



ACN 146 455 576

## ASX Release

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

**P** + 61 8 9389 9919  
**F** + 61 8 6389 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@ampereitd.com.au

### Directors:

**Alan Tough** – Chairman  
**Jonathan Lea** – Managing Director  
**Ananda Kathiravelu** - Non-Executive  
**David Sourbutts** – Non-Executive

### Issued Capital:

100,840,070 Ordinary Shares  
5,000,000 Unlisted Options

### ASX Code:

RAD (Fully Paid Ordinary Shares)

## Yerecoin Update

- **Project Studies continuing**
- **Negotiations ongoing with potential infrastructure partners**
- **Marketing partner identification commenced**
- **Production expected to sell at a premium to the iron ore benchmark price**

Radar Iron Ltd is pleased provide an update on the continuing project studies into the Yerecoin Magnetite Project. The 3 three key areas that Radar is focussed upon for the project development are:

- 1.Ongoing technical evaluation;
- 2.Infrastructure optimisation, and;
- 3.Marketing partners.

Following the positive scoping study results for Yerecoin (released to the ASX on June 10, 2014) further project studies have continued. The aim is to bring the project into production in 2016 and then following the optimisation of the processing technology, reach the corporate objective of producing around 2Mt of high grade and high value concentrate.

Given the coarse grained nature of the product, high iron and low contaminant levels, the strong indication is that the product will be readily marketable at an above benchmark price.

The proximity of the project to an accessible rail line network and proximity to both the ports of Kwinana and Geraldton reduces a key challenge with many iron ore developments.



Yerecoin Project Location

### RECENT STUDIES

Marketing: A number of marketing and value in use (VIU) studies have been completed for the Yerecoin concentrate.

The key findings have been:

- Quality: The quality of iron ore from the major iron ore suppliers is deteriorating. Iron ore customers are actively seeking alternative supplies of high quality sinter feed to offset this quality deterioration. Yerecoin offers a high quality potential supply source with high iron, low phosphorus and low alumina.
- Product Size: Yerecoin concentrate with a product size in excess of 100 micron can be directly fed into sinter plants, further enhancing its value and removing the necessity as for other magnetite concentrates to be pelletised. The sizing is appropriate for sinter feed blends up to 20% of the total.
- Initial value in use assessments and laboratory test work on Yerecoin concentrates indicate positive VIU benefits for Japanese and Chinese iron makers.
- Assessments of the iron ore markets suggest given the expected supply and demand outlook there is strong price support at or around US\$100/t (benchmark) in the medium to long term. Given the excellent qualities of the Yerecoin concentrate the product could potentially be sold for >US\$20/tonne above benchmark owing to the high iron grade and superior sinter qualities.

Technical/Infrastructure Studies:

- Resource Review – A re-estimation has commenced of the current the Inferred JORC reportable resource of 404Mt (as reported in Radar's ASX release "Major Project Acquisition" dated 24/04/14). Data compilation of the existing drilling data has been completed and a re-estimation is in progress. It is possible that this will lead to a partial upgrade of the resource from Inferred to Indicated to provide more certainty about the resource base.
- Processing Optimisation – Work through external consultants continues aimed at identifying the optimal processing route and potential costs.
- Pit Optimisation Studies – the resource at Yerecoin is large enough to sustain mining for several decades at the proposed mining rate. Studies are underway to identify the optimum mining schedule for the deposit. Mining is likely to commence on the Yerecoin Main zone and 4 potential starter pits have been identified. Considerations such as ease of access, strip ratio, ore quality are being used to develop the initial mining plan.
- Approvals – an environmental review is underway to ensure all aspects required for mining approval are identified for inclusion in the development schedule. Initial meetings with regulators have been completed. Discussions are continuing with the relevant landowners in the area prior to the application for a mining lease in coming months.
- Transport – Consultants have commenced a review of transport options to port – with both Kwinana and Geraldton being included. Discussion with existing port users has indicated the potential for accessing berth capacity. Rail capacity is available both for pathways to Geraldton and Kwinana and firmer indications of pricing are being discussed with the operators.

**For and on behalf of Radar Iron Ltd**



Jonathan Lea  
**Managing Director**

### **COMPETENT PERSON'S STATEMENTS**

The information in this report is 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 YERECOIN**

A Mineral Resource was established previously for the Yerecoin Magnetite Deposit in 2014. This information was reported under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Mineral Resource was detailed in an ASX release and is available to view on the Company's website [www.radariron.com.au](http://www.radariron.com.au). The ASX release was:

"Major Project Acquisition" on 24/04/2014

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.

### **CAUTION REGARDING FORWARD LOOKING INFORMATION**

This document contains forward looking statements concerning Radar. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially

from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Radar's beliefs, opinions and estimates of Radar as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

### **BACKGROUND - YERECOIN PROJECT**

Radar Iron Ltd announced in April the purchase of a large iron ore tenement holding in the south west region of Western Australia. The project area contains the major Yerecoin Deposit within approximately 150km of Perth and is adjacent to an accessible rail line. The Deposit has been drilled with sufficient density to enable resource estimation – which stands at 404Mt Inferred – as announced in Radar’s ASX release “Major Project Acquisition” dated 24/04/14.

Key aspects of the project/acquisition are as follows:

- ❖ A large iron ore tenement holding (501km<sup>2</sup>) in the south west Western Australia, including tenements surrounding Northam and the Yerecoin Project close to Perth.
- ❖ Yerecoin contains a coarse grained easily processed magnetite with excellent metallurgical properties;
  - A 404Mt JORC Inferred resource.
  - Concentrate at >68% Fe with very low contaminant levels – increasingly sought after on world markets;
  - 105 micron grind – economical to produce and transport and can be direct fed to sinter plants similar to DSO fine ores.
- ❖ The location of the deposit directly adjacent to a WA Government owned rail line enabling transport to the port of Kwinana for relatively low cost.
- ❖ Radar has an industry leading, very low capital and low risk development approach, targeting moderate concentrate production initially while the metallurgical treatment process is optimised and transport solutions are optimised.
- ❖ Radar believes that development in the near term is possible with production to be scaled up in subsequent years.

### **RADAR’S MAGNETITE BUSINESS MODEL**

Radar believes that with the depletion of high grade direct shipping iron ore, global demand for high grade magnetite concentrate (which can be used to supplement lower grade DSO ore) will increase substantially.

Radar has determined that an orderly and progressive approach to the development of new magnetite ore bodies is preferable. Initial smaller scale economic projects can be repeated or scaled up to successfully enter the high quality iron feedstock business.

This new approach to magnetite project development substantially de-risks the process by negating the need for significant capital prior to the processing and transport characteristics being fully understood.

This strategy drove Radar’s acquisition of this project, that has the potential to initially produce approximately 250,000 tonnes of high quality (68%+) magnetite concentrate per annum using a small scale production plant for an estimated capital cost of approximately \$35m. Radar considers that this project strategy enables the exploitation of a major mineral resource in a measured and progressive way.