RADAR IRON LTD

ACN 146 455 576

ASX Release

31 January 2011

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Directors

Alan Tough - Chairman
Jonathan Lea - Managing Director
Ananda Kathiravelu - Non-Executive

Issued Capital

61,880,112 Ordinary Shares
22,750,000 Unlisted Options

ASX Code

RAD (Fully Paid Ordinary Shares)

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Quarterly Activities Report

For the Three Months Ended 31 December 2010

Highlights

Exploration

- Initial RC drilling of magnetite targets provided highly encouraging results with significant intervals of magnetite mineralisation intersected
- Best intercept – 154m at 29% Fe
- Davis tube recovery test work indicates concentrate grades to 71.1% Fe with high mass recoveries
- Independent geophysical review of Johnston Range Project confirms large scale target magnetite mineralisation potential
- Field mapping and reconnaissance continues to identify additional hematite prospects
- Sufficient funds raised in IPO to sustain planned exploration

Corporate

- Radar successfully completes ASX listing
- $6.8M raised in IPO

Overview

The board of Radar Iron Ltd ("Radar") is pleased to present its quarterly activities report for the quarter ended 31 December 2010.

Radar is focused on identifying and defining hematite and magnetite resources in the Central Yilgarn district of Western Australia. The Company has an extensive package of tenements with over 40km of multiple banded iron formation contained on its leases

Radar listed on the ASX in December 2010 while initial field work and drilling was completed during the quarter

Following the Company's successful float, it is positioned with sufficient funds to explore its highly prospective tenement holding over the next two years.

Radar's overall exploration objectives in 2011 are:

- To define an initial hematite resource by mid 2011
- To define an initial magnetite resource by late 2011
- To continue exploration on the tenement holding to identify all potential targets and ensure continuity in drill testing opportunity

Field reconnaissance mapping and the initial drill testing of magnetite targets during the quarter have commenced this process in line with the above objectives. The initial drill testing of hematite targets is scheduled for Quarter 1, 2011.

Drill results, Davis tube recovery tests and independent geophysical assessment of the tenements received in January 2011 have provided substantial encouragement that significant magnetite mineralisation is present in a form and scale that can be potentially concentrated to produce a saleable product.

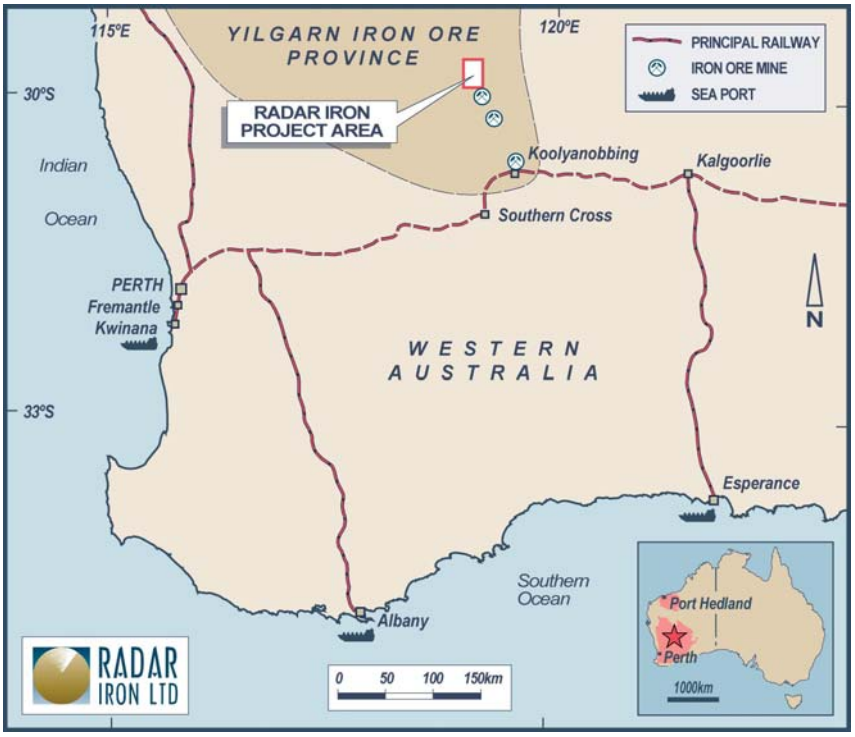

Figure 1:Project Area

Exploration to December 2010

Radar has three project areas, Johnston Range, Die Hardy and Evanston, all in the central Yilgarn, (Figure 2).

In mid 2010, a geophysical review of existing magnetite and gravity data in the Johnston Range area was completed by previous tenement holders Transit Holdings Ltd – primarily aimed at identifying potential hematite mineralisation. This process generated a significant number of potential targets. Field reconnaissance programmes commenced in the September Quarter 2010 to validate the potential targets leading to initial drill targets being identified both for hematite and magnetite.

The following exploration was completed in the December Quarter 2010

1. Further field mapping was completed in the Johnston Range area both by internal geologists and using a geological contractor to validate existing and identify new targets. This mapping is continuing in January 2011 by which time the entire Johnston Range belt will be covered.

2. Drilling approvals were received – through the Programme of Works (PoW) process – for 91 planned drill holes over nine prospects at Johnston Range and Die Hardy. These approvals covered both hematite and magnetite drill targets.

3. In November/December 2010 a 1388m RC drill programme was completed, targeting magnetite mineralisation to provide initial samples for assay and preliminary metallurgical testing to assist in the prioritising of magnetite drill targets in 2011. The prospects tested were Lara at the Die Hardy project and Beven, Clutch, Olger and Bolger at the Johnston Range Project.

4. Two flora surveys were completed in November/December 2010 by botanical consultants to facilitate future drilling approvals. At the southern end of the Muldoon prospect the declared rare flora (DRF) *Ricinocarpos brevis* was identified. While the majority of the prospect can be drilled with existing approvals, any further work in the southern end of the prospect will require permission from the Minister for Environment.

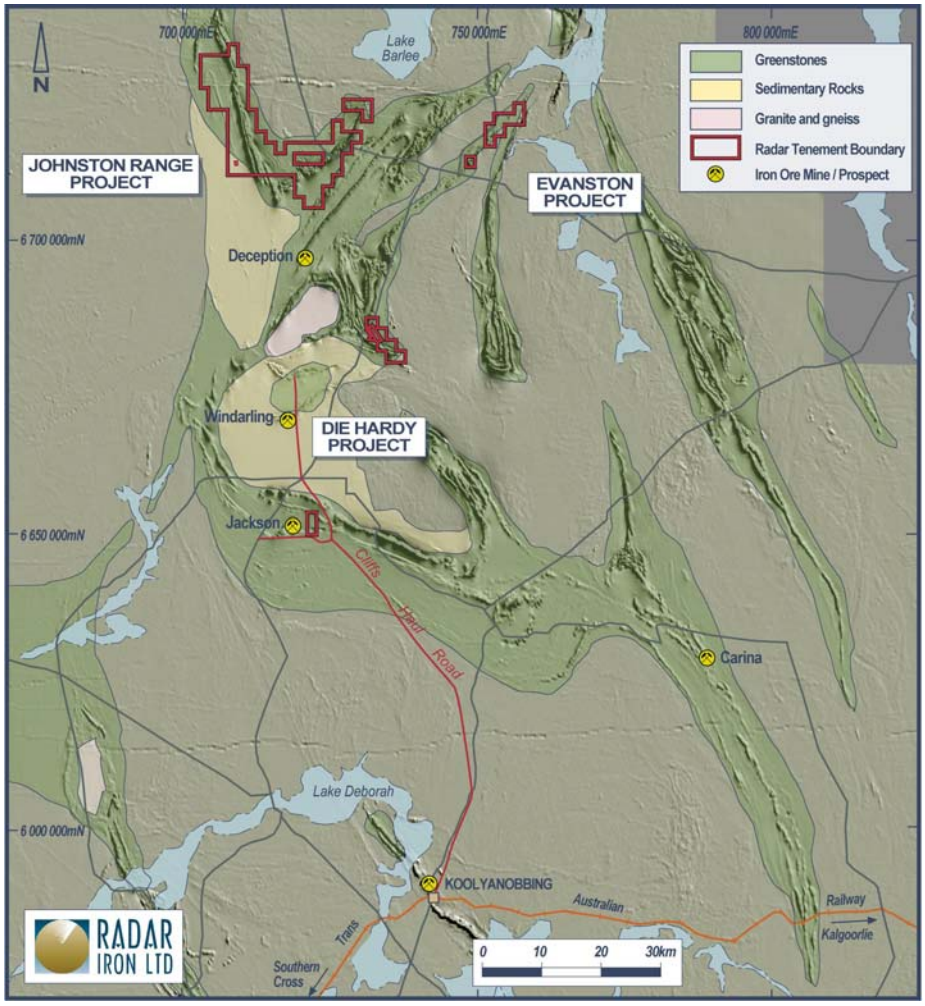

Figure 2:Project Location, Regional Geology and Magnetics

Magnetite Drill Results

Assaying was completed based on a 4m sample length and eight DTR tests were completed on selected 12m intervals of composite drill samples. Assay results are shown in Table 1 with DTR results in Table 2.

Overall assay results averaged in the 28-30% Fe range and DTR results indicate that the magnetite rich banded ironstone formation at Lara and Beven can be beneficiated into high-grade concentrates with low levels of SiO_2, Al_2O_3, P and S.

TABLE 1 Summary of RC Magnetite Drilling

Drill Hole	Drill Hole Data and Location						Intercepts - Average Weighted Grades							
Number	Prospect	Length	East	North	Dip	Azimuth	From	To	Width	% Fe	% SiO_2	% Al_2O_3	% P	% S
RIRC001*	Lara	120	734987	6680828	-60	210	20	120	100	25.6	56.0	0.83	0.06	0.05
RIRC002*	Lara	166	735262	6680310	-60	30	12	166	154	28.9	48.3	4.35	0.08	0.07
RIRC003	Beven	156	729996	6722504	-60	160	0	16	16	32.0	46.3	2.54	0.02	0.03
						and	116	132	16	28.6	48.5	3.43	0.05	0.10
RIRC004	Beven	84	730372	6722650	-60	150	20	72	52	27.5	45.9	3.57	0.04	0.08
RIRC005	Beven	108	730398	6722572	-60	330	20	76	56	21.9	48.2	6.76	0.05	0.12
RIRC006	Beven	80	730015	6722435	-60	330	24	56	32	27.9	45.4	3.61	0.04	0.04
RIRC007	Clutch	156	726200	6710510	-60	125	4	44	40	37.4	33.9	5.76	0.03	0.02
RIRC008#	Clutch	80	726310	6710679	-60	125	0	16	16	29.7	39.8	7.49	0.02	0.03
RIRC009#	Clutch	126	726341	6710654	-60	125	4	24	20	28.1	28.4	18.33	0.01	0.06
RIRC010	Bolger	156	719819	6710765	-60	330	0	16	16	27.8	54.2	1.22	0.06	0.03
						and	60	88	28	31.0	47.4	1.52	0.07	0.05
RIRC011	Olger	156	721309	6712024	-60	25	84	120	36	31.5	44.6	0.83	0.07	0.20

Notes:
Sampling and assay intervals – 4 metres
Assay intervals calculated using a 20% minimum iron grade
Maximum of 12m of internal dilution in assay intervals
XRF assaying completed by Spectrolab, Geraldton
* Hole ended in mineralisation
# Hole ended prematurely owing to high water influx

Magnetite Drill Chips – Beven Prospect

RC Drill Rig at Johnston Range

TABLE 2 Davis Tube Recovery Test Work Results

Prospect	Drill Hole Number	From	To	Mass Recovery	Fe %	SiO_{2} %	Al_2O_3 %	P %	S %
Lara	RIRC001	108	120	35.6	63.5	11.6	0.16	0.02	0.01
Lara	RIRC002	104	116	43.1	70.3	2.9	0.06	0.00	0.01
Lara	RIRC002	156	166	48.1	70.0	4.3	0.03	0.01	0.01
				42.2	**67.9**	**6.2**	**0.08**	**0.01**	**0.01**
Beven	RIRC003	120	132	38.3	71.1	2.2	0.07	0.02	0.01
Beven	RIRC004	56	68	38.5	70.9	2.7	0.09	0.01	0.02
Beven	RIRC005	52	64	38.1	67.4	5.9	0.10	0.02	0.03
				38.3	**69.8**	**3.6**	**0.09**	**0.02**	**0.02**
Bolger	RIRC0010	64	76	38.6	58.4	16.7	0.12	0.04	0.03
Olger	RIRC0011	108	120	50.8	55.4	20.8	0.23	0.06	0.02

Note:
DTR and assaying completed by Spectrolab, Geraldton
DTR procedure gives a nominal P80 sizing of 40 micron

Davis Tube Recovery (DTR) test work is aimed at defining the potential concentration characteristics of magnetite mineralisation using magnetite separation. In practise the samples are pulverised to a measured size and then the magnetite and waste material (primarily silica) are separated by passing a magnet.

Typically DTR concentrates, to be indicative of being potentially economic ore, require the following characteristics:

- an iron grade greater than 66% Fe
- a silica (quartz) content less than 5%
- a test work grind size of greater than 25 microns (40 microns used in these tests)
- a mass recovery greater than 30% (percentage of sample recovered as magnetite)

The DTR results to date for the Lara and Beven prospects are encouraging as they meet or exceed all these indicators and provide the encouragement to undertake further drill and metallurgical assessment. The results for the Olger and Bolger do not, but a finer grind could liberate the magnetite and silica to a greater degree and provide a suitable product - further metallurgical test work will be undertaken with this aim.

The limited DTR testing completed to date should not be considered as representative of the overall magnetite mineralisation characteristics as far more intensive testing is required before definitive results can be obtained. It is useful however to assist in prioritising the various magnetite prospects and in justifying further testing.

Prospect Details

Die Hardy Project

Two RC holes were completed at the Lara prospect. Both holes finished in ore with the maximum intercept being 154m, with assay intervals indicating an average 25-30% Fe grade. Three Davis Tube Recovery (DTR) tests were performed and results were highly encouraging with iron head grades up to 70.3% Fe and mass recoveries to 48%.

The Lara prospect forms a prominent ridge approximately 3.4km long and 200-300m wide dipping sub-vertically and hence is a major magnetite target. The two holes drilled support the current interpreted width and depth potential. The assay and DTR results are highly encouraging and further metallurgical test work and drilling will be undertaken in 2011.

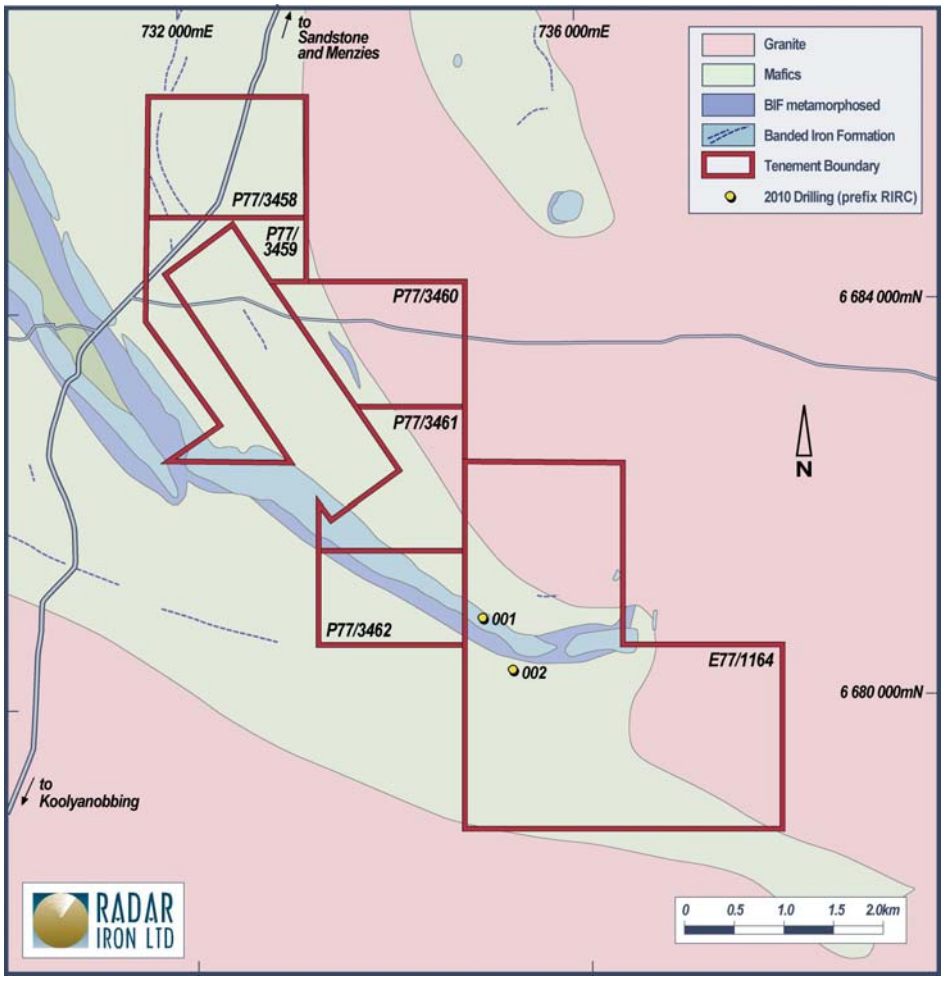

Figure 3:Die Hardy – Drill hole location

Johnston Range Project

Beven Prospect

Four holes were drilled at Beven on two section lines approximately 400m apart. Magnetite rich BIF intervals ranged from 16-56 m with average head grades 22-32% Fe. The eastern drill section returned longer down hole magnetite rich BIF intercepts (>50m width). The DTR test work was highly encouraging with head grades averaging 70% Fe and mass recovery 38%.

Beven outcrops as a low ridge 1.2km long and these results suggest the eastern part to have better potential for significant magnetite mineralisation. Further metallurgical test work and drilling at Beven will be scheduled in 2011.

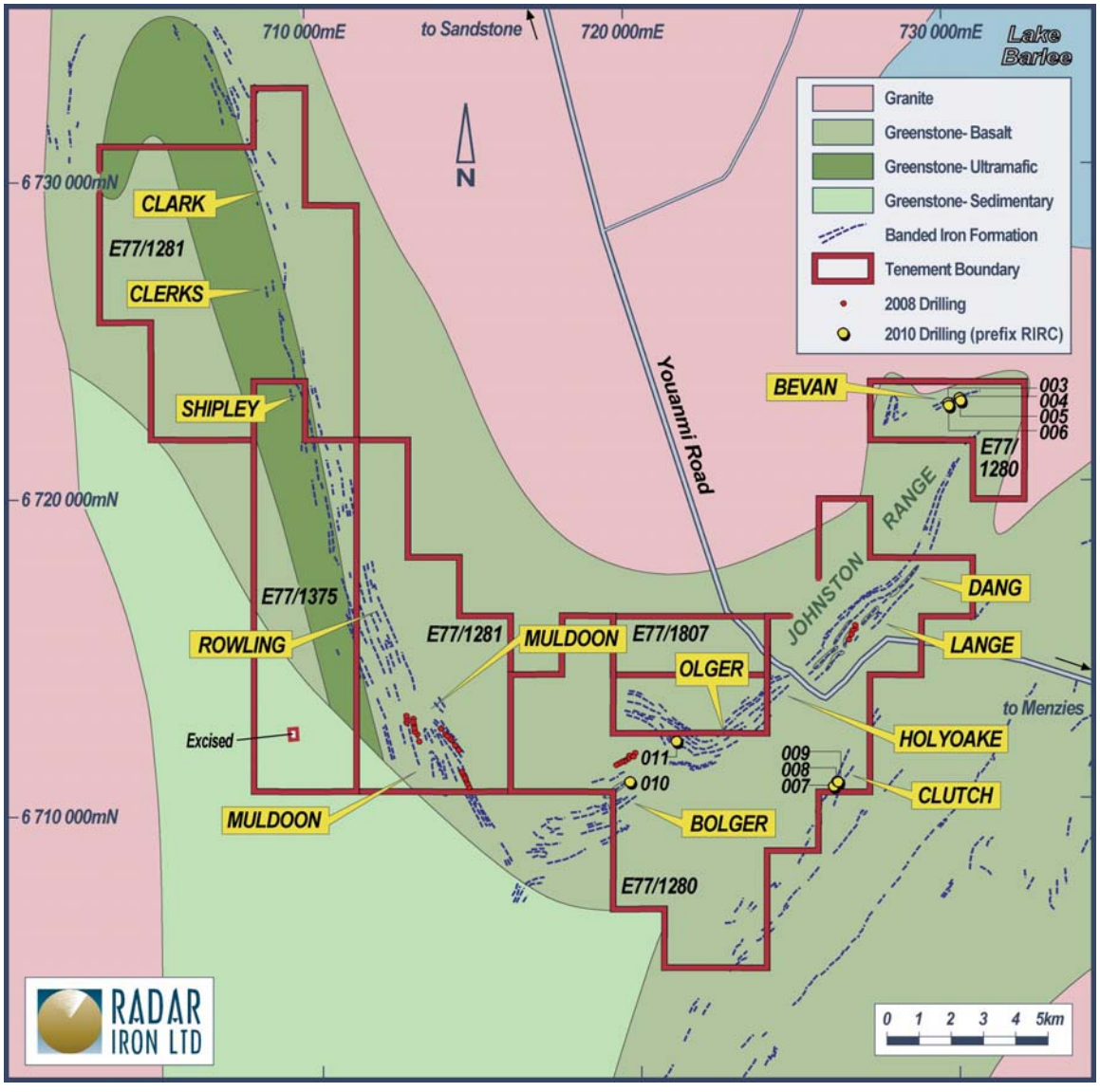

Figure 4:Johnston Range – Drill hole location

Clutch Prospect

Three holes were completed at Clutch with two not reaching planned depth owing to significant water influx. Assay results indicate a grade of 27-30% Fe for the magnetite rich BIF with a maximum interval 40m at 37.4% Fe, although this is partially formed in weathered BIF. No DTR test work was completed.

Clutch has a strike length of several kilometres and is identified as both a magnetite and hematite target. It is considered that the magnetite potential of this zone has not been adequately tested to date and the hematite potential has not yet been drill tested at all. Further work will be scheduled to assess the mineralisation potential in 2011.

Bolger / Olger Prospect

One hole was drilled at each of the Bolger and Olger prospects. Both returned reasonable down hole intercepts with grades around 30% Fe. DTR results however indicated that a finer grind is required to liberate the silica from the magnetite.

Strike length for these two zones is less than 1km and unless further geophysical analysis or metallurgical test work provide renewed encouragement then no further drill testing is planned at this stage.

Exploration Programme 2011

Hematite – Mapping of the Johnson Range lease is being completed in January 2011 and it is expected this will provide first pass cover of the entire tenement group. This information coupled with more detailed localised mapping and sampling should provide new hematite drill targets.

Drill testing of currently identified hematite targets is scheduled to commence in the first quarter 2011. This initial drill testing is aimed at confirming the most prospective targets on which to complete resource evaluation drilling. It is planned to release the maiden hematite resource statement by mid 2011.

Further drilling, at existing or new hematite targets, will occur in the second half of the year if there is potential to expand the resource base.

Magnetite – A review of existing aero-magnetic geophysical data was completed in January 2011. The study aim was to facilitate the identification and targeting of those areas in the 35km strike length of BIF that are more prospective for greater widths and concentrations of magnetite mineralisation. An exploration potential at Johnston Range for magnetite BIF was estimated by independent consultants at 5.3Bt (4.0Bt – 6.7Bt) at 20-45% Fe. (See ASX release dated January 31, 2011 for more detail.) Coupled with the assessment of existing drilling, and continued field mapping and sampling, this will facilitate the identification and prioritising of further magnetite drill targets in 2011.

Resource definition drilling of magnetite mineralisation is planned to occur largely in the second half of 2011 aimed at a maiden magnetite resource statement by the end of the year.

An Exploration Plan statement was released to the ASX on 11 January 2011 and this provides further details of the 2011 programme.

The information in this report accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves). It is compiled by Mr Jonathan Lea, an employee of the Company who is a Member of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. Mr Lea has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lea consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The potential quantity and grade of iron deposits reported as exploration potential is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Quarterly Activities Report

For the Three Months Ended 31 December 2010

Corporate

Radar Iron Ltd ("Radar Iron" or the "Company") was admitted to the Official List of ASX Limited on Friday 17 December 2010. Official Quotation of the securities commenced at 1:00pm AEDT (10:00 am WST), Tuesday 21 December 2010. The IPO closed with Radar Iron's 495 new shareholders investing $6.8M, significantly more than the $6 million target.

The Company was encouraged during the promotion of this IPO by the level of interest and support received from Australian and regional investors, including those in Asia.

Radar Iron raised a total of approximately $7.3m during the quarter, including the IPO raising and an initial seed capital raising of $475,000 which was used to fund the costs of the IPO and initial exploration activities.

Radar Iron also completed the acquisition of 100% of the issued capital of Radar Resources Pty Ltd from Transit Holdings Ltd, as described in the December 2010 Prospectus. Radar Resources Pty Ltd is the legal holder of the Company's iron ore prospects.

Announcements

The Company made the following announcements during the quarter.

Date	Headline
31/01/2011	Exploration Potential of 5 Billion tonnes at Johnston Range
28/01/2011	Radar Iron Research Report - RM Research
20/01/2011	Boardroom Radio Interview with Jonathan Lea
19/01/2011	Maiden Magnetite Drill Results
18/01/2011	Trading Halt
11/01/2011	2011 Exploration Programme
30/12/2010	Securities Trading Policy
24/12/2010	Becoming a substantial holder from TRH
24/12/2010	Initial Director`s Interest Notice x 3
21/12/2010	Radar Iron Completes IPO
21/12/2010	Confirmation of Tenement Sale Agreement
21/12/2010	Confirmation of Completion of Share Sale Agreement
21/12/2010	Updated Proforma Commitments
21/12/2010	Updated Proforma Balance Sheet
21/12/2010	Restricted Securities Statement
21/12/2010	Corporate Governance Statement
21/12/2010	Top 20 Shareholders
21/12/2010	Distribution Schedule
21/12/2010	Constitution
21/12/2010	Appendix 1A - ASX Listing application and agreement
20/12/2010	Pre-Quotation Disclosure
17/12/2010	ASX Circular: Commencement of Official Quotation
17/12/2010	RAD - Admission - Amendment
17/12/2010	Admission to Official List
15/11/2010	Disclosure Document

Yours faithfully,

For or on behalf of Radar Iron Ltd

Jonathan Lea

Managing Director

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Radar Iron Limited

ABN	Quarter ended ("current quarter")
146 455 576	31 December 2010

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(172)	(172)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(112)	(112)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		25	25
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		(259)	(259)
Cash flows related to investing activities				
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	(120)*	(120)*
		(c) other fixed assets	(13)	(13)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material)			
	– Cash acquired on acquisition of subsidiary		18	18
	Net investing cash flows		(115)	(115)
1.13	Total operating and investing cash flows (carried forward)		(374)	(374)

* Cash paid in acquisition of Radar Resources Pty Ltd, as disclosed in the Prospectus dated 5 Nov 2010.

1.13	Total operating and investing cash flows (brought forward)	(374)	(374)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	7,323	7,323
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Capital Raising Costs	(669)	(669)
	Net financing cash flows	6,654	6,654
	Net increase (decrease) in cash held	6,280	6,280
1.20	Cash at beginning of quarter/year to date	-	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	6,280	6,280

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	101
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Amounts paid to directors includes salaries and wages for director services.

Non-cash financing and investing activities

2.1

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	-
4.3	Production	-
4.4	Administration	150
	Total	750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	6,280	-
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	6,280	-

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	E77/1164		Nil	100%
		E77/1168		Nil	100%
		E77/1196		Nil	100%
		E77/1280		Nil	100%
		E77/1281		Nil	100%
		E77/1375		Nil	62%
		E77/1806		Nil	100%
		E77/1807		Nil	100%
		P77/3458		Nil	100%
		P77/3459		Nil	100%
		P77/3460		Nil	100%
		P77/3461		Nil	100%
		P77/3462		Nil	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference** [+]**securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	[+]**Ordinary securities**	61,880,112	36,614,500		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,750,000 34,239,500 22,890,612	2,375,000 34,239,500 -	$0.10 $0.20 Nil.	$0.10 $0.20 Nil.
7.5	[+]**Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)* *Total*	20,375,000 2,375,000 **22,750,000**	- -	*Exercise price* 25 cents 30 cents	*Exercise date* 30/11/13 31/05/14
7.8	Issued during quarter	20,375,000 2,375,000	- -	25 cents 30 cents	30/11/13 31/05/14
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 January 2011

(Director/**Company secretary**)

Print name: Phillip Wingate

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.