ACN 146 455 576

ASX Release

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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 Transport Optimisation Study

Key Points

- **Transport Option Studies ongoing**
- **Capacity at both Fremantle and Geraldton Ports confirmed**

Radar Iron Ltd is pleased to provide an update on the transport option studies for the Yerecoin Project. 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.

The work completed to date confirms it is feasible to transport the ore by road and or rail to both Fremantle and Geraldton Ports. The studies are being completed by Radar personnel in conjunction with leading WA based project delivery company Engenium. Rail line capacity is available to both Geraldton and Kwinana and discussions continue with the operators to better define costs and optimise the haulage path selection.

There has been confirmation from port users at both Geraldton and Fremantle that there is capacity for the stage 1 project production profile through either the bulk export berths and/or through rotainer loading at the normal export berths. All options are being reviewed to better define costs and capacity.

Radar Iron's managing director Mr Jonathan Lea said, "Recent developments on the infrastructure front have been highly encouraging and I am confident that we are likely to be able to confirm port capacity and announce the optimum infrastructure route for export in the coming months."

Yerecoin Project Location

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 Resource was detailed in an ASX release and is available to view on the Company's website 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^2) in the south west of Western Australia, including tenements surrounding Northam and the Yerecoin Project close to Perth.
- Yerecoin contains a coarse grained easily processed iron ore 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 enables 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 IRON ORE BUSINESS MODEL

Radar believes that with the depletion of high grade direct shipping iron ore, global demand for high grade 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, which has the potential to initially produce approximately 250,000 tonnes of high quality (68%+) concentrate per annum using a small scale production plant at 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.