RADAR IRON LIMITED
ACN: 146 455 576

Suite 2, 12 Parliament Place
West Perth Western Australia 6005
P 08 9482 0580
F 08 9482 0505
E info@radariron.com.au

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Ref 2.2.3

Farlee Walker
ASX Limited
Level 8, The Exchange Plaza
2 The Esplanade
Perth WA 6000
Facsimile: +61 8 9221 2020

Dear Farlee,

Re: Statement as to Corporate Governance

Radar Iron Limited ("Company") is committed to implementing the highest practical standards of corporate governance. As such the Company has turned to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 2nd Edition with 2010 Amendments* ("ASX Principles"). The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles. Whilst the ASX Principles are not mandatory, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the ASX Principles.

The Board of the Company is currently implementing a corporate governance policy which will be posted in a dedicated corporate governance information section of the Company's website.

	ASX Principle	**Company Comments**
1.	**Lay solid foundations for management and oversight**	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director and Company Secretary. The Board Charter also specifically outlines the role of the Company's non-executive directors.

1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	The Board Charter as set out in the Corporate Governance Plan which will be publicly available on the Company's website. The Board Charter discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the managing director and executive directors. The Board Charter also specifically outlines the role of the Company's non-executive directors.
2.	**Structure the Board to add value**	
2.1	A majority of the Board should be independent directors.	The Company is currently not in compliance with this recommendation. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise to meet its objectives. The current board composition includes **one independent director and two non-independent directors.** The Board has elected the independent director to be Chairman. Details of each director's background including experience, knowledge and skills and their status as independent or non-independent director are set out in the prospectus on page 25. Whilst the number of independent directors is not in the majority, the expertise, experience and size of the whole of the Board is appropriate for the Company.
2.2	The chair should be an independent director.	Mr Alan Tough is the current Non-Executive Chairman and is considered an independent director
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The roles of the chair and chief executive officer are not exercised by the same individual.
2.4	The Board should establish a nomination committee.	The Company is currently not in compliance with this recommendation. Given the size of the Board there is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.

2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Board itself will conduct an annual performance review that compares the performance of the Board and senior executives with the requirements of the Board Charter and Code of Conduct. The performance of the individual board members is to be evaluated annually, independent of the director being reviewed to ensure individual directors carry out their duties in accordance with the values set out in the Code of Conduct.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	A description of the skills and experience of each of the current Directors is contained in the Prospectus. One of the three members of the current board (Mr Alan Tough) is considered to be an independent director in accordance with the definition of an independent director as contained in the Corporate Governance Plan. The Board, or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the chairman. The Board, as a whole, will serve as the Company's nomination committee. The Board will determine the procedure for the selection and appointment of new directors and the re-election of incumbents having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The policy for the appointment of new directors is set out in the Corporate Governance Plan which will be publicly available on the Company's website.
3.	**Promote ethical and responsible decision-making**	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: ➢ the practices necessary to maintain confidence in the company's integrity ➢ the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders ➢ the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. The Corporate Code of Conduct is set out in the Corporate Governance Plan which will be publicly available on the Company's website.

3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company is currently not in compliance with this recommendation. The Company's Corporate Governance Plan does not include an express policy specifically addressing achieving gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.
3.3	Companies should disclose in each annual report the measureable objectives for achieving set by the board in accordance with the diversity policy and progress in achieving them.	The Company has not yet set the Measurable Objectives however these will be considered by the Board and disclosed in the annual report. In addition, the Board will review progress against any Objectives identified on an annual basis.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The Company's annual report will include the proportion of woman employees within the organisation as well as senior positions within the Company.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	The Board will include in the Annual Report each year: ➢ Measurable Objectives, if any, set by the Board; ➢ progress against the Objectives; and ➢ the proportion of women employees in the whole organisation, at senior management level and at Board level.
4.	**Safeguard integrity in financial reporting**	
4.1	The Board should establish an audit committee	The Company is currently not in compliance with this recommendation. The Company does not have an Audit Committee. The Board believes that for the time being, with only 3 Directors on the Board, the Board itself is the appropriate forum to deal with this function.
4.2	The audit committee should be structured so that it: ➢ consists only of non-executive directors ➢ consists of a majority of independent directors ➢ is chaired by an independent chair, who is not chair of the board ➢ has at least three members.	Refer 4.1 above.
4.3	The audit committee should have a formal charter.	To assist the board in completing the audit committee function, the Company has adopted a formal charter for the audit committee.

4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	When the Company has grown to a sufficient size to warrant it, the Board will establish an audit and risk committee to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. The Audit Committee charter and the information and procedures for the selection and appointment of the external auditor and for the rotation of the external audit engagement partner will be set out on the Company's website.
5.	**Make timely and balanced disclosure**	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure compliance with ASX Listing Rule continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5.	The continuous disclosure policy of the Company is set out in the Corporate Governance Plan which will be publicly available on the Company's website.
6.	**Respect the rights of shareholders**	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Corporate Governance Plan includes a shareholder communications strategy, which aims to promote effective communication with shareholders and ensure that shareholders are informed of all major developments affecting the Company's state of affairs.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The shareholder communication policy of the Company is set out in the Corporate Governance Plan which will be publicly available on the Company's website.
7.	**Recognise and manage risk**	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company has established policies for the oversight and management of material business risks. The risk management policy of the Company is set out in the Corporate Governance Plan which will be publicly available on the Company's website.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures. Management will be responsible for ensuring the process for managing risks is integrated within business planning and management activities.

		Reports on risk management are to be provided to the Board by Management or the managing director, whoever is responsible for the management of the individual risk. The Board will require Management along with the Managing Director to implement risk management and internal control systems and provide a report at the relevant time.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Reports on risk management are to be provided to the Board by Management or the Managing Director, whoever is responsible for the management of the individual risk. The Board will seek the relevant assurance from Management and the Managing Director (or their equivalents) at the relevant time.
7.4	Companies should provide the information indicated in Guide to Reporting on Principle 7.	Reports on risk management are to be provided to the Board by Management or the Managing Director responsible for the management of the individual risk. The Board will ensure that Management provides the assurance under Recommendation 7.2 in future years. The Board will ensure that Management provides the assurance under Recommendation 7.3 in future years.
8.	**Remunerate fairly and responsibly**	
8.1	The Board should establish a remuneration committee	The Company is currently not in compliance with this recommendation. Given the current size of the Board, the Company does not have a remuneration committee. The Board as a whole reviews remuneration levels on an individual basis, the size of the Company making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services, as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.
8.2	The remuneration committee should be structured so that it: ➢ consists of a majority of independent directors ➢ is chaired by an independent director ➢ has at least three members	Refer 8.1 above

8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board will distinguish the structure of non executive director's remuneration from that of executive directors and senior executives. The Company's Constitution also provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	When the Company has grown to a sufficient size to warrant it, the Board will establish a remuneration committee for the purposes of reviewing and approving the executive remuneration policy. The remuneration committee shall comprise at least three directors, with a majority of those directors being independent non-executive directors. As at the date of this statement, there are no schemes for retirement benefits for non-executive Directors. Once a remuneration committee is established, the remuneration committee charter will be added to the Company's Corporate Governance Plan.

The board will review the compliance with the above polices within 12 months of ASX quotation.

Kind Regards

Phillip Wingate
Company Secretary
Radar Iron Ltd