



Quarterly Report





ACN 146 455 576

ASX Release

30 January 2013

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Directors

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

Issued Capital

81,340,070 Ordinary Shares
23,050,000 Unlisted Options

ASX Code

RAD (Fully Paid Ordinary Shares)

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Quarterly Activities Report

For the three months ended 31 December 2012

Highlights

- * Ground reconnaissance mapping continued with new hematite drill targets identified
- * Recent metallurgical test work has indicated the potential to upgrade low grade hematite mineralisation to >60% Fe
- * RC drill results confirm prospectivity of Jackson Project

Overview

The Board of Radar Iron Ltd (Radar) is pleased to present its quarterly activities report for the quarter ended 31 December 2012. During the quarter Radar continued to focus on increasing its hematite resource inventory through surface mapping and metallurgical test work.

A 4 hole RC drilling programme (for 282m) was completed at the Jackson project (as reported in the previous quarterly report) aimed at characterising the BIF. A best result of 28m at 51% Fe was returned indicating hematite enrichment is present and further work is justified.

Mapping over many of the tenement groups comprising the Central Yilgarn project has now been completed. A number of drill targets have been identified and drilling is planned for the coming year subject to approvals.

Radar continued metallurgical studies aimed at testing the potential for lower grade mineralisation to be beneficiated. The results are highly encouraging to date and indicate that the ore 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. The test work is continuing.

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

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

All exploration data acquired in the past year is being assessed to determine the best targets for further drill testing, both at the Johnston Range project and other projects in the district. The potential for metallurgical upgrade will be a consideration in this review. There are a substantial number of targets ready for drill testing that have potential to increase the resource inventory. Subject to the current review these targets will be prioritised and scheduled for drill testing.

** 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.*

Quarterly Activities Report

For the Three Months Ended 31 December 2012



Figure 1: Project Location

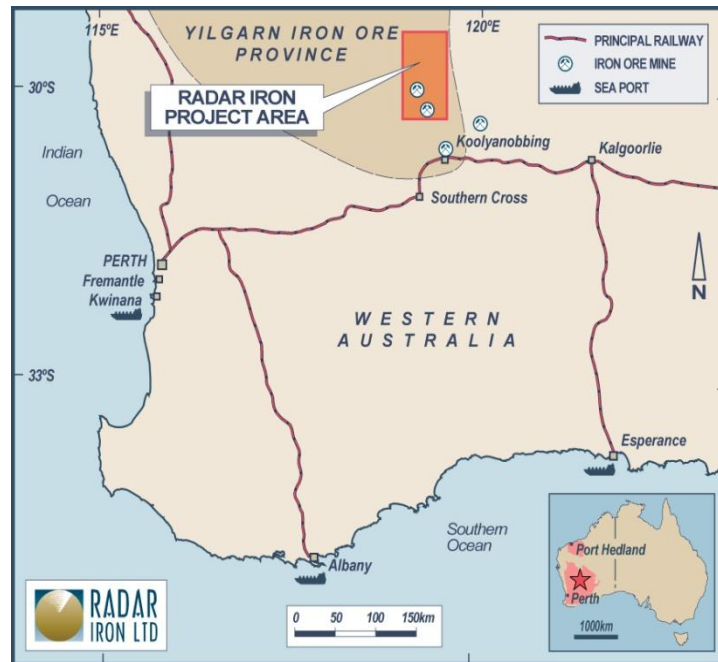
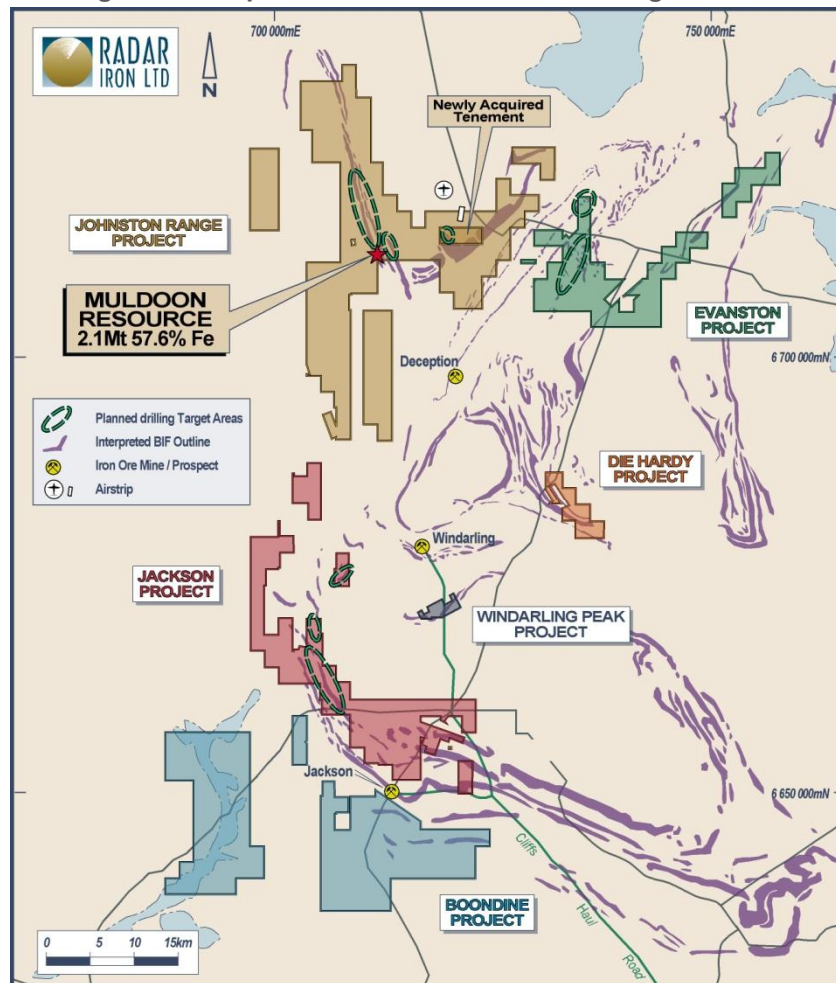


Figure 2: Prospect Location and Future Drilling Location



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Johnston Range

Multiple hematite targets (generated through a combination of geological mapping, aero-magnetic and gravity geophysical interpretation) have been previously identified in the Johnston Range and Evanston project areas. Zones of surface hematite enrichment up to approximately 800m in length have been defined by mapping. It is Radar's intention to progressively test these zones with the aim of delineating sufficient resources to justify mining by the time the port of Esperance is expanded to provide capacity.

The prospects lie around the Horse Well Anticline that defines the 40km long belt of banded iron formation on the Johnston Range tenements (Figures 2 & 6) and also on adjoining banded iron formation (BIF) ridges in the Evanston project. The Johnston Range is comprised of multiple bands of BIF which represents a target of several hundred linear kilometres of BIF with potential for hematite enrichment.

Johnston Range remains Radar's key focus given the significant potential for hematite mineralisation. Drilling to date has only tested the more obvious targets at Johnston Range and the presence of multiple BIF bands and the variable strike length of the mineralisation means there are a significant number of potential hematite targets yet to be drill tested.

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*

The Muldoon Prospect has been drilled with sufficient density to enable resource estimation – which stands at 2.1Mt at 57.6% Fe – as announced in ASX release dated 8/05/12). Recent mapping and drilling has indicated the potential for the resource to be increase with potential extensions apparent.

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Project Studies

It remains Radar's objective to increase the current hematite resource base with a view to commencing mining by the time the Port of Esperance is expanded with the support of the Western Australian Government.

It is anticipated that the higher grade material at Muldoon and elsewhere will be mined initially to generate the capital required to construct a beneficiation plant should the recent metallurgical test work provide an economic path for enrichment.

Radar is participating in the current market sounding process driven by the Port of Esperance with the aim of ultimately being allocated tonnage capacity in the expanded port. A reference design for port expansion is currently in progress which is expected to be delivered to potential developers in the next month.

A number of studies are at various stages that will feed into the mine planning and approval processes including:

- Flora/fauna studies and data collection.
- A transport option study is completed by independent consultants in October. Results outline options for transporting material from the Johnston Range area to the rail line to the south as well as train loading options. Further work is ongoing.
- An ongoing metallurgical test work programme aimed at assessing the potential for lower grade mineralisation to be upgraded by standard processes.
 - 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 programme.
 - A significant suite of tests were performed including simple screening, magnetic separation, reverse silica flotation and heavy 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.
 - 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.

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Figure 4: Muldoon Prospect – Cross section

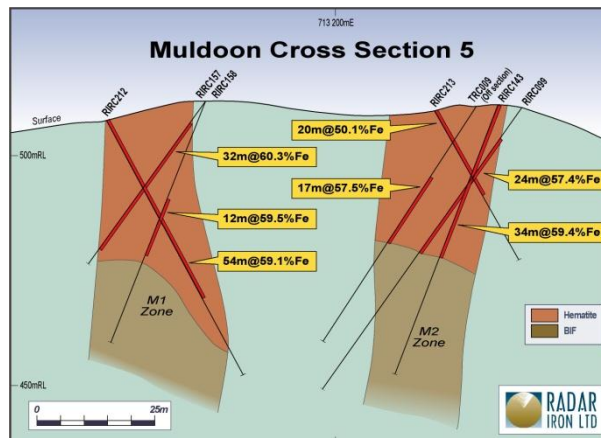
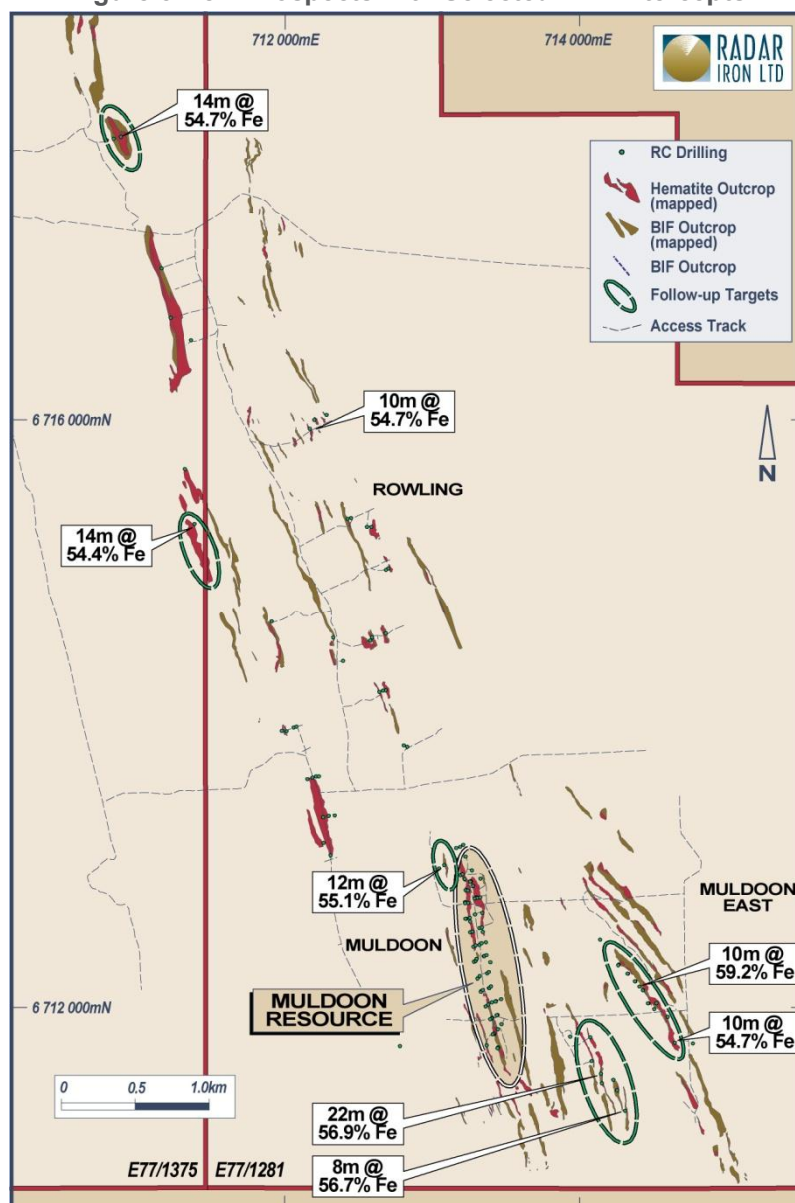


Figure 5: New Prospects with Selected Drill Intercepts

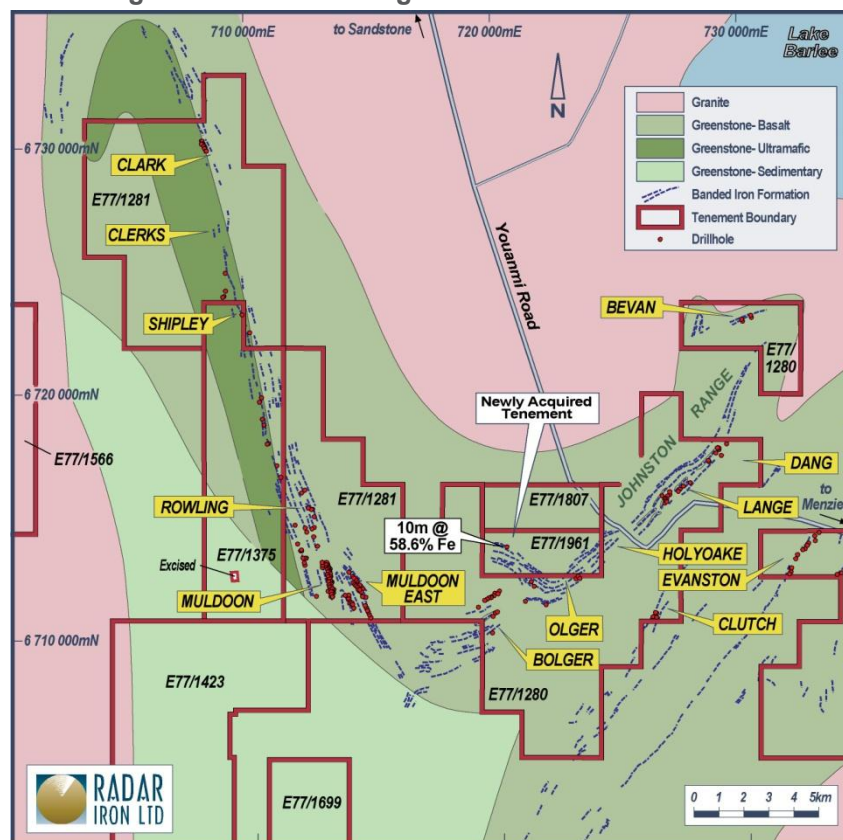


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Figure 6: Johnston Range - New Tenement Location



Future Work

Field mapping is planned for the March Quarter and coupled with a comprehensive review of the drilling and exploration data acquired in the past year, will provide the basis for identifying and prioritising targets for drill testing in 2013. The metallurgical test work currently in progress will be a factor used for future drill planning - positive results that suggest material say above 50% Fe can be upgraded to DSO grade could change the focus of further work and potentially significantly increase the likely resource inventory.

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Die Hardy Range Project

With Radar's current focus on defining hematite resources at the Johnston Range project, no active field work has been completed at the Die Hardy magnetite project in recent months.

Radar is seeking a partner to progress this project, with the next stage of work expected to involve further resource drilling and metallurgical test work. The scoping study completed in 2011 suggested the project had robust economics, and the work to date along with the realistic regional transport options suggest a significant magnetite operation can be successfully established at Die Hardy.

The potential for a major body of magnetite mineralisation at the Die Hardy Range was identified in 2010 through reconnaissance mapping and is approximately 3.4km long. A substantial RC drilling programme in 2011 resulted in the estimation of a maiden mineral resource estimation by consultant firm CSA Global in October 2011 and resulted in a JORC reportable Indicated and Inferred Mineral Resource at a 20% Fe cut-off grade of 353 million tonnes at 26.1% Fe (215Mt 26.7% Fe Indicated and 138Mt at 25.2% Fe Inferred). Details of the resource estimation procedure and ore body characteristics were provided in Radar's December Quarterly report reported to the ASX on January 31, 2012.

The deposit outcrops as a ridge of magnetite bearing banded iron formation (BIF). The BIF is partially demagnetised to a depth of 40-50m. The mineralisation dips steeply south and is exposed over a strike length of several kilometres. The reverse circulation (RC) drilling intersected massive magnetite mineralisation with widths from 100 to 300m to a depth of 350m below surface. Drilling to date has not yet fully defined the extent or the depth of mineralisation.

The mineralisation has been tested for approximately 40% of its strike extent on Radar's tenements and remains open along strike and at depth. Davis Tube Recovery (DTR) results and metallurgical test work indicates that a concentrate can be produced exceeding 69% Fe with low levels of contaminants at a grind size of 50 micron. This indicates that the mineralisation can be treated and has excellent potential for producing a saleable concentrate.

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Figure 7: Die Hardy Range Project Plan

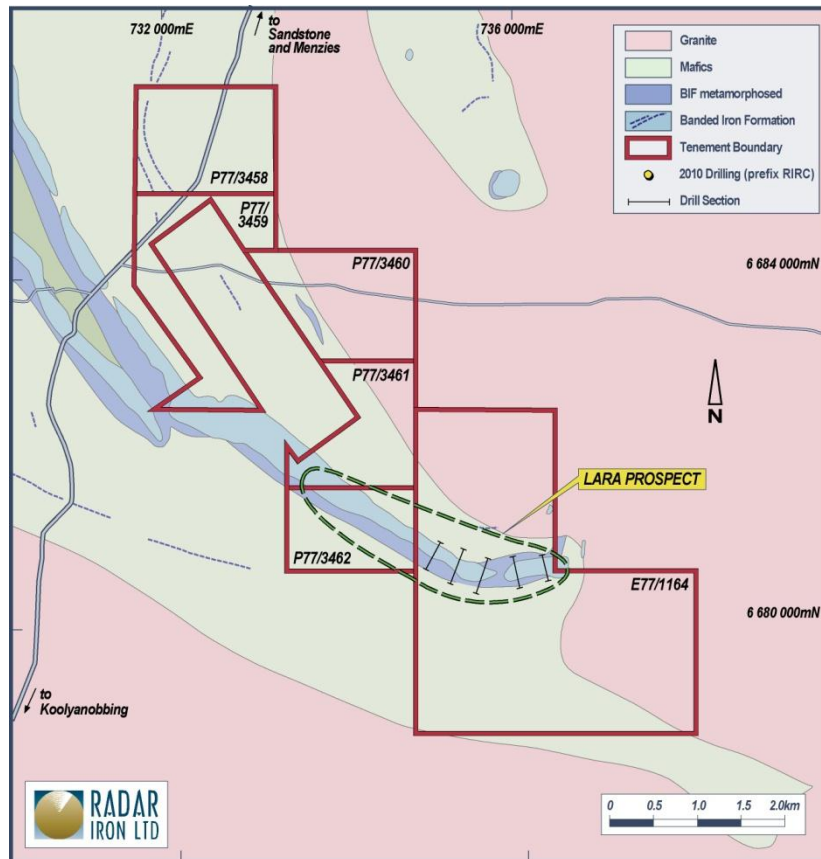
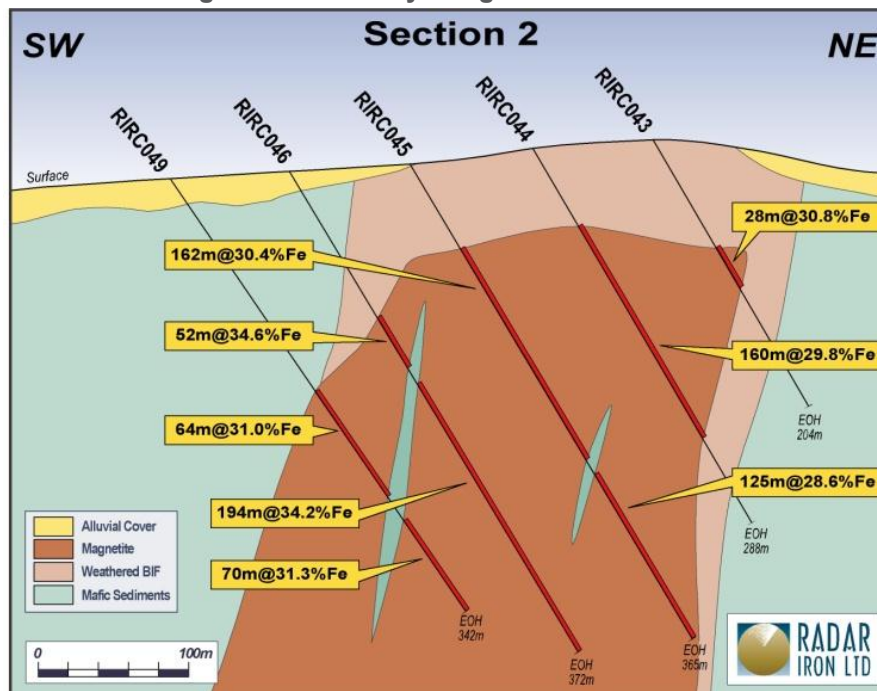


Figure 8: Die Hardy Range – Cross Section



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Regional Exploration

Regional geological reconnaissance continued on Radar tenements in the December Quarter. A number of areas have been identified as containing outcropping hematite mineralisation and magnetite potential is widespread. The focus for regional exploration remains to identify new hematite targets for potential drill testing in 2013.

In late September, an RC drill programme comprised of four hole for 282m was completed at the Jackson project as a primary targeting exercise (hole details in September 2012 Quarterly Report). The results (Table 1; Hole Number RIRC295) indicate hematite enrichment is present in the BIF with the best internal being 28m at 51.0% Fe (and a calcined iron grade of 57.4% Fe). While being sub DSO grade, this result provides encouragement that DSO grade material could be present in the project area and further exploration is being planned. Geophysical targeting tools such as gravity techniques will be assessed as a method for identifying further drill targets. Other targets remain to be drill tested in the Jackson project area.

At other projects, approvals have been received for drilling at Evanston and Windarling (along with Johnston Range). Substantial areas are now ready for drill testing 2013 pending definitive targeting based on the ongoing data review and ground magnetic interpretation.

Figure 9: Jackson Drill hole location

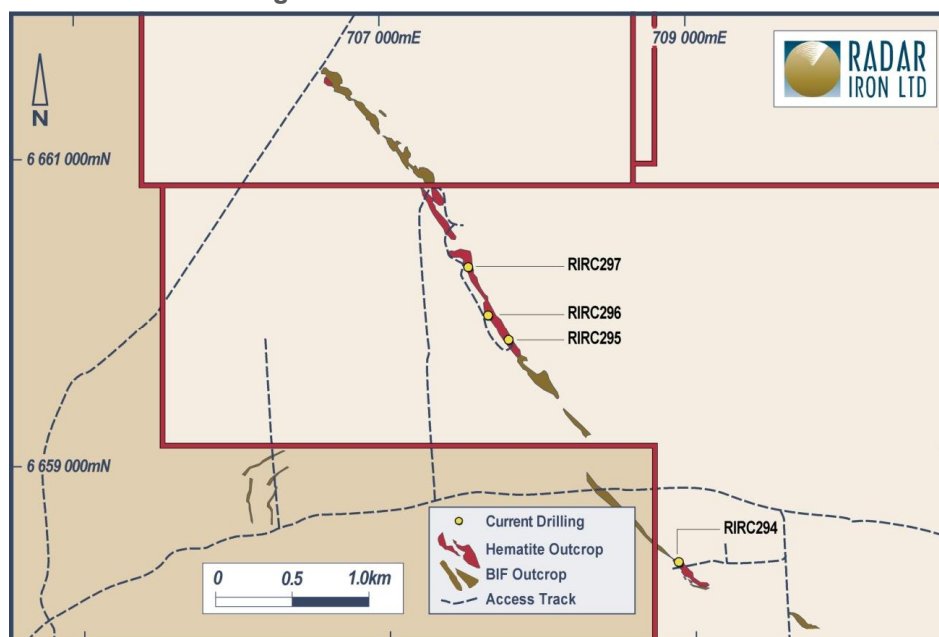


TABLE 1– Jackson RC Drilling Assay Results

Prospect	Hole No.	From	To	Length	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI
Jackson	RIRC295	2	30	28	51.0	10.6	5.2	0.09	0.04	9.8

Notes:

Sampling and assay intervals – 2 metres

Minimum interval width 4m

Assay intervals calculated using a 50% minimum iron grade

Maximum of 4m of internal dilution in assay intervals

LOI is loss on ignition

XRF assaying completed by Spectrolab, Geraldton

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Corporate

Radar's cash position at the end of the quarter was \$1.8 million.

Announcements

The Company made the following announcements during the quarter.

Date	Headline
14/01/2013	Change of Director's Interest Notice
18/12/2012	Exploration Update - Encouraging Metallurgical Results
12/12/2012	Appendix 3B
4/12/2012	Release from escrow
23/11/2012	Results of Meeting
30/10/2012	Quarterly Activities and Cash Flow Report
17/10/2012	Notice of Annual General Meeting/Proxy Form
1/10/2012	Annual Report to shareholders
13/09/2012	Company Presentation
7/09/2012	Revised Appendix 3B
7/09/2012	Appendix 3B
6/09/2012	Competent Persons Statement - Exploration Update
5/09/2012	Exploration Update

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.

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.

Information in this report that relates to the Mineral Resource estimate for Muldoon reflects information compiled by Mr Alexey Zharnikov a full time employee of CSA Global Pty Ltd, who is a member of the Australian Institute of Geoscientists (AIG). Mr Zharnikov has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is reporting 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 Zharnikov consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

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The information in this report relating to exploration results, sampling data validity and quality, mineralisation density and general project descriptions used in the Die Hardy Resource Estimate accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves). It was reviewed by Aloysius G.W. Voortman of CSA Global Pty Ltd who is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. Mr Voortman 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 Voortman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report that relates to the Mineral Resource for Die Hardy estimate reflects information compiled by Mr Aloysius G.W. Voortman of CSA Global Pty Ltd who is a Fellow and Chartered Professional of the AusIMM. Mr Voortman is a Competent Person as defined by the JORC and is a full time employee of CSA Global Pty Ltd as Principal Resource Geologist and Geostatistician. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is reporting 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 Voortman consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

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

15 146 455 576

Quarter ended (ñcurrent quarterò)

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities

- 1.1 Receipts from product sales and related debtors
- 1.2 Payments for (a) exploration and evaluation
(b) development
(c) production
(d) administration
- 1.3 Dividends received
- 1.4 Interest and other items of a similar nature received
- 1.5 Interest and other costs of finance paid
- 1.6 Income taxes paid
- 1.7 Other ï Research & development tax offset

Net Operating Cash Flows

Current quarter \$A000	Year to date (6 months) \$A000
-	-
(433)	(1,835)
-	-
-	-
(264)	(529)
-	-
54	62
-	-
-	-
-	280
(643)	(2,022)
Cash flows related to investing activities	
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(20) - (57)
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) ï Stamp duty on acquisition of prospects	- -
Net investing cash flows	(77)
1.13 Total operating and investing cash flows (carried forward)	(2,099)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(643)	(2,099)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(643)	(2,099)
1.20	Cash at beginning of quarter/year to date	2,448	3,904
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,805	1,805

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	94
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	200
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	350

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	49	48
5.2 Deposits at call	1,756	2,400
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,805	2,448

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				

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 <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs, redemptions				
7.3 +Ordinary securities	81,340,070	81,340,070		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description</i> <i>and conversion factor)</i>	20,375,000 2,375,000 300,000 23,050,000	- - -	<i>Exercise price</i> 25 cents 30 cents 45 cents	<i>Exercise date</i> 30/11/13 31/05/14 31/07/14
<i>Total</i>				
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter				
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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:



(Director/**Company secretary**)

Date: 30 January 2013

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.