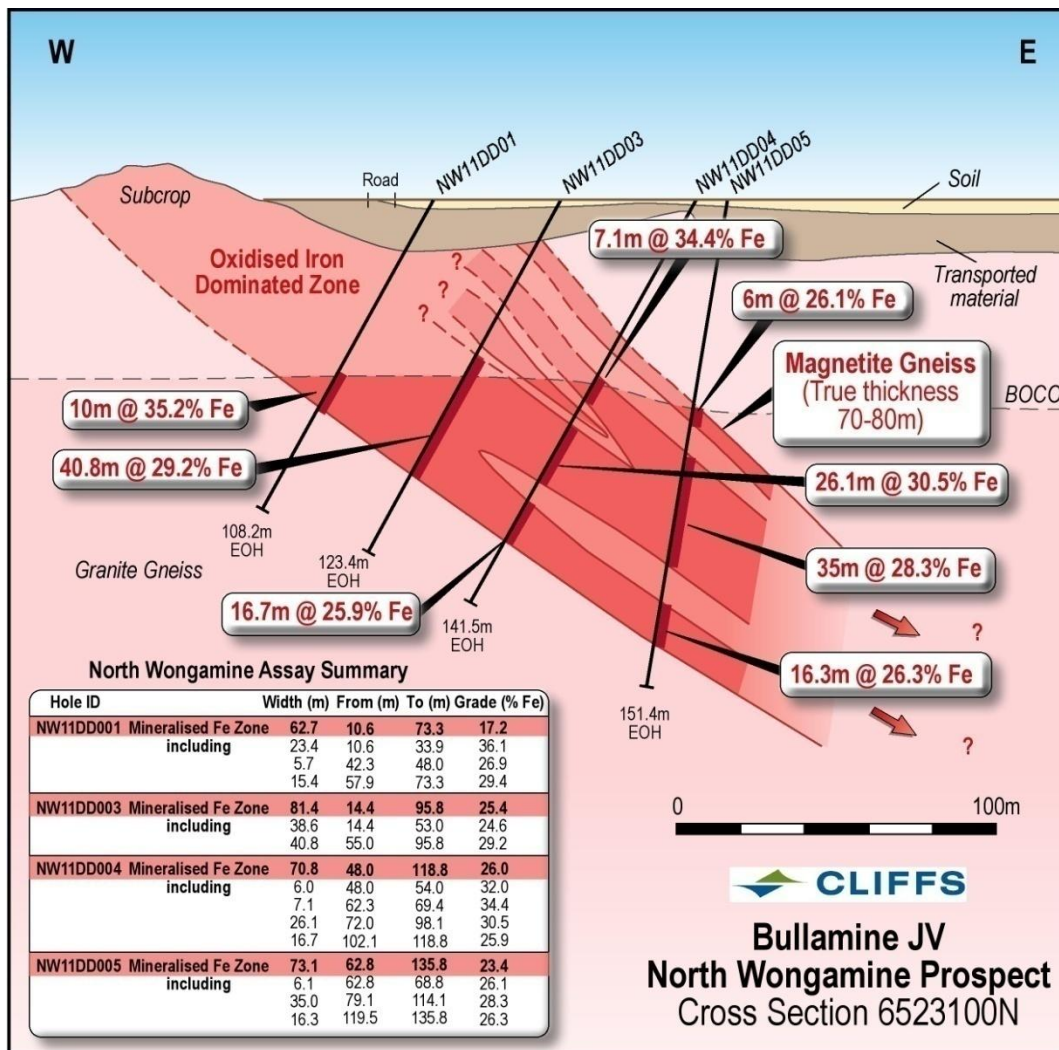


# Bullamine – Iron (RLC 25%) Wongamine Prospect (part NOR 1)



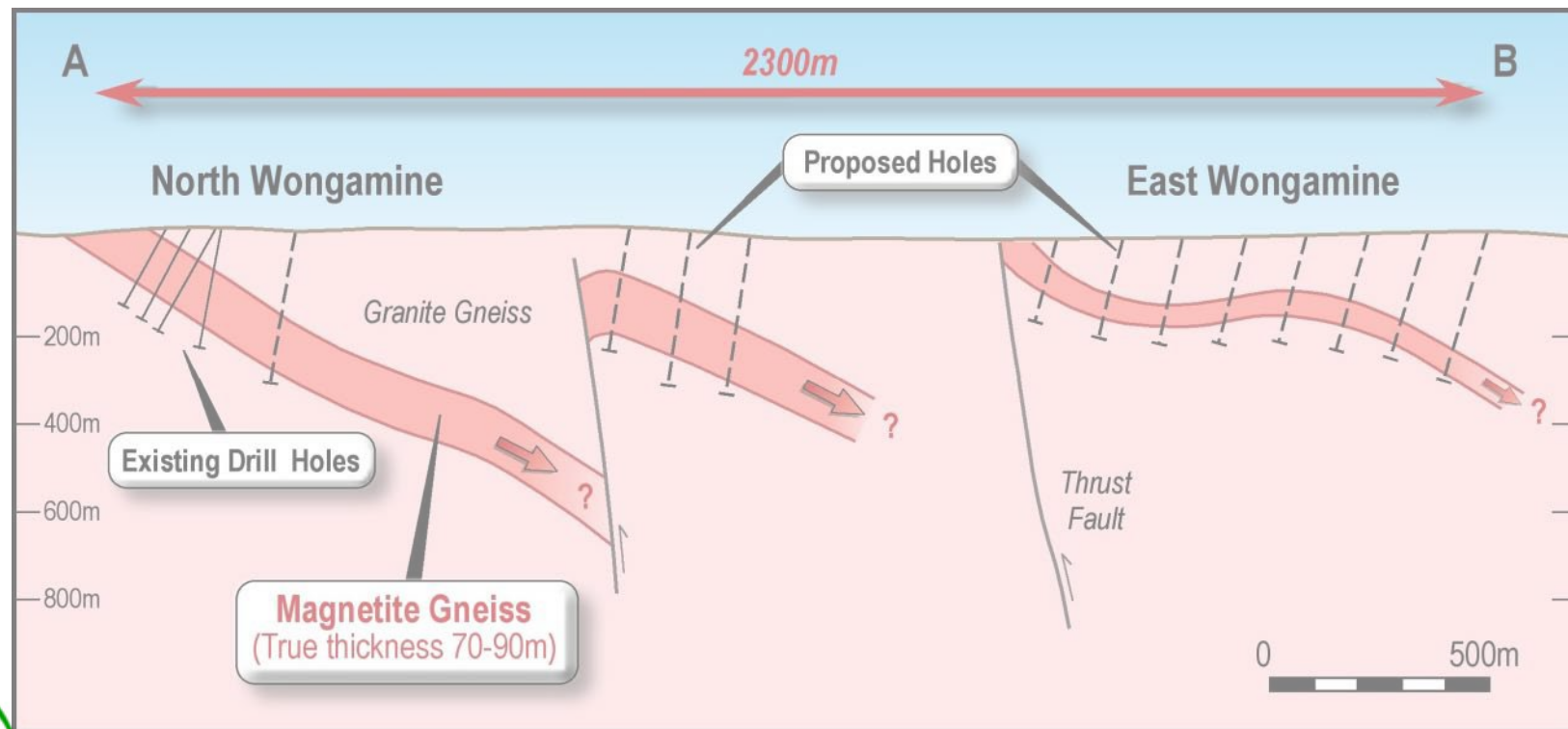


# Bullamine – Iron (RLC 25%) Wongamine Prospect (part NOR 1)



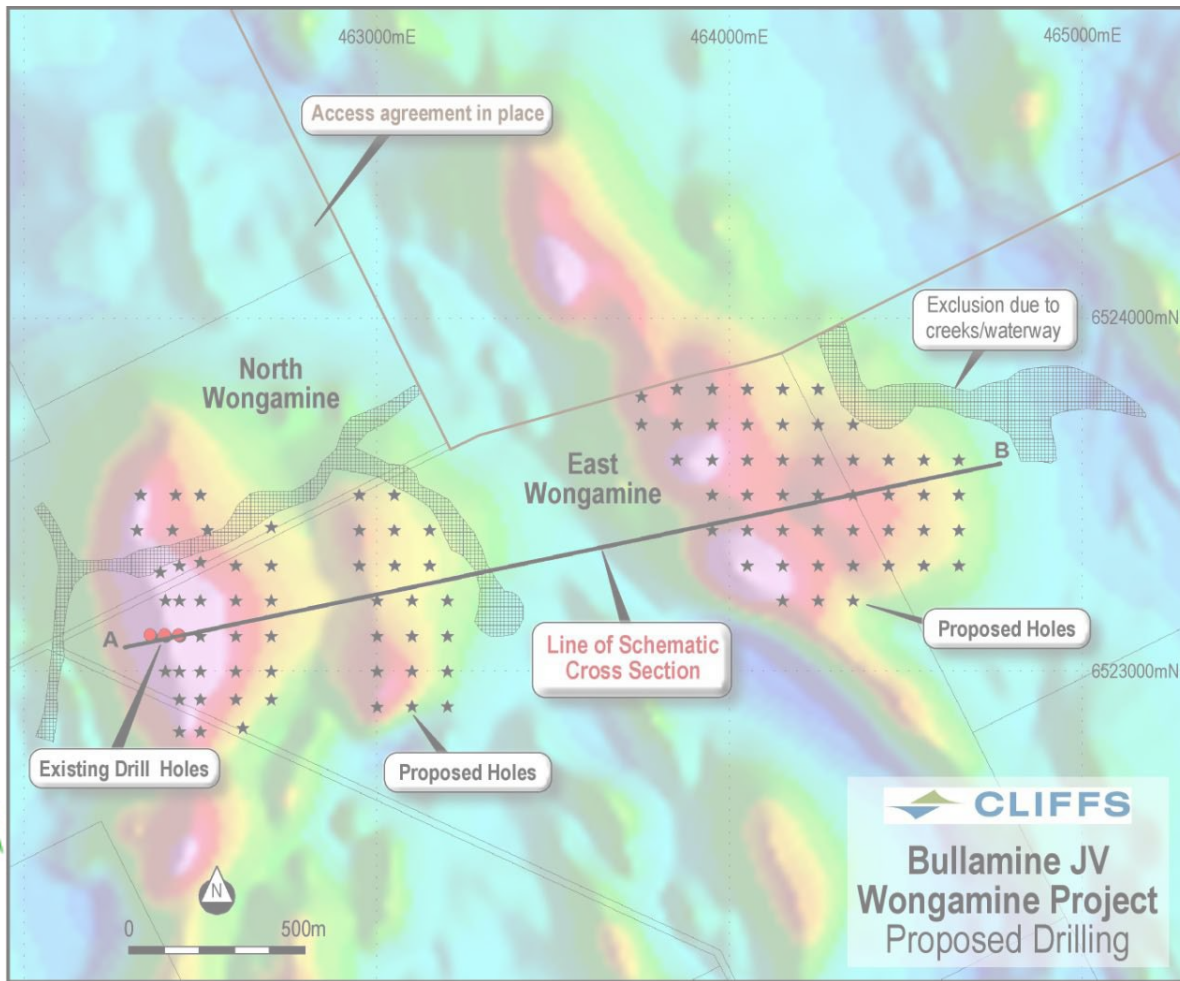
# Bullamine – Iron (RLC 25%)

## Wongamine Prospect (part NOR 1)



- RLC estimates potential at North Wongamine for 30mt magnetite gneiss
- 2 targets to the east identified in magnetic data – drilling planned

# Bullamine – Iron (RLC 25%) Wongamine Prospect (part NOR 1)



Wongamine

Major follow-up drill program planned to commence in January 2012





# Bullamine – Iron (RLC 25%)

## Cleansweep mineralisation (part NOR 1)

No results from any metallurgical studies of the Wongamine magnetite rocks have yet been received but the Cleansweep mineralisation has provided some outstanding results – could Wongamine be similar ?

“Coarse” grind size for magnetite liberation from DTR tests  
(on RC chips from Cleansweep):

P<sub>80</sub> 500 microns: 69.1% Fe 2.4% Si 0.003% P 1.0% Al<sub>2</sub> O<sub>3</sub>

P<sub>80</sub> 106 microns: 70.1% Fe 1.3% Si 0.003% P 0.9% Al<sub>2</sub> O<sub>3</sub>

*Great metallurgy – but Cleansweep is too small to be economic to mine and much more data is required from Wongamine before any project economics can be contemplated.*

*Next steps at Bullamine include:*

- identify more mineralisation – drilling underway*
- determine metallurgy at Wongamine, Chitterberrin ... plus ?*
- ..... determine economics*





# Company information

ASX:RLC

Issued shares	48.6 m
Options (unlisted)	15.1 m
Market Cap (15 cents)	7.3 m
Cash	0.8 m
Debt	Nil

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## Major Shareholders

Directors / family	17.4 %
Top 20 shareholders	56.8 %

## History

- 1986 founded
- 1988 Mt Gipps JV - diamonds, SA
- 1991 CRAE JV - diamonds & base metals
- 1992 BHP Minerals JV – diamonds, SA
- 1996 Caldera JV – diamonds, SA
- 1998 Werrie JV - diamonds & base metals
- 2000 Osprey JVs – farmed in (gold, Vic)
- 2001 Phelps Dodge JV – base metals, SA
- 2003 ECBM JV – base metals & uranium, SA
- 2003 Acquired Osprey (Vic gold projects)
- 2005 Diptank JV – farmed in (Cu/Au, NSW)
- 2007 spun off diamond interests

After spinning out diamond interests to the existing shareholders the issued capital was reduced (1: 0.62) and there were 20m shares on issue to 133 members.

- 2007 IPO - \$4m @ 20c
- 2011 Bullamine JV (Cliffs)





# Qualification

*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.*

