

Quarterly Activities Report

For the three months ended 31 December 2013



ACN 146 455 576

ASX Release

31 January 2013

Suite 7, 55 Hampden Rd
Nedlands WA 6009
PO BOX 994
Subiaco WA 6904

P + 61 8 9389 9919
F + 61 8 9389 0576
E info@radariron.com.au
W www.radariron.com.au

Contact

Jonathan Lea
Managing Director
E jlea@radariron.com.au

Damon Sweeny
Company Secretary
E damon@ampereltd.com.au

Directors

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

Issued Capital

81,340,070 Ordinary Shares
7,675,000 Unlisted Options

ASX Code

RAD (Fully Paid Ordinary Shares)

Overview

The Board of Radar Iron Ltd ("Radar") is pleased to present its quarterly activities report for the quarter ended 31 December 2013.

Radar remain focussed on the review of potential acquisitions both within Australia and globally aimed at identifying projects with available infrastructure that can be developed in a short time frame for a low capital cost.

During the quarter Radar announced an exploration farm-in opportunity for a grass roots iron ore exploration project in Para State, Brazil. Following due diligence Radar committed to the joint venture in early January 2014. The Uruara Project offers excellent potential to discover a high grade lump iron ore deposit near accessible infrastructure and fits Radar's investment criteria.

Radar announced in October that Lusona Capital of Sydney had been appointed as a corporate advisor specifically aimed at acquiring a South American iron ore project. This relationship continues with a number of opportunities reviewed during the quarter.

The Board of Radar maintains a cash expenditure minimisation policy for active exploration in the Yilgarn while a decision is made on the timing for the expansion of the Port of Esperance and also owing to present market conditions.

The Esperance Port Authority is continuing the selection process for a preferred developer for the expansion of the port with the expanded multi-user facility scheduled to be operational in 2015. Radar is well positioned to develop its Johnston Range hematite deposits in this time frame. Once the developer is appointed and timing for operation clarified then Radar will recommence project development activity.

Radar had cash reserves of \$0.84M at the end of the quarter.



Figure 1: Brazil Project Location

Background

URUARA BRAZIL PROJECT

Radar has entered a farm in agreement to acquire 50% of the Uruara high grade iron ore deposit in Para State Brazil, from a private Brazilian company. The project details are:

- ❖ The Uruara Project is located in Para State, Brazil, approximately 600km inland and approximately 7km from the major Trans Amazonian Highway with ready access to the Amazon River at several locations.
- ❖ The project comprises 1 exploration license of approximately 10,000Ha hectares with a binding right to acquire 6 adjacent applications of 58,000Ha.
- ❖ The project area is covered by a combination of heavily grassed open farm land and forest with sparse outcrop – drilling approvals are routine in this area.
- ❖ Mapping surface sampling and trenching has been undertaken to date only on one of the seven licenses. No drilling or regional aeromagnetic data exists. The trenching suggests the mineralisation continues to at least 4m below surface.
- ❖ Outcrops of massive high grade hematite and magnetite mineralisation have been identified which when joined together can be interpreted as forming continuous mineralised corridors.
- ❖ Three main corridors have been identified to date forming zones 150-400m in width and up to several kilometres in length. The mineralisation commences at surface, extends to at least 4m depth.
- ❖ Local prospectors have indicated that these zones continue eastward into the forest beyond the eastern margin of the EL, however as previously cut tracks had grown over, this could not be verified. More mapping is required to track the zones under forest cover and on the other tenements.
- ❖ The weathering profile is thin, generally less than 1m, with limonite and detrital magnetite and iron grades appear to remain high. The fresh rock shows grades from 59% to over 65% Fe.
- ❖ The ready identification of large areas of high grade massive iron ore at surface in a virgin area is considered highly encouraging and the potential to further extend the mineralised area is considered excellent.
- ❖ Amazon Basin geological terrain – likely recrystallised and enriched sediments.
- ❖ 24 surface sampling assay results suggest high grade mineralisation grading above 60% Fe with low levels of impurities.
- ❖ Using surface sampling and mapping data an exploration target for the high grade mineralisation is 20Mt-40Mt at 58-65% Fe has been estimated. The potential quantity and grade is conceptual in nature. 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.
- ❖ Should mining be possible, the proposed production route would involve onsite crushing and screening prior to the ore being trucked to a deep water river port for direct loading to Panamax (60,000t) vessels or via barge.
- ❖ The Trans Amazonian Highway leads to the ports of Vitoria du Xingu and Santarem. Panamax size ships (~60,000t) can navigate the Amazon River in the area and there are numerous operating Panamax ports in the region.
- ❖ Initial trial mining approvals for approximately 300,000tpa per lease may be obtained in Brazil normally after a six month to twelve month process.
- ❖ High grade lump ores have a market in Brazil as well as internationally and can command a premium price on the world market.

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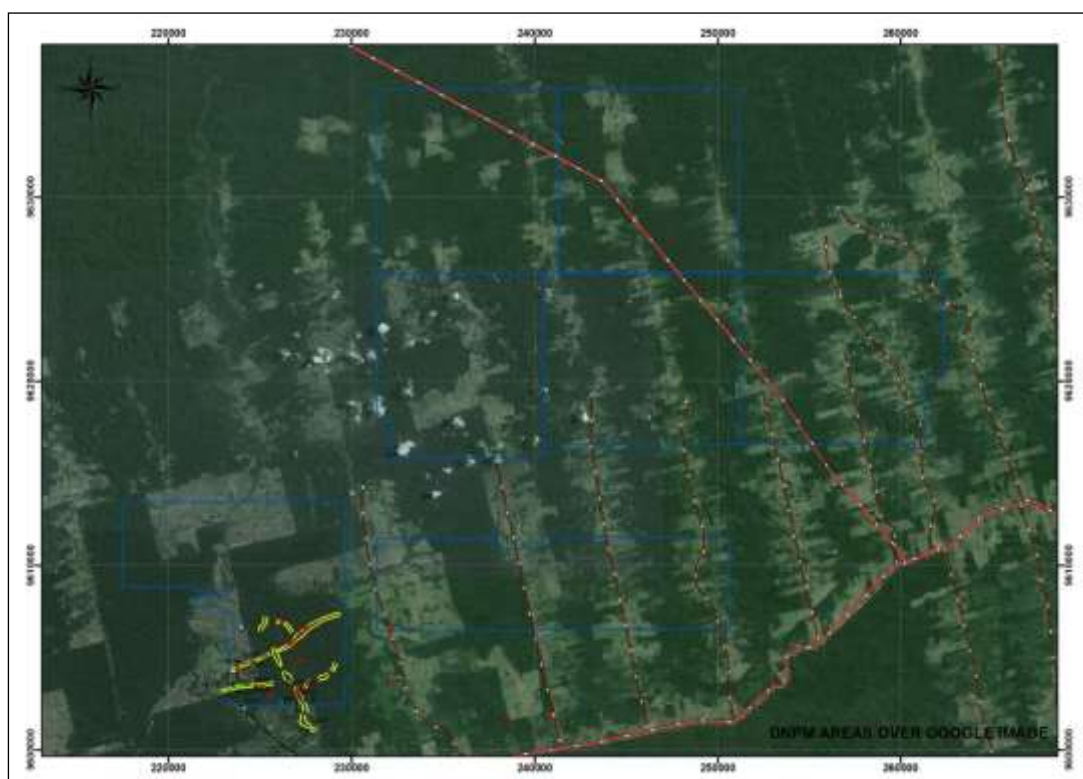
For the Three Months Ended 31 December 2013



Agreement Terms

- ❖ Radar will earn a 50% interest on the granted exploration license by spending \$1.5M on exploration within 18 months. The remaining 6 leases require \$0.5M expenditure to earn 50% at which time a joint venture will commence.
- ❖ Tenement vendor payments are payable commencing in approximately 4 months and will be based on the number of licenses that Radar wishes to include in the farm-in process. Total payments over a 30 month period could total \$2M if all 7 tenements have exploration potential and are retained in the farm-in.
- ❖ The agreement includes joint venture terms typically found in an agreement of this nature, including dilution and management.

Figure 2. Leases and vegetation cover Uruara Project



Future Work

The exploration plan is aimed at a rapid transition from appraisal to in-ground testing so that a resource base can be established in 2014.

Rapid assessment of all 7 leases is planned in coming months to establish the prospectivity of each lease. Should any tenements not have significant potential they will be excluded in the farm-in process to minimise vendor payments.

An exploration team is on-site and has commenced mapping and rock chip sampling of the lease area. Tracks will be cut through forested areas to enable access to all areas of interest for the first time.

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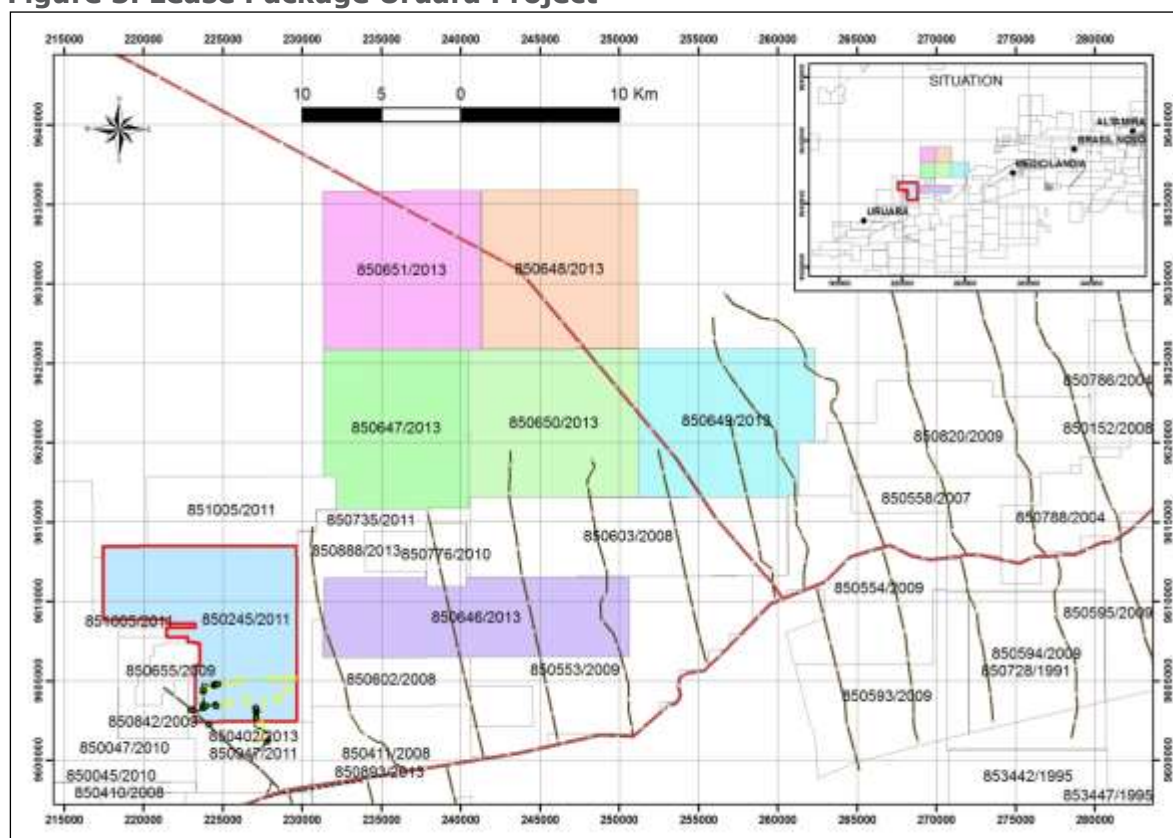


With only a small part of the 68,000Ha lease area being explored to date – the initial focus will involve first pass coverage of the entire tenement area. Give the limited coverage to date the potential to locate new mineralised trends is considered excellent.

In those areas where mineralisation has already been defined – more close space mapping in conjunction with a ground magnetic survey is planned for February. The aim of this work is to define first pass drill targets for testing in the second quarter of 2014.

The JV parties are in discussions with various drilling companies with a view to first pass drill testing the easily accessible outcrop – potentially in the second quarter of 2014.

Figure 3. Lease Package Uruara Project



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Figure 4. Mineralisation and Sample Location – Southern Part of EL 850.245

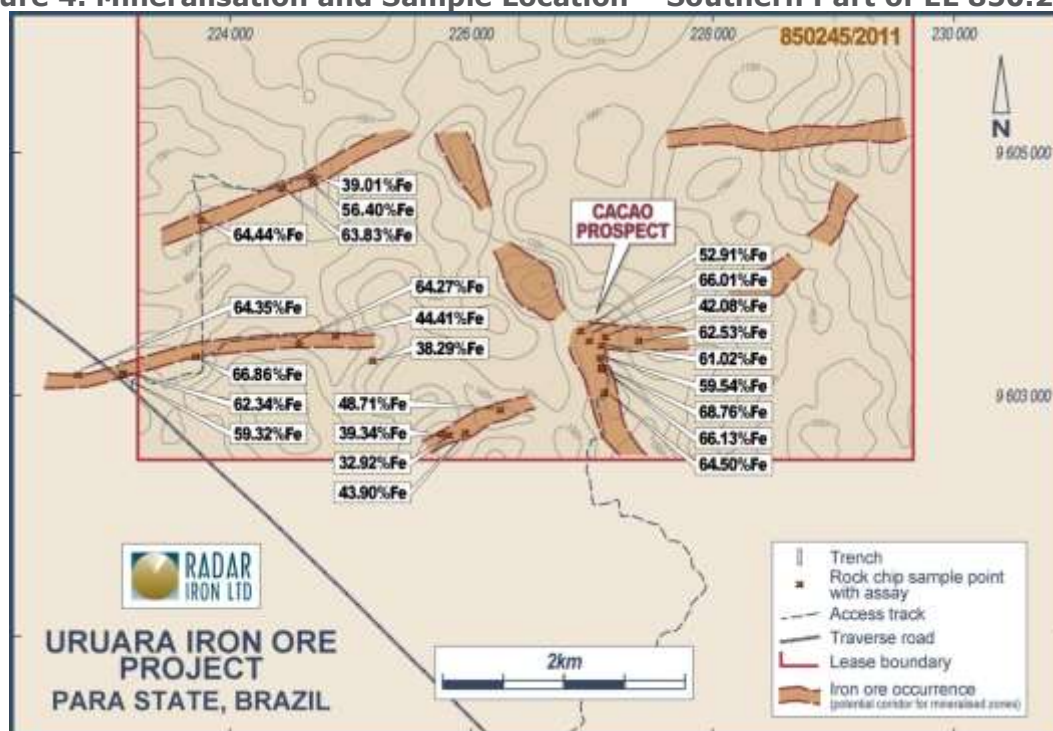


Table 1. Rock Sample assay results

Sample ID	East	North	Fe%	Al ₂ O ₃ %	SiO ₂ %	CaO%	LOI%	MgO%	MnO%	P%	TiO ₂ %
NI-01A	223119	9603176	62.34	1.01	3.05	0.167	6.22	0.12	0.051	0.040	0.053
NI-01B	223119	9603176	59.32	1.31	5.55	0.039	7.84	0.10	0.054	0.050	0.081
NI-03	224437	9604714	63.83	0.48	2.77	0.130	4.96	0.12	0.071	0.019	0.040
NI-09A	224686	9604784	56.40	1.53	4.77	0.029	11.62	0.10	0.748	0.192	0.062
NI-09B	224686	9604784	38.01	2.30	35.40	0.029	7.12	0.10	0.032	0.173	0.115
NI-11	227094	9603012	64.50	1.50	2.98	0.135	2.86	0.10	0.184	0.033	0.032
NI-14A	227087	9603227	60.76	0.47	2.59	0.012	10.14	0.10	0.022	0.043	0.010
NI-14B	227087	9603227	66.13	0.66	2.20	0.201	1.81	0.10	0.145	0.010	0.022
NI-18	223755	9604438	64.44	0.35	1.47	0.026	5.63	0.13	0.025	0.062	0.010
NI-19	223721	9603317	65.86	0.30	2.72	0.163	2.12	0.32	0.068	0.010	0.010
NI-25	224581	9603416	64.27	0.69	3.72	0.242	3.04	0.22	0.054	0.018	0.039
SU-0001	225749	9602671	39.34	0.35	37.59	0.024	5.52	0.10	0.083	0.011	0.012
SU-0003	225809	9602670	32.92	0.87	46.55	0.035	4.79	0.10	0.471	0.019	0.021
SU-0007	225950	9602690	43.90	0.14	27.45	0.019	7.62	0.10	1.232	0.008	0.010
SU-0011	226233	9602879	48.71	0.44	22.33	0.017	7.01	0.10	0.050	0.013	0.010
SU-0012	226906	9603529	52.91	0.31	20.71	0.227	2.55	0.26	0.098	0.015	0.010
SU-0013	226976	9603451	66.01	0.48	2.93	0.276	1.09	0.22	0.170	0.011	0.032
SU-0017	227072	9603398	61.02	1.00	3.82	0.036	7.64	0.10	0.052	0.024	0.034
SU-0018	227114	9603474	42.08	10.34	17.91	0.014	9.84	0.10	0.029	0.075	1.572
SU-0020	227383	9603448	62.53	0.84	3.01	0.011	6.37	0.10	0.033	0.080	0.017
SU-0021	227070	9603307	59.54	1.85	3.17	0.016	9.33	0.10	0.027	0.081	0.059
SU-0024	225176	9603283	38.29	0.24	40.22	0.035	4.43	0.10	0.013	0.012	0.010
SU-0026	224876	9603491	44.41	0.25	33.69	0.024	2.16	0.10	0.020	0.011	0.010
SU-0031	222735	9603165	64.35	0.98	4.82	0.770	-0.12	0.39	0.604	0.009	0.045

South American 1969 datum, Zone 22S

YILGARN PROJECT

Figure 5: Yilgarn Project Location



Within its Central Yilgarn Project Radar has defined resources of hematite and magnetite.

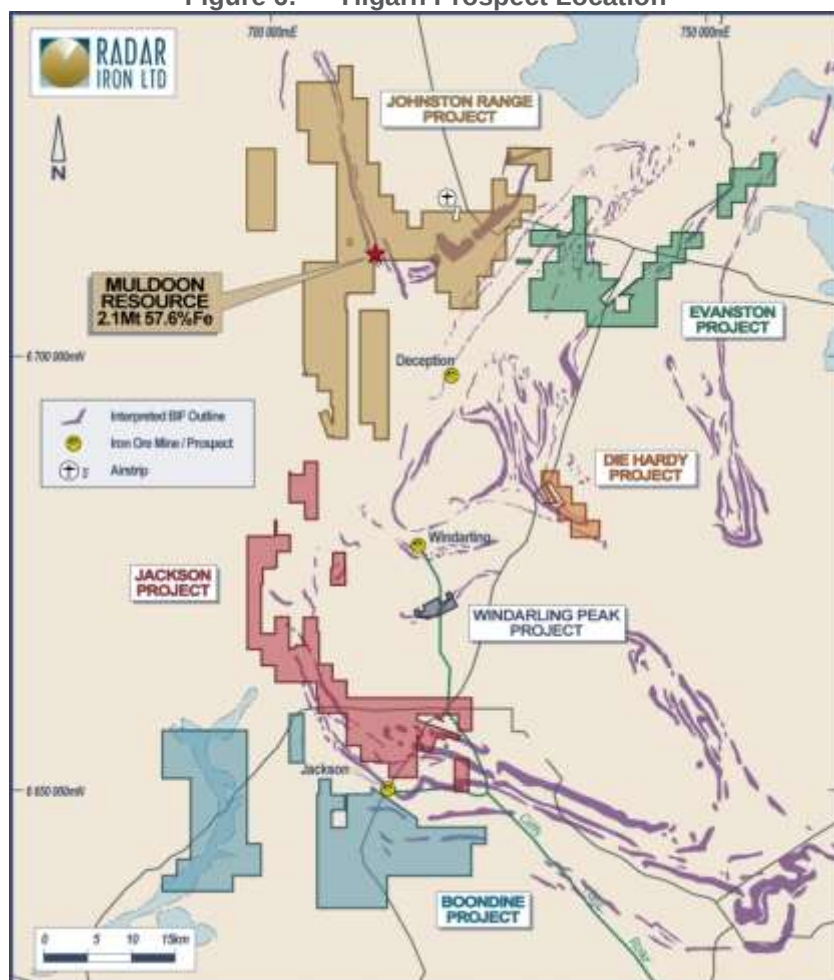
At Johnston Range multiple hematite targets up to approximately 800m in length (generated through a combination of geological mapping, aero-magnetic and gravity geophysical interpretation) have been identified. Radar has progressively drill tested these zones with the aim of delineating sufficient resources to justify mining by the time the port of Esperance is expanded to enable export.

The prospects lie around the Horse Well Anticline that defines the 40km long belt of banded iron formation on the Johnston Range tenements (Figure 6) and also on adjoining banded iron formation (BIF) ridges in the Evanston project. Johnston Range is comprised of multiple bands of BIF which represent 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.

The Muldoon Prospect has been drilled with sufficient density to enables resource estimation – which stands at 2.1Mt at 57.6% Fe – as announced in ASX release “Maiden Hematite JORC Resource for Muldoon Prospect” dated 8/05/12. Recent mapping and drilling has indicated potential for the resource to be increased.

Figure 6: Yilgarn Prospect Location



The potential for a major body of magnetite mineralisation at the Die Hardy Range (see Figure 6) was identified in 2010 through reconnaissance mapping. 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 ASX announcement "Maiden 353Mt Magnetite JORC Resource for Die Hardy" on 08/05/2012 and in the December Quarterly report to the ASX on January 31, 2012.

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 deposit outcrops as a ridge of magnetite bearing banded iron formation (BIF) over 3km in length. The BIF is partially demagnetised to a depth of 40-50m. 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

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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.

Project Generation

The Company will continue to review potential acquisitions within the Yilgarn, and in other districts within Australia and globally, with a view to assessing opportunities with a focus on low capex, early cash flow iron ore projects that can add value to the Company and its shareholders via acquisition or investment.

Given the current market conditions new opportunities are presenting regularly. Radar is committed to diligently assess the more prospective of these to ensure that Shareholders value is maintained and increased.

As announced on 7 October 2013, Lusona Capital was appointed to assist in identifying specific opportunities in iron ore, particularly in Latin America. Lusona was not involved with the Brazilian acquisition but a number of other opportunities are being investigated using their services.

Corporate

Radar's cash position at the end of the quarter was \$840 thousand.

Announcements

The Company made the following announcements during the quarter.

Date	Headline
31/07/2013	Quarterly Activities & Cashflow Report
15/08/2013	Change of Registered Address and Company Officeholder
23/08/2013	Change of Director's Interest Notice
3/09/2013	Release from escrow
6/09/2013	Secondary Trading Notice Pursuant to s708A(5)
30/09/2013	Annual Report to shareholders
7/10/2013	Corporate Adviser Appointed
29/10/2013	Quarterly Activities Report
29/10/2013	Quarterly Cashflow Report
30/10/2013	Notice of Annual General Meeting/Proxy Form
6/11/2013	Secondary Trading Notice & Appendix 3b
13/11/2013	Brazilian Iron Ore Project Acquired
18/11/2013	Brazil Update
28/11/2013	Results of Annual General Meeting
6/12/2013	Expiry of Unlisted Options

For or on behalf of Radar Iron Ltd

Jonathan Lea
Managing Director

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Jonathan Lea, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Lea is a full-time employee of Radar Iron Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 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.

PREVIOUS REPORTED RESULTS

There is information in this announcement relating to surface sampling assays completed in two sampling programmes in 2013. These were detailed in ASX releases and available to view on the Company's website www.radariron.com.au. The ASX releases were:

1. "Brazilian Iron Ore Project – Update 1" on 18/11/2013 and
2. "Brazilian Iron Ore Project – Update 2" on 15/01/2014
3. "Brazilian Update – Uruara Project Option Exercise" on 21/01/2014

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the data in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

An Exploration Target was established previously for the Uruara Brazilian mineralisation following assessment in 2013. This was detailed in an ASX release and is available to view on the Company's website www.radariron.com.au. The ASX release was:

1. "Brazilian Iron Ore Project Acquired" on 13/11/2013

The potential quantity and grade for Exploration Targets is conceptual in nature. There has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource.

As specified in the text of this and the previous ASX release the Exploration Target was based on surface mapping and interpretation along with widely spaced surface sampling results. Further work as outlined will include additional mapping and sampling, magnetic surveys and drill testing to validate the Exploration Target. This work is planned in the first half of 2014.

The tonnage was estimated by assuming mineralised corridors averaging 200m wide to a depth of 5m with a length of 10km covered by the 3 corridors of mineralisation identified to date. A bulk density of 3.5 was applied to estimate tonnage. The range of tonnage was rounded off to 20-40Mt to indicate the uncertainty in this estimate. The grade was estimated using the average of the 16 ore grade assays results from the 24 samples taken that indicate ore grades will be approximately 62%Fe. The range was applied using practical knowledge of common maximum mined grades for iron ore deposits and a likely lower economic grade for extraction. The final grade will depend ultimately on the results obtained through drill testing and the economic cut off grade applied to any resource estimation.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the data in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Mineral Resources were established previously for the Die Hardy Magnetite Deposit and the Muldoon Hematite Prospect in 2011 and 2012 respectively. These were detailed in ASX releases and are available to view on the Company's website www.radariron.com.au. The ASX releases were:

1. "Maiden 353Mt Magnetite JORC Resource for Die Hardy" on 16/11/2011, and
2. "Maiden Hematite JORC Resource for Muldoon Prospect" on 08/05/2012.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the data in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.