RADAR IRON LTD

ACN 146 455 576

ASX Release

28 January 2014

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Directors

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

Issued Capital

132,248,630 Ordinary Shares
5,000,000 Unlisted Options

ASX Code

RAD (Fully Paid Ordinary Shares)

Quarterly Activities Report

For the three months ended 31 December 2014

Overview

The Board of Radar Iron Ltd ("Radar") is pleased to present its Quarterly Activities Report for the period ended 31 December 2014.

The main field work was a drilling programme completed at the Uruara Brazilian Iron Ore Project.

Management's key focus during the quarter has been to secure funding to complete the Yerecoin acquisition and provide working capital.

To this end, Radar commenced a two stage funding programme after approval from Shareholders at meetings in October and November aimed at raising $5.5M.

In Stage 1, Radar issued 26.1m shares to a private Australian investment company, Victory Mining Pty Ltd ("Victory") in November at a price of 3.5 cents a share to raise $0.91M. As a result, Victory now holds approximately 19.7% of Radar's expanded issued capital.

For Stage 2, Radar initiated a fully underwritten rights issue to raise a further $4.6M at a price of 3.5 cents per share closing, after extension, on 17th December 2014. The rights issue was fully underwritten by Victory and conditional upon (amongst other things) the iron ore price not falling below a specified level. Owing to the substantial reduction in the iron ore price in November and December, Victory terminated its underwriting commitment. As a consequence Radar withdrew the rights issue and returned all application funds.

Radar and Victory have remained in discussions since the termination of the rights issue aimed at finalising a new investment agreement between the parties. Radar shares have been in suspension while this process occurs.

The funds, once procured, will enable the Company to progress the Technical Studies necessary to achieve a development decision at Yerecoin and to undertake further exploration at the Uruara project.

A limited, first pass drilling programme was completed for the Uruara Project – with assay results pending. Visual assessment suggests that the target of high grade DSO iron ore was intersected in a number of holes and further work is justified.

The Company's strategic objective remains to become a producer of high quality, higher margin DSO and magnetite concentrates for the steel industry.

YERECOIN PROJECT

Radar Iron Ltd acquired the Yerecoin Iron Ore Project in April 2014.

The Yerecoin project area is within approximately 150km of Perth and is adjacent to an accessible rail line. Yerecoin has been drilled with sufficient density to enable resource estimation. The Company has reported JORC 2012 Inferred and Indicated Mineral Resources of 383Mt – refer ASX releases of 24 April 2014 "*Major Project Acquisition*" and 8 September 2014 "*Yerecoin Resource Upgrade*" as available on the Company's website ***www.radariron.com.au***.

Figure 1: Western Australia Project Location

In the past quarter work has been limited as the company resolves the financing issues. Once these are resolved significant project development studies are planned.

Studies have continued aimed at further assessing the data and to facilitate project development. These include:

1. a mining engineering review of previous pit optimisation results to establish priority locations for initial development
2. continuing review of environmental data and approvals to confirm existing level of understanding and define the timelines required for rapid project development
3. cost review studies to refine assumptions and better define areas needing further assessment
4. ongoing transport option reviews along with discussions with infrastructure providers to determine the most cost effective means of land and sea movement

These studies have been undertaken using a combination of internal Company resources along with a number of external consultants. The aim is to progressively understand the optimal processes and infrastructure networks that will enable production within approximately 2 years.

Radar's business model envisages initial production of approximately 250,000 tonnes of high quality (>68%Fe) magnetite concentrate per annum using a small scale production plant for an estimated capital cost of approximately $20-30m. Once any technical issues are resolved a production level of approximately 2mtpa is possible.

The location of the deposit directly adjacent to a WA Government owned rail line will enable transport to the port of Kwinana for relatively low cost with several berth options being considered to enable export.

Once the funding for the Yerecoin project development work is secured, the ongoing technical evaluation studies will ratchet up in scope. These studies into metallurgical properties, reserve definition, transport options etc., are continuing and negotiations continue with infrastructure providers to better define the cost structure.

New drill campaigns will be planned following the pit definition work aimed at obtaining further samples for metallurgical assessment and to increase the confidence in the current resource base.

URUARA BRAZIL PROJECT

Figure 2: Uruara Project Location

Project Update

A small diamond drilling and sampling program was completed at the Uruara DSO project in Para State, Brazil. 8 short (to 22m maximum depth) NQ diamond holes were drilled for a total of 148m. All holes were angled at 70 degrees. Further rock chip channel samples were also obtained from previously excavated trenches.

Drill holes were located on three prospects – Cacao, Limao and Jacare, located to test the nature and thickness of high grade iron mineralisation in surface outcrop targeted in areas with significant geophysical response. With little subsurface information available from previous work, other than shallow trenching, this program was very much first pass in nature, designed to gain as much geological information as possible.

A small tractor mounted rig (requiring minimal clearing) was sourced from a local Itaituba contractor. The drill contractor mobilised to site on the 2nd of December 2014, and completed the work and demobilised on the 20th of December 2014. Channel sampling of trenches was undertaken concurrently. Core and samples were prepared and submitted to the lab for assay in early January 2015, with results expected late January or early February.

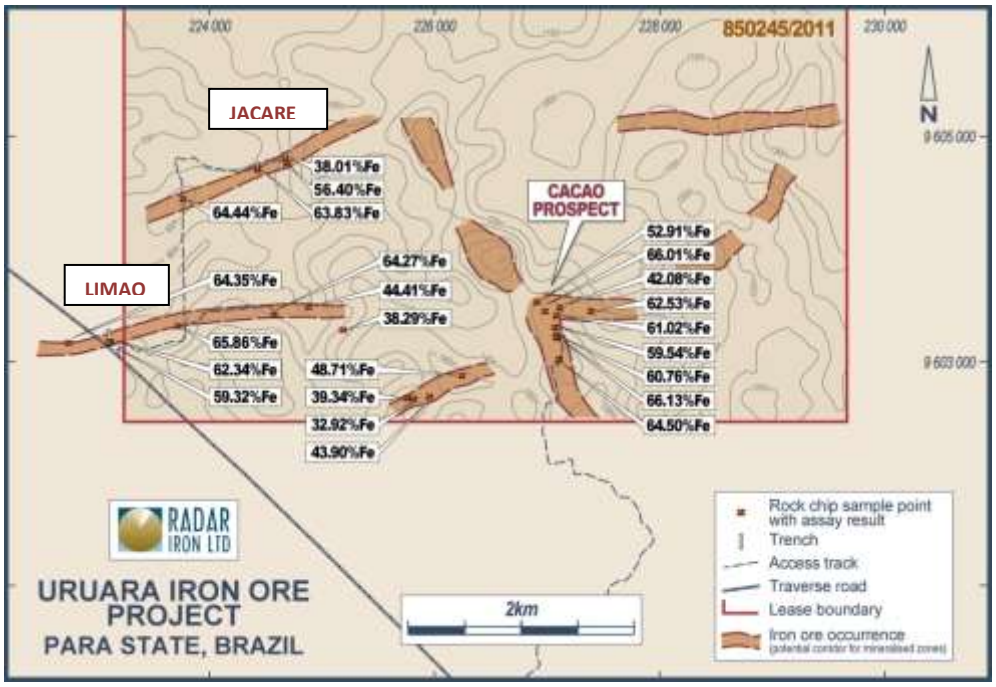


Figure 3. Mineralisation and Sample Location – Southern Part of EL 850.245

Cacao Drilling

Three holes were positioned on the southern portion of the Cacao prospect, along a north-south line. The holes all intersected high grade iron mineralisation from near surface, with thicknesses varying from 1m to over 8.5m, before entering underlying clays and weathered gabbro. Variable weathering in some zones resulted in areas of poor core recovery.

Geologically, there would seem to be a variable surficial iron layer, overlying gabbro and clays (with a possible skarn association), with mineralisation being laterally extensive but of variable thickness – but generally thickening toward the north.

A trench had previously been excavated adjacent to hole UCD-003, to a depth of some 4m, showing high grade mineralisation to the bottom. Hole 3 drilled beneath this trench and demonstrated vertical continuation of mineralisation to 8.5m, suggesting further work needs to concentrate in this area. Hole details are provided in Appendix 2.

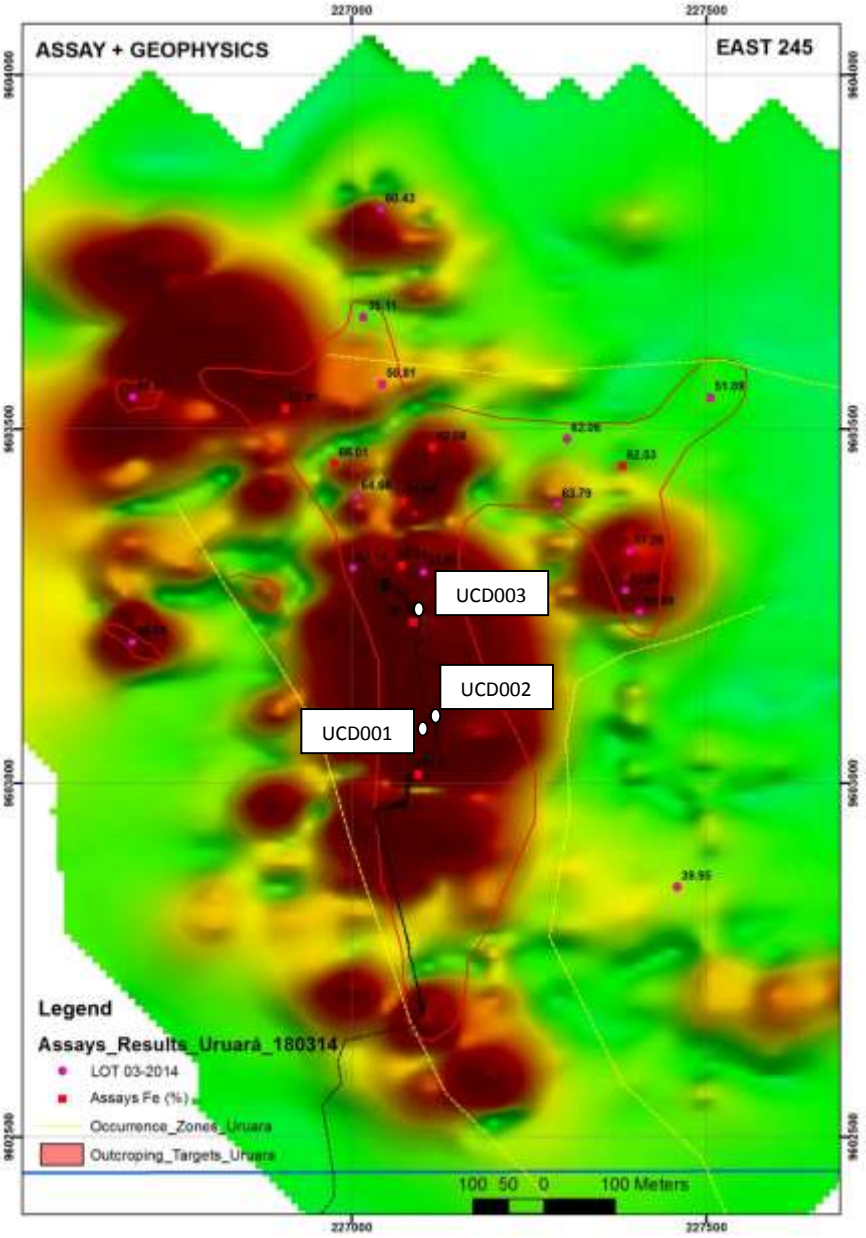


Figure 4. Cacao Magnetic Image and Drill Hole Location

Limao and Jacare Drilling

Five shallow holes were drilled near outcrop on Limao and Jacare. The two targets are long linear mineralised trends and the holes were located primarily to take advantage of good access adjacent to outcrop and positive geophysical response.

Drilling at the Limao target intersected up to 8m of iron mineralisation.

The holes at Jacare were adjacent to the main access road, and returned up to 8m of iron mineralisation, over a basement of sandstone or carbonates. Owing to the partially weathered material being drilled, core recovery was patchy. Hole details are provided in Appendix 2.

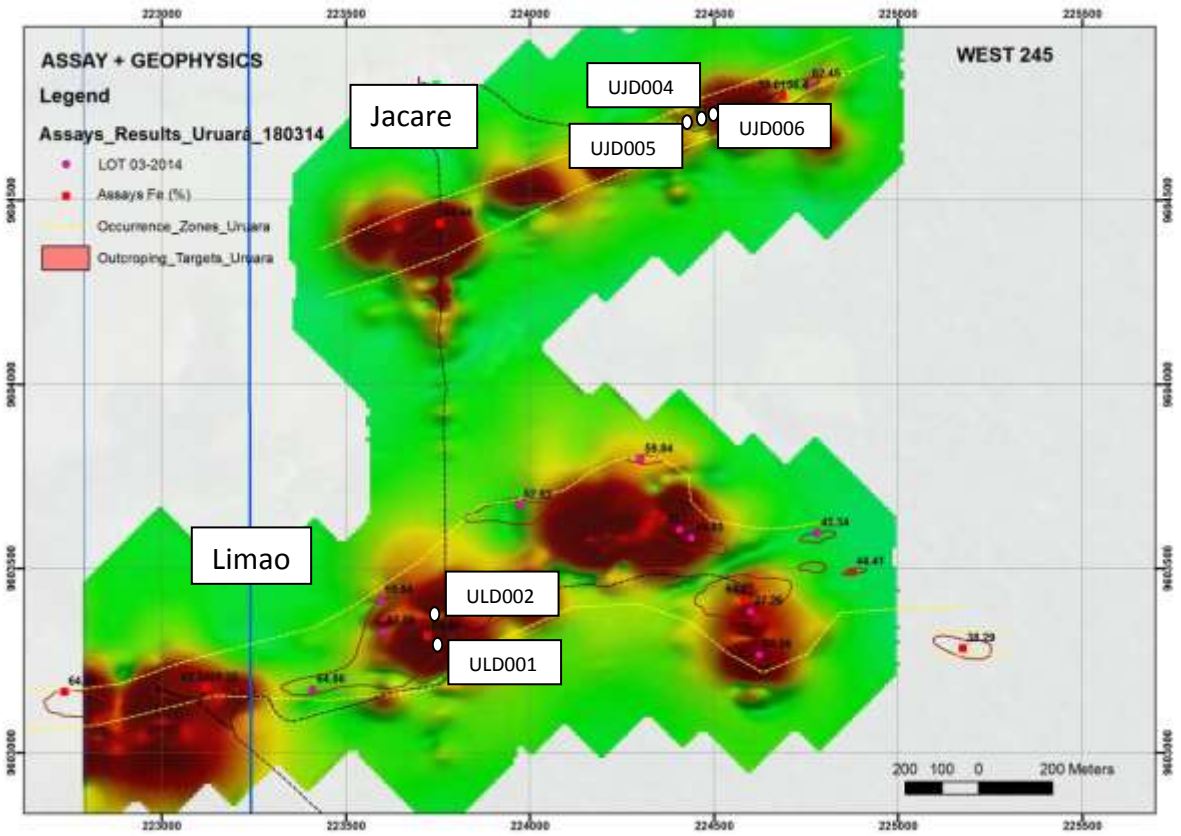


Figure 5. Cacao Magnetic Image and Drill Hole Location

To provide more information of the iron grade relative to weathered particle size, a program of sampling of existing trenches was undertaken.

Three old trenches were cleaned and vertically channel sampled at roughly 20cm intervals, with a sample of size of at least 5kg and up to 10kg with a representative mix of grain sizes. A total of 42 samples were taken. Results are yet to be returned.

Figure 6. Massive hematite and magnetite in UJD-hole 005

Summary and Recommendations

The program was successful in identifying areas of high grade iron ore mineralisation and has demonstrated that while high grade mineralisation does extend to some depth, that thickness is variable and more structurally complex than hoped. The highly weathered and variable particle size (from boulders to fines) of the mineralisation meant that in places NQ diamond coring was not the optimal sampling method.

Previously, using surface sampling and mapping data an exploration target for the high grade mineralisation of 20Mt-40Mt at 58-65% Fe was estimated (based on a mineralisation depth of 5m) as detailed in an ASX release "Brazilian Iron Ore Project Acquired" on 13/11/2013 and is available to view on the Company's website www.radariron.com.au. 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.

The drilling results suggest that the exploration target tonnage range is still appropriate but no comment on grade can be made until the assays are returned. Given the low expected capital for any project development (owing to access to existing infrastructure) and potentially low operating costs for mining and transport the project remains highly attractive at these potential ore tonnages.

Subject to the assay results, further work will be planned. It is likely that pitting and trenching is likely to be more effective to determine the grade extent and depth of the mineralisation.

Project Background

The Uruara Project covers approximately 39,000Ha of tenements with excellent exploration potential for high grade lump iron ore. Subject to positive drilling results, the presence of accessible infrastructure and the supportive Brazilian mining environment could enable an initial mining operation to begin within 2 years for low capital. Following due diligence

completed early in 2014, Radar entered a farm-in agreement to acquire 50% of the Uruara high grade iron ore project in Para State, Brazil, from a private Brazilian company.

Previous reconnaissance mapping and rock chip sampling indicated the presence of substantial surface occurrences of high grade hematite and magnetite mineralisation. Rock chip assay values are commonly above 60% Fe with low levels of contaminants.

Three main corridors of mineralisation have been interpreted to date forming zones 150-400m in width and up to several kilometres in length. The mineralisation commences at surface. No previous drilling has been completed.

Should mining be possible, the proposed production route would involve onsite crushing and screening prior to the ore being trucked to one of several existing deep water river ports for direct loading or via barge onto ships.

The Trans Amazonian Highway leads to the ports of Vitoria du Xingu and Santarem. Panamax (60,000t) size ships 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.

Previous work has included mapping, sampling, costeaning and a ground magnetic survey in 2014.

YILGARN PROJECT

Figure 7. Central Yilgarn Project Location

Within its Central Yilgarn Project, Radar has defined resources of hematite and magnetite. With the acquisition of the Yerecoin Project in 2014however the Central Yilgarn Project is now a lower priority and Radar has been looking for opportunities to divest or farm out the project.

In December, Radar signed an option agreement with Padbury Mining Limited to sell its Johnston Range and Die Hardy Projects located in the greater Central Yilgarn Project area. This was announced to the ASX on December 3.

The total payment for the two tenement groups is $500,000 if the option is exercised following due diligence – to be complete by the last week of February 2015. A non-refundable $10,000 option fee was paid at the time of signing.

The tenement groups contain the Johnston Range hematite and the Die Hardy magnetite deposits discovered by Radar in recent years (see below). Radar still holds the iron rights over a substantial area of tenements in the Central Yilgarn area (eg the Jackson and Boondine Project areas) but the holding and operational costs are largely met by the tenement owners.

Project Background

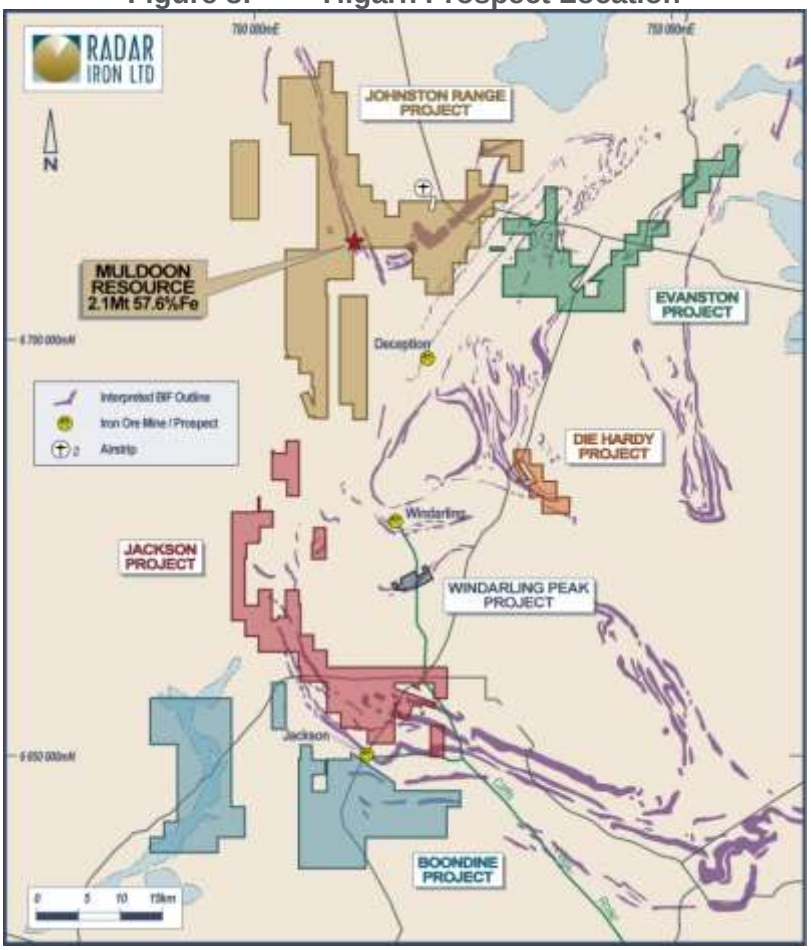
The Central Yilgarn Project covers over 1000km^2 of tenements with proven potential to host hematite and magnetite mineralisation. Following exploration the Johnston Range hematite and the Die Hardy magnetite deposits discovered while the remaining tenure still requires further work to confirm resource potential.

The WA State Government has selected a preferred developer to expand the export capacity of the Port of Esperance with the expansion planned for completion in 2016. 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.

At Johnston Range, drilling to date has only tested the more obvious targets 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. Mapping and drilling has indicated potential for the resource to be increased.

Figure 8: Yilgarn Prospect Location



A major magnetite ore body was defined at Die Hardy Range (see Figure 5) The JORC reportable Indicated and Inferred Mineral Resource at a 20% Fe cut-off grade stands at 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.

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.

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.

A scoping study 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.

Elsewhere on the tenement holding, significant potential remains for further discoveries of DSO mineralisation. Once funding is secured further assessment will be planned.

CORPORATE

Radar's main focus during the quarter was aimed at securing funding to complete the Yerecoin acquisition and provide working capital. Under the agreement with the vendors of the Yerecoin Project, Radar owes $2.88M with the final payment due on April 2015.

Following negotiations in the previous quarter an agreement with Victory Mining Pty Ltd ("Victory") a private Australian investment company was reached for a two stage funding programme aimed at raising $5.5M. Approval for the investment was obtained from Shareholders in meetings in October and November.

In Stage 1, Radar issued 26.1m shares to Victory in November at a price of 3.5 cents a share to raise $0.91M. As a result, Victory now holds approximately 19.7% of Radar's expanded issued capital.

For Stage 2 Radar initiated a fully underwritten rights issue to raise a further $4.6M at a price of 3.5 cents per share closing, after extension, on 17th December 2014. Details of the rights issue were contained in an ASX release on 22 September 2014 with further information provided in the Notice of Annual General Meeting released to ASX on 22 October 2014. The rights issue was fully underwritten by Victory and conditional upon (amongst other things) the Platts Daily Iron Ore 62% Fe, North China price assessment being at all times 90% or more than on the business day prior to the date of the Term Sheet (18 September 2014).

As a result of the index falling below this level, Victory terminated its underwriting obligation and subsequently Radar withdrew the rights issue and returned all application funds.

Radar and Victory have remained in discussions since the termination of the rights issue aimed at a finalising new investment agreement between the parties. The Company requested a voluntary suspension from the ASX pending further announcements on the status of these capital raising initiatives and have remained in suspensions through January.

Radar held its Annual General Meeting of Shareholders on November 19 with all resolutions being passed without amendment. A General Meeting of Shareholders was held on October 23 at which the first stage of the Victory investment was approved.

As part of an asset rationalisation programme Radar signed an option agreement with Padbury Mining Limited to sell its Johnston Range and Die Hardy Projects located in the Central Yilgarn. .

The total payment for the two tenement groups is $500,000 if the option is exercised following due diligence – to be complete by the last week of February 2015. A non-refundable $10,000 option fee was received at the time of signing.

Radar still holds the iron rights over a substantial area of tenements in the Central Yilgarn area but the holding and operational costs are largely met by the tenement owners.

ANNOUNCEMENTS

The Company made the following announcements since the open of the quarter.

Date	Headline
16/10/2014	Company Presentation - October 2014
22/10/2014	Notice of Annual General Meeting/Proxy Form
23/10/2014	Results of Meeting
03/11/2014	Quarterly Cashflow & Activity Reports
03/11/2014	Placement Completed and Rights Issue Timeline Finalised
03/11/2014	Appendix 3B
04/11/2014	Change in substantial holding from POK
07/11/2014	Becoming a substantial holder
19/11/2014	Results of Annual General Meeting
19/11/2014	Change in substantial holding
20/11/2014	Status of Underwriting Of Rights Issue and Timetable
21/11/2014	Rights Issue Prospectus
21/11/2014	Appendix 3B
21/11/2014	Letter to Shareholders
25/11/2014	Initial and Change of Director's Interest Notices
03/12/2014	Sale of Non-Core Assets
08/12/2014	Extension of Rights Issue Closing Date
17/12/2014	Trading Halt
18/12/2014	Rights Issue Withdrawn
18/12/2014	Suspension from Official Quotation
29/12/2014	Company Update Regarding Suspension

For or on behalf of Radar Iron Ltd

Jonathan Lea
Managing Director

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

A Mineral Resource was established previously for the Yerecoin Magnetite Deposit. 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 ASX releases that are available to view on the Company's website www.radariron.com.au. The ASX releases were:

"Major Project Acquisition" on 24/04/2014
"Yerecoin Resource Upgrade" on 08/09/2014

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.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that any production target itself will be realised.

There is information in this announcement relating to surface sampling assays at the Uruara Project completed in two sampling programmes in 2013 and one in 2014. 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*
4. *"Brazilian Iron Ore Project – Update 6" on 02/04/2014*

An Exploration Target was established previously for the Uruara 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: "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.

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. This information was first reported under the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. and has not been updated. The Mineral Resources 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.

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.

APPENDIX 1 – TENEMENTS HELD AT 31 DECEMBER 2014

Lease	Location	Interest at End of Quarter	Acquired During the Quarter	Disposed of During the Quarter
E77/1926	Yilgarn WA	100		
E77/1280	Yilgarn WA	100		
E77/1281	Yilgarn WA	100		
E77/1807	Yilgarn WA	100		
E77/1961	Yilgarn WA	100		
E70/2783	Northam WA	100		
E70/2784	Northam WA	100		
E70/3937	Northam WA	100		
E70/3938	Northam WA	100		
E70/3939	Northam WA	100		
E70/3940	Northam WA	100		
E70/2733	Yerecoin WA	100		
E70/3990	Yerecoin WA	100		
E70/4388	Yerecoin WA	100		
E70/4391	Yerecoin WA	100		

APPENDIX 2 – DIAMOND DRILLING DETAILS – URUARA PROJECT

Hole No.	Easting	Northing	Elevation	Azimuth	Dip	Length m
UCD-001	227102	9603057	161m	180	-70	20.50
UCD-002	227115	9603097	169m	180	-70	14.50
UCD-003	227094	9603225	174m	300	-70	19.00
UJD-004	224475	9604730	113m	180	-70	20.50
UJD-005	224438	9604718	115m	180	-70	20.70
UJD-006	224500	9604750	114m	180	-70	16.57
ULD-007	223773	9603331	95m	180	-70	14.50
ULD-008	223754	9603358	97m	180	-70	22.00
						148.27

South American 1969 datum, Zone 22S

APPENDIX 3 – JORC TABLE 1 - URUARA DRILLING

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• Rock chip sampling was undertaken as part of reconnaissance mapping and prospecting. • Rock Chip samples were taken when visible mineralization was observed and are whole rock samples of isolated outcrop generally up to 1kg in weight. • Rock Chip samples were generally selected as being likely to be of high grade. • Rock Chip sampling was not undertaken on a regular grid and was not intended to be representative of the subsurface. • Drilling samples taken via 1/2 of NQ core. Industry standard drilling techniques used. • Core was logged by qualified geologists familiar with the project and deposit type. All core was photographed. • Samples were then submitted to Acme laboratories in Belo Horizonte for sample preparation and analysis by Standard XRF techniques. • Halved core to be crushed, ground and split and subsampled for analysis under laboratory conditions. As an independent measure for quality control, commercial standards are included with the samples submitted together with regular duplicates and replicates. • Channel Samples were taken from three historical trenches. • Channels were cut into the side of existing trenches, approximately 30cm wide. Mixed sample of rock and soil was taken approximately every 20cm vertically, for a total weight of 5-10kg per sample.
Drilling techniques	• Diamond core samples – NQ size. • Core was laid out in approximately 1m run lengths using a core barrel with wire-line recovery method.
Drill sample recovery	• All core was metre marked and oriented by field staff under the supervision of the site geologist, the core recovery was monitored throughout. • If any issues arose with drill core or quality in general, discussions were held with the drilling contractor to remedy the issues. • Core recoveries were generally acceptable, however were poor (below 50%) in some in some instances when drilling through soil as fine material was washed away. In such instances, assay is unlikely to be representative of real grade. However drilling is not intended

Criteria	Commentary
	for resource estimation purposes.
Logging	• A geologist familiar with the project logged samples on-site and recorded the data manually to be entered into a digital database at a later date. • All relevant items such as interval, lithology, structure, texture, grain-size, alteration, oxidation, mineralisation, quartz percentage, sulphide types and percentages were recorded in the geological logs.
Sub-sampling techniques and sample preparation	• Whole rock samples were delivered to Acme Laboratories in Belo Horizonte for preparation and analysis by XRF techniques. • Halved core to be crushed, ground, split and subsampled for analysis under laboratory conditions which include introduction of laboratory standards and repeats. As an independent measure for quality control, commercial standards are included with the samples submitted together with regular duplicates and replicates. • NQ size halved diamond drill core produced by core saw and hand splitting. The core was halved at various lengths as determined by the core. • Samples were then submitted to Acme Laboratories in Belo Horizonte for industry standard sample preparation and analysis by XRF techniques. • QA/QC samples (standard and repeats) were introduced at regular intervals into the sample stream. QA/QC data will be assessed to determine if any bias exists. • Channel Samples were delivered to Acme Laboratories in Belo Horizonte for preparation and separation into three size fractions of <1mm, 1-5mm, >5mm before assay with XRF techniques.
Quality of assay data and laboratory tests	• Total assay techniques applied – standard XRF methods. • As an independent measure for quality control, commercial standards are included with the samples submitted together with regular duplicates and replicates. • QA/QC results will be assessed to determine if any bias exists.
Verification of sampling and assaying	• The validation of assay files against the certificates was carried out on all samples.
Location of	• All data points for samples and drill holes were positioned with hand

Criteria	Commentary
data points	held GPS, likely to be accurate to +/- 5m
Data spacing and distribution	• Drill hole and sample spacing was irregular and designed to test specific outcrops. Drilling and sampling was not designed for use in resource estimation.
Orientation of data in relation to geological structure	• Drilling orientation varied to gain better understanding of geological structure and was not designed to be used in resource estimation.
Sample security	• Samples were kept in the possession of company staff and delivered in person to the laboratory.
Audits or reviews	• None Completed

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• Tenement numbers are shown • Tenure is by way of a farm-in JV. The company has not yet earned a permanent interest.
Exploration done by other parties	• Rudimentary prospecting and some trenching.
Geology	• Skarn related iron stone. Genetic model still being determined.
Drill hole Information	• Published in tables
Data aggregation methods	• Not applied - raw data to be reported
Relationship between mineralisation widths and intercept lengths	• To be determined
Diagrams	• As published in announcements

Criteria	Commentary
Balanced reporting	• All results reported but no inferences have been drawn.
Other substantive exploration data	• Ground magnetic data was collected over the prospects at 200m line spacing and 10m station spacing. Data were used to assist in positioning of drill holes.
Further work	• Work programs will be developed as assay results are forthcoming.