

**RADAR IRON LIMITED
(TO BE RENAMED "WEEBIT NANO LIMITED")
ACN 146 455 576**

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 3 May 2016 (**Prospectus**), issued by Radar Iron Limited (to be renamed "Weebit Nano Limited") (ACN 146 455 576) (**Company**).

This Supplementary Prospectus dated 19 May 2015 was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at www.radariron.com.au.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

2. REASONS FOR SUPPLEMENTARY PROSPECTUS

2.1 Purpose of this document

The purpose of this Supplementary Prospectus is to provide further explanation in regards to:

- (a) the Company's business plan in relation to the development and commercialisation of the ReRAM Technology licensed to Weebit by Rice University; and
- (b) the valuation of the Consideration Shares to be issued to the Weebit Shareholders.

2.2 Application Forms

As the content of this Supplementary Prospectus is not considered to be materially adverse to investors:

- (a) applications for Shares under the Offers must be made using the Application Form attached to or accompanying the Prospectus (see the Application Form and Section 6.6 of the Prospectus for detailed instructions on how to complete the Application Form and return by the Closing Date); and
- (b) applicants who have already subscribed for Shares under the Prospectus to the date of this Supplementary Prospectus do not need to take any action.

3. AMENDMENTS TO THE PROSPECTUS

3.1 Business Plan

As set out in Section 7.3(h) of the Prospectus, the Company's intentions following its Acquisition of Weebit and associated re-instatement to the Official List of the ASX is to continue its development of the ReRAM Technology licensed to Weebit by Rice University.

Initially, the Company will seek to develop a ~40nm bit cell, followed by a 1Kb and then 1Mb array structure. In order to develop these structures, the Company will need to commence work with a fabrication / research and development centre (**R&D Centre**).

3.2 Development Timeline

While Weebit has not yet engaged a suitable R&D Centre, it aims to do so within 2 months following the Company's re-instatement to the Official List of the ASX. Following the engagement of an R&D Centre, Weebit will aim to develop the ReRAM Technology as follows:

- (a) development of a ~40nm bit cell within 18 months from its engagement of an R&D Centre; and
- (b) development of a 1Kb array structure within 21 months from engagement of an R&D Centre.

However, the successful development of the ReRAM Technology in accordance with the timetable set out above will be contingent on the availability of staff and equipment at the R&D Centre as well as the ReRAM Technology performing as anticipated by Weebit.

Weebit believes that the funds raised through the Public Offer (together with the existing cash reserves of the Company and Weebit) will be sufficient to develop the 40nm bit cell and the 1Kb array structure making use of facilities of a suitable R&D Centre with whom Weebit plans to enter into an agreement.

As at the date of this Prospectus, Weebit is in discussions with various potential R&D Centres for the development of the ReRAM Technology.

3.3 Future Funding Requirements

Following development of the 1Kb array structure, the Company may require additional funds in order to commercialise the ReRAM Technology by developing a 1Mb array structure and possibly three dimensional array structure. In the event that further funds are required, it is intended that the Company will raise funds through either:

- (a) additional equity offerings to the public or to private investors; or
- (b) through strategic partners who have an interest in the development of the ReRAM Technology, by joint venture or similar arrangement.

The Company will also consider acquisitions of complementary technologies and extending its investor base to the American and European markets (potentially through a dual-listing on a foreign securities exchange).

3.4 Sales & Marketing

As the Company's technology development progresses, the Company plans to approach companies in the data storage industry with a view to collaborating in the continued commercialisation of the ReRAM Technology, with a view to generating revenues. The Company will aim to generate revenue through licensing the ReRAM Technology and generating royalty revenues.

3.5 Intellectual Property Rights

As at the date of the Prospectus, Weebit is reliant on the Rice University Licence Agreement in order to conduct its business. However, Rice University may only terminate the Rice University Licence Agreement in the event that Weebit is in breach and has not, after notice to cure the breach, done so prior to termination.

Under the terms of the Rice Sponsored Research Agreement, Weebit is entitled to sole ownership of any intellectual property developed solely by Weebit and joint ownership of any intellectual property developed by Weebit jointly with Rice University.

In the period following the Company's re-instatement to trading on the Official List, and upon engagement of an R&D Centre, Weebit expects that patents will be applied for in its name (either solely or jointly with Rice University or an R&D Centre engaged by Weebit). If this occurs, the Company's reliance on the Rice University Licence Agreement will be reduced, as it will acquire rights as sole or joint owner of the Intellectual Property so developed.

If the Rice University Licence Agreement were terminated in the short term, Weebit will seek other opportunities, using the experience and expertise available to it, to acquire rights to develop technology in the semi-conductor sector.

If the Rice University Licence Agreement were terminated in the medium to long term (i.e. following engagement of an R&D Centre by Weebit), Weebit will seek other opportunities, using any intellectual property registered in its name (pursuant to the Rice Sponsored Research Agreement or through ongoing development with an R&D Centre) together with the experience and expertise available to it, to continue to develop technology in the semi-conductor sector.

3.6 Consideration

In addition to the factors set out in Section 7.4 of the Prospectus, the Company considered the following in determining the number of Consideration Shares to be issued to Weebit Shareholders:

- (a) recent third party backdoor listing transactions involving mining companies transitioning into technology companies;
- (b) the fact that the industry in which Weebit operates contains a number of established companies (such as IBM, Samsung, Micron, Sony, Panasonic, Hitachi and Intel) who may potentially collaborate with Weebit to develop the ReRAM Technology; and
- (c) the existing market for products that may require increasing data storage (such as the products set out in Section 7.3(e) of the Prospectus) and the fact that the existing market standard technology, being Flash memory, has the issue that increasing capacity often substantially

increases the price of the product (refer to Sections 7.3(b) and 7.3(d) of the Prospectus for further details) indicating the existence of a potential market for the ReRAM Technology in the event that the Company is able to commercialise it.

The Investigating Accountant's Report set out in Section 10 of the Prospectus contains a discussion with respect to the deemed fair value of the 732,695,455 Consideration Shares to be issued to the Weebit Shareholders as consideration for their Weebit Shares.

As the Weebit Shareholders will together acquire a controlling interest in the Company following Settlement (notwithstanding that the Weebit Shareholders are not associates of one another for the purposes of the Corporations Act), the Investigating Accountant has deemed that Weebit is the "acquirer" for accounting purposes and has therefore determined that the most appropriate accounting treatment for the Acquisition is under AASB 2 – Share Based Payments. Under this treatment, Weebit is deemed to have issued Weebit Shares to the Company's Shareholders in exchange for the assets held by the Company.

Using this method, the Investigating Accountant has determined that the fair value of the Consideration Shares is \$12,377,712. Refer to the Investigating Accountant's Report in Section 10 of the Prospectus for a more detailed discussion of the fair value of the Consideration Shares.

It should be noted that the fair value determined above was based on the pro-forma adjustments as at 31 December 2015, and will require re-determination based on the identifiable assets and liabilities as at the date of Settlement, which may result in changes to the fair value determined by the Investigating Accountant.

3.7 Liquidity Risk

Section 8.2(c) of the Prospectus describes the risk to incoming investors that there may be a lack of liquidity following the Company's re-instatement to trading as a result of ASX imposed escrow.

The Company will make submissions to the ASX for "cash formula relief" in respect of the Consideration Shares to be issued to Weebit Shareholders. In the absence of this relief, all Consideration Shares would be escrowed for a period of either 12 or 24 months (depending on the relevant Weebit Shareholder's relationship with the Company).

However, if cash formula relief is granted, the number of Consideration Shares that will be subject to ASX imposed escrow will be reduced to take into account the fact that a majority of the Weebit Shareholders paid cash for their Weebit Shares. In this regard, the number of escrowed Consideration Shares would be reduced in proportion to the deemed amount paid by a Weebit Shareholder for the Consideration Shares to be issued to them, based on the amount paid for their Weebit Shares when compared with the value of the Consideration Shares (based on the issue price under the Public Offer).

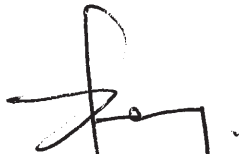
4. PROVISION OF SUPPLEMENTARY PROSPECTUS TO INVESTORS

A copy of this Supplementary Prospectus will be available on the Company's website at www.radariron.com.au.

5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

A handwritten signature in black ink, appearing to be 'Damon Sweeny', is written over a horizontal line.

**Damon Sweeny
Company Secretary
For and on behalf of
Radar Iron Limited**