



ACN 146 455 576

# **ANNUAL REPORT**

for the year ended 30 June 2015

**RADAR IRON LTD**  
**ACN: 146 455 576**

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This Annual Report covers Radar Iron Ltd ("Radar" or the "Company") as a Group consisting of Radar Iron Ltd and its subsidiaries, collectively referred to as the "Group". The financial report is presented in Australian currency.

Radar is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Radar Iron Ltd  
Suite 8  
55 Hampden Road  
Nedlands WA 6009

**RADAR IRON LTD**  
**ACN: 146 455 576**

**CORPORATE INFORMATION**

**Directors:**

Alan Tough  
*Non-Executive Chairman*

Jonathan Lea  
*Non-Executive Director*

Ananda Kathiravelu  
*Non-Executive Director*

David Sourbutts  
*Non-Executive Director*

**Company Secretary:**

Damon Sweeny

**Auditors:**

Nexia Perth Audit Services Pty Ltd  
Level 3  
88, William Street  
PERTH WA 6000

**Bankers:**

Westpac Banking Corporation  
108 Stirling Highway  
NEDLANDS WA 6009

**Registered & Principal Office:**

Suite 8, 55 Hampden Road  
NEDLANDS WA 6009  
Telephone: + 618 9389 9919  
Facsimile: + 618 6389 0576

**Postal Address:**

P.O. Box 994  
SUBIACO WA 6904

**Home Stock Exchange:**

Australian Securities Exchange Limited  
Level 40  
152-158 St Georges Terrace  
PERTH WA 6000

**ASX Code:**

RAD

**Share Registry:**

Security Transfers Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**Website:**

[www.radariron.com.au](http://www.radariron.com.au)

**Solicitors - Perth:**

Kings Park Corporate Lawyers  
Level 2, 45 Richardson Street  
WEST PERTH WA 6005

**RADAR IRON LTD**  
**ACN: 146 455 576**

## **DIRECTORS' REPORT**

Your Directors have pleasure in submitting their report on the Company and its subsidiaries for the year ended 30 June 2015.

### **DIRECTORS**

The names and details of Directors in office at any time during the year are:

**Alan Tough** - Non Executive Chairman

#### ***EXPERIENCE AND EXPERTISE***

Alan Tough has a distinguished career in business spanning over 40 years including more than 25 years managing publicly listed companies. Alan has worked both domestically and internationally in the manufacturing, mining, finance, management and government sectors. Alan holds a mechanical engineering honours degree and an MBA from the University of WA. Alan held positions including infrastructure advice for several iron ore companies including a role as Manager of Project Development for Giralia Resources NL, responsible for DSO iron ore projects in the Pilbara and the Yerecoin magnetite project and Executive Director Operations of Polaris Metals NL prior to the Mineral Resources takeover earlier in 2010. Alan's other current Board roles include non-executive Director of Mrs Macs Pty Ltd and President of Westcare Incorporated.

Alan has significant experience and understanding of strategic business planning, an extensive knowledge of international operations, an effective combination of engineering, banking, government service and broad management skills and a thorough knowledge of the governance requirements of listed companies at both management and Board levels.

#### ***OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES***

Nil

**Jonathan Lea** - Non-Executive Director

#### ***EXPERIENCE AND EXPERTISE***

Jon has qualifications in geology, finance and mineral economics with 25 years' experience in the resource industry. He held the roles as Technical Director and Managing Director of Polaris Metals NL until the takeover by Mineral Resources Ltd. During Jon's tenure, Polaris made significant iron ore discoveries in the central Yilgarn region commencing the development process towards mining and also advancing the Mayfield magnetite project. Prior to that Jon has had extensive experience in exploration, mining and project development. A qualified geologist from the University of Tasmania and a Member of the AusIMM, Jon also has post graduate qualifications in Mineral Economics and Applied Finance and Investment. He has worked with a number of commodities including iron ore, gold, tin, chromite and base metals throughout Australia and in Africa. Jon is currently Chairman of the Yilgarn Iron Producers Association (YIPA).

#### ***OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES***

Nil

**Ananda Kathiravelu** – Non-Executive Director

#### ***EXPERIENCE AND EXPERTISE***

Ananda Kathiravelu has been in the financial services funds management and stock broking industries for over 20 years. He holds a Bachelor of Business and a Graduate Diploma of Applied Finance and Investment.

## **DIRECTORS' REPORT (continued)**

**Ananda Kathiravelu** – Non-Executive Director

### ***EXPERIENCE AND EXPERTISE (CONTINUED)***

Mr Kathiravelu is the Managing Director of Armada Capital Ltd, a corporate advisory company that has been involved in providing strategic corporate advice and services to listed and unlisted public companies including, Pryme Oil and Gas Ltd, CuDeco Ltd (formally known as Australian Mining Investments Ltd), Meridian Minerals Ltd (formerly Bellevue Resources Ltd), Promesa Ltd, Mineq Ltd, Coronado Ltd and Intium Energy Ltd. His areas of expertise include corporate advice, capital raising, mergers and acquisitions. His focus is on the small cap resources and emerging business sectors.

### ***OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES***

Potash Minerals Limited – Non-Executive Chairman  
Promesa Limited - Executive Director

**David Sourbutts** – Non-Executive Director

### ***EXPERIENCE AND EXPERTISE***

Mr Sourbutts has over 14 years' experience in project management and engineering in the mining, rail, materials handling and infrastructure industries, including overseeing the development of explorers into miners and the coordination of studies covering process engineering and mine to port optimisation. His commodity experience includes Magnetite, DSO Hematite, Mineral Sands, Manganese and Diamonds to name a few. He has a Bachelor of Engineering (Civil) (Hons), a Bachelor of Commerce and is an Executive Director of Engenium, a leading engineering and project delivery company specialising in the delivery of mine, port and rail projects and non-process infrastructure.

### ***OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES***

Nil.

## **COMPANY SECRETARIES**

### **Damon Sweeny**

Damon Sweeny is a Chartered Secretary and holds an MBA from Curtin University Australia, along with a Graduate Diploma of Applied Corporate Governance from Chartered Secretaries Australia. With over 25 years' experience in the mining, accounting and governance fields, Damon has held directorships or company secretarial positions in a number of private and ASX-listed entities for over 10 years. He has been closely involved with the mining sector in Western Australia and has a strong management and financial reporting background. He is also company secretary of ASX listed Leopard Resources Limited, Applabs Technologies Ltd and Promesa Ltd.

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**DIRECTORS' REPORT (continued)**

**PRINCIPAL ACTIVITIES**

Radar Iron Ltd's ("Radar" or the "Company") principal activity is the exploration for and development of iron ore deposits in the Yilgarn Iron Ore Province of Western Australia and the Para State of Brazil.

**RESULTS**

The net loss attributable to members of the Company for the year ended 30 June 2015 amounted to \$9,852,384 (2014: \$1,629,815). The net loss relates to drilling, project evaluation, share based payments and administration costs.

**DIVIDENDS**

No dividends were paid or declared during the year or in the period from the year end to the date of this report.

**OPERATING AND FINANCIAL REVIEW**

**Overview**

The Company's strategic objective remains to become a producer of high quality, higher margin DSO and magnetite concentrates for the steel industry. Management's key focus subsequent to balance date has been to minimise expenditure and to lift the suspension in trading on the Company's shares while reviewing options to revitalise the company.

During the period studies continued at its Yerecoin project using a combination of internal Company resources along with a number of external consultants at further assessing the data and to facilitate project development. These include:

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

The company completed the purchase of Yerecoin Iron Ore Project. To do so Radar negotiated a reduction of \$2,320,000 from the original purchase price agreed. Radar raised \$615,000 through unsecured convertible loan agreements which are subject to shareholder approval. Radar applied for and received a new Stamp Duty assessment with a balance of \$19,835.

A limited, first pass drilling programme was completed for the Uruara Project in Brazil. Despite encouraging assay results being released on 21 April 2015 showing potential for the project, Radar decided to withdraw from the farm-in process owing to iron ore market conditions.

The Board of Radar maintained a cash expenditure minimisation policy for active exploration in the Yilgarn whilst a decision is made on the timing for the expansion of the Port of Esperance and also owing to present market conditions. During the period Radar focused on the review of potential acquisitions within the Yilgarn, and in other districts 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.

## **DIRECTORS' REPORT (continued)**

### **Compliance Statement**

The information outlined in the Exploration section of this report is a high level summary of the Quarterly Activity Reports for the period. Full results and associated competent persons statements can be found in those public releases available via [www.asx.com.au](http://www.asx.com.au) or from [http://radariron.com.au/investor\\_information](http://radariron.com.au/investor_information). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. 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 announcements.

### **Financial Position**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a comprehensive loss after tax for the year ended 30 June 2015 of \$9,852,384 (2014: Loss of \$1,629,815), had a net working capital deficiency of \$795,913 (2014: \$3,130,164) and experienced net cash outflows from operating activities of \$155,039 (2014: \$410,590).

As at 30 June 2015 the Group had cash on hand of \$239,678 (2014: \$15,064).

The Directors are confident that the Group, subject to being able to raise further capital will be able to continue its operations as a going concern. Without such capital, the net loss for the period and the cash outflow from operating activities indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The directors also carefully manage discretionary expenditure in line with the Group's cash flow.

In August 2015, the Company completed a capital raising of \$495,932 (before costs) and was subsequently reinstated to the official list of the ASX (refer note 24 for more information).

The directors are confident that the Group, subject to being able to raise further capital will be able to continue its operations as a going concern. Without such capital, the net loss for the period and the cash outflow from operating activities indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. The directors also carefully manage discretionary expenditure in line with the Group's cash flow.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts, which could differ from the amounts at which they are stated in these financial statements.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report or the financial statements.

**RADAR IRON LTD**  
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**DIRECTORS' REPORT (continued)**

***SIGNIFICANT EVENTS AFTER THE BALANCE DATE***

After application to the Office of State Revenue, on 6 August 2015 the company received notice of the cancellation of the original stamp duty assessment of \$197,855 on the Yerecoin acquisition. It is replaced by a new Duties Assessment, which after receiving credit for the \$40,000 paid to date leaves \$19,835 to pay by 6 September 2015.

The company was reinstated to official quotation with the Australian Securities Exchange on 25 August 2015.

The company completed a share placement on 26 August 2015 to raise \$495,932. The placement involved the issue of 33,062,158 fully paid ordinary shares at \$0.01, with one attaching \$0.015 unsecured convertible note for every 3 shares issued. The one year note attracts interest at 1% per month payable in arrears in shares. Subject to shareholder approval at the AGM, they will convert at a price equal to the greater of \$0.015 or 50% discount to the price at which the Company offers investors the opportunity to subscribe for shares in the first of any subsequent capita raising to follow this placement.

On 25 September 2015 Radar lodged a notice of Meeting to be held on 28 October 2015 to consider the ratification of securities issued and the proposed issues of securities to the directors in compensation for their service.

Details can be found at [http://radariron.com.au/investor\\_information](http://radariron.com.au/investor_information)

***ENVIRONMENTAL REGULATION***

The Directors believe that the Group has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

The Group's operations are subject to various environmental regulations under the Federal and State Laws of Australia. The majority of the Group's activities involve low level disturbance associated with exploration drilling programs. Approvals, licences and hearings and other regulatory requirements are performed as required by the management of Radar for each permit or lease in which the Group has an interest.

***INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS***

During the financial year, the Company has paid a premium of \$10,853 (2014: \$13,500) excluding GST to insure the Directors and the Secretary of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.



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## **DIRECTORS' REPORT (continued)**

### **DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY**

As at the date of this report, the interests of the Directors in ordinary shares, listed and unlisted options of the Company were:

| <i>Director</i> | <b>Shares</b>        |                        | <b>Options</b>       |                        |
|-----------------|----------------------|------------------------|----------------------|------------------------|
|                 | <i>Held Directly</i> | <i>Held Indirectly</i> | <i>Held Directly</i> | <i>Held Indirectly</i> |
| A. Tough        | 50,000               | 711,771                | -                    | -                      |
| J. Lea          | -                    | 1,251,308              | -                    | -                      |
| A. Kathiravelu  | 130,000              | -                      | -                    | -                      |
| D. Sourbutts    | -                    | -                      | -                    | -                      |
| <b>TOTAL</b>    | <b>180,000</b>       | <b>1,963,079</b>       | <b>-</b>             | <b>-</b>               |

### **MEETINGS OF DIRECTORS**

During the financial year, 11 meetings of Directors were held with the following attendances:

| <b>Directors</b> | <b>Meetings Attended</b> | <b>Meetings Eligible to Attend</b> |
|------------------|--------------------------|------------------------------------|
| A. Tough         | 11                       | 11                                 |
| J. Lea           | 11                       | 11                                 |
| A. Kathiravelu   | 8                        | 11                                 |
| D. Sourbutts     | 11                       | 11                                 |

## **REMUNERATION REPORT (AUDITED)**

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 30 June 2015. The information contained in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This remuneration report details the remuneration arrangements for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes those executives in the Parent and the Group receiving the highest remuneration.

#### Key Management Personnel

Directors:

- Mr Alan Tough (Chairman)
- Mr Jonathan Lea (Non-Executive)
- Mr Ananda Kathiravelu (Non-Executive)
- Mr David Sourbutts (Non-Executive)

**RADAR IRON LTD**  
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**DIRECTORS' REPORT (continued)**  
*REMUNERATION REPORT (AUDITED) (CONTINUED)*

Remuneration Policy

The Company's performance relies heavily on the quality of its Key Management Personnel. The Company has therefore designed a remuneration policy to align director and executive reward with business objectives and shareholder value.

Executive reward is linked to shareholder value by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain high calibre management personnel and directors to run and manage the Group.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of annual fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000).

Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee incentive option plans that may exist from time to time.

Executive Remuneration

Executive Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

The Company's performance relies heavily on the quality of its Key Management Personnel. The Company has therefore designed a remuneration policy to align director and executive reward with business objectives and shareholder value.

The Board reviews Key Management Personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. In June 2015 the directors resolved that non-executive director fees be set at \$3,000 per month from May 2015.

The fixed remuneration of the Company's Key Management Personnel is detailed in page 10

Variable Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and key management personnel. Currently, this is facilitated through the issue of options to key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

**RADAR IRON LTD**  
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**DIRECTORS' REPORT (continued)**  
*REMUNERATION REPORT (AUDITED) (CONTINUED)*

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current and prior year. The main performance criteria used in determining the executive reward remuneration is increasing shareholder value through aligning the Company with high quality exploration assets. Due to the nature of the Group's principal activities the Directors assess the performance of the Group with regard to the price of the Company's ordinary shares listed on the ASX, and the market capitalisation of the Group.

Directors and executives are issued options to encourage the alignment of personal and shareholder interests. Options issued to Directors may be subject to market based price hurdles and vesting conditions and the exercise price of options is set at a level that encourages the Directors to focus on share price appreciation. The Company believes this policy will be effective in increasing shareholder wealth. Key Management Personnel are also entitled to participate in the employee share and option arrangements.

On the resignation of Directors any vested options issued as remuneration are retained by the relevant party.

The Board may exercise discretion in relation to approving incentives such as options. The policy is designed to reward key management personnel for performance that results in long-term growth in shareholder value.

The Company does not currently have a policy pertaining to Directors hedging their exposure to risks associated to the Company's securities they receive as compensation.

Subsequent to the end of the year the Board completed a self-performance evaluation at an individual Director and Board level.

Remuneration and other terms of employment for the Managing Director are formalised in a service agreement. The agreement provides for the participation, when eligible in the Radar Iron Incentive Option Plan. Other major provisions of the agreement relating to remuneration are set out below:

*J Lea, Managing Director (Resigned 31 May 2015 and appointed a non-executive director)*

- Details of the agreement in place up to the date of resignation on 31 May 2015
  - a. Executive Salary of \$250,000 per annum plus statutory superannuation, to be reviewed annually by the Board.
  - b. Either party may terminate the contract by giving 3 months' written notice.
  - c. On termination of the Employment Contract, the Executive is entitled to payment in lieu of annual leave to which he has become entitled during employment but which has not been taken.
- On appointment as a non-executive director on 31 May 2015 the remuneration payable by the company reduced to \$36,000 per annum in line with other non-executive directors.

Remuneration of Directors and Executives

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) of Radar Iron Ltd are set out in the following tables.

**RADAR IRON LTD**  
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**DIRECTORS' REPORT (continued)**  
*REMUNERATION REPORT (AUDITED) (CONTINUED)*

**Key management personnel of Radar Iron Limited**

| <b>2015</b>                     | <b>Short Term Benefits</b> |                        | <b>Post Employment Benefits</b> | <b>Share Based Payments</b> |                  |                                                |
|---------------------------------|----------------------------|------------------------|---------------------------------|-----------------------------|------------------|------------------------------------------------|
| <b>Key Management Personnel</b> | <b>Salary and Fees \$</b>  | <b>Non-Monetary \$</b> | <b>Super-annuation \$</b>       | <b>Options \$</b>           | <b>Total* \$</b> | <b>% of remuneration consisting of options</b> |
| <b>Non-Executive Directors</b>  |                            |                        |                                 |                             |                  |                                                |
| A. Tough                        | 65,042                     | -                      | -                               | -                           | 65,042           | 0%                                             |
| A. Kathiravelu                  | 48,000                     | -                      | 4,560                           | -                           | 52,560           | 0%                                             |
| D. Sourbutts                    | 35,167                     | -                      | -                               | -                           | 35,167           | 0%                                             |
| J. Lea                          | 232,167                    | -                      | 22,056                          | -                           | 254,223          | 0%                                             |
| <b>Total</b>                    | <b>380,376</b>             | <b>-</b>               | <b>26,616</b>                   | <b>-</b>                    | <b>406,992</b>   |                                                |

\*Of the Total remuneration, the amounts outstanding at balance date were:

|                |                                            |
|----------------|--------------------------------------------|
| A. Tough       | \$36,524                                   |
| A. Kathiravelu | \$ 3,285                                   |
| D. Sourbutts   | \$39,777 (this includes \$4,610 from FY14) |
| J. Lea         | \$ 3,285                                   |

| <b>2014</b>                     | <b>Short Term Benefits</b> |                        | <b>Post Employment Benefits</b> | <b>Share Based Payments</b> |                 |                                                |
|---------------------------------|----------------------------|------------------------|---------------------------------|-----------------------------|-----------------|------------------------------------------------|
| <b>Key Management Personnel</b> | <b>Salary and Fees \$</b>  | <b>Non-Monetary \$</b> | <b>Super-annuation \$</b>       | <b>Options \$</b>           | <b>Total \$</b> | <b>% of remuneration consisting of options</b> |
| <b>Non-Executive Directors</b>  |                            |                        |                                 |                             |                 |                                                |
| A. Tough                        | 70,850                     | -                      | -                               | -                           | 70,850          | 0%                                             |
| A. Kathiravelu                  | 50,400                     | -                      | 4,662                           | -                           | 55,062          | 0%                                             |
| D. Sourbutts                    | 4,375                      | -                      | 405                             | -                           | 4,780           | 0%                                             |
| <b>Executive Directors</b>      |                            |                        |                                 |                             |                 |                                                |
| J. Lea                          | 250,000                    | -                      | 23,125                          | -                           | 273,125         | 0%                                             |
| <b>Total</b>                    | <b>375,625</b>             | <b>-</b>               | <b>28,192</b>                   | <b>-</b>                    | <b>403,817</b>  |                                                |

Share-based compensation

In September 2014, Mr Tough (director) elected to convert \$15,000 of unpaid fees into shares at \$0.035 each in order to take up his full entitlement as a member of the Company in the Share Purchase Plan under ASIC Class Order 09/425. No other options or shares were issued to directors. No options were exercised in the current year.

In line with their cash outflow minimisation policy, rather than be paid in cash, the directors had accrued a significant sum of unpaid entitlements. In June 2015 the directors resolved that, that shareholder approval be sought for conversion of a portion of those unpaid entitlements accrued to date to be converted into shares at \$0.01 (at that stage a 100% premium to the price per Share that the Company had conducted its most recent capital raising), set out in the following table. The Company is seeking approval at a General Meeting to be held on 28 October 2015.

| <b>Related Party</b> | <b>Value of unpaid entitlements proposed to be converted</b> | <b>Shares at \$0.01</b> |
|----------------------|--------------------------------------------------------------|-------------------------|
| Jonathan Lea         | \$25,000                                                     | 2,500,000               |
| Alan Tough           | \$17,000                                                     | 1,700,000               |
| David Sourbutts      | \$20,000                                                     | 2,000,000               |

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**DIRECTORS' REPORT (continued)**  
*REMUNERATION REPORT (AUDITED) (CONTINUED)*

*a) Share holdings of key management personnel*

The number of ordinary shares of Radar Iron Ltd held, directly, indirectly or beneficially, by each Director, including their personally-related entities as at balance date:

**2015:**

| <b>Directors</b> | <b>Held at<br/>1 July 2014</b> | <b>Movement during<br/>year</b> | <b>Options<br/>Exercised</b> | <b>Held at<br/>30 June 2015</b> |
|------------------|--------------------------------|---------------------------------|------------------------------|---------------------------------|
| A. Tough         | 203,200                        | 558,571                         | -                            | <b>761,771</b>                  |
| J. Lea           | 822,737                        | 428,571                         | -                            | <b>1,251,308</b>                |
| A. Kathiravelu   | 130,000                        | -                               | -                            | <b>130,000</b>                  |
| D.Sourbutts      | -                              | -                               | -                            | -                               |
| <b>Total</b>     | <b>1,155,937</b>               | <b>987,142</b>                  | -                            | <b>2,143,079</b>                |

**2014:**

| <b>Directors</b> | <b>Held at<br/>1 July 2013</b> | <b>Movement during<br/>year</b> | <b>Options<br/>Exercised</b> | <b>Held at<br/>30 June 2014</b> |
|------------------|--------------------------------|---------------------------------|------------------------------|---------------------------------|
| A. Tough         | 203,200                        | -                               | -                            | <b>203,200</b>                  |
| J. Lea           | 380,303                        | 442,434                         | -                            | <b>822,737</b>                  |
| A. Kathiravelu   | 130,000                        | -                               | -                            | <b>130,000</b>                  |
| D.Sourbutts      | -                              | -                               | -                            | -                               |
| <b>Total</b>     | <b>713,503</b>                 | <b>442,434</b>                  | -                            | <b>1,155,937</b>                |

*b) Options holdings of key management personnel*

The number of options over ordinary shares in Radar Iron Ltd held, directly, indirectly or beneficially, by each specified Director and specified executive, including their personally-related entities as at balance date, is as follows:

**2015:**

| <b>Directors</b> | <b>Held at<br/>1 July 2014</b> | <b>Movement<br/>during<br/>year</b> | <b>Expired</b> | <b>Held at 30<br/>June 2015</b> | <b>Vested and<br/>exercisable at<br/>30 June 2015</b> |
|------------------|--------------------------------|-------------------------------------|----------------|---------------------------------|-------------------------------------------------------|
| A. Tough         | -                              | -                                   | -              | -                               | -                                                     |
| J. Lea           | -                              | -                                   | -              | -                               | -                                                     |
| A. Kathiravelu   | -                              | -                                   | -              | -                               | -                                                     |
| D.Sourbutts      | -                              | -                                   | -              | -                               | -                                                     |
| <b>Total</b>     | -                              | -                                   | -              | -                               | -                                                     |

**2014:**

| <b>Directors</b> | <b>Held at<br/>1 July 2013</b> | <b>Movement<br/>during<br/>year</b> | <b>Expired</b>   | <b>Held at 30<br/>June 2014</b> | <b>Vested and<br/>exercisable at<br/>30 June 2014</b> |
|------------------|--------------------------------|-------------------------------------|------------------|---------------------------------|-------------------------------------------------------|
| A. Tough         | 1,000,000                      | -                                   | 1,000,000        | -                               | -                                                     |
| J. Lea           | 2,000,000                      | -                                   | 2,000,000        | -                               | -                                                     |
| A. Kathiravelu   | 1,000,000                      | -                                   | 1,000,000        | -                               | -                                                     |
| D.Sourbutts      | -                              | -                                   | -                | -                               | -                                                     |
| <b>Total</b>     | <b>4,000,000</b>               | -                                   | <b>4,000,000</b> | -                               | -                                                     |

*Other Related Party Transitions* – As disclosed in Note 17 Capital Raising and administrative fees paid to Armada Capital of \$52,509. A. Kathiravelu was a Director and had an interest in the company during the year. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

\*\*\*\*\*END OF REMUNERATION REPORT\*\*\*\*\*

**PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

**RADAR IRON LTD**  
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## **DIRECTORS' REPORT (continued)**

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

The Group proposes to continue with its exploration programme as detailed in the Operating and Financial review.

### **SHARE OPTIONS**

#### Shares under Option

At the date of this report there are 5,000,000 unissued shares under option outstanding as summarised below:

| <b>Date Granted</b> | <b>Expiry Date</b> | <b>Exercise Price</b> | <b>Number of shares under option</b> |
|---------------------|--------------------|-----------------------|--------------------------------------|
| * 29/10/2013        | 2 September 2018   | \$0.05                | 5,000,000                            |

\* Unlisted options

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

During the year there were no ordinary shares issued as a result of the exercise of an option.

### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2015 has been received and can be found on page 19.

### **AUDITOR**

Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

### **AUDIT SERVICES**

During the year the following fees were paid or payable for services provided by the auditor.

|                                                                                            | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|--------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <i>Amounts received or due and receivable by Nexia Perth Audit Services Pty Ltd:</i>       |                                     |                                     |
| An audit or review of the financial report of the parent and any other entity in the Group | 31,600                              | 24,850                              |
| Other services in relation to the parent and any other entity in the Group                 | 13,742                              | 4,440                               |
|                                                                                            | <b>45,342</b>                       | <b>29,290</b>                       |

**RADAR IRON LTD**  
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**DIRECTORS' REPORT (continued)**

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'JL', is positioned above the name 'Jonathan Lea'.

Jonathan Lea  
Director

Perth  
30 September 2015

## **CORPORATE GOVERNANCE STATEMENT**

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's governance-related documents can be found on its website at [www.radariron.com.au](http://www.radariron.com.au) under the section marked "Company".

### **Principle 1 – Lay solid foundations for management and oversight**

#### ***Recommendation 1.1 – Recommendation followed***

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- a) setting and reviewing strategic direction and planning;
- b) reviewing financial and operational performance;
- c) identifying principal risks and reviewing risk management strategies; and
- d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

#### ***Recommendation 1.2 – Recommendations followed***

The Board carefully considers the character, experience, education and skillset, as well as interests and associations of potential candidates for appointment to the Board and conducts appropriate checks to verify the suitability of the candidate, prior to their election. The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the notice of meeting provided to shareholders.

#### ***Recommendation 1.3 – Recommendations followed***

The Company has a written agreement with each of the Directors. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Contract details of senior executives who are KMP are summarised in the Remuneration Report in the Company's Annual Report.

#### ***Recommendation 1.4 – Recommendations followed***

The Company Secretary is accountable to the Board for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Annual Report.



***Recommendation 1.5 – Recommendation not followed***

The Company is committed to creating a diverse working environment and promoting a culture which embraces diversity.

Given the size of the Company and scale of its operations, however, the Board is of the view that a written diversity policy with measurable objectives for achieving gender diversity is not required at this time. Further as the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.

***Recommendations 1.6 and 1.7 – Recommendations not followed***

Whilst the Company has a written policy, the Board recognises that as a result of the Company's size and the stage of the entity's life as a public listed junior exploration company, the assessment of the directors' and executives' overall performance and its own succession plan is conducted on an informal basis. Whilst this is at variance with the ASX Recommendations, for the financial year ended June 2015, the Directors consider that at the date of this report an appropriate and adequate process for the evaluation of Directors is in place.

***Principle 2 – Structure the board to add value***

***Recommendation 2.1 – Recommendation not followed***

As a result of the Company's size and the stage of the entity's life as a publicly listed junior exploration company and given the size of the Board at present a Nomination Committee has not been established. The Board meets as a whole to consider. The Board from time to time reviews the skill mix required for the Board and, where gaps are identified, embarks on a process to fill those gaps. This is undertaken on an informal basis.

***Recommendation 2.2 – Recommendation not followed***

The details of the skill set of the current Board members are set out in the description of each Director in the Annual Report. The Board believes that the current skill mix is appropriate given the Company's size and the stage of the entity's life as a publicly listed junior exploration company.

***Recommendation 2.3 – Recommendation followed***

During the 2015 financial year, the Board consisted of four directors all of whom, including the Chairman, were non-executives at year end. Having regard to the relationships listed in Box 2.3 of the Principles and Recommendations Mr Tough the Chairman as well as Mr Sourbutts, Non-Executive Director, are considered to be the only two Independent Directors.

***Recommendation 2.4 – Recommendation not followed***

As noted under Recommendation 2.3, the Board comprises four Directors of whom only one is considered to be an Independent Director. To date, the Board has been of the opinion that membership weighted towards technical expertise is appropriate at this stage of the Company's operations.

***Recommendation 2.5 – Recommendation followed***

The Chairman, Mr Tough, is an Independent Director. His role as Chairman of the Board is separate from that of the Managing Director who was responsible for the day to day management of the Company and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

***Recommendation 2.6 – Recommendation not followed***

The Board recognises that as a result of the Company's size and the stage of the entity's life as a publicly listed junior exploration company, the Board has not put in place a formal program for inducting new directors. However, it does provide a package of background information on commencement and provides ready interaction with the Company's personnel to gain a stronger understanding of the business. Similarly the Company does not at this stage provide professional development opportunities for Directors. More formal processes for both of these areas will be considered in the future as the Company develops.

**RADAR IRON LTD**  
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**Principle 3 – Act ethically and responsibly**

**Recommendation 3.1 – Recommendation followed**

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website. The Code applies to all Directors, employees, contractors and officers of the Company.

**Principle 4 – Safeguard integrity in financial reporting**

**Recommendation 4.1 – Recommendation not followed in full**

Radar was not a Company required by ASX Listing Rule 12.7 to have an Audit Committee although it is included in the ASX Recommendations. The Board has not established an audit committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the full Board considers in detail all of the matters for which the directors are responsible. The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

**Recommendation 4.2 – Recommendation followed**

In accordance with ASX Recommendation 4.2 the Chief Executive Officer (or their equivalent) and Chief Financial Officer (or their equivalent) are required to provide assurances that the written declarations under s295A of the Corporations Act (and for the purposes of ASX Recommendation 4.2) are founded on a sound framework of risk management and internal control and that the framework is operating effectively in all material respects in relation to financial reporting risks. Both the Chief Executive Officer and Chief Financial Officer provide such assurances at the time the s295A declarations are provided to the Board.

**Recommendation 4.3 – Recommendation followed**

The Company's external audit function is performed by Nexia Perth Audit Services Pty Ltd (Nexia). Representatives of Nexia will attend the Annual General Meeting and be available to answer shareholder questions regarding the audit.

**Principle 5 – Make timely and balanced disclosure**

**Recommendation 5.1 – Recommendations followed**

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and has adopted a policy, which is disclosed on the Company's website. The Continuous Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments.

**Principle 6 – Respect the rights of security holders**

**Recommendation 6.1 – Recommendations followed**

The Company keeps investors informed of its corporate governance, financial performance and prospects via its website – [www.radariron.com.au](http://www.radariron.com.au). Investors can access copies of all announcements to the ASX, notices of meetings, annual reports and financial statement, and Investor presentations via the 'Investor Information' tab and can access general information regarding the Company and the structure of its business under the 'Company' and 'Projects' tabs.

***Recommendation 6.2 – Recommendations followed***

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the half yearly financial report lodged with the Australian Stock Exchange and Australian Securities and Investments Commission and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's website at [www.radariron.com.au](http://www.radariron.com.au); and
- disclosure of the Company's Corporate Governance practices and communications strategy on the entity's website.

While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact for Shareholders to make their enquiries.

***Recommendation 6.3 – Recommendation followed***

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

***Recommendation 6.4 – Recommendation followed***

The Company provides its investors the option to receive communications from and send communications to, the Company and the share registry electronically.

***Principle 7 – Recognise and manage risks***

***Recommendation 7.1 – Recommendations not followed***

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework. The Board has adopted a Risk Management Policy, which is disclosed on the Company's website.

***Recommendation 7.2 – Recommendations not followed***

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, heritage and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risks is presented to the Board. The Board reviews the risk profile of the Company and monitors risk informally throughout the year.

***Recommendation 7.3 – Recommendation not followed***

The Company does not have an internal audit function. This is the case due to the size of the Company and the stage of life of the entity. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

***Recommendation 7.4 – Recommendation followed***

As already outlined above in relation to various ASX Recommendations, the Company constantly monitors and reviews the key risks that affect the Company and the management of those risks. They include economic, environment and sustainability risks. The risks which the Company has identified that it has a material exposure to are its ability to raise funds within an acceptable time frame and on terms acceptable to it ("Capital Risk"); that its existing projects, or any other projects or tenements that it may acquire in the future, will result in the discovery of significant resources or be able to be economically exploited ("Exploration Risk"); the inability to obtain land access on satisfactory terms or within acceptable timeframes ("Access Risk"); and resource activities can be environmentally sensitive and can give rise to substantial costs for environmental rehabilitation, damage control and losses ("Environment Risk").

The manner in which the Company manages those risks, in the case of Capital Risk, to monitor the market and investment appetite and to raise further required capital in a timely manner such that the Company's operations are adequately funded; in the case of Exploration Risk, to adopt a diversified portfolio approach and to adopt a focused approach using modern exploration techniques and seeking to lay off risk where possible; in the case of Access Risk, to conduct exploration activities at best practices standards so as to lessen the impact on the party from whom access is required, coupled with an active communication and interaction approach; and in the case of Environment Risk, to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws.

**Principle 8 – Remunerate fairly and responsibly**

***Recommendation 8.1 – Recommendation not followed in full***

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration Committee Charter which is available on the Company's website. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

***Recommendation 8.2 – Recommendations followed***

Details of the Company's policies on remuneration are set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

***Recommendation 8.3 – Recommendation followed***

The Company's Security Trading Policy includes a statement prohibiting directors, officers and employees entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of their security holding in the Company or of participating in unvested entitlements under any equity based remuneration schemes.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- b) trading in the Company's securities which is not subject to the Company's trading policy; and
- c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

**Auditor's independence declaration under section 307C of the Corporations Act 2001**

To the directors of Radar Iron Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

**Nexia Perth Audit Services Pty Ltd**

PTC Kloppe

**PTC Kloppe**  
Director

30 September 2015  
Perth

**Perth Office**

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Independent member of Nexia International



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**RADAR IRON LTD**  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended 30 June 2015

|                                                          | <b>Note</b> | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|----------------------------------------------------------|-------------|-------------------------------------|-------------------------------------|
| Finance income                                           | 4           | 4,334                               | 15,130                              |
| Other income                                             | 4           | 77,008                              | 139,156                             |
| Financial administration, insurance and compliance costs |             | (163,769)                           | (129,770)                           |
| Consultants and contractors                              |             | (116,878)                           | (216,630)                           |
| Depreciation                                             | 11          | (10,211)                            | (17,615)                            |
| Employee benefits expenses                               | 5           | (178,770)                           | (103,682)                           |
| Project evaluation expense                               | 10          | -                                   | (17,387)                            |
| Finance costs                                            |             | (71,324)                            | -                                   |
| Write off of exploration expenditure                     | 10          | (9,367,730)                         | (1,210,137)                         |
| Other expenses                                           |             | (25,044)                            | (88,880)                            |
| Loss before income tax expense                           |             | <u>(9,852,384)</u>                  | <u>(1,629,815)</u>                  |
| Income tax benefit                                       | 7           | -                                   | -                                   |
| <b>Loss for the year</b>                                 |             | <b><u>(9,852,384)</u></b>           | <b><u>(1,629,815)</u></b>           |
| Other Comprehensive Income                               |             | -                                   | -                                   |
| Total Comprehensive Loss for the year                    |             | <u>(9,852,384)</u>                  | <u>(1,629,815)</u>                  |
| Loss attributable to:                                    |             |                                     |                                     |
| Owners of the parent entity                              |             | <u>(9,852,384)</u>                  | <u>(1,629,815)</u>                  |
| Total Comprehensive Loss attributable to:                |             |                                     |                                     |
| Owners of the parent entity                              |             | <u>(9,852,384)</u>                  | <u>(1,629,815)</u>                  |
| Basic and Diluted Loss per share – cents per share       | 6           | (8.09)                              | (1.94)                              |

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**RADAR IRON LTD**  
**ACN: 146 455 576**

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2015

|                                        | Note | Consolidated<br>30 June<br>2015<br>\$ | Consolidated<br>30 June<br>2014<br>\$ |
|----------------------------------------|------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                          |      |                                       |                                       |
| <b>Current assets</b>                  |      |                                       |                                       |
| Cash and cash equivalents              | 8    | 239,678                               | 15,064                                |
| Trade and other receivables            | 9    | 2,179                                 | 460,872                               |
| <b>Total current assets</b>            |      | <b>241,857</b>                        | <b>475,936</b>                        |
| <b>Non-current assets</b>              |      |                                       |                                       |
| Exploration and evaluation expenditure | 10   | 2,169,843                             | 13,311,475                            |
| Plant and equipment                    | 11   | 2,148                                 | 54,380                                |
| <b>Total non-current assets</b>        |      | <b>2,171,991</b>                      | <b>13,365,855</b>                     |
| <b>TOTAL ASSETS</b>                    |      | <b>2,413,848</b>                      | <b>13,841,791</b>                     |
| <b>LIABILITIES</b>                     |      |                                       |                                       |
| <b>Current liabilities</b>             |      |                                       |                                       |
| Trade and other payables               | 12   | 406,685                               | 3,606,100                             |
| Convertible Notes                      | 23   | 631,085                               | -                                     |
| <b>Total current liabilities</b>       |      | <b>1,037,770</b>                      | <b>3,606,100</b>                      |
| <b>TOTAL LIABILITIES</b>               |      | <b>1,037,770</b>                      | <b>3,606,100</b>                      |
| <b>NET ASSETS</b>                      |      | <b>1,376,078</b>                      | <b>10,235,691</b>                     |
| <b>EQUITY</b>                          |      |                                       |                                       |
| Share capital                          | 14   | 14,213,409                            | 13,220,638                            |
| Reserves                               | 14   | 77,094                                | 77,094                                |
| Accumulated losses                     |      | (12,914,425)                          | (3,062,041)                           |
| <b>TOTAL EQUITY</b>                    |      | <b>1,376,078</b>                      | <b>10,235,691</b>                     |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**RADAR IRON LTD**  
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**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2015

| <b>Consolidated 2015</b>                                                        |             |                                 |                                  |                                 |                                |
|---------------------------------------------------------------------------------|-------------|---------------------------------|----------------------------------|---------------------------------|--------------------------------|
|                                                                                 | <b>Note</b> | <b>Share<br/>Capital<br/>\$</b> | <b>Option<br/>Reserve<br/>\$</b> | <b>Accum.<br/>Losses<br/>\$</b> | <b>Total<br/>Equity<br/>\$</b> |
| Total equity at the beginning of the year                                       |             | <b>13,220,638</b>               | <b>77,094</b>                    | <b>(3,062,041)</b>              | <b>10,235,691</b>              |
| Total comprehensive loss for the year                                           |             | -                               | -                                | (9,852,384)                     | (9,852,384)                    |
| <b>Transactions with equity holders:</b>                                        |             |                                 |                                  |                                 |                                |
| Shares issued during the year:                                                  |             |                                 |                                  |                                 |                                |
| Shares issued (net of capital raising costs)                                    | 14,<br>18   | 992,771                         | -                                | -                               | 992,771                        |
| Share-based payments                                                            |             |                                 |                                  |                                 |                                |
| Unlisted Options issued to consultant                                           | 14          | -                               | -                                | -                               | -                              |
| Expiry of Options issued for no consideration transferred to Accumulated losses |             | -                               | -                                | -                               | -                              |
| <b>Total equity at 30 June 2015</b>                                             |             | <b>14,213,409</b>               | <b>77,094</b>                    | <b>(12,914,425)</b>             | <b>1,376,078</b>               |
| <b>Consolidated 2014</b>                                                        |             |                                 |                                  |                                 |                                |
|                                                                                 | <b>Note</b> | <b>Share<br/>Capital<br/>\$</b> | <b>Option<br/>Reserve<br/>\$</b> | <b>Accum.<br/>Losses<br/>\$</b> | <b>Total<br/>Equity<br/>\$</b> |
| Total equity at the beginning of the year                                       |             | <b>12,377,907</b>               | <b>1,017,130</b>                 | <b>(2,390,202)</b>              | <b>11,004,835</b>              |
| Total comprehensive loss for the year                                           |             | -                               | -                                | (1,629,815)                     | (1,629,815)                    |
| <b>Transactions with equity holders:</b>                                        |             |                                 |                                  |                                 |                                |
| Shares issued during the year:                                                  |             |                                 |                                  |                                 |                                |
| Contributions of capital (net of capital raising costs)                         | 14,<br>18   | 842,731                         | -                                | -                               | 842,731                        |
| Share-based payments                                                            |             |                                 |                                  |                                 |                                |
| Unlisted Options issued to consultant                                           | 14          | -                               | 17,940                           | -                               | 17,940                         |
| Expiry of Options issued for no consideration transferred to Accumulated losses |             | -                               | (957,976)                        | 957,976                         | -                              |
| <b>Total equity at 30 June 2014</b>                                             |             | <b>13,220,638</b>               | <b>77,094</b>                    | <b>(3,062,041)</b>              | <b>10,235,691</b>              |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**RADAR IRON LTD**  
**ACN: 146 455 576**

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2015

|                                                          | Note | Consolidated<br>2015<br>\$ | Consolidated<br>2014<br>\$ |
|----------------------------------------------------------|------|----------------------------|----------------------------|
| <i>Cash flows from operating activities</i>              |      |                            |                            |
| Receipts from customers                                  |      | -                          | 565                        |
| Research & development tax offset                        |      | 77,008                     | 138,591                    |
| Interest received                                        |      | 4,334                      | 15,130                     |
| Interest paid                                            |      | (55,240)                   | -                          |
| Payments to suppliers and employees                      |      | (181,141)                  | (564,876)                  |
| <b>Net cash used in operating activities</b>             | 15   | <b>(155,039)</b>           | <b>(410,590)</b>           |
| <i>Cash flows from investing activities</i>              |      |                            |                            |
| Purchase of non-current assets                           |      | -                          | (908)                      |
| Payments for capitalised exploration expenditure         |      | (684,118)                  | (466,668)                  |
| Payments for acquisition of prospects                    |      | (560,000)                  | (1,115,906)                |
| Proceeds from sale of non-current assets                 |      | 45,000                     | 72,500                     |
| <b>Net cash used in investing activities</b>             |      | <b>(1,199,118)</b>         | <b>(1,510,982)</b>         |
| <i>Cash flows from financing activities</i>              |      |                            |                            |
| Proceeds from issues of shares and options               |      | 963,771                    | 860,671                    |
| Proceeds from convertible notes                          |      | 615,000                    | -                          |
| <b>Net cash flows provided by financing activities</b>   |      | <b>1,578,771</b>           | <b>860,671</b>             |
| Net increase/(decrease) in cash and cash equivalents     |      | 224,614                    | (1,060,901)                |
| Cash and cash equivalents at the beginning of the period |      | 15,064                     | 1,075,965                  |
| <b>Cash and cash equivalents at the end of the year</b>  | 8    | <b>239,678</b>             | <b>15,064</b>              |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**RADAR IRON LTD**  
**ACN: 146 455 576**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2015

**NOTE 1: REPORTING ENTITY**

Radar Iron Ltd (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (collectively referred to as the "Group").

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities in the Directors' Report on page 4, which does not form part of this financial report.

**NOTE 2: BASIS OF PREPARATION**

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*.

The Consolidated Financial Statements and Notes of the Group comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

Radar Iron Ltd is a company limited by shares. The financial report is presented in the functional currency of the Group, being Australian Dollars.

This Consolidated Financial Report was approved by the Board of Directors on 30 September 2015.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a comprehensive loss after tax for the year ended 30 June 2015 of \$9,852,384 (2014: Loss of \$1,629,815), had a net working capital deficiency of \$795,913 (2014: \$3,130,164) and experienced net cash outflows from operating activities of \$155,039 (2014: \$410,590).

As at 30 June 2015 the Group had cash on hand of \$239,678 (2014: \$15,064).

In August 2015, the Company completed a capital raising of \$495,932 (before costs) and was subsequently reinstated to the official list of the ASX (refer note 24 for more information).

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 2: BASIS OF PREPARATION (CONTINUED)**

The directors are confident that the Group, subject to being able to raise further capital will be able to continue its operations as a going concern. Without such capital, the net loss for the period and the cash outflow from operating activities indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. The directors also carefully manage discretionary expenditure in line with the Group's cash flow.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts, which could differ from the amounts at which they are stated in these financial statements.

#### Historical cost convention

These financial statements have been prepared under the historical cost convention.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**

The preparation of the financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant policies which have been adopted in the preparation of this financial report are:

#### **(a) Principles of Consolidation**

##### Subsidiaries

The consolidated financial statements comprise the assets and liabilities of Radar Iron Ltd and its subsidiaries at 30 June 2015 and the results of the subsidiaries for the year ended. A subsidiary is any entity controlled by Radar Iron Ltd.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of subsidiaries are prepared from the same reporting period as the Parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-entity transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Investments in subsidiaries are accounted for at cost in the individual financial statements of Radar Iron Ltd.

Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period which Radar Iron Ltd has control.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values (see note 3(h)).

Common Control transactions are accounted for at the net asset value of the identifiable assets and liabilities of the acquired entity. This method of accounting involves recognising at acquisition date, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration paid is valued at the net asset value of the identifiable assets and liabilities of the acquired entity, in accordance with these principles to ensure no profit or loss is accounted for in either the acquirer or the seller. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values (see note 3(h)).

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(a) Principles of Consolidation (continued)**

Non-controlling interests are allocated their share of net profit after tax in the Statement of Profit or Loss and Other Comprehensive Income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the Company.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including any goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences, recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

#### **(b) Segment Reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the board of directors.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

#### **(c) Income Tax**

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(c) Income Tax (continued)**

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### **(d) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable and receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### **(e) Trade and Other Receivables**

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to another party with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(e) Trade and Other Receivables (Continued)**

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less any impairment losses.

#### **(f) Exploration, Evaluation and Development Expenditure**

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Costs are only carried forward to the extent that right of tenure is current and those costs are expected to be recouped through the successful development of the area (or, alternatively by its sale) or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and above, operations in relation to the area are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

#### **(g) Property, Plant and Equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate asset costs over their estimated useful lives, as follows:

- Computer equipment                      3 years
- Software                                      3 years
- Plant & equipment                        5 years

Each asset's residual value and useful life is reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

#### **(h) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, securities issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(h) Business Combinations (Continued)**

Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs, other than those associated with the issue of equity instruments, that the Group incurs in connection to a Business Combination are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Profit or Loss and Other Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

#### **(i) Impairment of Non-Financial Assets**

Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets or groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGU's to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU's that are expected to benefit from the synergies of combination.

#### **(j) Share-Based Payments**

The Group has provided payment to service providers and related parties in the form of share-based compensation whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate option valuation model for services provided by employees or where the fair value of the shares received cannot be reliably estimated.

For goods and services received where the fair value can be determined reliably the goods and services and the corresponding increase in equity are measured at that fair value. The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.



## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(j) Share-Based Payments (continued)**

At each balance date, the entity revises its estimates of the number of options that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

#### **(k) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### **(l) Finance income and expense**

Finance income comprises interest income on funds invested, gains on disposal of financial assets and changes in fair value of financial assets held at fair value through profit or loss. Finance expenses comprise changes in the fair value of financial assets held at fair value through profit or loss and impairment losses on financial assets.

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

#### **(m) Issued Capital**

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### **(n) Earnings per Share**

##### *i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(n) Earnings per Share (Continued)**

##### *ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **(o) Trade and other Payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are stated at amortised cost, using the effective interest method.

#### **(p) Foreign Currency Translation**

##### *i) Functional and presentation currency*

Both the functional and presentation currency of Radar Iron Ltd and its subsidiaries is the Australian dollar (\$).

##### *ii) Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **(q) Significant Accounting Estimates and Assumptions**

##### Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

##### *i) Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(q) Significant Accounting Estimates and Assumptions (continued)**

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

#### *ii) Recoverability of potential deferred tax assets*

The Group recognises deferred income tax assets in respect of tax losses to the extent that the future utilisation of these losses is considered probable. Assessing the future utilisation of these losses requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact the financial results.

#### *iii) Share-based payment transactions*

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors using either the Binomial or the Black-Scholes valuation methods, taking into account the terms and conditions upon which the equity instruments were granted. The assumptions in relation to the valuation of the equity instruments are detailed in Note 18. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

#### **(r) Comparative Information**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### **(s) Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(s) Revenue Recognition (continued)**

##### *Interest revenue*

Revenue is recognised as interest is earned.

##### *Research and Development*

Research and Development grants that are receivable as compensation for expenses already incurred are recognised in profit or loss in the period in which they become receivable.

#### **(t) Adoption of New and Revised Accounting Standards**

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Consolidated Entity has applied a number of amendments to AASBs and a new interpretation issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective from an accounting period on or after 1 July 2014.

The application of these amendments and interpretation does not have any material impact on the Consolidated Entity's consolidated financial statements.

#### **Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Consolidated Entity does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(t) Adoption of New and Revised Accounting Standards (continued)**

| <b>Standard/Interpretation</b>                                                                                                                       | <b>Effective for annual reporting periods beginning on or after</b> | <b>Expected to be initially applied in the financial year ending</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------|
| AASB 9 'Financial Instruments', and the relevant amending standards                                                                                  | 1 January 2018                                                      | 30 June 2019                                                         |
| AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'                 | 1 January 2017                                                      | 30 June 2018                                                         |
| AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'                           | 1 January 2016                                                      | 30 June 2017                                                         |
| AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'                   | 1 January 2016                                                      | 30 June 2017                                                         |
| AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'                                         | 1 January 2016                                                      | 30 June 2017                                                         |
| AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' | 1 January 2016                                                      | 30 June 2017                                                         |
| AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'                 | 1 January 2016                                                      | 30 June 2017                                                         |
| AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'                                          | 1 January 2016                                                      | 30 June 2017                                                         |
| AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'                                     | 1 July 2015                                                         | 30 June 2016                                                         |

Note that the following new Standards and Interpretations are not applicable for the Group but are relevant for the period:

AASB 14 'Regulatory Deferral Accounts' and AASB 2014-1 'Amendments to Australian Accounting Standards – Part D: 'Consequential Amendments arising from AASB 14' is not applicable to the Group as the Group is not a first-time adopter of Australian Accounting Standards.

AASB 1056 'Superannuation Entities' is not applicable to the Group as the Group is not a superannuation entity.

AASB 2015-6 'Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities' is not applicable to the Group as the Group is a for-profit entity.

**RADAR IRON LTD**  
**ACN: 146 455 576**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 4: INCOME**

|                                   | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|-----------------------------------|-------------------------------------|-------------------------------------|
| <b>Finance income</b>             |                                     |                                     |
| Interest income                   | <b>4,334</b>                        | <b>15,130</b>                       |
| <b>Other income</b>               |                                     |                                     |
| Rental income                     | -                                   | 565                                 |
| Research & development tax offset | 77,008                              | 138,591                             |
| <b>Total other income</b>         | <b>77,008</b>                       | <b>139,156</b>                      |

**NOTE 5: LOSS**

Loss before income tax has been determined after:

Employee benefit expense:

|                                     |         |         |
|-------------------------------------|---------|---------|
| Wages                               | 178,770 | 103,682 |
| Consulting Fees                     | 116,878 | 216,630 |
| Equity settled share based payments | -       | -       |
| Office rent                         | -       | -       |

**Employee benefit expense**

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Short-term employee benefits         | 392,791        | 375,705        |
| Post-employment benefits             | 26,616         | 28,192         |
| Recharged to Exploration Expenditure | (240,637)      | (300,215)      |
| <b>Total</b>                         | <b>178,770</b> | <b>103,682</b> |

**NOTE 6: LOSS PER SHARE**

|                                          |        |        |
|------------------------------------------|--------|--------|
| Basic and diluted loss per share - cents | (8.09) | (1.94) |
|------------------------------------------|--------|--------|

|                                                                  |             |             |
|------------------------------------------------------------------|-------------|-------------|
| Loss used in the calculation of basic and diluted loss per share | (9,852,384) | (1,629,815) |
|------------------------------------------------------------------|-------------|-------------|

|                                                                                                                      |                    |                   |
|----------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share   | 121,912,408        | 83,938,971        |
| Weighted average number of options outstanding                                                                       | 5,000,000          | 14,297,940        |
| Less: anti-dilutive options                                                                                          | (5,000,000)        | (14,297,940)      |
| Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share | <b>121,912,408</b> | <b>83,938,971</b> |

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 7: INCOME TAX**

|                                                                                               | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|-----------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>(a) Income tax benefit</b>                                                                 |                                     |                                     |
| The major components of income tax benefit are:                                               |                                     |                                     |
| Statement of Profit or Loss and Other Comprehensive Income                                    |                                     |                                     |
| <i>Current Income Tax</i>                                                                     |                                     |                                     |
| Current income tax charge                                                                     | -                                   | -                                   |
| <i>Deferred income tax</i>                                                                    |                                     |                                     |
| Relating to movements in temporary differences                                                | -                                   | -                                   |
| Income tax benefit reported in the Statement of Profit or Loss and Other Comprehensive Income | -                                   | -                                   |

**(b) Amounts charged directly to equity**

There were no amounts charged directly to equity

**(c) Numerical reconciliation between aggregate tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income and tax expense calculated per the statutory income tax rate**

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

|                                                              |             |             |
|--------------------------------------------------------------|-------------|-------------|
| Accounting loss before income tax                            | (9,852,384) | (1,629,816) |
| Income tax (benefit) at the statutory income tax rate of 30% | (2,955,715) | (488,945)   |
| Expenditure not allowable for tax purposes:                  |             |             |
| Non-deductible expenses                                      | -           | -           |
| Non-assessable income                                        | (23,102)    | (41,577)    |
| Share based payments                                         | -           | -           |
| Capital raising costs deductible                             | (82,108)    | (68,864)    |
| Unrecognised temporary differences                           | (508,148)   | (589,813)   |
| Unrecognised tax losses                                      | 3,569,073   | 1,189,199   |
| <b>Income tax (expense)/benefit</b>                          | <b>-</b>    | <b>-</b>    |

Radar Iron Ltd has unrecognised tax losses arising in Australia which are available indefinitely to offset against future profits of the Company providing the tests for deductibility against future profits are met.

|                                                         |           |           |
|---------------------------------------------------------|-----------|-----------|
| Unutilised Australian Tax Losses                        | 7,688,554 | 1,884,803 |
| Unrecognised Deferred tax Assets in relation to:        |           |           |
| Tax Losses                                              | 7,688,554 | 1,884,803 |
| Temporary Differences relating to capital raising costs | 84,567    | 93,910    |

**NOTE 8: CASH AND CASH EQUIVALENTS**

|                                                |                |               |
|------------------------------------------------|----------------|---------------|
| <b>Cash at bank and on hand <sup>(a)</sup></b> | <b>239,678</b> | <b>15,064</b> |
|------------------------------------------------|----------------|---------------|

<sup>(a)</sup> Cash at bank is subject to floating interest rates at an effective interest rate of 1.73% (2014: 0.01%)

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 9: TRADE AND OTHER RECEIVABLES**

|                   | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|-------------------|-------------------------------------|-------------------------------------|
| <u>Current</u>    |                                     |                                     |
| GST Recoverable   | 2,179                               | 393,105                             |
| Other receivables | -                                   | 67,767                              |
| <b>Total</b>      | <b>2,179</b>                        | <b>460,872</b>                      |

The above amounts do not bear interest and their carrying amount is equivalent to their fair value. Other receivables include GST refund receivable as at 30 June 2015.

**NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE**

Costs carried forward in respect of:

|                                                 |           |            |
|-------------------------------------------------|-----------|------------|
| Exploration and evaluation expenditure, at cost | 2,169,843 | 13,311,475 |
|-------------------------------------------------|-----------|------------|

**Reconciliation:**

A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:

|                                                     |                  |                   |
|-----------------------------------------------------|------------------|-------------------|
| Carrying amount at beginning of year                | 13,311,475       | 9,861,184         |
| Additions                                           | 684,118          | 4,677,815         |
| Reduction in purchase price                         | (2,458,020)*     | -                 |
| Project evaluation expense                          | -                | (17,387)          |
| Write-off of exploration and evaluation expenditure | (9,367,730)      | (1,210,137)       |
| <b>Carrying amount at end of year</b>               | <b>2,169,843</b> | <b>13,311,475</b> |

\* Radar negotiated a reduction of \$2,320,000 from the original purchase price agreed for its Yerecoin assets. Radar applied for and received a new Stamp Duty assessment with a reduction in duty payable of \$138,020.

Exploration commitments

In order to maintain rights of tenure to exploration permits, the Group has certain obligations to perform minimum exploration work and expend minimum amounts of money.

These commitments may be varied as a result of renegotiations, relinquishments, farm-outs, sales or carrying out work in excess of the permit obligations. The minimum expenditure required by the Group on exploration permits as at the balance date is estimated below. Commitments beyond this time frame cannot be estimated reliably as minimum expenditure requirements are reassessed annually. The commitments have not been provided for in the financial report.

|                               | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|-------------------------------|-------------------------------------|-------------------------------------|
| Within one year               | 338,845                             | 2,087,120*                          |
| Within two year to five years | -                                   | -                                   |
| Later than five years         | -                                   | -                                   |
| <b>Total</b>                  | <b>338,845</b>                      | <b>2,087,120*</b>                   |

\*This includes USD 1,230,902 (AUD 1,448,120) pursuant to the original farm-in agreement to a Brazilian Iron Ore Project. The agreement is currently being renegotiated, and management is confident that this figure will be reduced to USD 500,000 (AUD 588,235). The disclosure above reflects the current agreement. If exploration results do not meet the Company's hurdles, Radar is not committed to spend the full sum.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 11: PLANT AND EQUIPMENT**

| <b>Consolidated</b>            | <b>Plant &amp; Equipment<br/>\$</b> | <b>Computer Equipment &amp; Software<br/>\$</b> | <b>Total<br/>\$</b> |
|--------------------------------|-------------------------------------|-------------------------------------------------|---------------------|
| Balance at 1 July 2014         | 49,516                              | 4,864                                           | 54,380              |
| Additions                      | -                                   | -                                               | -                   |
| Disposals                      | (42,021)                            | -                                               | (42,021)            |
| Depreciation for the year      | (5,715)                             | (4,496)                                         | (10,211)            |
| <b>Balance at 30 June 2015</b> | <b>1,780</b>                        | <b>368</b>                                      | <b>2,148</b>        |

**At 30 June 2015**

|                          |           |          |           |
|--------------------------|-----------|----------|-----------|
| Cost                     | 134,215   | 32,363   | 166,578   |
| Disposals                | (127,605) | -        | (127,605) |
| Accumulated depreciation | (4,830)   | (31,995) | (36,825)  |
| Net book value           | 1,780     | 368      | 2,148     |

| <b>Consolidated</b>            | <b>Plant &amp; Equipment<br/>\$</b> | <b>Computer Equipment &amp; Software<br/>\$</b> | <b>Total<br/>\$</b> |
|--------------------------------|-------------------------------------|-------------------------------------------------|---------------------|
| Balance at 1 July 2013         | 164,577                             | 12,612                                          | 177,189             |
| Additions                      | 908                                 | -                                               | 908                 |
| Disposals                      | (106,102)                           | -                                               | (106,102)           |
| Depreciation for the year      | (9,867)                             | (7,748)                                         | (17,615)            |
| <b>Balance at 30 June 2014</b> | <b>49,516</b>                       | <b>4,864</b>                                    | <b>54,380</b>       |

**At 30 June 2014**

|                          |          |          |           |
|--------------------------|----------|----------|-----------|
| Cost                     | 134,215  | 32,363   | 166,578   |
| Accumulated depreciation | (84,699) | (27,499) | (112,198) |
| Net book value           | 49,516   | 4,864    | 54,380    |

**NOTE 12: TRADE AND OTHER PAYABLES**

|                                                   | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|---------------------------------------------------|-------------------------------------|-------------------------------------|
| Trade payables (a)                                | 68,023                              | 386,790                             |
| Accruals & accrued annual leave entitlements      | 144,011                             | 78,637                              |
| Yerecoin acquisition instalments (c)              | -                                   | 2,880,000                           |
| Stamp duty payable on acquisition of Yerecoin (c) | 19,835                              | 197,855                             |
| Other payables (b)                                | 174,816                             | 62,818                              |
|                                                   | <b>406,685</b>                      | <b>3,606,100</b>                    |

(a) Trade payables are non-interest bearing and are normally settled on 30-day terms.

(b) Other payables are non-trade payables, are non-interest bearing and have an average term of 3 months.

(c) Radar negotiated a reduction of \$2,320,000 from the original purchase price agreed for its Yerecoin assets the balance of \$560,000 was paid in cash by 30 June 2015. Radar applied for and received a new Stamp Duty assessment with a reduction in duty payable of \$138,020. It is replaced by a new Duties Assessment, which after receiving credit for the \$40,000 paid to date leaves \$19,835 to pay by 6 September 2015.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 13: DEFERRED TAX LIABILITIES**

|                                                          | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|----------------------------------------------------------|-------------------------------------|-------------------------------------|
| The balance comprises temporary differences relating to: |                                     |                                     |
| Exploration properties                                   | 2,095,576                           | 3,370,158                           |
| Accruals                                                 | (162,424)                           | (19,298)                            |
| Less: Unrecognised Deferred Tax Assets offset            | (1,933,152)                         | (3,350,860)                         |
| <b>Total Deferred Tax Liabilities</b>                    | <b>-</b>                            | <b>-</b>                            |

|                           | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|---------------------------|-------------------------------------|-------------------------------------|
| <b>Movements</b>          |                                     |                                     |
| At 1 July 2014            | -                                   | -                                   |
| Deferred Tax Asset offset | -                                   | -                                   |
| <b>At 30 June 2015</b>    | <b>-</b>                            | <b>-</b>                            |

**NOTE 14: ISSUED CAPITAL & RESERVES**

**CONSOLIDATED 2015**

**(a) Issued and Paid Up Capital**

|                            | <b>No.</b>         | <b>\$</b>         |
|----------------------------|--------------------|-------------------|
| Fully paid ordinary shares | 132,248,630        | 14,213,409        |
|                            | <b>132,248,630</b> | <b>14,213,409</b> |

**(b) Movements in fully paid shares on issue**

|                                                        |                    |                   |
|--------------------------------------------------------|--------------------|-------------------|
| Balance as at 1 July 2014                              | 98,540,070         | 13,220,638        |
| Ordinary Shares issued in relation to capital raisings | 32,999,989         | 1,189,500         |
| Other Shares Issued *                                  | 708,571            | 29,000            |
| Expiry of Options transferred to share capital         | -                  | -                 |
| Capital raising costs                                  | -                  | (225,729)         |
| <b>Balance as at 30 June 2015</b>                      | <b>132,248,630</b> | <b>14,213,409</b> |

**(c) Share Options**

|                                        |                  |               |
|----------------------------------------|------------------|---------------|
| Balance as at 1 July 2014              | 5,000,000        | 77,094        |
| Unlisted Options issued under ESOP     | -                | -             |
| Unlisted Options issued to consultants | -                | -             |
| Expiry of Options                      | -                | -             |
| <b>Balance as at 30 June 2015</b>      | <b>5,000,000</b> | <b>77,094</b> |

\* In September 2014 the Company issued 280,000 fully paid ordinary shares at \$0.05 each in consideration for consulting services received from an unrelated party. At the same time Mr Tough (director) elected to convert \$15,000 of unpaid fees into shares at \$0.035 each in order to take up his full entitlement as a member of the Company in the Share Purchase Plan under ASIC Class Order 09/425.

During the year, no options were exercised to take up ordinary shares. As at the year end the Company had a total of 5,300,000 (2014: 5,300,000) unissued ordinary shares on which options are outstanding with a weighted average exercise price of 5 cents (2014: 7.3 cents). The weighted average remaining contractual life of all share options outstanding at the end of the year is 3.2 years (2014: 3.94 years).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 14: ISSUED CAPITAL & RESERVES (CONTINUED)**

**CONSOLIDATED 2014**

**(a) Issued and Paid Up Capital**

Fully paid ordinary shares

| Number            | \$                |
|-------------------|-------------------|
| 81,340,070        | 13,220,638        |
| <b>81,340,070</b> | <b>13,220,638</b> |

**(b) Movements in fully paid shares on issue**

Balance as at 1 July 2013

Ordinary Shares issued in relation to capital raisings

Ordinary Shares issued in relation to acquisitions

Expiry of Options transferred to share capital

Capital raising costs

|                   |                   |
|-------------------|-------------------|
| 81,340,070        | 12,377,907        |
| 17,200,000        | 860,617           |
| -                 | -                 |
| -                 | -                 |
| -                 | (17,886)          |
| <b>98,540,070</b> | <b>13,220,638</b> |

**Balance as at 30 June 2014**

**(c) Share Options**

Balance as at 1 July 2013

Unlisted Options issued under ESOP

Unlisted Options issued to consultants

Expiry of Options

|                  |               |
|------------------|---------------|
| 23,050,000       | 1,017,130     |
| -                | -             |
| 5,000,000        | 17,940        |
| (22,750,000)     | (957,976)     |
| <b>5,300,000</b> | <b>77,094</b> |

**Balance as at 30 June 2014**

During the period, no options were exercised to take up ordinary shares.

Nature and purpose of reserves

a. Options reserve

The options reserve is used to recognise the fair value of all options on issue but not yet exercised.

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration.

**NOTE 15: OPERATING CASH FLOW INFORMATION**

|                                                                        | Consolidated<br>2015 | Consolidated<br>2014 |
|------------------------------------------------------------------------|----------------------|----------------------|
|                                                                        | \$                   | \$                   |
| Reconciliation of cash flow from operations with loss after income tax |                      |                      |
| Loss for the year                                                      | (9,852,384)          | (1,629,815)          |
| Adjusted for - Noncash items:                                          |                      |                      |
| Depreciation                                                           | 10,211               | 17,615               |
| Exploration expenditure written off                                    | 9,367,730            | 1,210,137            |
| (Profit)/Loss on sale of plant and equipment                           | (10,889)             | 33,603               |
| Unrealised foreign exchange (Profit)/loss                              | (7,713)              | -                    |
| Shares issued to settle outstanding creditors                          | 29,000               | -                    |
| Employee benefits included in provisions                               | 95,285               | 4,457                |
| <i>Changes in assets and liabilities</i>                               |                      |                      |
| (Decrease)/Increase in trade creditors and accruals                    | (244,970)            | 332,909              |
| Decrease /(Increase)/ in other debtors                                 | 458,691              | (379,496)            |
| <b>Cash flows used in operations</b>                                   | <b>(155,039)</b>     | <b>(410,590)</b>     |

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## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 16: INTEREST IN CONTROLLED ENTITIES**

The consolidated financial statements include the financial statements of Radar Iron Ltd and the subsidiaries listed in the following table.

| Name                    | Country of Incorporation | % Equity Interest<br>2015 | \$ Investment<br>2015 | % Equity Interest<br>2014 | \$ Investment<br>2014 |
|-------------------------|--------------------------|---------------------------|-----------------------|---------------------------|-----------------------|
| Radar Resources Pty Ltd | Australia                | 100%                      | 468,399               | 100%                      | 468,399               |
| Radar Uruara Pty Ltd*   | Australia                | 100%                      | 100                   | 100%                      | 100                   |

\* formerly known as Radar Iron Qld Pty Ltd.

### **NOTE 17: RELATED PARTY TRANSACTIONS**

*c) Parent and ultimate controlling party*

The parent entity and ultimate controlling party is Radar Iron Ltd.

*d) Related party compensation and Equity Interests of Key Management Personnel*

Information on remuneration of Directors and Key Management Personnel including details of shares and option holdings is contained in the Remuneration Report within the Directors' Report on page 10.

*e) Loans to and from related parties*

Terms and Conditions of loans

Loans between entities in the wholly owned Group are not interest bearing, unsecured and are payable upon reasonable notice having regard to the financial stability of the Company.

*f) Other related party transactions*

Related party transactions that occurred during the year were in the form of loans to a subsidiary, short term employee benefits, post-employment benefits and share based payments.

Further Capital Raising and administrative fees paid to Armada Capital of \$52,509. Ananda Kathiravelu was a Director and had an interest in the company during the year Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### **NOTE 18: SHARE BASED PAYMENTS**

#### **Share-based payment transactions**

The Company completed the following share-based payment transactions during the year:

|                                                    | <b>Shares<br/>2015</b> | <b>Options<br/>2015</b> | <b>Shares<br/>2014</b> | <b>Options<br/>2014</b> |
|----------------------------------------------------|------------------------|-------------------------|------------------------|-------------------------|
|                                                    | \$                     | \$                      | \$                     | \$                      |
| - 5 million Unlisted Options issued to Consultants | -                      | -                       | -                      | 17,940                  |
|                                                    | -                      | -                       | -                      | <b>17,940</b>           |

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## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 18: SHARE BASED PAYMENTS (CONTINUED)**

The options detailed above were issued on the following terms and conditions:

| <b>2014</b> | <b>Date Granted</b> | <b>Expiry Date</b> | <b>Exercise Price</b> | <b>Issued during the Year</b> |
|-------------|---------------------|--------------------|-----------------------|-------------------------------|
| Tranche 1*  | 28 November 2013    | 16 September 2018  | \$0.05                | 2,500,000                     |
| Tranche 2 * | 28 November 2013    | 16 September 2018  | \$0.05                | 2,500,000                     |
|             |                     |                    |                       | <b>5,000,000</b>              |

\*During the previous year, two tranches of 2.5 million each were issued to a nominated entity (Mandelbrot P/L) of Lusona Capital Pty Ltd. Initially, the tranches would have vested in successfully assisting the Company in asset acquisition, corporate financing and strategy. This issue was ratified on 28 November 2013 by the Company's shareholders.

Subsequently, on 13 June 2014, a variation deed was issued where the vesting terms were modified so that 5 options will vest for every \$1 raised by the option holder. On 23 October 2014 the Company gained shareholder approval to modify the vesting conditions. As at the report date the Company expects 575,000 options to vest. Details are shown below:

|                                                                      |           |
|----------------------------------------------------------------------|-----------|
| Capital Raised                                                       | \$115,000 |
| Capital Raising Target                                               | \$500,000 |
| Proportion to vest                                                   | 23%       |
| Total Options available to vest                                      | 2,500,000 |
| Number of Options expected to vest (subject to shareholder approval) | 575,000   |
| Fair value per option                                                | \$0.031   |
| Total value of options expected to vest                              | \$17,940  |

#### **Fair value of options granted**

The assessed fair value at grant date of options granted during the year ended 30 June 2014 was \$0.031 per option. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

### **NOTE 19: AUDITORS' REMUNERATION**

|                                                                                            | <b>Consolidated<br/>2015<br/>\$</b> | <b>Consolidated<br/>2014<br/>\$</b> |
|--------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <i>Amounts received or due and receivable by Nexia Perth Audit Services Pty Ltd:</i>       |                                     |                                     |
| An audit or review of the financial report of the parent and any other entity in the Group | 31,600                              | 24,850                              |
| Other services in relation to the parent and any other entity in the Group                 | 13,742                              | 4,440                               |
|                                                                                            | <b>45,342</b>                       | <b>29,290</b>                       |

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 20: FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks that include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Managing Director under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as mitigating foreign exchange and interest rate and credit risks.

**a) Market Risk**

*Foreign Currency Risk*

The Company is not directly exposed to any foreign currency risk.

*Price risk*

The Company is not directly exposed to any price risk.

*Interest rate risk*

The Group is exposed to interest rate risk on cash balances held in interest bearing accounts. The Board constantly monitors its interest rate exposure and attempts to maximise interest income by using a mixture of fixed and variable interest rates, whilst ensuring sufficient funds are available for the Group's operating activities. The Group's net exposure to interest rate risk at 30 June 2015 approximates the value of cash and cash equivalents.

**b) Credit Risk**

The Group has no significant concentrations of credit risk except cash at bank with various banks.

**c) Liquidity Risk**

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained for the coming months. Upcoming capital needs and the timing of raisings are assessed by the Board at each Meeting of Directors. The maturity of the Group's payables is disclosed in Note 12 and Note 23 for Convertible Loan Repayment Terms

**d) Cash flow and Interest Rate Risk**

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result in changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is disclosed in Note 8, only cash is affected by interest rate risk as cash is the Group's only financial asset exposed to fluctuating interest rates.

In accordance with AASB 7 the following sensitivity analysis has been performed for the Group's Interest Rate risk:

| <b>Consolidated<br/>Risk Variable</b> | <b>Sensitivity</b> | <b>Effect On:</b>      | <b>Effect On:</b>      | <b>Effect On:</b>      | <b>Effect On:</b>      |
|---------------------------------------|--------------------|------------------------|------------------------|------------------------|------------------------|
|                                       |                    | <b>Profit<br/>2015</b> | <b>Equity<br/>2015</b> | <b>Profit<br/>2014</b> | <b>Equity<br/>2014</b> |
|                                       |                    | <b>\$</b>              | <b>\$</b>              | <b>\$</b>              | <b>\$</b>              |
| Interest Rate                         | 1.00%              | 1,274                  | 1,274                  | 12,831                 | 12,831                 |
|                                       | -1.00%             | (1,274)                | (1,274)                | (12,831)               | (12,831)               |

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)**

The fair values of all financial assets and liabilities of the Group approximate their carrying values.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital includes ordinary share capital and share options, supported by financial assets.

There were no changes in the Group's approach to capital management during the year ended 30 June 15. Neither the Company nor the Group are subject to externally imposed capital requirements.

**NOTE 21: SEGMENT REPORTING**

**Description of segments**

The Group's reportable operating segments are as follows:

1. Iron-ore exploration segment (Australia and Brazil); and
2. All Other Segments, which includes the corporate & administration segment (Australia).

The Group's operating segments have been determined with reference to the information used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and the allocation of the Group's working capital. Due to the size and nature of the Group's business the Board as a whole has been determined as the Chief Operating Decision Maker.

The segments disclosed in the table below have been identified as operating segments that meet any of the following thresholds:

- Segment loss greater than 10% of combined loss of loss making operating segments; and
- Segment assets greater than 10% of combined assets of all operating segments.

Each of Radar's operating segments operates in the same geographical locations, as disclosed above.

AASB 8 Segment Reporting states that similar operating segments can be aggregated together to form one reportable segment. Radar has not aggregated any segments together under this rule.

Once reportable segments have been identified, all remaining segments that do not satisfy the thresholds are to be aggregated together to form an all other segments reporting segment. In accordance with AASB 8 Segment Reporting corporate and administration activities are included in the all other segments reporting segment.

*Accounting policies and inter-segment transactions*

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 3 to the accounts.

**Segment Information**

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the year ended 30 June 2015.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 21: SEGMENT REPORTING (CONTINUED)**

**RADAR IRON LTD**  
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|                                                | <b>Iron Ore<br/>Exploration<br/>Segment<br/>\$</b> | <b>All other<br/>segments<br/>\$</b> | <b>Consolidated<br/>\$</b> |
|------------------------------------------------|----------------------------------------------------|--------------------------------------|----------------------------|
| <b>Year ended<br/>30 June 2015</b>             |                                                    |                                      |                            |
| <b>Segment revenue</b>                         | 892                                                | 3,442                                | 4,334                      |
| <b>Segment net operating results after tax</b> | <u>(9,368,351)</u>                                 | <u>(484,033)</u>                     | <u>(9,852,384)</u>         |
| Interest revenue                               | 892                                                | 3,442                                | 4,334                      |
| Research & development tax offset              | 77,008                                             | -                                    | 77,008                     |
| Depreciation and amortisation expense          | -                                                  | 10,211                               | 10,211                     |
| Impairment of exploration assets               | 9,367,730                                          | -                                    | 9,367,730                  |

|                            | <b>Iron Ore<br/>Exploration<br/>Segment<br/>\$</b> | <b>All other<br/>segments<br/>\$</b> | <b>Consolidated<br/>\$</b> |
|----------------------------|----------------------------------------------------|--------------------------------------|----------------------------|
| <b>Segment assets</b>      | 2,169,843                                          | 244,005                              | 2,413,848                  |
| <b>Segment liabilities</b> | 648,235                                            | 389,535                              | 1,037,770                  |

|                                         |             |           |             |
|-----------------------------------------|-------------|-----------|-------------|
| <b>Cash flow information</b>            |             |           |             |
| Net cash flow from operating activities | -           | (155,039) | (155,039)   |
| Net cash flow from investing activities | (1,244,118) | 45,000    | (1,199,118) |
| Net cash flow from financing activities | -           | 1,578,771 | 1,578,771   |

|                                                | <b>Iron Ore<br/>Exploration<br/>Segment<br/>\$</b> | <b>All other<br/>segments<br/>\$</b> | <b>Consolidated<br/>\$</b> |
|------------------------------------------------|----------------------------------------------------|--------------------------------------|----------------------------|
| <b>Year ended<br/>30 June 2014</b>             |                                                    |                                      |                            |
| <b>Segment revenue</b>                         | 3,257                                              | 11,873                               | 15,130                     |
| <b>Segment net operating results after tax</b> | <u>(1,096,379)</u>                                 | <u>(533,436)</u>                     | <u>(1,629,815)</u>         |
| Interest revenue                               | 3,257                                              | 11,873                               | 15,130                     |
| Research & development tax offset              | 138,591                                            | -                                    | 138,591                    |
| Depreciation and amortisation expense          | -                                                  | 17,615                               | 17,615                     |
| Other non-cash expenses                        | 1,210,137                                          | -                                    | 1,210,137                  |

|                                         | <b>Iron Ore<br/>Exploration<br/>Segment<br/>\$</b> | <b>All other<br/>segments<br/>\$</b> | <b>Consolidated<br/>\$</b> |
|-----------------------------------------|----------------------------------------------------|--------------------------------------|----------------------------|
| <b>Segment assets</b>                   | 13,376,260                                         | 465,531                              | 13,841,791                 |
| <b>Segment liabilities</b>              | 3,205,396                                          | 400,704                              | 3,606,100                  |
| <b>Cash flow information</b>            |                                                    |                                      |                            |
| Net cash flow from operating activities | (73,188)                                           | (337,402)                            | (410,590)                  |
| Net cash flow from investing activities | (1,582,573)                                        | 71,591                               | (1,510,982)                |
| Net cash flow from financing activities | -                                                  | 860,671                              | 860,671                    |

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 22: PARENT ENTITY DISCLOSURES**



**RADAR IRON LTD**  
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The following tables present revenue and profit information and certain asset and liability information regarding business segments for the period ended 30 June 2015.

As at and throughout the financial year ending 30 June 2015 the parent company of the Group was Radar Iron Ltd.

|                                              | <b>Company<br/>2015<br/>\$</b> | <b>Company<br/>2014<br/>\$</b> |
|----------------------------------------------|--------------------------------|--------------------------------|
| <b>Result of the parent entity</b>           |                                |                                |
| Loss for the year                            | (9,853,494)                    | (1,461,034)                    |
| <b>Total comprehensive loss for the year</b> | <u>(9,853,494)</u>             | <u>(1,461,034)</u>             |

|                                                            | <b>Company<br/>2015<br/>\$</b> | <b>Company<br/>2014<br/>\$</b> |
|------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Financial position of the parent entity at year end</b> |                                |                                |
| Current assets                                             | 222,296                        | 411,152                        |
| <b>Total assets</b>                                        | <u><b>2,396,387</b></u>        | <u><b>13,840,608</b></u>       |
| Current liabilities                                        | 1,020,621                      | 3,604,632                      |
| <b>Total liabilities</b>                                   | <u><b>1,020,621</b></u>        | <u><b>3,604,632</b></u>        |
| <b>Total equity of the parent entity comprising:</b>       |                                |                                |
| Share capital                                              | 14,213,409                     | 13,220,638                     |
| Reserves                                                   | 77,094                         | 77,094                         |
| Accumulated losses                                         | (12,914,737)                   | (3,061,756)                    |
| <b>Total equity</b>                                        | <u><b>1,375,766</b></u>        | <u><b>10,235,976</b></u>       |

**Parent Entity Contingencies**

The Directors are not aware of any contingent liabilities that may arise from the Company's operations as at 30 June 2015.

**NOTE 23: CONVERTIBLE NOTES**

To complete the purchase of Yerecoin Radar raised \$615,000 through unsecured convertible loan agreements which are subject to shareholder approval. The convertible notes have a face value of \$1.00 and a term to 16 April 2016. The coupon rate is 1% per month payable upon redemption or repayment. Subject to shareholder approval, the loan and interest may be converted into RAD shares at \$0.005 at any time until redemption or repayment. The interest on the convertible note liability at 30 June 2015 was \$16,085. The total liability at 30 June 2015 including interest was \$631,085.

**NOTE 24: SUBSEQUENT EVENTS**

After application to the Office of State Revenue, on 6 August 2015 the company received notice of the cancellation of the original stamp duty assessment of \$197,855 on the Yerecoin acquisition. It is replaced by a new Duties Assessment, which after receiving credit for the \$40,000 paid to date leaves \$19,835 to pay by 6 September 2015. The company was reinstated to official quotation with the Australian Securities Exchange on 25 August 2015.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 24: SUBSEQUENT EVENTS (CONTINUED)**

**RADAR IRON LTD**  
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The Company completed a share placement on 26 August 2015 to raise \$495,932. The placement involved the issue of 33,062,158 fully paid ordinary shares at \$0.01, with one attaching \$0.015 unsecured convertible note for every 3 shares issued. The one year note attracts interest at 1% per month payable in arrears in shares. Subject to shareholder approval at the AGM, they will convert at a price equal to the greater of \$0.015 or 50% discount to the price at which the Company offers investors the opportunity to subscribe for shares in the first of any subsequent capita raising to follow this placement.

On 25 September 2015 Radar lodged a notice of Meeting to be held on 28 October 2015 to consider the ratification of securities issued and the proposed issues of securities to the directors in compensation for their service. Details can be found at [http://radariron.com.au/investor\\_information](http://radariron.com.au/investor_information)

**NOTE 25: CONTINGENT LIABILITIES**

The Directors are not aware of any contingent assets or liabilities that currently affect the Group.

**RADAR IRON LTD**  
**ACN: 146 455 576**

**DIRECTORS' DECLARATION**

In the Directors' opinion:

a) the financial statements and notes set out on pages 20 to 48 and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date; and
- ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements.

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2015.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



J. Lea  
Director

Perth  
30 September 2015

## **Independent auditor's report to the members of Radar Iron Ltd**

### **Report on the financial report**

We have audited the accompanying financial report of Radar Iron Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### ***Directors' responsibility for the financial report***

The directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with *International Financial Reporting Standards* as issued by the International Accounting Standards Board.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Radar Iron Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

#### **Perth Office**

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Independent member of Nexia International



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### **Opinion**

In our opinion:

- (a) the financial report of Radar Iron Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

### **Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the consolidated entity will require further funding in the next twelve months from the date of this report to fund its exploration and other activities. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

### **Report on the remuneration report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### **Opinion**

In our opinion, the remuneration report of Radar Iron Ltd for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads "NPAS".

**Nexia Perth Audit Services Pty Ltd**

A handwritten signature in black ink that reads "PTC Kloppe".

**PTC Kloppe**  
*Director*

30 September 2015  
Perth

**RADAR IRON LTD**  
**ACN: 146 455 576**

## ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

### SHAREHOLDINGS

The issue capital of the Company at 29 September 2015 is 165,310,784 ordinary fully paid shares. All ordinary shares carry one vote per share.

### TOP 20 SHAREHOLDERS AS AT 29 SEPTEMBER 2015

|    |                                | No. of<br>Shares Held | % Held        |
|----|--------------------------------|-----------------------|---------------|
| 1  | VICTORY MINING PTY LIMITED     | 26,100,000            | 15.79%        |
| 2  | POTASH MINERALS LIMITED        | 22,690,612            | 13.73%        |
| 3  | LIGHTSHARE INVESTMENTS PTY     | 17,200,000            | 10.40%        |
| 4  | SHINEWARM RESOURCES (HK)       | 10,000,000            | 6.05%         |
| 5  | CELTIC CAPITAL PTY LTD         | 5,500,000             | 3.33%         |
| 6  | BOND STREET CUSTODIANS LIMITED | 4,382,539             | 2.65%         |
| 7  | MR JOHN CHARLES VASSALLO &     | 3,801,788             | 2.30%         |
| 8  | LSAF HOLDINGS PTY LTD          | 3,333,333             | 2.02%         |
| 9  | JONCA INVESTMENTS PTY LTD      | 3,000,990             | 1.82%         |
| 10 | LIBERTINE INVESTMENTS PTY LTD  | 2,765,490             | 1.67%         |
| 11 | LARRAKEYAH PTY LTD             | 2,666,667             | 1.61%         |
| 12 | CINQUE TERRA PTY LTD           | 2,364,227             | 1.43%         |
| 13 | NBT PTY LTD                    | 2,148,400             | 1.30%         |
| 14 | PLOUGH LANE SUPERANNUATION     | 2,110,000             | 1.28%         |
| 15 | CHIFLEY PORTFOLIOS PTY LTD     | 1,972,732             | 1.19%         |
| 16 | FIRST INVESTMENT PARTNERS      | 1,700,000             | 1.03%         |
| 17 | EST MR BARRY ARTHUR WAUGH      | 1,550,000             | 0.94%         |
| 18 | MR GABRIEL HEWITT              | 1,350,000             | 0.82%         |
| 19 | MR MARSHALL BRIAN NATHANSON    | 1,333,333             | 0.81%         |
| 20 | SIMON NOMINEES PTY LTD         | 1,333,333             | 0.81%         |
| 20 | BLUEMAX INVESTMENTS PTY        | 1,333,333             | 0.81%         |
|    |                                | <b>118,636,777</b>    | <b>71.79%</b> |

### Shares Range

1 – 1,000  
1,001 – 5,000  
5,001 – 10,000  
10,001 – 100,000  
100,001 and over

| No. of Holders | No. of Shares      |
|----------------|--------------------|
| 19             | 3,837              |
| 98             | 320,801            |
| 64             | 557,624            |
| 227            | 8,841,857          |
| 134            | 155,586,665        |
| <b>542</b>     | <b>165,310,784</b> |

Number holding less than a marketable parcel at \$0.03 per share

### Shareholders by Location

Australian holders  
Overseas holders  
Address unknown

| No. of Holders | No. of Shares      |
|----------------|--------------------|
| 529            | 10,205,800         |
| 10             | 155,049,534        |
| 3              | 55,450             |
| <b>542</b>     | <b>165,310,784</b> |

### VOTING RIGHTS

In accordance with the Company's Constitution, on a show of hands every shareholder present in person or by proxy, attorney or representative of a shareholder has one vote and on a poll every shareholder present in person or by proxy, attorney or representative of a shareholder has in respect of fully paid shares, one vote for every share held. No class of option holder has a right to vote, however the shares issued upon exercise of options will rank pari passu with the then existing issued fully paid ordinary shares.

**RADAR IRON LTD**  
**ACN: 146 455 576**

**ASX ADDITIONAL INFORMATION (CONTINUED)**

**SUBSTANTIAL SHAREHOLDERS AS AT 29 SEPTEMBER 2015**

|   |                            | <b>No. of Shares<br/>Held</b> | <b>% Held</b> |
|---|----------------------------|-------------------------------|---------------|
| 1 | VICTORY MINING PTY LIMITED | 26,100,000                    | 15.79%        |
| 2 | POTASH MINERALS LIMITED    | 22,690,612                    | 13.73%        |
| 3 | LIGHTSHARE INVESTMENTS PTY | 17,200,000                    | 10.40%        |
| 4 | SHINEWARM RESOURCES (HK)   | 10,000,000                    | 6.05%         |
|   |                            | <b>75,990,612</b>             | <b>45.97%</b> |

**OPTION HOLDINGS**

The Company has the following classes of options on issue at 29 September 2015 as detailed below. Options do not carry any rights to vote.

| <b>Class</b>           | <b>Terms</b>                                            | <b>No. of Options</b> |
|------------------------|---------------------------------------------------------|-----------------------|
| RAD-M Unlisted Options | Exercisable at \$0.05 expiring on or before 2 Sept 2018 | 5,000,000             |

**UNLISTED OPTIONS**

**Options Range**

|                           | <b>No. of Holders</b> | <b>No. of Options</b> |
|---------------------------|-----------------------|-----------------------|
| 1 – 1,000                 | -                     | -                     |
| 1,001 – 5,000             | -                     | -                     |
| 5,001 – 10,000            | -                     | -                     |
| 10,001 – 100,000          | -                     | -                     |
| 100,001 and over          | 1                     | 5,000,000             |
|                           | <b>1</b>              | <b>5,000,000</b>      |
| Optionholders by Location |                       |                       |
| Australian holders        | 1                     | 5,000,000             |
| Overseas holders          | -                     | -                     |
|                           | <b>1</b>              | <b>5,000,000</b>      |

The following Option holders hold more than 20% of a particular class of the Company's Unlisted Options.

| <b>Holder</b>  | <b>Unlisted Options</b>   |
|----------------|---------------------------|
| Mandelbrot P/L | <b>RAD-M</b><br>5,000,000 |

**RESTRICTED SECURITIES**

There are no securities subject to restriction.

**RADAR IRON LTD**  
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**SCHEDULE OF MINING TENEMENTS**

As at the date of this report, Radar Iron Ltd has an interest in the following tenements:

| <b>Project</b> | <b>Tenement</b> | <b>Location</b>   | <b>Interest held</b> | <b>Status</b> |
|----------------|-----------------|-------------------|----------------------|---------------|
| Boondine       | E77/1320        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1474        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1490        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1630        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1650        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3808        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3809        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3810        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3811        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3812        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3900        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3902        | Western Australia | 100% of Fe Rights    | Granted       |
|                | M77/962         | Western Australia | 100% of Fe Rights    | Granted       |
| Die Hardy      | E77/1164        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1168        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3458        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3459        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3460        | Western Australia | 100% of Fe Rights    | Application   |
|                | P77/3461        | Western Australia | 100% of Fe Rights    | Application   |
| Jackson        | P77/3462        | Western Australia | 100% of Fe Rights    | Application   |
|                | E77/1424        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1427        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1488        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1496        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1497        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1498        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1499        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1500        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1659        | Western Australia | 100% of Fe Rights    | Granted       |
|                | E77/1766        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3801        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3802        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3868        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3898        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3899        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3903        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3936        | Western Australia | 100% of Fe Rights    | Granted       |
|                | P77/3978        | Western Australia | 100% of Fe Rights    | Application   |
|                | P77/3979        | Western Australia | 100% of Fe Rights    | Application   |
|                | P77/3994        | Western Australia | 100% of Fe Rights    | Application   |
|                | M77/394         | Western Australia | 100% of Fe Rights    | Granted       |
|                | M77/646         | Western Australia | 100% of Fe Rights    | Granted       |
|                | M77/931         | Western Australia | 100% of Fe Rights    | Granted       |
|                | G77/35          | Western Australia | 100% of Fe Rights    | Granted       |



## **ORE RESERVES AND RESOURCES REPORT**

Reporting is grouped by operating and development properties and includes both hematite and magnetite deposits. Radar has not calculated Ore Reserves for any of its resource base.

Hematite Ore Resources total 2.1 million tonnes (Mt) at an average iron (Fe) grade of 57.6 per cent. Magnetite Mineral Resources total 741Mt with an in-situ average grade of 27.4% Fe.

All Mineral Resource estimates were completed using external consultants. The Mineral Resources are reported using a combination of JORC 2012 and JORC 2004 estimates and have been previously reported in various ASX releases that are available to view on the Company's website [www.radariron.com.au](http://www.radariron.com.au). The ASX releases were:

"Maiden 353Mt Magnetite JORC Resource for Die Hardy" on 16/11/2011  
"Maiden Hematite JORC Resource for Muldoon Prospect" on 08/05/2012.  
"Major Project Acquisition" on 24/04/2014 (for Yerecoin), and  
"Yerecoin Resource Upgrade" on 08/09/2014.

Accordingly, the information in these sections should be read in conjunction with the respective ASX releases.

An annual review of the existing Mineral Resources was undertaken by company personnel. There were no material changes to potential future operating assumptions or cost or price drivers identified that indicated any need for modifications or re-estimation of the Resource figures. This review was completed by 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'.

Radar's governance process is to annually review the resource base and the key assumptions behind the estimates. With all resource estimation being completed by qualified external consultants there is an initial high degree of independence and disinterest. The internal review ensures that economic and other factors have not materially changed (eg infrastructure potential) that could render the estimates invalid or in need of updating.

The Yerecoin Project Location is as shown on the diagram below – it is comprised of 3 adjacent but separate zones of mineralisation, Main, North and South. The Muldoon and Die Hardy Mineral Resources are part of the Central Yilgarn Project.



**RADAR IRON LTD**  
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Tonnage and quality information contained in the following tables has been rounded and as a result the figures may not add up to the totals quoted.

Table 1 – Hematite Resource

| Resource        | Resource Category | TONNES (Kt) | Fe % | SiO2 % | Al2O3 % | S % | P % | LOI % |
|-----------------|-------------------|-------------|------|--------|---------|-----|-----|-------|
| Muldoon         | Inferred          | 2,067       | 57.6 | 7.8    | 4.2     | 0.2 | 0.1 | 5.6   |
| Central Yilgarn | Total             | 2,067       | 57.6 | 7.8    | 4.2     | 0.2 | 0.1 | 5.6   |

Table 2 – Magnetite Resources

| Resource       | Category   | Tonnes (Mt) | DTR % | Fe % | Conc Fe % | Conc Al2O3 % | Conc SiO2 % | Conc Phos % | Conc Sulphur % |
|----------------|------------|-------------|-------|------|-----------|--------------|-------------|-------------|----------------|
| Yerecoin Main  | Indicated  | 31.0        | 37.4  | 31.4 | 67.7      | 0.2          | 6.0         | 0.01        | 0.0            |
|                | Inferred   | 99.8        | 35.1  | 29.6 | 68.4      | 0.2          | 5.4         | 0.01        | 0.0            |
|                | Sub- Total | 130.8       | 35.7  | 29.7 | 68.0      | 0.2          | 6.0         | 0.01        | 0.0            |
| Yerecoin North | Inferred   | 141.6       | 22.0  | 26.3 | 67.6      | 0.5          | 4.4         | 0.02        | 0.7            |
| Yerecoin South | Inferred   | 115.9       | 28.1  | 29.8 | 67.9      | 0.4          | 4.2         | 0.01        | 0.8            |
| Total          | Indicated  | 31.0        | 37.4  | 31.4 | 67.7      | 0.2          | 6.0         | 0.01        | 0.0            |
| Yerecoin       | Inferred   | 357.3       | 27.6  | 28.3 | 67.9      | 0.4          | 4.6         | 0.01        | 0.5            |
| Resource       | Total      | 388.3       | 28.4  | 28.6 | 67.9      | 0.4          | 4.7         | 0.01        | 0.5            |
| Die Hardy      | Indicated  | 214.9       | 33.8  | 26.7 | 69.3      | 0.1          | 4.2         | 0.01        | 0.3            |
|                | Inferred   | 137.6       | 33.9  | 25.2 | 69.1      | 0.1          | 4.4         | 0.01        | 0.4            |
|                | Total      | 352.5       | 33.8  | 26.1 | 69.2      | 0.1          | 4.3         | 0.01        | 0.3            |
| Total          | Indicated  | 245.9       | 34.3  | 27.3 | 69.1      | 0.1          | 4.4         | 0.01        | 0.3            |
| Magnetite      | Inferred   | 494.9       | 29.4  | 27.4 | 68.2      | 0.3          | 4.6         | 0.01        | 0.5            |
| Resource       | Total      | 740.8       | 31.0  | 27.4 | 68.5      | 0.2          | 4.5         | 0.01        | 0.4            |

The Muldoon and Die Hardy Mineral Resource did not change from the previous year and hence the figures are identical. The Yerecoin project was acquired by Radar in April 2014 and hence this is the first year the Mineral Resource has been reported.

The Yerecoin Main Resource was re-estimated in September 2014 and the figures presented in Table 1 represent the latest estimate. The previous Resource estimate was solely comprised of Inferred mineralisation. The differences between the two estimates for the Yerecoin Main deposit are shown in Table 3.

Table 3 – Comparison between April and September 2014 Resources Estimate for Yerecoin Main Deposit

| Model    | Tonnage | DTR%  | Fe head % | Fe_C% | Al2O3_C% | SiO2_C% | P_C% | S_C% |
|----------|---------|-------|-----------|-------|----------|---------|------|------|
| Sep-14   | 130.80  | 35.67 | 29.74     | 67.98 | 0.18     | 5.95    | 0.01 | 0.03 |
| Apr-14   | 146.50  | 35.36 | 29.14     | 68.83 | 0.24     | 2.82    | 0.01 | 0.03 |
| Variance | 89%     | 101%  | 102%      | 99%   | 75%      | 211%    | 129% | 113% |

The changes in the two estimates relate to more RC data being incorporated in the latter estimate. The increased data density resulted in a modification of the previous solid model producing an approximate 10% reduction in contained tonnage.