



ACN 146 455 576

ASX Release

18 December 2012

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Issued Capital:

81,265,070 Ordinary Shares
23,050,000 Unlisted Options

ASX Code:

RAD (Fully Paid Ordinary Shares)

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Exploration Update: Highly Encouraging Metallurgical Results for Johnston Range

- Recent metallurgical test work has indicated the potential to upgrade low grade hematite mineralisation to >60% Fe
- Partially enriched mineralisation can potentially be upgraded from around 50-55% Fe to >60% Fe
- Johnston Range Exploration target for >50% Fe mineralisation is 32-55Mt at 50-65% Fe*
- Studies ongoing with potential trial of bulk sample in 2013

Radar Iron Ltd (ASX: RAD) is pleased to provide an update to investors on the progress of its metallurgical test work programme in the Johnston Range project in the central Yilgarn iron ore district.

The test work has been progressively undertaken through 2012 and managed by AMEC Australia Pty Ltd. The aims of the programme were to test partially mineralised hematite ores in the 45-55% Fe range to establish the potential to enrich the material to +60% Fe with a combined silica and alumina content of less than 6%. Four RC drill cutting samples from different prospects in the Johnston Range area were used for the preliminary metallurgical program.

A significant suite of tests were performed including simple screening, magnetic separation, reverse silica flotation and heavily liquid separation to obtain an indication of the optimal method for enrichment.

The results indicate that the samples can be upgraded in iron content using gravity, magnetic and reverse silica flotation. The initial test work suggests that an original iron grade of 50-55% Fe is required to obtain a concentrate iron grade of >60%Fe. Iron recovery for the tests is targeted in the 55-70% range and the test work indicates that this outcome is possible.

Radar's preliminary review of the potential processing costs indicates that a plant size capable of 2mtpa of feed or greater may be economically feasible although more work is required following the confirmation of the detailed process required.

Further metallurgical studies including a flotation optimisation programme will continue into 2013 aimed at identifying the optimal grind size and reagent types and quantities needed to optimise the process and reduce unit processing costs.

** Radar Iron advises that 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.*

Figure 1: Project Location

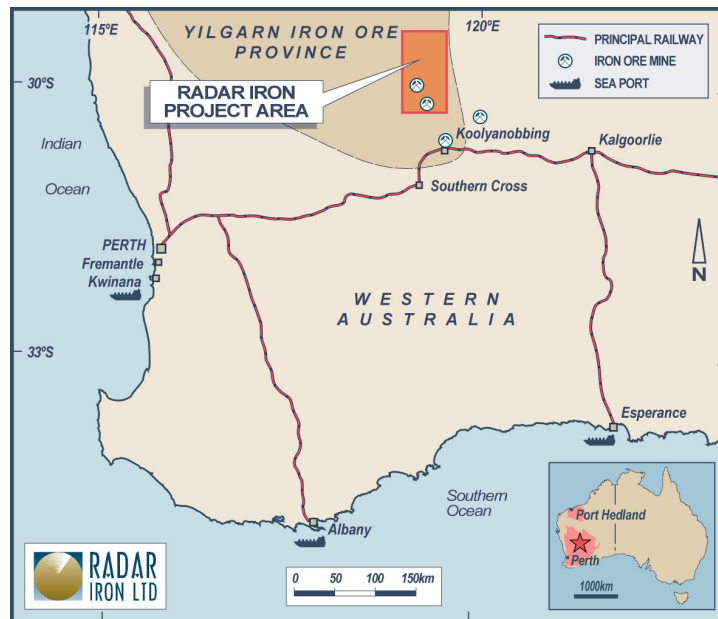
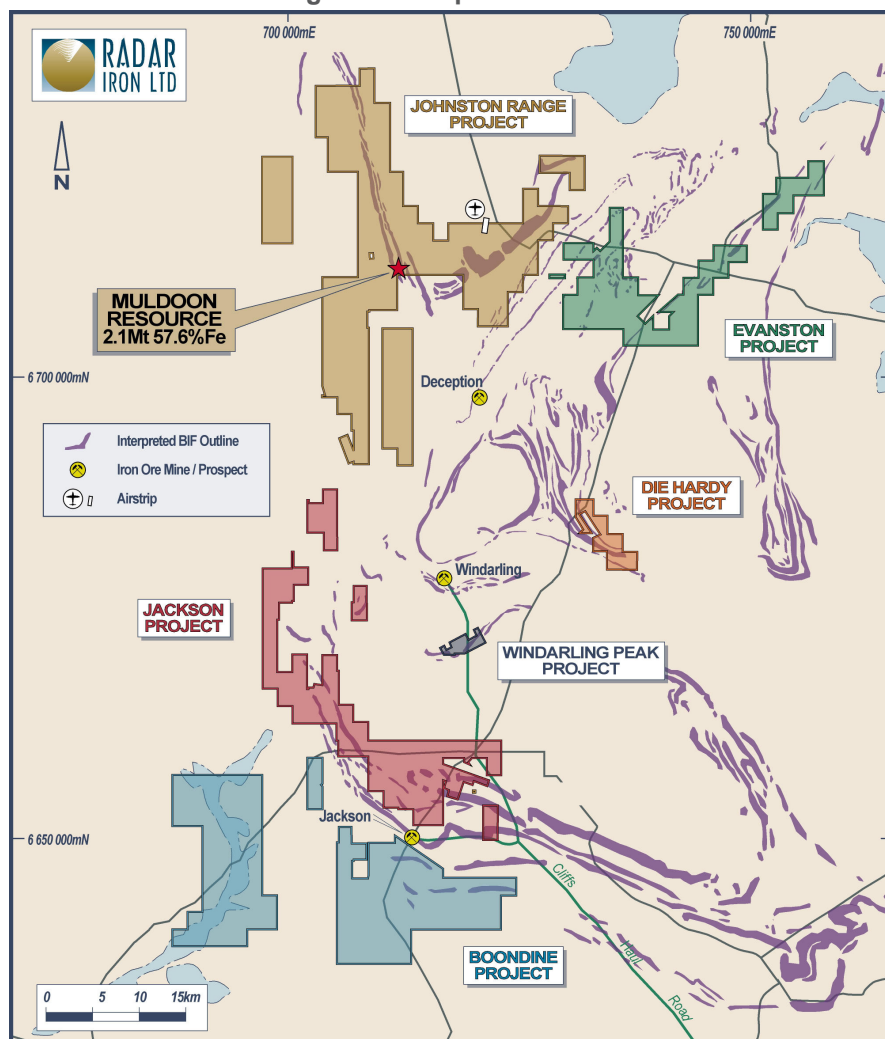


Figure 2: Prospect Location



Johnston Range Project

Several drilling programmes in 2012 culminated in the maiden hematite resource for the Muldoon prospect at Johnston Range being established at 2.1Mt at 57.6% Fe (as announced in ASX release dated 8/05/12). A number of other zones of potential direct shipping grade mineralisation have been partially drill tested and others have been identified through surface mapping and geophysical interpretation over recent months. It is expected that additional DSO grade mineralisation will be defined in 2013 following further drilling.

In addition to direct ship ore, a significant number of intercepts have indentified wide spread partially hematite enriched banded iron formation (BIF). As a consequence, metallurgical test work was commissioned in June 2012 focussed on the potential to upgrade the Johnston Range sub DSO grade material. Four samples have been tested to date with the results being summarised as:

- There is the potential to upgrade iron content to >60% Fe provided the initial sample grades are in the 50-55% Fe range.
- Further work is required to establish the optimal process and reagent types and quantities.
- Iron recoveries of 55-70% are potentially achievable based on the initial test work.
- Preliminary economic modelling by Radar at a scoping level indicates that a plant size capable of 2mtpa of feed or greater may be economically feasible although following the confirmation of the detailed process more work is required.

Johnston Range Exploration Potential

Radar Iron previously released the results of an independent geophysical review (based on modelling of aero-magnetic data) of the exploration potential at its Johnston Range project (see ASX releases dated 31/01/11 and 1/02/11).

The exploration potential of the Johnston Range mineralisation defined by the geophysical study was:

- Primary Magnetite BIF : 4.0Bt - 6.7Bt at 20-45% Fe*
- Potential Enriched Material : 370Mt - 617Mt at 40-65% Fe*
- Total Exploration Potential : 4.4Bt - 7.3Bt at 20-65% Fe*

Following extensive drilling and surface mapping in the past year, the exploration potential for the sub DSO grade material at Johnston Range, averaging over 50% Fe has been re-estimated at:

- Potential Enriched Material : 32Mt - 55Mt at 50-65% Fe*

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Future Plans

It remains Radar's objective to increase the current hematite resource base of both DSO and beneficiated ores with a view to commencing mining by the time the Port of Esperance is expanded with the support of the Western Australian Government. Radar is participating in the current market sounding process driven by the Port with the aim of ultimately being allocated tonnage capacity in the expanded port. A development partner for the Port should be appointed by the Government in 2013.

Radar has commissioned further metallurgical studies to better characterise the mineralisation with the aim of optimising the potential processing route.

Recent field mapping coupled with re-interpretation of geophysical data has indicated several new drill targets in the Johnston Range area. Further drilling is being planned for 2013.

Yours faithfully,

For or on behalf of Radar Iron Ltd



Jonathan Lea
Managing Director

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.

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