RADAR IRON LTD

For an offer of up to 30,000,000 Shares at an issue price of $0.20 each to raise up to $6,000,000.

Oversubscriptions of up to a further 10,000,000 Shares at an issue price of $0.20 each to raise up to a further $2,000,000 may be accepted.

Lead Manager to the Offer

RM Corporate Finance

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered highly speculative.

# RADAR IRON LTD PROSPECTUS 2010

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# Key Information

## Important Dates

| | |
|---|---|
| Lodgement of Prospectus with the ASIC | 5 November 2010 |
| Record date for the Priority Offer | 5 November 2010 |
| Opening Date | 13 November 2010 |
| Closing Date | 5pm WST on 26 November 2010 |
| Despatch of Holding Statements | 3 December 2010 |
| Expected date for listing on ASX | 8 December 2010 |

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## Key Offer Statistics

Offer Price $0.20 per share

| | Minimum Subscription ($5m) | Full Subscription ($6m) | Over Subscription ($8m) |
|---|---|---|---|
| Number of Shares available under the Offer | 25 million | 30 million | 40 million |
| Total proceeds from the Offer | $5 million | $6 million | $8 million |
| Total number of Shares on issue following the Offer | 52,640,612 | 57,640,612 | 67,640,612 |
| Total number of Options on issue following the Offer | 22,750,000 | 22,750,000 | 25,750,000 |

# Investment Highlights

This information is a selective overview only. Investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding whether to invest in Shares.

- Radar Iron Ltd (Radar) is a an Australian company incorporated on 21st of September 2010 to explore for iron ore minerals in a prospective area in the Central Yilgarn region of Western Australia.
- Radar has entered into an agreement to acquire 100% of the shares in Radar Resources Pty Ltd (the entity with the interests in the Tenements) from Transit Holdings (refer to Section 10.1 of this Prospectus). The agreement (and consequently the Offer) is conditional on approval being obtained from the shareholders in Transit Holdings at a general meeting to be held on 26 November 2010. The Tenements cover 6 granted exploration licences, 2 granted prospecting licenses, 2 exploration licence applications (only one of which can be granted) and 3 prospecting licence applications covering approximately 290km$^2$ (refer to Section 9 of this Prospectus).
- The granted Tenements comprise iron ore rights to approximately 270km$^2$ of ground with a further 20km$^2$ under application. Three project areas have been defined as:
    - Johnston Range/Copper Bore;
    - Evanston; and
    - Die Hardy.
- The Yilgarn Iron Ore Province is rapidly gaining recognition as one of Western Australia's most exciting new iron ore provinces with significant new resources being recently identified. Mining of direct shipping ore (DSO) is currently being undertaken at three locations owned by another company in the area and at least two new mines are planned for 2011.
- The Tenement holding has had limited previous exploration despite over 40km strike length of prospective banded iron formation. Recent geophysical interpretation of gravity and magnetic data and follow up field inspection has identified a number of ready to drill targets of both hematite and magnetite mineralisation. Drilling is planned to start immediately following the Company listing on ASX.
- A strong focussed Board and experienced management team in exploration, mining, and finance is in place. The appointment of Jonathan Lea as Managing Director with over 25 years experience in mining and exploration with extensive recent experience in the district will help facilitate the drive to commence rapid and effective assessment of the iron ore assets.

*Left - Hematite outcrop at the Johnston Range Project ; Right - Hematite sample*

# Conditional Offer

The Offer is conditional on the shareholders in Transit Holdings approving the sale of Radar Resources Pty Ltd to the Company in accordance with ASX Listing Rule 11.4 at a general meeting of shareholders to be held on 26 November 2010 (or any adjournment of that meeting).

If this condition is not satisfied within 4 months of the date of this Prospectus, the Offer will not proceed and all application monies will be returned to Applicants (without interest).

Mineral exploration, development and mining are high risk enterprises and only occasionally provide high rewards. Potential investors should consider an investment in Radar Iron as speculative.

Some of the key risks associated with an investment in Radar Iron are summarised in the following table. This list of risks is not exhaustive. Full details of the risks tabled below are set out in Section 11 of this Prospectus. The occurrence of any of the risks or events outlined below could have a materially adverse effect on the Company's operations and, in turn, the price at which its Shares trade on ASX.

| Risk area | Risks | Reference |
|---|---|---|
| Infrastructure Risk | Iron ore development is largely dependent on access to major infrastructure to enable the export of the bulk commodity. Any development on Radar Iron's tenements will require road and rail haulage and a port with capacity. Haul roads can generally be constructed through a defined approval process. The rail line to the south of the Tenements is publically accessible, subject to capacity constraints that can generally be overcome by increasing passing bays or upgrading the axle weight capacity of the line. Improvements such as these would most likely require a capital contribution from Radar Iron. Iron ore from other companies in the region, is currently exported through Esperance and is planned to commence from Kwinana (Fremantle Port) in 2011. There is limited capacity for new exporters to access these ports at present without a major capital and capacity upgrade. While there are plans to increase the capacity and hence availability to new bulk commodity exporters at both ports, there is no certainty of these progressing nor on the timing of any such development. Any upgrade is likely to be keenly sought by other potential producers, so even with an increase in capacity there is no certainty of allocation to Radar Iron. | 11.2.1 |
| Environmental Risks | The Evanston and Die Hardy Projects lie inside existing conservation parks or proposed conservation and mining reserves. Both forms of tenure currently permit exploration and mining activity subject to the normal approval processes. The current proposed park boundaries were announced by the WA State Government on 1 September 2010 after a comprehensive review. The previous Government had a different approach and, had they remained in Government, it was possible that the portion of the region classified in a manner to prevent mining activity would have been greater.<br><br>A change of direction by the current or future State Governments could lock up potential tenure over which Radar Iron currently has access. This could include expansion of proposed park boundaries to include the Johnston Range Project that is currently outside any proposed park or reserve.<br><br>In addition, there is potential that approvals for exploration or development in the park and reserve areas will be subject to a higher degree of scrutiny that may take longer and could potentially be more costly.<br><br>Please refer to Section 3.1 of the Independent Technical Report for further information.<br><br>Further, the Company's operations will have an impact on the environment and there are inherent risks associated with safety and damage to the environment and the disposal of waste products. | 11.2.2 |
| Dilution Risk | On completion of the Offers, between 22,750,000 and 25,750,000 Options will be on issue. If these Options are converted into Shares there will be a dilution so that the existing Shareholders will hold between 69% and 72% of the outstanding issued Shares. | 11.2.3 |

| Risk area | Risks | Reference |
|---|---|---|
| Exploration and Development | The Tenements held by the Company as described in this Prospectus have had limited prior exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.<br><br>There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.<br><br>In addition, each of the granted Exploration Licences (EL77/1280, EL77/1281, EL77/1375, EL77/1164, EL77/1168 and EL77/1196) in which Radar Resources Pty Ltd has an interest has an authorisation to explore for iron ore in accordance with Section 111 of the Mining Act. The granted Prospecting Licences (P77/3458 and P773459) do not currently have an authorisation to explore for iron ore. The Company will need to obtain authorisation under Section 111 of the Mining Act 1978 (WA) in order to be able explore for iron on these Prospecting Licences and any tenements that are granted in respect of the Tenement applications identified in Solicitor's Report on Tenements. There is no guarantee that the Company will be successful in obtaining such an authorisation. | 11.2.4 |
| Title and Native Title Risks | Notwithstanding the fact that no current native title claims exist in relation to the Tenements, there is a risk of title being challenged or impugned and the possibility of future native title claims.<br><br>Some of the Tenements in which the Company has or will have an interest (through Radar Resources Pty Ltd) are currently in the application stage. The Company will not be able to commence exploration on these Tenements until they are granted. There is no guarantee that these applications will become granted tenements.<br><br>Further, some of the Tenements are subject to agreements with third parties and, in some cases, the Tenements are held by the third parties. If any of these third parties default in their obligations under those agreements, it could make the Tenements liable to forfeiture or otherwise have a detrimental effect on the Company's operations. Please refer to Sections 9 and 10 for further details.<br><br>Exploration licences and prospecting licences only permit the Company to undertake exploration on the Tenements. In the event that the Company successfully delineates an economic resource on any of the Tenements, it will need to apply for a mining lease to undertake development and mining on the Tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for. | 11.2.5 |
| Tenure and Access | The Company's Tenements are subject to periodic renewal and there is no guarantee that renewals sought will be granted. | 11.2.6 |
| Failure to Satisfy Expenditure Commitments | Each Tenement the Company holds is subject to expenditure and reporting obligations. If these are not met the Company may lose its interest in the Tenements. Currently, the minimum annual expenditure commitments for each of the granted Tenements have been met, except for E77/1168 which has had no expenditure lodged for 2010. Details are set out in the Solicitor's Report on Tenements in Section 9 of this Prospectus. | 11.2.7 |
| Taxation Risk | Changes to applicable taxation legislation or its interpretation, could affect the value of the investments held by the Company, and the ability to provide returns to Shareholders. | 11.2.8 |
| Aboriginal Heritage | Approval by the Federal Department of Indigenous Affairs may be required before exploration or mining activities can commence on the Tenements. | 11.2.9 |
| Changes in Government Policy | Adverse changes in Federal or Western Australian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. | 11.2.10 |

| Risk area | Risks | Reference |
|---|---|---|
| Operating Risks | There are significant operating risks in exploration and development of mining projects. | 11.2.11 |
| Resource Estimates | If any resources are defined on the Tenements in the future, these estimates will be subjective and in accordance with the rules of the ASX as laid down from time to time. | 11.2.12 |
| Commodity Price Volatility and Exchange Rate Risks | The price of iron ore fluctuates and is affected by many factors beyond the control of the Company. Income and expenditure of the Company will be in Australian dollars, whilst any sale of iron ore will be in United States dollars which leaves the Company exposed to fluctuations in exchange rates. | 11.2.13 |
| Capital Requirements | There is no certainty regarding the Company's ability to raise equity and debt to meet future capital requirements. | 11.2.14 |
| Reliance on Key Personnel | The successful day to day management of the Company relies solely on its Key Management Personnel and the Company's ability to retain these personnel. | 11.2.15 |
| General Risks | Economic risks, insurance risk, market conditions, general resource sector risks, regulatory risk and other risks exist. | 11.3 |

Investors should be aware that an investment in the Company involves risks that may be higher than risks associated with an investment in some other companies. Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Shares offered for subscription under this Prospectus. Some of these risks can be mitigated by the use of appropriate safeguards and actions, but some are outside the Company's control and cannot be mitigated. Investors should consider the risk factors described above and outlined in more detail in Section 11, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

# Answers to Key Questions

| Topic | Summary | Where to find more information |
|---|---|---|
| Who is Radar Iron Ltd? | Radar Iron Ltd was incorporated on 21 September 2010 and has entered into an agreement to acquire Radar Resources Pty Ltd. Radar Resources Pty Ltd has the rights to various Tenements located in the Yilgarn Iron Ore province in Western Australia. | Section 5 |
| What is being offered? | 30 million new fully paid ordinary Shares are being offered by Radar Iron to raise $6 million. (with up to $2 million in oversubscriptions)<br><br>Shares issued under the Offer will represent approximately 52% of the paid-up capital of Radar Iron following the Offer (on an undiluted basis and excluding oversubscriptions). | Section 3 |
| What is the Offer Price? | The Offer Price is $0.20 per share. | Section 3 |
| What are the key dates of the Offer? | The key dates of the Offer are detailed on the Key Information page at the front of this Prospectus. | Key Information |
| How do I apply for Shares? | Applications for Shares under the Public Offer can be made by completing the Application Form accompanying this Prospectus (including a paper copy of an Application Form issued and distributed with an electronic version of this Prospectus), in accordance with the instructions relating to it.<br><br>Applications for Shares under the Priority Offer can be made on the Priority Offer Application Form accompanying this Prospectus (including a paper copy of an Application Form issued and distributed with an electronic version of this Prospectus), in accordance with the instructions relating to it. Those investors eligible to participate in the Priority Offer will be sent a letter outlining all of the relevant details. | Application Form |
| What are the costs of the Offer and who is paying them? | The cash costs of the Offer (including Broker commissions, expert's fees, legal and accounting costs, ASIC fees and ASX fees) based on $6 million being raised are estimated to total approximately $560,000 and will be paid by Radar Iron.<br><br>As per the Lead Manager Agreement, the Company also intends to issue between 6 and 9 million options in consideration for lead manager services in relation to the Offers. | Section 12.7 |
| When will I receive dividends? | As Radar Iron is a mineral exploration company and is not mining, generating revenue or making profits, the Directors do not anticipate that Radar Iron will pay dividends in the immediate future. | |
| How can I obtain further information? | • By reading this Prospectus in its entirety.<br>• By speaking to your accountant, stockbroker or other professional adviser.<br>• If you require assistance or additional copies of this Prospectus, please contact the Company on (08) 9482 0515. | |
| If my Application is accepted, when will I receive confirmation of my allocation? | Statements confirming successful Applicants' allocations under the Offer, are expected to be despatched to Shareholders on or around 3 December 2010. | Section 4 |
| Contact details | For further details, see the Corporate Directory at the beginning of this Prospectus. | Section 1 |

# 1. Corporate Directory

## Directors/Executives

Alan Tough
*Non-Executive Chairman*

Jonathan Lea
*Managing Director*

Ananda Kathiravelu
*Non-Executive Director*

## Joint Company Secretaries

Phillip Wingate
Morgan Barron

## Investigating Accountant

MGI Perth
Level 7, The Quadrant
1 William Street
PERTH WA 6000

## Registered Office

Suite 2, 12 Parliament Place
WEST PERTH WA 6005

Telephone: (08) 9482 0515
Facsimile: (08) 9482 0505

Email: info@radariron.com.au
Website: www.radariron.com.au

## Share Registry

Security Transfers Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

## Australian Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

## Lead Manager to the Offer

RM Corporate Finance
1171 Hay Street
West Perth WA 6005

Telephone:(08) 9321 3277
Facsimile:(08) 9321 8399

## Independent Technical Expert

CSA Global Pty Ltd
Level 2, 3 Ord Street
WEST PERTH WA 6005

## Auditor

MGI Perth Audit Services Pty Ltd
Level 7, The Quadrant
1 William Street
PERTH WA 6000

# 2. Chairman's Letter

5 November 2010

Dear Investor

On behalf of the Directors of Radar Iron Ltd (**Radar Iron** or **Company**), I am pleased to invite you to subscribe for Shares at an issue price of $0.20 each under this Prospectus.

The Company is seeking to raise $6,000,000 through the issue of 30,000,000 Shares at an issue price of $0.20 each. Oversubscriptions of up to a further 10,000,000 Shares at an issue price of $0.20 each to raise up to $2,000,000 may be accepted. You may apply for Shares using the Application Form attached to this Prospectus.

Radar Iron has been formed to hold the iron ore assets previously owned by Transit Holdings Ltd (**Transit Holdings**). Through its proposed acquisition of Radar Resources Pty Ltd from Transit Holdings, Radar Iron will secure the rights to various iron ore exploration tenements covering an approximate 290 $km^2$ land area in the Marda-Diemals greenstone belt in the central Yilgarn region of Western Australia.

Significant potential exists for both hematite and magnetite mineralisation in a largely untested but prospective series of banded iron formations located in a region where substantial iron ore production has been sustained for more than 20 years.

The primary objective of the Company is to rapidly complete targeted exploration programs with a view to defining a JORC compliant iron ore resource. The existence of hematite mineralisation may offer the potential for initial earlier cash flows if direct shipping quality ore can be delineated in economic quantities, with any significant magnetite mineralisation likely to require third party involvement.

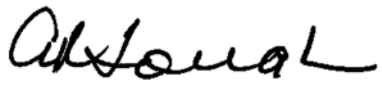
The immediate priority of the Company will be to rapidly drill test a number of targets that have been generated by recent geophysical and field studies. It is planned to complete target definition and concurrently complete first stage testing aimed at an initial JORC code compliant resource estimation by mid 2011. Appropriate exploration budgets have been allocated for this purpose over the next two years.

Following the successful listing of Radar Iron on the ASX, I am confident that the combination of quality Tenements and the highly skilled and motivated team will lead to successful definition of both hematite and magnetite mineralisation.

This Prospectus includes details of the Company, its assets and proposed exploration and assessment. There is also a statement of risks associated with investing in the Company that every person interested in investing in Radar Iron should read and understand. Please ensure you obtain independent professional advice if you do not understand any of the risks.

On behalf of the Directors, I commend this investment opportunity to you and look forward to welcoming you as a shareholder.

Yours faithfully,



Alan Tough
Chairman

# 3. Investment Overview

## 3.1 Important Notice

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

## 3.2 Indicative Timetable

| | |
|---|---|
| Lodgement of Prospectus with the ASIC | 5 November 2010 |
| Record date for the Priority Offer | 5 November 2010 |
| Opening Date | 13 November 2010 |
| Closing Date | 5pm WST on 26 November 2010 |
| Despatch of Holding Statements | 3 December 2010 |
| Expected date for listing on ASX | 8 December 2010 |

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## 3.3 Objectives

The strategic objectives of the Company are to:

(a) create Shareholder value through conducting successful exploration programs on the Company's iron ore prospects in the central Yilgarn region of Western Australia;

(b) to build the Company's portfolio of iron ore assets in the central Yilgarn region of Western Australia; and

(c) to assess and if warranted, acquire other iron ore projects that have potential to add value to the Company.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

## 3.4 Use of Proceeds

The Company intends to apply the funds raised from the Offer together with the Company's existing cash resources (approximately $380,000) as follows:

| | Minimum Subscription ($5m) | Full Subscription ($6m) | Over Subscription ($8m) |
|---|---|---|---|
| Exploration and Evaluation[1] | 3,120,000 | 3,560,000 | 4,985,000 |
| Administration & Working Capital[2] | 1,760,000 | 2,260,000 | 2,715,000 |
| Costs of the Offers[3] | 500,000 | 560,000 | 680,000 |
| TOTAL | $5,380,000 | $6,380,000 | $8,380,000 |

[1] See Section 5.1.9 of this Prospectus for further details on the Company's planned exploration programs.

[2] These expenses include wages, bonuses and superannuation of employees and directors, rent and outgoings, accounting fees, legal fees, ASX listing fees, auditing fees, insurance, share registry fees, travel expenses and all other items of a general administrative nature.

[3] This represents only the cash costs of the Offers. As per the Lead Manager Agreement, the Company also intends to issue between 6 and 9 million options in consideration for lead manager services in relation to the Offers.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

## 3.5 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

| Shares[1] | Minimum Subscription ($5m) | Full Subscription ($6m) | Over Subscription ($8m) |
|---|---|---|---|
| Shares on issue at date of Prospectus[2] | 4,500,000 | 4,500,000 | 4,500,000 |
| Shares to be issued to Jon Lea subject to Radar Iron shareholder approval on 26 November 2010 | 250,000 | 250,000 | 250,000 |
| Shares to be issued under Share Sale Agreement subject to Transit Holdings shareholder approval on 26 November 2010 (refer to Section 10.1) | 22,690,612 | 22,690,612 | 22,690,612 |
| Shares to be issued to a vendor under the agreement summarised in Section 10.5 | 200,000 | 200,000 | 200,000 |
| Shares now offered at 20 cents[3] | 25,000,000 | 30,000,000 | 40,000,000 |
| **Total Shares on issue at completion of the Offer** | **52,640,612** | **57,640,612** | **67,640,612** |

1 The rights attaching to ordinary shares are summarised in section 12.1.

2 Prior to the date of this Prospectus, the Company issued 4,500,000 Shares at a price of $0.10 each to seed capital investors to fund exploration activities, the listing costs and initial working capital requirements of the Company. None of the seed investors will be substantial holders of the Company upon listing on the ASX.

3 The Company has entered into an agreement with Sigiriya Capital Pty Ltd (**Sigiriya**) pursuant to which the Company has granted Sigiriya the right (but not the obligation) to an allocation of 15,000,000 Shares at an issue price of $0.20 under the Offer (refer to Section 10.11 of this Prospectus). The Company has also agreed to grant Sigiriya one (1) Lead Manager Option for every one (1) dollar raised by the Sigiriya under the Offer. Please refer to Section 10.11 of this Prospectus for further details.

| Options[1] | Minimum Subscription ($5m) | Full Subscription ($6m) | Over Subscription ($8m) |
|---|---|---|---|
| Options on issue at date of Prospectus | - | - | - |
| Options to be issued to Directors subject to shareholder approval on 26 November 2010 | 4,000,000 | 4,000,000 | 4,000,000 |
| Options to be issued to Employees under Option Plan | 750,000 | 750,000 | 750,000 |
| Options to be issued under Share Sale Agreement subject to Transit Holdings shareholder approval on 26 November 2010 (refer to Section 10.1) | 12,000,000 | 12,000,000 | 12,000,000 |
| Options to be issued to Lead Manager in consideration for IPO services[2] | 6,000,000 | 6,000,000 | 9,000,000 |
| **Total Options on issue at completion of the Offer[2,3,4]** | **22,750,000** | **22,750,000** | **25,750,000** |

1 The terms and conditions of all Options on issue are summarised in Section 12.2 of this Prospectus.

2 The Company has reserved 1 million of the Lead Manager Options for RM Corporate Finance. The Company will make available a further 5 million Lead Manager Options to RM Corporate Finance to be distributed to other brokers and AFSL holders. In the event that the Company raises an additional $2 million in oversubscriptions, it has agreed to issue up to an additional 3 million Options to be distributed according to the amount subscribed by investors introduced by those parties under the oversubscriptions. Please refer to Section 10.12 of this Prospectus for further details.

3 The Company has entered into an agreement with Sigiriya Capital Pty Ltd (**Sigiriya**) pursuant to which the Company has granted the Sigiriya the right (but not the obligation) to an allocation of 15,000,000 Shares at an issue price of $0.20 under the Offer. The Company has also agreed to grant Sigiriya one (1) Lead Manager Option for every one (1) dollar raised by the Sigiriya under the Offer. Please refer to Section 10.11 of this Prospectus for further details.

4 The Company proposes to undertake a non–renounceable entitlement issue of Entitlement Options within three months after the listing on ASX. Refer to 4.12 for further details.

## 3.6 Restricted securities

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow.

# 4. Details of Offer

## 4.1 The Offer

Pursuant to the Offers, the Company invites applications for up to 30,000,000 Shares at an issue price of $0.20 each to raise up to $6,000,000.

Oversubscriptions of up to a further 10,000,000 Shares at an issue price of $0.20 each to raise an additional $2,000,000 will be accepted.

The Offer consists of a Priority Offer and a Public Offer.

### *Priority Offer*

Radar Iron is inviting Transit Holdings shareholders to become Shareholders of Radar Iron, and has set aside 2,500,000 Shares or $500,000 for Transit Holdings shareholders under the Priority Offer. Transit Holdings shareholders, who hold shares in Transit on the Record Date, may apply for as many Shares as they wish, but must apply for a minimum of 10,000 Shares ($2,000).

Shares available for Transit Holdings shareholders are limited and allocation of Shares will be at the Board's discretion. Investors eligible to apply for Shares under the Priority Offer should apply by using the Priority Offer Application Form.

The Board retains absolute discretion when deciding whether or not to accept any particular application in part or in full and will not be liable to any Transit Holdings shareholder who is not allocated Shares (or their full application for Shares).

If any of the Shares offered under the Priority Offer available for Transit shareholders are not applied for by 5.00pm (AWST) on the Closing Date, those Shares will be made available to other Applicants pursuant to the Public Offer.

Transit Holdings shareholders who receive this Prospectus outside Australia may be unable to participate in the Priority Offer as described in Section 4.8.

### *Public Offer*

The Public Offer is comprised of the Offer less any Shares taken up under the Priority Offer. Members of the public may apply for Shares under the Public Offer by completing the Public Offer Application Form.

The Directors may reject any Application made under the Public Offer or allocate fewer Shares than the Applicant has applied for.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

## 4.2 Applications

Applications for Shares by Transit Holdings shareholders under the Priority Offer must be made using the Priority Offer Application Form.

Applications for Shares under the Public Offer must be made using the Public Offer Application Form.

Payment for the Shares must be made in full at the issue price of $0.20 per Share. Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. Completed Application Forms and accompanying cheques must be delivered to:

Security Transfers Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

or mailed to:

Security Transfers Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Cheques should be made payable to "Radar Iron Ltd – Share Offer Account" and crossed "Not Negotiable". Completed Application Forms must reach one of the above addresses by no later than the Closing Date.

The Company reserves the right to close the Offer early.

## 4.3 Conditional Offer

The Offer is conditional on the shareholders in Transit Holdings approving the sale of Radar Resources Pty Ltd to the Company in accordance with ASX Listing Rule 11.4 at a general meeting of shareholders to be held on 26 November 2010 (or any adjournment of that meeting).

If this condition is not satisfied within 4 months of the date of this Prospectus, the Offers will not proceed and all application monies will be returned to Applicants (without interest).

## 4.4 Oversubscriptions

The Company may accept oversubscriptions of up to a further 10,000,000 Shares at an issue price of $0.20 under the Offers. The maximum amount which may be raised under this Prospectus is therefore $8,000,000.

## 4.5 Allotment

Subject to ASX granting approval for the Company to be admitted to the Official List, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

The Directors reserve the right to allot Shares in full for any application or to allot any lesser number or to decline any application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the applicant within seven (7) days of the allotment date.

## 4.6 Minimum Subscription

The minimum subscription to be raised pursuant to the Offers is $5 million.

If the minimum subscription has not been raised within four (4) months after the date of this Prospectus, the Offers will not proceed and all application monies will be returned to Applicants (without interest).

## 4.7 ASX Listing

The Company will apply to ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares offered under this Prospectus. If the Shares are not admitted to quotation on ASX within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In that circumstance, the Offer will not proceed and all application monies will be returned to Applicants (without interest).

## 4.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

## 4.9 Not Underwritten

The Offers are not underwritten.

## 4.10 Lead Manager to the Offer

RM Corporate Finance has agreed to act as Lead Manager to the Offer.

The terms of the appointment of RM Corporate Finance are summarised in Section 10.12 of this Prospectus.

## 4.11 Commissions Payable

The Company reserves the right to pay a commission of up to 5% (excluding goods and services tax) of amounts subscribed to any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

## 4.12 Entitlement Options

It is proposed that the Company will proceed with an Option entitlement issue within three (3) months after Official Quotation of the Company's Shares on the ASX. The Option entitlement is intended to be on the basis of one (1) Option for every three (3) Shares held. The subscription price per Option will be determined by the board. See Section 12.2.7 for further details.

It is proposed that all Shareholders registered on the applicable entitlement date will be entitled to participate in the non-renounceable entitlements issue of Options.

A disclosure document for the entitlements issue of Options will be issued when the proposed Options are offered. Anyone who wishes to acquire Options will need to complete an application form which will be in or accompanying the disclosure document. Application will be made for the Options to be granted Quotation on the ASX.

The Board reserves the right to adjust the terms of the Options proposed to be issued under the entitlements issue.

## 4.13 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, holders of Shares will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

## 4.14 Privacy Statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

## 4.15 Queries

This Prospectus provides information for investors to decide if they wish to invest in the Company and should be read in its entirety. If you have any questions about investing in the Company, please contact your stockbroker, financial planner, accountant, lawyer or independent financial adviser.

# 5. Company and Project Overview

## 5.1 Company Profile

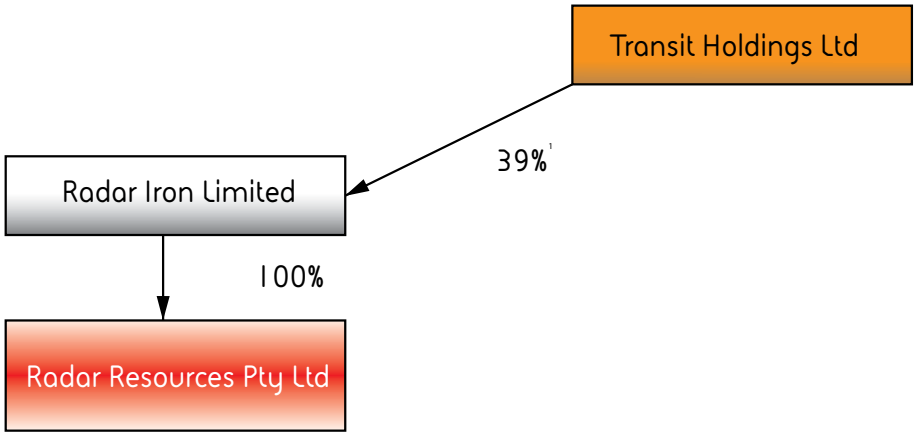
### 5.1.1 Overview of Radar Iron Ltd

Radar Iron was incorporated on 21 September 2010 with the aim of growing shareholder value through the exploration of and discovery of commercially viable mineral resources in Western Australia and, if warranted, the subsequent development of mining operations.

On 25 October 2010, Radar Iron entered into an agreement to acquire 100% of the shares in Radar Resources Pty Ltd via a share sale agreement with ASX listed Transit Holdings (refer to Section 10.1 of this Prospectus). Radar Resources Pty Ltd currently has the rights to various tenements in the Yilgarn Iron Ore Province located in Western Australia which the Company considers are prospective for iron ore.

### 5.1.2 Ownership Structure

An overview of the ownership structure of the Company on completion of the Offers is shown below.




[1] Assuming full subscription and excluding oversubscriptions.

### 5.1.3 Project Overview

Through the acquisition of Radar Resources Pty Ltd, Radar Iron will secure access to the iron ore rights for three groups of Tenements covering a total area of approximately 290km$^2$. The Tenements are considered to be prospective for both hematite and magnetite mineralisation and are located between approximately 110km and 190km north of Southern Cross in the central Yilgarn region of Western Australia (Figure 1).

The ground has had minimal effective previous drill exploration for iron ore (by Transit Holdings) and remains prospective for new discoveries. The previous work, however, did establish the potential for both near-surface, banded iron formation (BIF) hosted, iron-enriched hematite-goethite mineralisation and for primary magnetite mineralisation.

The central Yilgarn region has been the focus of increased exploration in recent years with several new iron ore mines in the planning stage along with existing operations to the south at Windarling, Jackson and Koolyanobbing. As mining in the region develops, new options for iron ore transport have been emplaced or are being planned. Infrastructure improvement, including to road, rail and port have significantly increased the potential for realistic infrastructure solutions for new miners in the region.

Radar Iron intends to rapidly access the iron ore potential (both hematite and magnetite mineralisation) of the Tenements with the intent of producing maiden JORC code compliant resource inventories in 2011. The Company's exploration goal is to build up a resource inventory warranting development into economic cash flow generating businesses.

## 5.1.3 Project Overview (continued)


Figure 1 – Radar Iron Project Location

*Johnston Range Landscape*

## 5.1.4 Introduction

Radar Iron's granted tenements comprise iron ore rights to approximately 270km$^2$ of ground with a further 20km$^2$ under application (Figure 2). Three project areas have been defined as:

- Johnston Range/Copper Bore;
- Evanston; and
- Die Hardy.

The Johnston Range project is the largest and has the highest potential for significant iron ore discovery with over 35km of strike length of banded iron formation (BIF).The Evanston and Die Hardy projects both have approximately 4km strike length of BIF respectively.

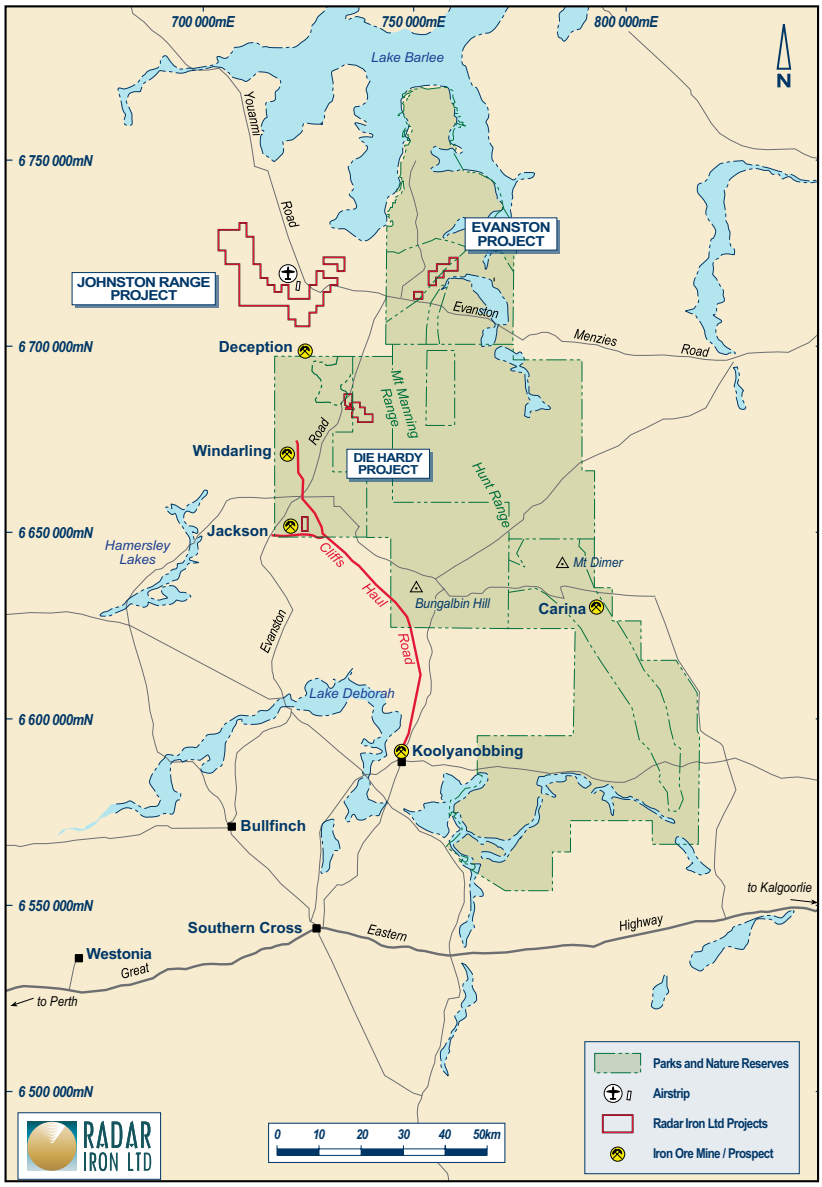



Figure 2 – Radar Iron Project Area

## 5.1.4 Introduction (continued)

Access to the region is generally good through a number of secondary roads and station tracks. Relief is typically low but with a number of substantial ridges associated with the BIF up to 100-200m above the surrounding plains.

Iron ore mining operations are located nearby to the south at Mt Jackson, Windarling and Koolyanobbing, managed by Cliffs Natural Resources (Cliffs). Approximately 8Mtpa is mined and exported by Cliffs through the port of Esperance to the south–east. Significant resources of both hematite and magnetite ores have been defined in recent years by other explorers in the district. At least two new mines are planned for production by others in 2011 in the central Yilgarn.

Radar Iron's strategy is to generate and drill test targets for both hematite and magnetite iron ore mineralisation with a view to ultimately proving up iron ore resources. Assuming an economic ore body can be defined (which is by no means certain), the Company will then look to produce and export iron ore through a standalone operation or through alliances or joint venture with existing or potential new producers in the belt.

## 5.1.5 Regional Geology

The Tenements are located over the northern part of the Southern Cross Granite-Greenstone Terrane in the central part of the Archaean Yilgarn Craton (Figure 3). The Yilgarn Craton is characterised by a series of generally narrow, steeply dipping, north-northwest elongate volcano-sedimentary sequences or greenstone belts which for the most part are separated by large masses of granitic rocks. The greenstone stratigraphy comprises complex sequences of mafic and ultramafic lavas and intrusives, with intercalated felsic volcanoclastics, extrusives and intrusives, and volcano-sedimentary rocks. East-west trending Proterozoic-aged dolerite dykes occur as late intrusives throughout the region.

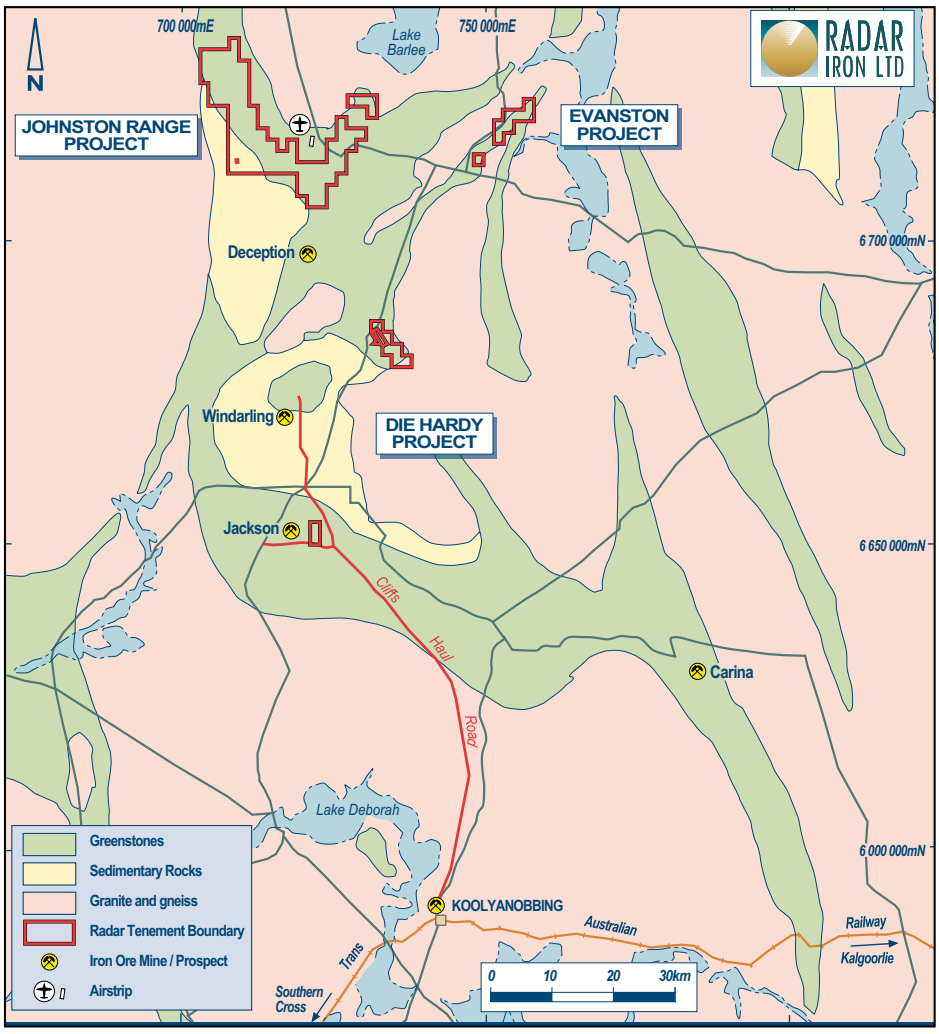



Figure 3 – Regional Geology

### 5.1.5 Regional Geology (continued)

The general region within which the Tenements are located is predominantly underlain by the 220km long Marda-Diemals greenstone belt, with the Evanston Project Tenements located over the Evanston greenstone belt. The Evanston greenstone belt is a north-easterly splay off the Marda-Diemals greenstone belt. Within the greenstone belts, BIF stands out as prominent ridges that outline the major structures of the layered greenstone sequences. All greenstone belts in the region show evidence of several phases of deformation with prominent fold and shear structures evident throughout the belt.

### 5.1.6 Local Geology

The Johnston Range/Copper Bore and Die Hardy Tenements lie in the Archaean Marda-Diemals greenstone belt, within which, as with other greenstone belts, the BIFs stand out as prominent ridges that outline the major deformational structures within the layered greenstone sequence. All greenstone belts in the region show evidence of multi-stage deformation, however, the Marda-Diemals greenstone belt is the least deformed. The iron ore mineralisation, both hematite and magnetite, is believed to have been formed by a succession of alteration and enrichment phases localised at structurally prepared sites within the BIF units. The hematite mineralisation in the region is believed to have resulted from extensive near-surface supergene processes localised by earlier deformational processes.

*Hematite outcrop at the Johnston Range Project*

### 5.1.7 Previous Exploration

Various parts of the region have been subject to extensive exploration for gold, base metals and iron ore, however, other than iron ore, gold is the only commodity that has seen any significant production.

With regard to iron ore only, the BIF ridges within the region have been the target of several exploration programs, predominantly in the 1960s and 1970s, with renewed interest since the late 1990s. Reconnaissance mapping, percussion and diamond drilling by Western Mining Corporation Limited (**WMC**) between 1961 and 1969 outlined several iron ore prospects in the Mt Jackson and Windarling Peak areas considered too small to justify development at the time. The hematite mineralisation identified averaged greater than 62% Fe and has formed an important iron ore source for Cliffs' mining operations.

Exploration also completed by WMC in the Die Hardy Ranges identified extensive areas of magnetite BIF with enhanced iron content.

Transit Holdings completed the most thorough iron ore exploration to date on the Tenements from 2006 onwards. Exploration was focussed at the Johnston Range project on the discovery of hematite/goethite mineralisation, mainly through simple surface prospecting techniques. Geophysical structural interpretation coupled with field inspection confirmed the presence of hematite, which was followed-up with reconnaissance sampling of outcrop. A number of prospects were defined with the largest named Muldoon which extended over 1.6km in strike length.

*Hematite Specimen - Johnston Range*

37 angled reverse circulation holes totalling 2,740m were drilled at three of the main prospects targeting sub-surface hematite/goethite mineralisation. The results of this drilling program are set out in full in the Independent Technical Report in Section 7 of this Prospectus.

The isolated significant drill intercepts reported from the drilling is considered largely a function of the difficulty in obtaining drill approvals over BIF outcrops at the time. In a number of cases, the best targets were either not able to be tested, or were only partially tested through restricted drill access.

In 2009, a gravity survey was completed at Johnston Range over three areas of prospective BIF. This data was re-interpreted geophysically in conjunction with aero-magnetic data and over 30 hematite targets identified.

Field validation of the geophysical targets commenced in June 2010 with inspections and mapping of the iron ore targets and other areas of perceived interest. As a result of this work, five high priority hematite and seven magnetite targets were selected for initial drill testing. Further field investigation is required to define additional drill targets.

Outside of Johnston Range, initial inspection of the Die Hardy Tenements indicated a coarse grained magnetite ridge 200-300m wide and over 3km long. The prospect, named Lara, is an obvious initial drill target in the Die Hardy Tenements.

The Evanston project has had limited previous work but regional aeromagnetic data indicates the presence of significant magnetite-rich BIF.

*Magnetite BIF Ridge - Johnston Range*

### 5.1.8 Infrastructure

The Tenements are located within the Yilgarn Iron Ore Province and are well placed with regard to regional transport infrastructure, a key consideration for the successful development of iron ore projects. There are established mining operations based on direct shipping hematite/goethite projects at Koolyanobbing, Windarling and Jackson, all operated by Cliffs, with combined annual production of approximately 8Mtpa. A number of other developments are proposed by other companies and are at varying stages of assessment. The Trans Australia railway line passes through Southern Cross and Koolyanobbing en route from Kwinana/Fremantle/Perth to Kalgoorlie. There is a rail link from Kalgoorlie to Esperance on the south coast from where Cliffs ships its production. All are open access lines. Esperance is a deep water port with capacity for expansion, and a 15 to 20Mtpa iron ore export facility is in the planning stages for Kwinana.

The Cliffs haul road provides a road haulage option and commences approximately 30km to the south and extends to the rail loading facility at Koolyanobbing. As new mines are developed in the area, the Company believes that infrastructure options for transport and power and water will need to be established.

Assuming Radar Iron is able to delineate an economic quantity of iron ore at one of its projects (which is by no means certain), Radar Iron has a number of options with regard to iron ore production and sale:

1. Mine and export the product.
2. Mine and sell at the mine gate.
3. Sell or joint venture the resources.

The first option requires an infrastructure network to be created or accessed. Construction of a haulage road to the rail line is possible following a well defined approval process if it is not possible to use an existing haul road through paying a toll. The rail line should be accessible either with or without any upgrade depending on the required tonnage capacity. Rolling stock and locomotives can be either purchased or hired with sufficient notice. Both Esperance and Kwinana have a limited capacity for additional export of iron ore. Both Port Authorities are aware of the increasing demand being driven by potential new hematite and magnetite projects in the region and are considering options to expand export capacity.

### 5.1.9 Exploration Work Program and Budget

Radar Iron intends to rapidly assess the iron ore potential (both hematite and magnetite mineralisation) of the Tenements with the intent of producing maiden JORC code compliant resources in 2011. Recent field studies have identified 5 key drill targets for hematite and 7 for magnetite mineralisation. The drill targets are all within granted Tenements which are identified in Figure 4 below, other than the Lara target located in the Die Hardy prospect on E77/1168. All of these Tenements have an authorisation to explore for iron ore in accordance with Section 111 of the Mining Act 1978 (WA).

Drilling is expected to commence immediately following listing of the Company on the ASX with the initial programmes aimed at identifying the potential grade and lateral and vertical extent of the hematite targets and to provide the initial indications of size of magnetite mineralisation along with samples for metallurgical test work. Further drill targeting for magnetite will be based on satisfactory indicative metallurgical properties and grade.

If the initial drilling program is successful, stage two drilling in the first half of 2011 will be aimed at defining JORC code resources for the best prospects. Concurrently, further geophysical interpretation coupled with field mapping will aim at identifying new prospects for drill testing later in 2011. Resource definition drilling will continue as warranted into 2012 along with feasibility studies on defined resources.

The priority hematite targets for initial drill testing are:

- Dang – Located 6km to the east of Diemals Station. Approximately 400m strike extent of bedded hematite mineralisation at surface.
- Muldoon – Located 10km to the south west of Diemals Station. 3 outcrops along strike separated alluvium. Central 600m, north 400m and south 200m. The total potential strike 1800m. A separate target, Muldoon West, identified by geophysical targeting lies 800m to the west of Muldoon.
- Lange – Located 5km to east of Diemals Station. Approximately 500m strike of hematite goethite mineralisation at surface comprising the main zone followed by 150m of cover to the north and a further 350m exposure of mineralisation. Lange West - predominantly goethite mineralisation in the south with more hematitic mineralisation outcropping to the north. Approximately 500m strike length at surface.
- Holyoake – Located 3.5km south east of Diemals Station. An area of approximately 500m long mostly covered by alluvium.
- Clutch – Located 7km south east of Diemals Station. Approximate 400m long outcrop of hematite-goethite mineralisation. Potential extension along strike to the north east.

The priority magnetite targets for initial drill testing are:

- Beven – Located 10km northeast of Diemals Station. BIF outcrop 1,200x150m. Coarse grain size and high surface magnetism.
- Lara – Located on the Die Hardy Range 40km south west of Diemals Station. A BIF ridge surrounded by alluvium - outcrop width between 200-300m and a strike of 3.4km. Coarse grain size and high surface magnetism.
- Olger – Located 4km south of Diemals station. Approximately 800x100m Jasperlitic BIF outcrop with reasonably strong magnetic response at surface and strike extension under cover to north and south.
- Lange West - Potential under goethite hematite mineralisation. Magnetic images indicate strong magnetic responses with a strike length of 2.5km.
- Dang – Potential surrounding hematite mineralisation. Magnetic images indicate strong magnetic response with a length up to 1.5km.
- Lange – Potential surrounding hematite goethite mineralisation. Magnetic images indicate strong magnetic response with a length up to 1.4km.
- Bolger – Located 6km south of Diemals station. Approximately 600x100m BIF outcrop. Potentially extends under cover to the north east.

## 5.1.9 Exploration Work Program and Budget (continued)

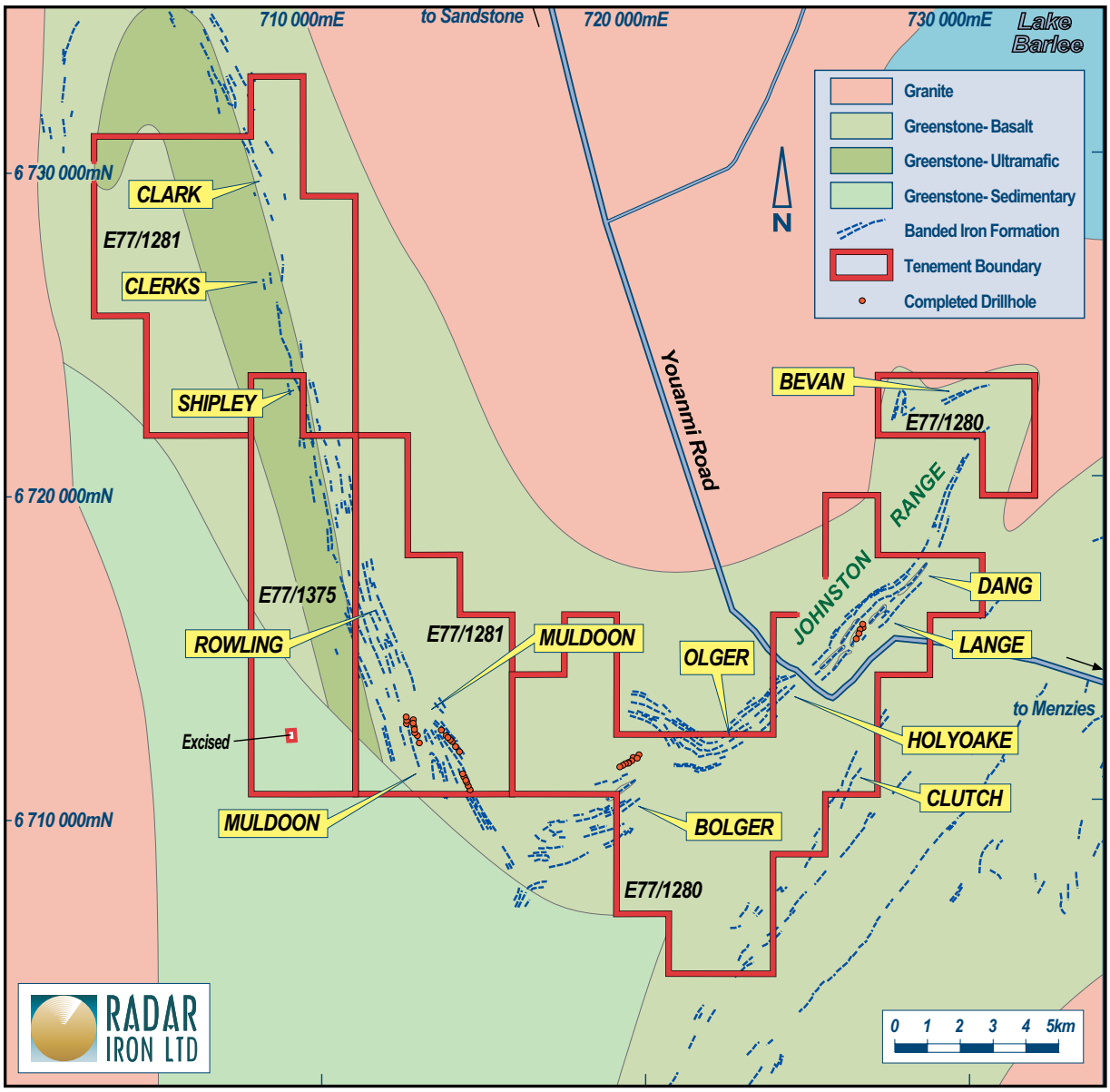



Figure 4 – Johnston Range Geology, Project Locations and Completed Drilling

## 5.1.10 Budgeted Expenditure

The budgeted expenditure below contemplates expenditure on the Company's granted tenements only.

Based on minimum subscription of $5 million together with the Company's existing cash resources (approximately $380,000)

| | Year 1 | Year 2 | Total |
|---|---|---|---|
| Targeting Surveys | 30,000 | 15,000 | 45,000 |
| Drilling (RC, Diamond) | 1,400,000 | 1,200,000 | 2,600,000 |
| Assaying | 152,000 | 135,000 | 287,000 |
| Metallurgical Studies | 23,000 | 45,000 | 68,000 |
| Field Support | 35,000 | 21,000 | 56,000 |
| Resource Modelling | 20,000 | 44,000 | 64,000 |
| Corporate & Administration | 880,000 | 880,000 | 1,760,000 |
| Costs of the Offer | 500,000 | - | 500,000 |
| | **3,040,000** | **2,340,000** | **5,380,000** |

Based on full subscription $6 million together with the Company's existing cash resources (approximately $380,000)

| | Year 1 | Year 2 | Total |
|---|---|---|---|
| Targeting Surveys | 30,000 | 15,000 | 45,000 |
| Drilling (RC, Diamond) | 1,700,000 | 1,300,000 | 3,000,000 |
| Assaying | 182,000 | 145,000 | 327,000 |
| Metallurgical Studies | 23,000 | 45,000 | 68,000 |
| Field Support | 35,000 | 21,000 | 56,000 |
| Resource Modelling | 20,000 | 44,000 | 64,000 |
| Corporate & Administration | 1,130,000 | 1,130,000 | 2,260,000 |
| Costs of the Offer | 560,000 | - | 560,000 |
| | **3,680,000** | **2,700,000** | **6,380,000** |

Based on over subscription $8 million together with the Company's existing cash resources (approximately $380,000)

| | Year 1 | Year 2 | Total |
|---|---|---|---|
| Targeting Surveys | 30,000 | 15,000 | 45,000 |
| Drilling (RC, Diamond) | 2,300,000 | 2,000,000 | 4,300,000 |
| Assaying | 205,000 | 175,000 | 380,000 |
| Metallurgical Studies | 35,000 | 45,000 | 80,000 |
| Field Support | 50,000 | 35,000 | 85,000 |
| Resource Modelling | 35,000 | 60,000 | 95,000 |
| Corporate & Administration | 1,357,500 | 1,357,500 | 2,715,000 |
| Costs of the Offer | 680,000 | - | 680,000 |
| | **4,692,500** | **3,687,500** | **8,380,000** |

## 5.1.11 Competent Person's Statement

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Jonathan Lea who is an employee of the company and is a member of the Australasian Institute of Mining and Metallurgy. Mr Lea has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lea consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# 6. Board & Management

## 6.1 Directors

Alan Tough
Non-Executive Chairman

Alan Tough has a distinguished career in business spanning over 40 years including more than 25 years managing publically 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. Recently held positions include his current 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 Chairman of Scanalyse Pty Ltd, 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.

Jonathan Lea
Managing Director

Jon has qualifications in geology, finance and mineral economics with 25 years' experience in the resource industry. He recently held the roles as Technical Director and Managing Director of Polaris Metals Ltd 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.

Ananda Kathiravelu
Non-Executive Director

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.

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) and Rockstead Group (formally known as First Capital Group Ltd), Meridian Minerals Ltd (formally Bellevue Resources Ltd) and Intium Energy Ltd. His areas of expertise include corporate advice, capital raising, mergers and acquisitions. His focus is on the small cap and emerging business sectors.

## 6.2 Management and Consultants

Phillip Wingate
Joint Company Secretary

Phillip holds a Bachelor of Commerce Degree from Curtin University Australia, and is an Associate of the Institute of Chartered Accountants in Australia. After graduating from University, he started his career in commercial and management accounting with a large private construction group.

Since 2008 Phillip has been involved in a number of company secretarial positions and ASX junior transactions. Phillip has been closely involved with the mining sector in Western Australia and has a strong financial and management reporting background.

Morgan Barron
Joint Company Secretary

Morgan Barron is a qualified Chartered Accountant who has worked in various corporate roles both in Australia and Europe. Whilst at Ventnor Capital Pty Ltd he has been involved in a number of director and company secretarial functions and ASX junior transactions. Mr Barron is currently a director of ASX listed ZYL Ltd.

Mr Barron holds a Bachelor of Commerce Degree, is an Associate of the Securities Institute of Australia, and an Associate of the Institute of Chartered Accountants in Australia. Mr Barron provides a strong commercial, financial and management background.

## 6.3 Corporate Governance

The Company's main corporate governance policies and practices are outlined below:

### 6.3.1 The Board of Directors

The Company's Board of Directors is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities;

(c) ensure compliance with the Company's legal and regulatory obligations.

Consistent with these goals, the Board assumes the following responsibilities:

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of, and being accountable to, the Shareholders;

(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

### 6.3.2 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

(a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and

(b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

### 6.3.3 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### 6.3.4 Remuneration arrangements

The remuneration of an Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

The total maximum remuneration of Non-Executive Directors is the subject of a Shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-executive Director. The current limit, which may only be varied by Shareholders in general meeting, is an aggregate amount of $300,000 per annum.

The Board may award additional remuneration to Non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

### 6.3.5 External audit

The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

### 6.3.6 Audit committee

The Company will not have a separately constituted audit committee.

### 6.3.7 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### 6.3.8 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

# 7. Independent Technical Report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Australia

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**ABN 67 077 165 532**

**www.csaglobal.com**

Date: 29 October 2010
Report No: R247.2010

*Independent Geological Assessment*

**RADAR IRON LIMITED**

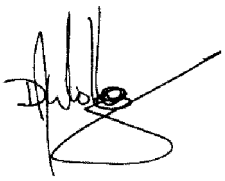
## Iron Ore Exploration Projects

### Diemals District

### Western Australia

**By**
**Ray Cary**
*BSc FAusIMM (CP) FAIG*

Approved:



Daniel Wholley
Director

For:

Radar Iron Limited
Suite 2, 12 Parliament Place
West Perth
WA 6005

## Executive Summary

Until relatively recently, the focus of Western Australia's iron ore industry has been on direct shipping ore ("DSO") mined from hematite-goethite enriched banded iron formation ("BIF") in the Pilbara region in the State's north. BIFs consist of repeated, thin layers of iron oxides alternating with bands of iron-poor shale and /or amorphous silica. The DSO deposits most often occur as near-surface zones in iron-enriched, silica depleted BIF in early Proterozoic, and to a lesser extent, Archaean sedimentary sequences. The iron in unaltered BIF occurs primarily as magnetite, which is becoming an increasingly important source of iron for Chinese steel mills. Magnetite ores however require beneficiation by grinding and magnetic separation to produce a concentrate for direct shipping or pelletisation prior to shipment.

In contrast with the giant Pilbara operations, a number of more modest mining projects based on DSO have been, or are being developed to the south in an area generally known as the Yilgarn Iron Ore Province ("YIOP"). The first of these was at Koolyanobbing, about 50km northeast of Southern Cross (Figure 1), which dates back almost 60 years. Production was only intermittent until a re-commencement of operations in 1994. Today, a series of mines north of Southern Cross owned by Cliffs Natural Resources ("Cliffs") export about 8 million tonnes per annum ("Mtpa") of DSO through the port of Esperance on the State's south coast.

In the second half of this decade, with a surge in Chinese demand and increases in iron ore prices, a number of new, but relatively modest scale projects have been developed toward the north of the YIOP. These have been based initially on DSO, with plans to transition mining into the magnetite BIFs frequently found beneath or along strike from the DSO. Compared with the giant iron ore projects in the Pilbara, the YIOP projects are orders of magnitude smaller.

Radar Iron Ltd ("Radar" or "the Company") has secured access to three groups of tenements, Johnston Range/Copper Bore, Die Hardy and Evanston ("the Tenements") located between 100km and 190km north of the town of Southern Cross (Figure 1). Transit Holdings Ltd ("Transit"), the previous holders of iron ore rights within the Tenements, conducted limited first pass exploration principally for hematite-goethite enriched mineralisation. Transit's work has established potential for both near-surface, BIF-hosted, enriched hematite-goethite mineralisation and for primary magnetite mineralisation.

Radar has commissioned CSA Global Pty Ltd ("CSA") to prepare an Independent Geological Assessment ("Report") describing the geological setting of the BIF-hosted mineralisation in the region, the work completed by Transit and the exploration programs proposed by Radar. Radar intends to raise up to $8.0 million, with a minimum of $5.0 million by way of an Initial Public Offering ("IPO") of its shares to fund the proposed exploration. The Report is to be included in its entirety within a prospectus for the IPO ("Prospectus").


*Figure 1. Location Map*

The Johnston Range tenements were the principal focus of Transit's exploration activities as they and Copper Bore were perceived to have the greatest potential, and were the only tenements outside existing Conservation Parks and Nature Reserves. The tenements lie over the central part of the Archaean Marda-Diemals greenstone belt, within which, as with other greenstone belts, the BIFs stand out as prominent ridges that outline the major deformational structures within the layered greenstone sequence. All greenstone belts in the region show evidence of multi-stage deformation, however, the Marda-Diemals greenstone belt is the least deformed. The iron ore prospects, both goethite-hematite and the higher grade magnetite mineralisation are believed to have formed by a succession of alteration and enrichment phases localised at structurally prepared sites within the BIF units. The goethite-hematite mineralisation that is being mined in the region resulted from extensive near-surface supergene processes localised by earlier deformational processes.

Interpretation of aeromagnetic data suggests there are extensive areas of BIF within the Johnston Range tenements. In outcrop, these extend over about 35km of strike and are characterised by multiple, parallel to sub-parallel individual BIF units which exhibit complex folding patterns. Most of the BIF has been only cursorily explored for iron ore, with the emphasis to date on the discovery of near-surface goethite-hematite mineralisation .

Exploration to date has utilised mainly surface prospecting techniques and limited geophysics, which were followed by shallow drilling beneath outcropping BIF during 2008. Although the drilling reported only isolated or relatively low grade intercepts, perhaps suggesting limited depth potential for goethite–hematite mineralisation, approvals for drilling over BIF outcrops were exceptionally difficult to obtain at the time, and so, in a number of cases, the best targets were either not able to be tested, or were only partially tested.

During 2009, a gravity survey was conducted over parts of the Johnston Range tenements by Transit. Interpretation of the data together with public domain aeromagnetic data led to the identification of numerous goethite-hematite targets, and a number of potential magnetite targets. Field validation of the geophysical targets commenced in June 2010, with field inspections and mapping and sampling mainly of goethite-hematite targets and other areas of apparent interest. As a result of this work, five high priority goethite-hematite, and seven magnetite targets have been selected for initial drill testing. Further field investigations are planned to identify additional drill targets. Only limited work has been completed within the other project areas.

The Die Hardy and Evanston tenements lie within existing, or proposed extensions to nature reserves or conservation parks within the Mt Manning district. A classification as a conservation park will still permit future applications to be lodged to conduct exploration and mining activities within it, however, the process to grant approvals to conduct exploration activities tends to take longer than is usual. Notwithstanding this, approval for a Program of Work ("PoW") to drill test the Lara magnetite prospect at Die Hardy was granted early in October 2010.

Radar has prepared programs and budgets for the proposed exploration on the basis of three possible IPO outcomes:

- Minimum subscription - $5M,
- Fully subscribed - $6M, and
- Over-subscription - $8M.

The split of expenditure in the budgets between activities and between projects will be contingent upon results as the work programs advance and upon land access. CSA has reviewed the proposed exploration program and considers the exploration approach appropriate. It is CSA's opinion that the proposed work programs and expenditure are justified in light of the results of the limited exploration conducted to date, the targets generated by the geophysical interpretations and the prospectivity of the tenements for both goethite-hematite mineralisation and magnetite mineralisation.

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# 1. Introduction

The Directors of Radar Iron Ltd have commissioned CSA Global Pty Ltd to prepare an Independent Geological Assessment describing Radar's iron ore exploration projects located north of Southern Cross in Western Australia's Yilgarn Iron Ore Province ("YIOP") (Figure 1). The projects have been acquired from Australian Securities Exchange ("ASX") listed Transit Holdings Ltd (ASX:TRH), which is based in West Perth, Western Australia.

This Report has been prepared for inclusion a Prospectus for an Initial Public Offering of shares in Radar Iron Ltd (ACN 146 455 576) to be dated on or about 2 November 2010. The purpose of the Report is to provide an independent assessment of Radar's iron ore projects and the proposed exploration programs within them. Radar intends to raise up to $8.0 million, with a minimum of $5.0 million which is to be applied to exploration and evaluation of the Tenements, including:

- Conduct surface mapping, sampling and drilling evaluation of identified geophysical targets.
- Re-evaluate prospects showing evidence of hematite-goethite mineralisation at surface that have not yet been drill tested.
- Undertake mapping and sampling over structural targets.
- Assess the prospectivity of the Evanston and Die Hardy projects, within which only minimal work has been completed.
- Assess the potential for both goethite-hematite mineralisation and magnetite mineralisation within the BIF units within the Tenements.

The Tenements are relatively well located in terms of their proximity to existing infrastructure, support services and population/ workforce.

## 1.1 Reporting Standards

Australia has rigorous standards for the preparation of independent assessments and valuations of mineral assets for inclusion in any reports that are prepared under its corporations laws. In February 1995 the Australasian Institute of Mining and Metallurgy ("AusIMM") adopted the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports. There have since been a number of revised editions, the latest of which was issued in mid-2005 under the title "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports" ("VALMIN Code"). The VALMIN Code is binding upon members of the AusIMM and the Australian Institute of Geoscientists ("AIG") when they are involved in the preparation of Public Independent Expert Reports that are required by legislation such as the Australian Corporations Act 2001, or by the listing rules of the ASX or of other recognised Stock Exchanges. It is endorsed and/ or supported by ASX, the Australian Securities and Investments Commission, the Mineral Industry Consultants Association, the Minerals Council of Australia and the Securities Institute of Australia as indicative of industry best practice. The four main themes of the VALMIN Code are Transparency, Independence, Competence and Materiality. As well as adhering to the VALMIN Code as nearly as practically possible, the Report has also been prepared having due regard to the former Australian Securities Commission Practice Note 42 (Independence).

## 1.2 Terminology

Throughout this Report, the use of the term "ore" is restricted to iron mineralisation currently being mined, or that has been historically mined, or to a description of a particular iron ore type or deposit type that is universally accepted throughout the iron ore industry. Where "ore ", or "mineralisation" is prefaced by the dominant iron mineral/s present, e.g. magnetite, hematite-goethite etc., the reference is unequivocally to iron ore or to iron mineralisation. Wherever the heading to a section or sub-section includes reference to iron mineralisation, iron ore or similar, the discussion which follows should be read in that context. The term deposit is preferred over accumulation as the former has connotations of potential economic viability for at least a part of the known body of mineralisation. The term is used in several instances in the JORC Code. The JORC Code notes that synonyms for "Mineralisation" include "Type of deposit, orebody, style of mineralisation." The use of the term mineralisation in this Report is not meant to imply an orebody, or potential economic viability of the mineralisation.

## 1.3 Basis for Report

This Report has been prepared to include information available up to and including 29 October 2010. As recommended by the VALMIN Code, a field inspection of the Tenements was completed by the author on 3 September 2010. CSA was accompanied on the field visit by Transit's Project Geologist. In preparing the Report, CSA has assumed that Radar has, and will have lawful access to the Tenements such that it will be able conduct the proposed exploration programs discussed in the Report.

The opinions expressed in this Report are based upon information provided to it by Radar or sourced from the public domain. All reasonable inquiries have been made to verify the information and CSA has no reason to doubt the reliability of any of the information or to believe that information has been withheld or is incomplete. However, the information has not been independently audited, nor has any audit been conducted of Radar, Transit and/or any of their subsidiaries or associated entities. All material sources of information are shown in Section 12 at the rear of the Report.

The statements and opinions included in the Report are given in good faith and in the belief that they are not false, misleading or incomplete. A copy of the Report was provided to Radar in draft form with a written request for comment as to errors of fact or interpretation, material omissions, or substantive disagreement as to the conclusions reached herein. The opinions and conclusions presented in the Report are believed to be appropriate on the basis of the information available at the time. These could however be subject to change over time should new information become available, or with changes in other factors that may affect the prospectivity of the Tenements.

## 1.4 Author of Report

This Report has been prepared by CSA Global Pty Ltd. CSA is an international minerals industry consultancy with its head office in Perth, Western Australia, branch offices in Darwin and Brisbane, and overseas offices in the United Kingdom and Indonesia. The Company has provided geological consulting services to the exploration and mining industries in Australia, Asia, Europe, Africa, and the Americas. These services include estimation, assessment and evaluation of a wide range of both metallic and non-metallic deposits, and it has advised upon, designed and performed exploration programs, carried out valuations, due diligence studies, and mine development studies and produced independent reports on mining and exploration properties.

The author of the Report is Mr Ray Cary, an Associate Consultant with CSA. Mr Cary is the Director and Principal of Northwind Resources Pty Ltd ("NRPL") of Perth, Western Australia. He graduated from the University of Western Australia in 1970 with a Bachelor of Science, majoring in Geology and Physical Chemistry. He is a Fellow of the AusIMM wherein he is accredited with Chartered Professional status in Management. He is also a Fellow of the AIG. His 40 years of industry experience includes exploration, resource evaluation, feasibility studies, project development, mining operations, corporate and asset acquisitions, project financing and company directorships. He has prepared numerous public and private evaluations of companies, mining operations and exploration projects, and has extensive experience in financial modelling for operations involving a variety of commodities including gold, nickel, base metals and iron ore. The geographic spread of these activities includes Australia, New Zealand, Central and South East Asia, West and Central Africa, Europe and Northern and Central America.

Mr Cary has the necessary qualifications and experience to be considered an "Expert" under the VALMIN Code.

## 1.5 Independence

None of CSA or NRPL, or any of their affiliates, associates or subsidiaries, or Mr Cary has any association with Radar or Transit, or any of their directors, affiliates, associates or subsidiaries that could reasonably be construed as affecting their independence in the preparation of the Report. None of CSA, NRPL or any of their affiliates, associates or subsidiaries, or Mr Cary has any interest or entitlement, direct or indirect, in the securities and assets of Radar or Transit, or their subsidiaries, principal shareholders, or any other company believed to be associated with Radar or Transit.

No member, employee or Associate of CSA or NRPL is, or is intended to be a director, officer or other direct employee of Transit. No member, employee or Associate of CSA or NRPL has, or has had, any shareholding, or the right (whether enforceable or not) to subscribe for securities, or the right (whether legally enforceable or not) to nominate persons to subscribe for securities in Transit. CSA has not previously provided geological services to Radar or Transit, and there is no agreement or understanding between CSA and/or NRPL and Radar and/or Transit as to CSA and/or NRPL performing further work for Radar.

CSA is to receive a fee for the preparation of the Report based upon normal commercial terms for this type of work. This fee is payable regardless of the findings of the Report.

## 1.6 Declarations and Limitations

This Report has been prepared by CSA Global Pty Ltd at the request of, and for the sole benefit of Radar Iron Ltd. Its purpose is to provide an independent assessment of exploration tenements located in the Diemals district in Western Australia which Radar either holds outright, or within which Radar holds the rights to iron ore. The Report is to be included in its entirety within a Prospectus to be issued in connection with an IPO by Radar that is to be dated on or about 2 November 2010. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The terms of CSA's appointment include the provision of an indemnity whereby Radar will indemnify and compensate CSA in respect of preparing the Report against any and all losses, claims, damages and liabilities to which CSA or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of Radar or any of its directors or officers knowingly providing CSA with any false or misleading information, or Transit, or its directors or officers knowingly withholding material information.

CSA has consented to the inclusion of the Report within the Prospectus in the form and context in which it is to appear. Neither the whole nor any part of the Report, nor any reference to it, may be included in or with, or attached to any other documents, circular, resolution, letter or statement without the prior written consent of CSA as to the form and context in which it is to appear.

## 2. Location, Access, Physiography, Climate and Vegetation

The Tenements are located between 100km and 190km north of Southern Cross in Western Australia's Eastern Wheatbelt (Figure 2). Cliffs' Koolyanobbing operations are located about 50km north-northeast of Southern Cross.

There are three project areas, Johnston Range/Copper Bore, Evanston and Die Hardy (Figure 2). The Johnston Range/Copper Bore and Evanston tenements, and the northern part of the Die Hardy tenement are located within the Johnston Range 2738 1:100,000 map sheet within the Barlee SHJ 50-8 1:250,000 map sheet. Access to the Tenements is via the graded Bullfinch-Evanston Road, which passes close to the Die Hardy Project, thence via the Diemals-Menzies Road through Diemals Station to the Johnston Range and Copper Bore tenements. The Evanston tenement lies to the north of the Diemals-Menzies Road and is accessed via the Lake Barlee Road to Mt Elvire Station. Access within the various project areas is via station tracks and old cleared exploration grid lines.

The Tenements are located within the Yilgarn Iron Ore Province and are well placed with regard to regional transport infrastructure, a key consideration for the successful development of iron ore projects. There are established iron ore mining operations based on hematite-goethite mineralisation at Koolyanobbing, Windarling and Jackson, all operated by Cliffs, with combined annual production of approximately 8Mtpa. A number of other developments are proposed and are at varying stages of assessment. The Trans Australia railway line passes through Southern Cross and Koolyanobbing en route from Kwinana/Fremantle/Perth to Kalgoorlie. There is a rail link from Kalgoorlie to Esperance on the south coast from where Cliffs ships its production. All are open access lines. Esperance is a deep water port with capacity for expansion, and a 15 to 20Mtpa iron ore export facility is in the planning stages for Kwinana. To the north, the Mid-West Iron Ore Alliance is planning a regional rail infrastructure project and major iron ore export facility at Oakagee, about 40km north of the port of Geraldton from where the existing Mid-West producers are presently shipping, but relying on road transport to port.

On 7 October 2010, the Yilgarn Iron Producers' Association ("YIPA") was formed in an effort to advance development in the YIOP and to cooperate in the development of rail and other infrastructure in the region. The YIOP extends from Wiluna in the north to Koolyanobbing, and for 150km west of the Leonora-Kalgoorlie-Esperance rail and port infrastructure. The inaugural members of the YIPA include Cashmere Iron Ltd, Cliffs, Golden West Resources Ltd, Macarthur Minerals Limited, Mindax Limited, Mineral Resources Limited, Polaris Metals NL and Transit. The YIPA intends to work toward the upgrading of the existing rail link to Esperance and cooperating in the planning issues at the port.

The region has a semi-arid climate with average annual rainfall of about 275mm. The wettest months are between April and August, however, major summer rainfall events due to the remnants of tropical cyclones originating to the north and moving southeasterly are not uncommon. The hottest months are from December to March when temperatures regularly exceed 40°C, and the coldest months from June to August when there are occasional frosts.

Relief over much of the area is low, but there are substantial ridges and ranges to the east of the Die Hardy tenements. The highest points are within prominent ridges of BIF where occasional peaks reaching over 600m above sea level rise above a gently undulating plain lying about 400m above sea level. Away from areas of greenstone, sand and loam covered plateaux with breakaways are underlain by lateritic duricrust developed over granitic rocks. Drainage is mainly to the south.

To the north, the vegetative cover is dominated by mulga, with sparse low scrub that may include Acacia, Cassia and Eucalyptus species, and sparse perennial and annual grasses. Spinifex grass may grow in areas of extensive sand plain. Mulga scrub is abundant in areas underlain by granitic rocks. To the south, areas of greenstones and broad valleys are typified by Eucalypts replacing mulga as the dominant tree type in woodlands and open woodlands, with patches of Acacia scrub and mallee. A typical understorey comprises saltbush or broombush with sparse perennial and annual grasses. BIF ridges are characterised by dense thickets of Acacia and Casuarina species up to 2.5m tall. Sandplains are dominated by dense acacia thickets interspersed with small, low woodland patches, with hummocky spinifex developed locally. Acacia scrub, with saltbush and a ground layer of more salt-tolerant species (including succulents) grows near playa lakes.

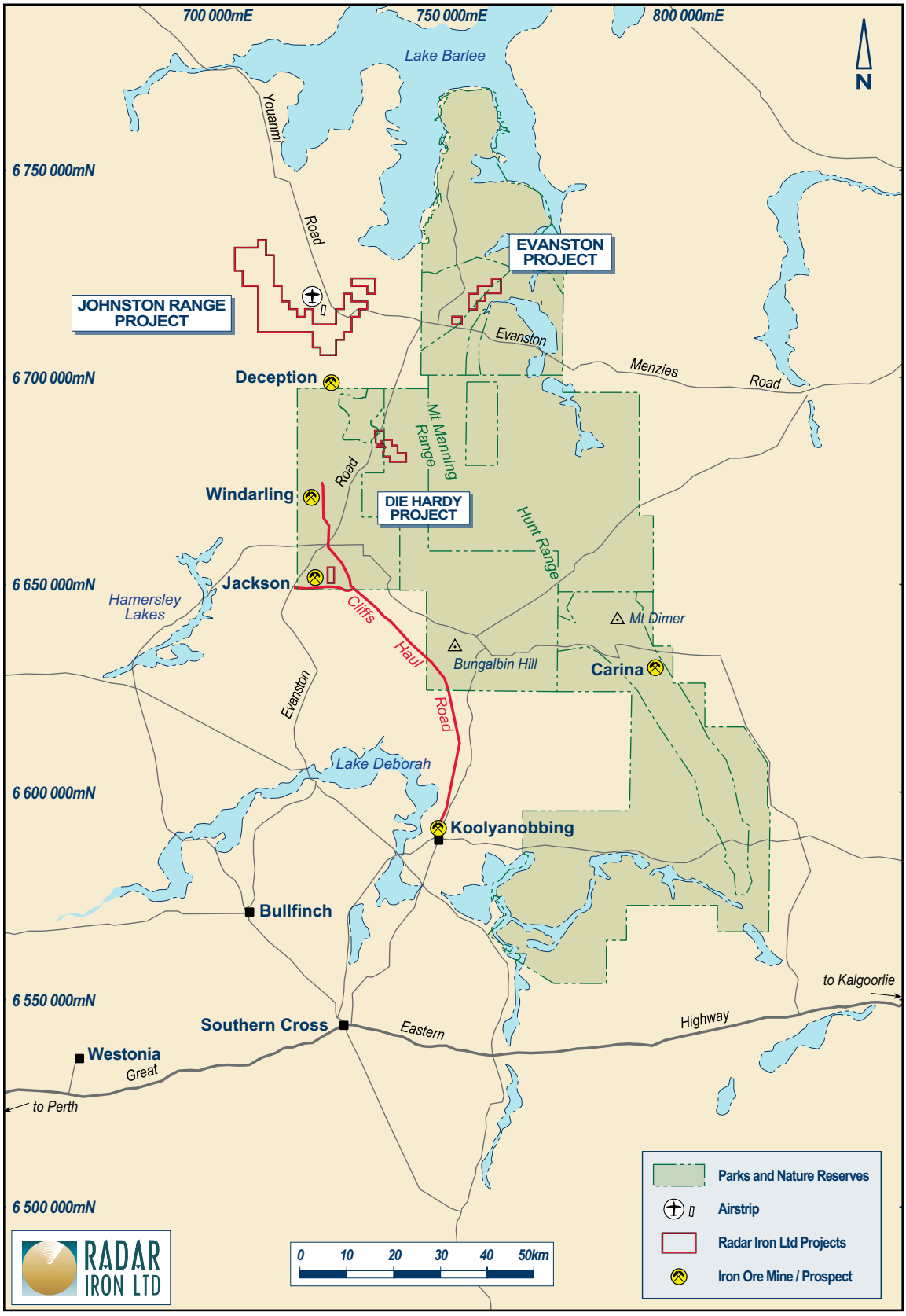


*Figure 2. Radar Iron Ltd Iron Ore Exploration Tenements Location Diagram*

## 3 Tenements

The VALMIN Code requires that the status of tenements be disclosed, and that the determination of status be based on a recent report by an independent tenement specialist. Table 1 summarises the Tenements.

Table 1. Radar Iron Ltd. Tenement Schedule

| Tenements by Project | Registered Holder/Applicant | Date Granted | Expiry Date | Area | Expenditure Commitment |
|---|---|---|---|---|---|
| Johnston Range | | | | | |
| E77/1280 | Radar Resources P/L | 13/08/2007 | 12/08/2012 | 32 blocks | $48,000 |
| E77/1281 | Radar Resources P/L | 13/08/2007 | 12/08/2012 | 35 blocks | $52,500 |
| E77/1806 | Transit Holdings Ltd (Application) | n/a | n/a | 3 Blocks | n/a |
| E77/1807 | Radar Resources P/L (same tenement as E77/1806) | n/a | n/a | 3 Blocks | n/a |
| Copper Bore | | | | | |
| E77/1375 | Polaris Metals NL Vern Strange | 30/01/2008 | 29/01/2013 | 13 blocks | $20,000 |
| Die Hardy | | | | | |
| E77/1164 | Southern Cross Goldfields Ltd | 28/03/2006 | 27/03/2011 | 3 Blocks | $20,000 |
| E77/1168 | Southern Cross Goldfields Ltd | 5/10/2006 | 4/10/2011 | 4 blocks | $20,000 |
| P77/3458 | Southern Cross Goldfields Ltd | 9/08/2007 | 8/08/2011 | 200 ha | $8,000 |
| P77/3459 | Southern Cross Goldfields Ltd | 9/08/2007 | 8/08/2011 | 163 ha | $6,520 |
| P77/3460 | Southern Cross Goldfields Ltd (Application) | n/a | n/a | 199 ha | n/a |
| P77/3461 | Southern Cross Goldfields Ltd (Application) | n/a | n/a | 199 ha | n/a |
| P77/3462 | Southern Cross Goldfields Ltd (Application) | n/a | n/a | 135 ha | n/a |
| Evanston | | | | | |
| E77/1196 | Southern Cross Goldfields Ltd | 11/07/2006 | 10/07/2011 | 8 blocks | $30,000 |

A "block" in Table 1 refers to a graticular block, which is one minute of latitude by one minute of longitude. The area of a block varies with latitude, progressively decreasing with increasing latitude due to the convergence of the lines of longitude toward the earth's poles. A block covers an area of about 3km2 within the region of Radar's projects.

The granted tenements at Johnston Range are held in the name of Radar Resources Pty Ltd, which is wholly owned by Transit. A 1.5% net profits royalty is retained by Messer's Adam and Frank Hill. Applications for exploration licences over the same ground have been lodged at Johnston Range in the names of both Transit and Radar Resources Pty Ltd. As there are competing applications over the same ground lodged by other parties, there is to be a ballot to decide the successful applicant. The Copper Bore tenement is held 95% by Polaris Metals NL, with the other 5% currently held by Mr Vern Strange ("Strange"). An agreement has been signed by Radar and Strange for Radar to acquire Strange's interest. The tenement is also the subject of a joint venture between Polaris and Radar in which Radar is presently entitled to a 57% interest in the iron ore rights. Radar and Polaris have reached agreement for Radar to acquire 100% of the iron ore rights. The Die Hardy and Evanston tenements form part of Southern Cross Goldfields Ltd Marda gold project. Iron ore rights within all tenements are held by Radar Resources Pty Ltd.

The status of the tenements and details of the various agreements are the subject of a separate Independent Solicitors' report that is included as Section 9 in the Prospectus.

## 3.1 Nature Reserves and Restrictions on Access

Large areas to the north of Southern Cross in the general Mt Manning area have been declared nature reserves or conservation parks, with the area covered by these reserves set to be significantly increased (Figure 3). In a Media Statement issued on 1 September 2010, the WA State Government announced new nature and conservation arrangements for the area, which included retaining the Helena-Aurora Range and Mt Manning Range Conservation Parks and the Mt Manning Range Nature Reserve. The new reserves will be managed by the Department of Environment and Conservation ("DEC") and will comprise:

- A class A nature reserve over the Die Hardy Range to be relinquished from the Diemals pastoral lease, or when the lease expires in 2015. The new reserve will exclude a mineralised area in the southeast of the range.
- Conservation parks (not Class A) and reserves for conservation and mining over the former Mt Elvire and Jaurdi pastoral leases.
- A reserve for conservation and mining over part of the Diemals pastoral lease, or when the lease expires in 2015.
- A reserve for conservation and mining over part of the area that was formerly the Mt Jackson pastoral lease.

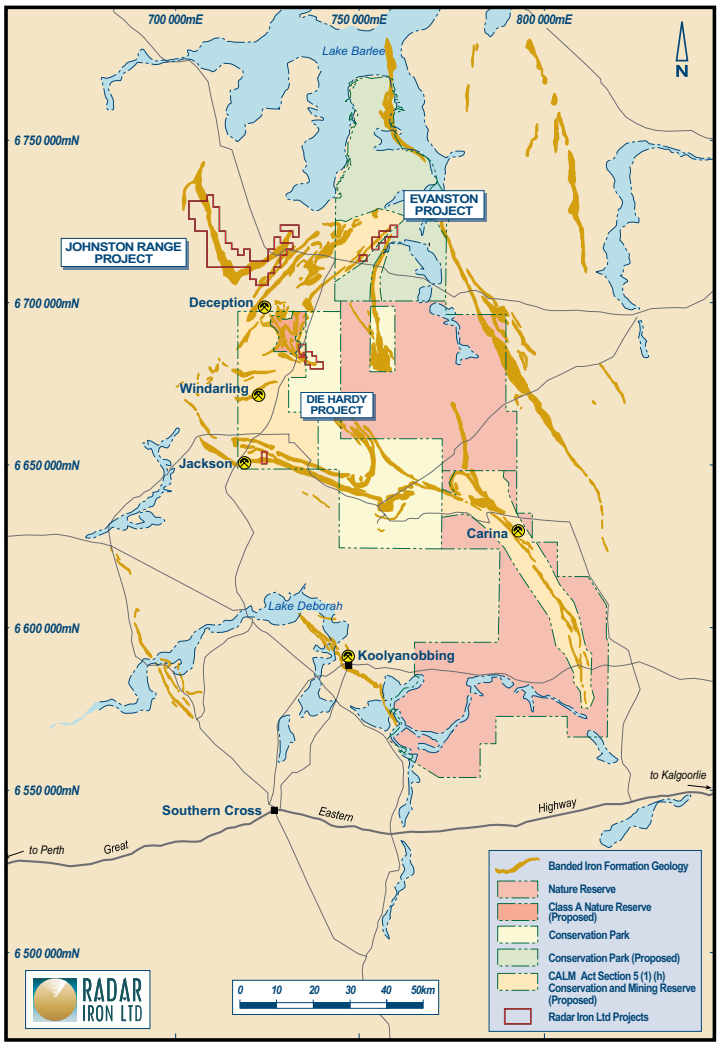


*Figure 3. Location of Existing and Proposed Conservation and Nature Reserves and Radar Tenements.*

*Source: WA Department of Premier and Cabinet Joint Media Statement 1/9/10: New conservation, mining arrangements for Mt Manning*

For reserved land, the land category and classification determines the degree of control that is exercised by State agencies or Ministers over activities within the reserve. A class A reserve has a higher level of consent for exploration and mining than unclassified reserves. The recommendation of the Minister for the Environment is required for exploration and mining in non-class A (i.e. unclassified) conservation parks, and for class A conservation parks outside the State's south-west land division and the Shires of Esperance and Ravensthorpe on WA's south coast. The final decision rests with the Minister for Mines. Parliamentary approval is not required for mining in unclassified conservation parks outside the areas nominated above.

The announcement noted that any development proposals in the area will continue to be subject to the requirements of the Environmental Protection Act 1986 and the Mining Act 1978 which includes assessment and advice from the Environmental Protection Authority. The DEC will remain the land managers of the reserves.

Radar does not have any tenements within existing or proposed Class A Reserves. The Die Hardy and Evanston tenements lie within existing, or proposed extensions to nature reserves or conservation parks within the Mt Manning district. A classification as a conservation park will still permit applications to be lodged to conduct exploration and mining activities within it, however, the process to grant approvals to conduct exploration activities tends to take longer than is usual. In September 2010, six applications for approval of PoWs were lodged with the Department of Mines and Petroleum to permit the initial drill testing of priority targets. At the time of writing, three had been approved with the other three pending.

# 4. Geology

## 4.1 Regional Geology

The Tenements are located over the northern part of the Southern Cross Granite-Greenstone Terrane in the central part of the Archaean Yilgarn Craton (Figure 4). The Yilgarn Craton is characterised by a series of generally narrow, steeply dipping, north-northwest elongate volcano-sedimentary sequences or greenstone belts which for the most part are separated by large masses of granitic rocks. The greenstone stratigraphy comprises complex sequences of mafic and ultramafic lavas and intrusives, with intercalated felsic volcanoclastics, extrusives and intrusives, and volcano-sedimentary rocks. East-west trending Proterozoic-aged dolerite dykes occur as late intrusives throughout the region.

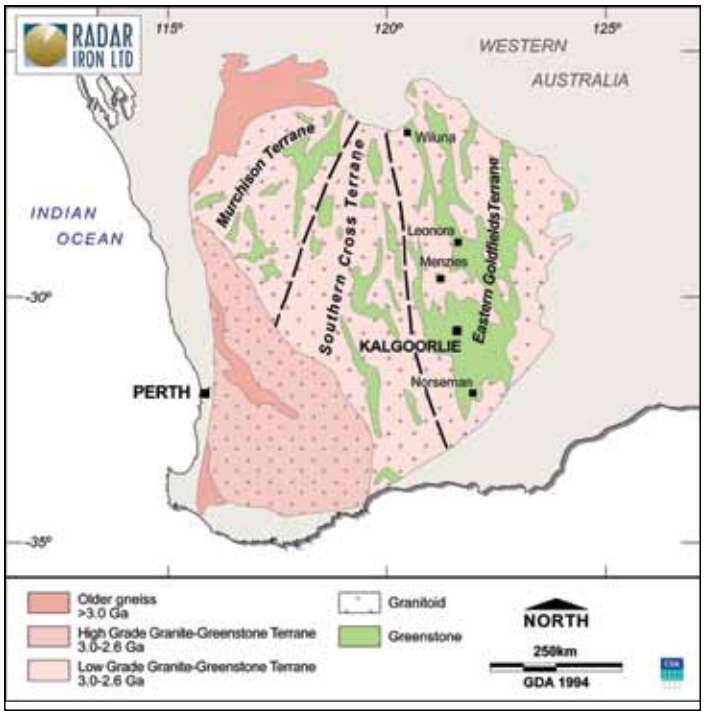


*Figure 4. Yilgarn Craton and Major Greenstone Belts*

## 4.1 Regional Geology (continued)

The greenstone belts show evidence of major dislocation by north-south trending crustal sutures which have had a profound effect on both their geometry and distribution. Many of these faults are traceable for hundreds of kilometres and effectively sub-divide the greenstone belts into a series of tectono-stratigraphic Terranes. Each Terrane is subdivided into a number of Domains, with the Terranes and Domains bounded by interconnecting major fault systems. The faults are believed to have been the conduits for the fluids which introduced the majority of Archaean gold mineralisation within the Craton.

The Southern Cross Granite-Greenstone Terrane is characterised by strongly deformed, lenticular greenstone belts dominated by mafic-ultramafic volcanic successions intercalated with BIF units that have been intruded by voluminous monzogranites. To the east, the Southern Cross Granite-Greenstone Terrane is juxtaposed against the Eastern Goldfields Granite-Greenstone Terrane, with the distinction between the two drawn on the basis of lithological variations, relative volumes of different rock types, and different ages and structural styles of the greenstone sequences. The Ida Fault is a regional-scale structure inferred to represent the boundary between the Southern Cross and Eastern Goldfields Granite-Greenstone Terranes. To the west, the central and northern parts of the Southern Cross Greenstone-Granite Terrane adjoin the Murchison Granite-Greenstone Terrane along the Youanmi Fault.

## 4.2 Regional Geology of Project Areas

The general region within which the Tenements are located is predominantly underlain by the Marda-Diemals greenstone belt, with the Evanston Project tenements located over the Evanston greenstone belt (Figure 5). The Evanston greenstone belt is a north-easterly splay off the Marda-Diemals greenstone belt, from which it is separated by the Rainy Rocks Monzogranite. Within the greenstone belts, BIF stands out as prominent ridges that outline the major structures of the layered greenstone sequences.

The Marda-Diemals greenstone belt extends from Lake Barlee in the north to Mt Dimer in the south, or a distance of about 220km. It is a wide, arcuate tectonic unit comprising a lower, mafic-dominated sequence, and an upper sequence of felsic volcanic and clastic sedimentary rocks. It encloses three distinct, ovoid granitoid plutons. The bounding faults to the Marda-Diemals greenstone belt and the granitoid plutons within it are, to the west, the Koolyanobbing Shear Zone ("KSZ") and Clampton Fault, which extends into the Youanmi Fault to the north, and the Mt Dimer and Evanston Shear Zones to the east ("MDSZ" and "ESZ" respectively). The KSZ is a major, deep seated, shallowly east dipping, reactivated ductile crustal structure between 6 and 15km wide, extending for more than 650km along the greenstone belt's western boundary.

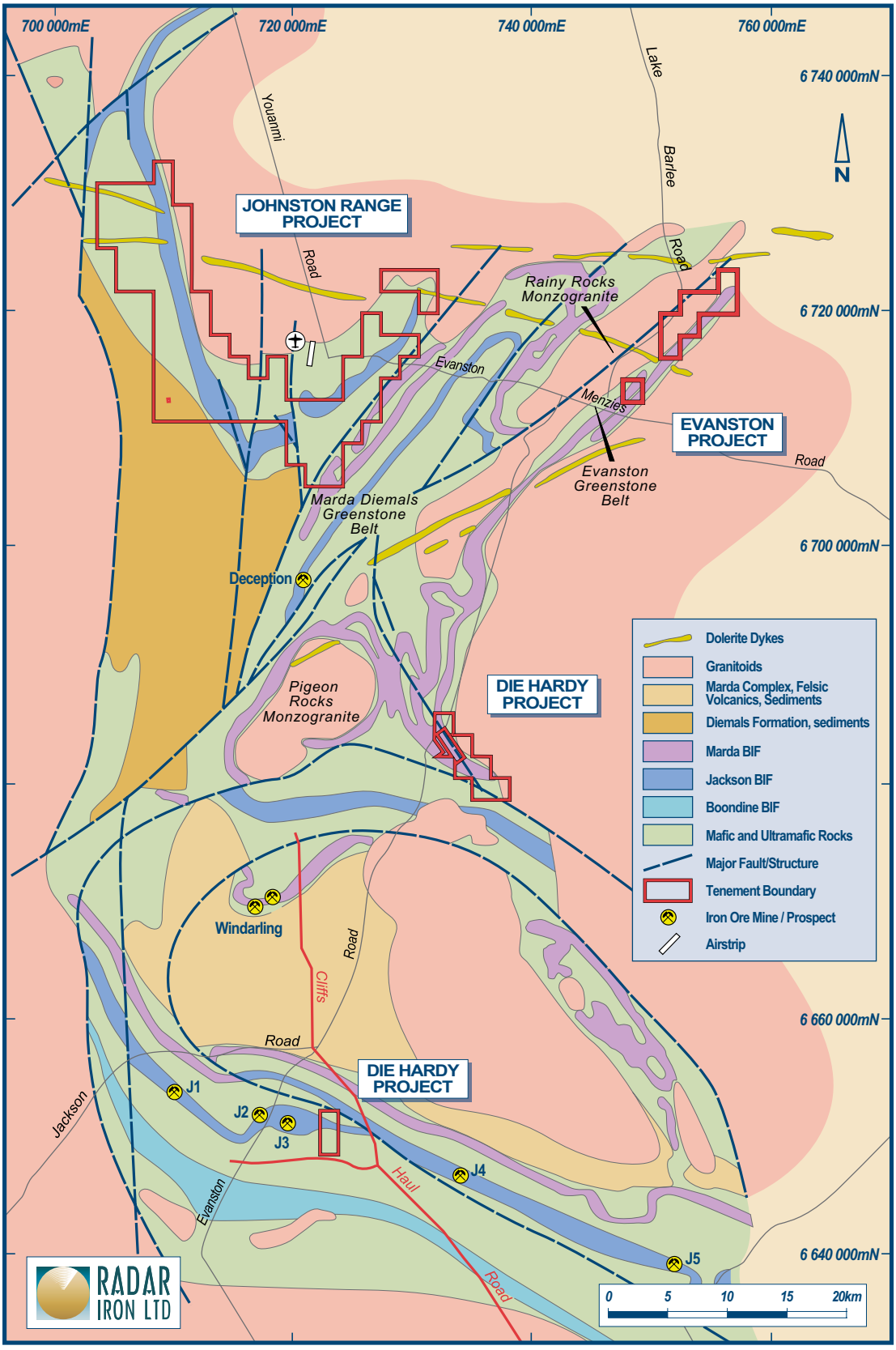


*Figure 5. Simplified Geology Marda-Diemals and Evanston Greenstone Belts*

## 4.2 Regional Geology of Project Areas (continued)

The lower greenstone sequence consists of a basal quartzite overlain by high-magnesium basalt and ultramafic rocks, followed by tholeiitic basalt, and two major units of BIF and chert. Felsic intrusive and pyroclastic rocks outcrop locally, but their absolute position within the stratigraphy is not clear. A major unconformity separates the lower greenstone sequence from an upper greenstone sequence comprising the Diemals Formation and the Marda Complex. The Diemals Formation is a thick sequence of heterogeneously deformed, clastic sedimentary rocks, whilst the calc-alkaline Marda Complex contains a range of extrusive acid to intermediate rock types. The Diemals Formation and the Marda Complex may have been coeval.

All greenstone belts in the region show evidence of several phases of deformation. The Marda-Diemals greenstone belt is the least deformed in the region, with a prominent BIF at or near the top of the lower greenstone sequence providing a marker horizon to trace stratigraphy throughout the belt. Foliation is well developed near the margins of the belt, but is less penetrative away from the margin. There is no recognisable fabric in basalt more than about 5km away from the margins, however folds are still developed within BIF. Away from the margins, metamorphic grades are low. In the other greenstone belts, textures are entirely metamorphic, and there is evidence for more than one episode of metamorphism.

## 4.3 Structural History

The Marda-Diemals region has undergone a multi-stage deformational history. Several deformational schemes have been proposed, leading to some confusion in the process of preparing a synopsis. The first stage (D1) is thought to have been north-south compression that produced easterly trending tight to isoclinal folds and may have initiated development of some of the large-scale shear zones that are prevalent throughout the central Yilgarn Craton. These major shear zones may have originated as extensional growth faults at the margins of the developing greenstone depositional basins. An extended period of east-west compression produced large scale, northerly trending upright folds (D2) that overprint D1 structures, regional-scale faults and shear zones, and re-orientation of earlier structures (D3). Subsequent deformation included the development of north-northeasterly and east-southeasterly trending faults and fractures during east-west to east-northeast - south-southwest compression (D4), and the development of a locally recognised, late-stage, easterly trending foliation with associated crenulation and open folding. Mafic and ultramafic dykes of probable Proterozoic age intruded easterly to northeasterly trending fractures.

Figure 6 is a grey-scale image of total magnetic intensity from aeromagnetic data over the region from Koolyanobbing to Lake Barlee with Radar's tenements overlain. This shows clearly the structural complexity of the Archaean sequence. The most prominent feature is the Horse Well anticline in the Johnston Range area in the north of the image. The ovoid feature to the south of the Horse Well anticline is the Pigeon Rocks Monzogranite (Figure 5), and the northeasterly trending linear feature to the east of the Horse Well anticline, the Evanston greenstone belt.

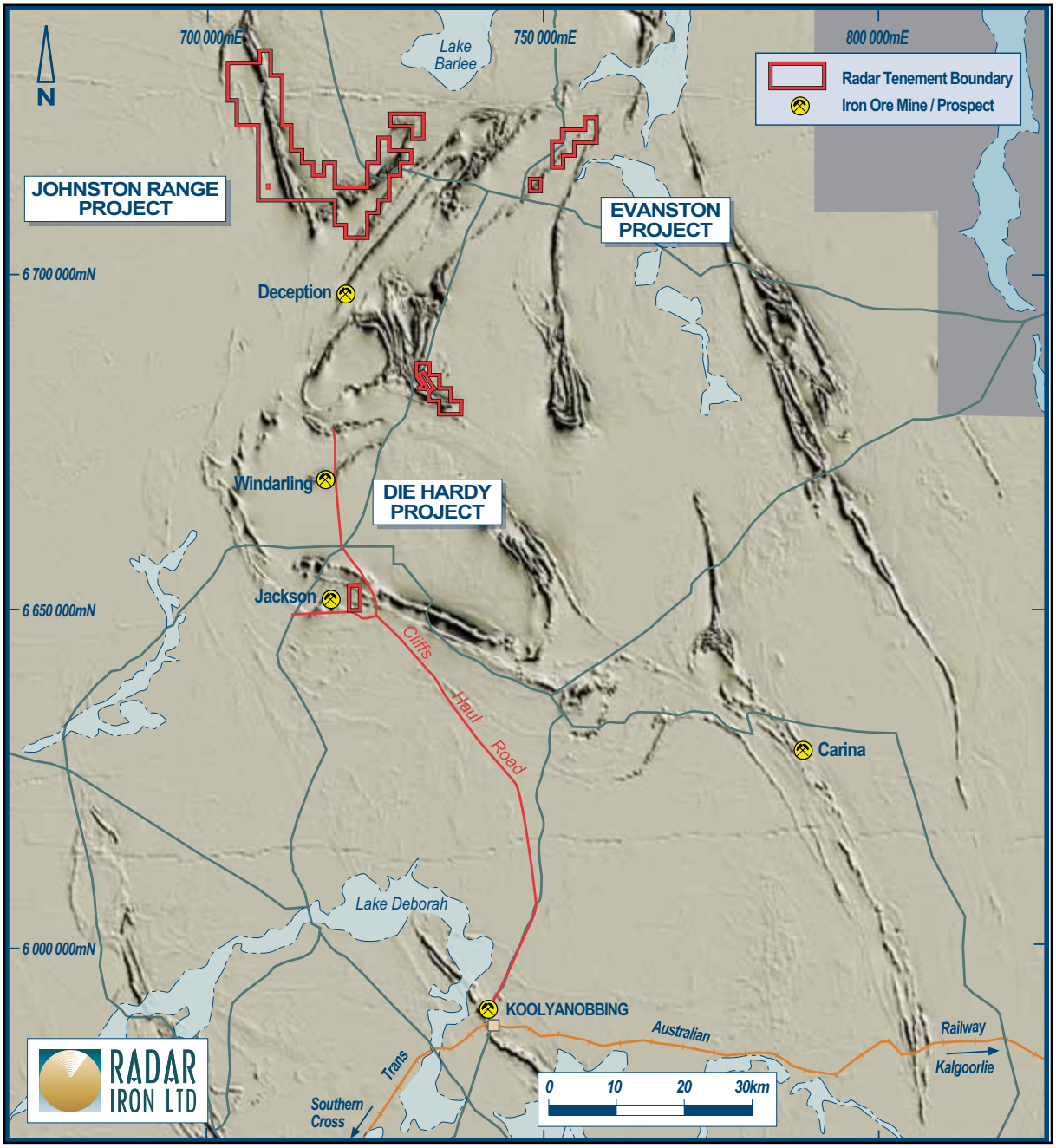


*Figure 6. Grey-scale image of total magnetic intensity with Radar project areas.*

*Source of aeromagnetic data: Geological Survey of Western Australia*

## 4.4 Banded Iron Formation

Banded iron formation, or BIF, is a distinctive rock type most commonly occurring in Proterozoic and Archaean volcano-sedimentary sequences. BIFs consist of repeated thin (millimetre to centimetre scale) layers of iron oxides, either magnetite (Fe3O4) or hematite (Fe2O3), alternating with bands of iron-poor shale and/or amorphous chert. The BIFs within the Archaean sequences present in the region of the Tenements are typically steel-grey to blue, black, and locally red (jaspilitic) laminated rocks with alternating laminae of quartz and magnetite or hematite. Individual laminae range from less than 0.05mm to greater than 1 mm thick, with sets of laminae, defined by iron oxide content, that range from less than 1 mm to greater than 1 cm thick. The quartz is typically recrystallised, but may be microcrystalline where the rock has been subjected to only low grade metamorphism. Where there has been strong recrystallization as a result of metamorphism, the primary laminations are generally well preserved. A typical BIF outcrop is shown in Figure 7.

*Figure 7. Typical BIF Outcrop Johnston Range*

The thicknesses of individual BIF units in the Marda-Diemals greenstone belt are not well described, however, to the south, individual BIF ridges may be characterised by a single unit a few hundred metres thick, or several BIF units that individually are only up to a few tens of metres thick. Further to the south again, there are three BIF units within the Koolyanobbing greenstone belt which have thicknesses between 50m and 180m, and locally up to 260m where complexly folded. The middle unit comprises mainly layered quartz-magnetite rock which is weathered to quartz-martite ± goethite BIF from surface to depths of about 70m. Massive pyrite bodies between 5m and 70m thick are locally present at the stratigraphic footwall of the BIF. All BIF units have a strong positive response on magnetic images (Figure 6), forming the most prominent aeromagnetic features.

# 5. Iron Ore Mineralisation Models

## 5.1 Background

Potentially economic accumulations of iron ore in Western Australia occur principally within iron-enriched, silica-depleted BIF in early Proterozoic, and to a lesser extent, Archaean sedimentary sequences. They also occur as magnetite in unaltered BIF, magnetite accumulations within layered Archaean mafic/ultramafic intrusive complexes and as pisolitic mineralisation (channel iron deposits or "CID") that developed in Tertiary paleochannels. None of the several large magmatic-associated magnetite deposits has been developed as a source of iron ore thus far. Such accumulations often contain significant and sometimes potentially economic concentrations of titanium, vanadium and other metals, however these contaminants generally preclude the use of the magnetite as direct feed in the iron and steel making process. Due to their much lower iron grade and high silica content, magnetite iron ores, and particularly BIF-associated iron ores, generally require concentration to generate a product suitable for iron and steel making. Attention is however increasingly turning to BIF-associated magnetite mineralisation as demand for iron ore increases, and with it, iron ore prices, opening opportunities for new participants in the industry other than the existing major producers.

Structural control is considered to be one of the most important factors influencing the location and geometry of high grade, secondary-enriched BIF-hosted iron ore (58% to 68% Fe). Such mineralisation is generally referred to as Direct Shipping Ore or DSO. Details of the ore-forming processes and the relative timing of deformation and iron oxide enrichment remain contentious for most BIF-hosted mineralisation globally. Syngenetic models propose that synsedimentary or diagenetic structures, such as extensional faults or boudinage led to facies variations or diagenetic modification of BIF and the production of chert-free iron formation. Supergene and supergene-metamorphic models regard existing structures as high permeability zones for the circulation of ancient or recent meteoric fluids through the BIF, causing an upgrade in iron by the leaching of gangue minerals from the BIF to form iron ore, or by the pseudomorphic replacement of gangue minerals with goethite. In hypogene models, hydrothermal fluid flow associated with deformation is believed to be important for the localisation of iron oxide mineralisation in low mean stress zones within structures. Hypogene-supergene models are proposed to explain multi-stage upgrading processes for iron in BIF. Structural models are well established for many Proterozoic BIF hosted iron ore prospects in Western Australia's Pilbara region, however, the same level of understanding is lacking for BIF-related, high grade magnetite and hematite mineralisation in the Archaean Yilgarn greenstone belts.

## 5.2 Pilbara Enriched BIF Mineralisation

The economically significant BIF-associated mineralisation in the Pilbara is believed to have developed by structurally controlled hypogene enrichment of much lower grade BIF protores wherein magnetite was oxidised to hematite and the chert component replaced by hydrous iron oxides to form high grade, low impurity iron ores. In some cases, burial metamorphism and subsequent leaching/supergene enrichment led to the formation of high grade hematite mineralisation. By implication, the secondary enriched mineralisation should be only weakly-, or non-magnetic.

The enriched BIFs occur in both early Proterozoic and Archaean terranes, although the number and size of Proterozoic-associated iron ore accumulations far exceeds anything in Archaean terrane. The processes which formed the mineralisation were active in Proterozoic times, and again in Mesozoic times, and affected Proterozoic and Archaean BIFs similarly. Both Archaean and Proterozoic BIFs have the potential to contain high grade iron ores. There appears to be nothing in the genetic model to distinguish Archaean and Proterozoic BIF associated accumulations other than size, which is no doubt related to the relative abundance of BIF in the two terranes.

Within the Pilbara's Hamersley Province, the progenitor BIF comprised typically chert and magnetite, with or without primary hematite, together with a variable content of silicates and carbonate. Initially, fold structures in the BIF that were capable of forming open-ended artesian systems were exposed to supergene processes. Magnetite was oxidised to hematite and kenomagnetite, which may remain as a magnetic component in immature iron ores or which may have inverted to hematite or goethite. Pseudomorphs of hematite after magnetite are known as martite. This supergene enrichment was largely lost to erosion.

A second essential feature of the genetic model was that some structural feature, such as a cross fold, allowed initial groundwater access to the BIF well below surface. As water flowed through the system, silica and other gangue minerals were leached and replaced by hydrous iron oxides. Much of the iron leaching from the eroding supergene-enriched surface was mobilised as ferrous iron by organic processes and transported deep into the system to be added as ferric iron to the BIF that eventually became the orebody. Seasonal wetting and drying of outcrop produced redox alternations that were transmitted through conductive layers in the BIF to produce oxidation reactions at depths normally well beyond the reach of atmospheric influences. The mineralisation thus formed by upward growth toward the surface, sometimes from considerable depths, as gangue minerals were replaced by supergene-metasomatic processes. Reburial occurred about 1,850 million years ago, and the enriched BIF was subjected to low grade burial metamorphism, resulting in much of the matrix replacement goethite being converted to secondary hematite. Some of the Hamersley Province iron ore accumulations have dip extensions in excess of 1,500m.

## 5.2 Pilbara Enriched BIF Mineralisation (continued)

The younger-formed (Mesozoic) deposits were not subsequently buried and metamorphosed, and survived as goethite-martite ores. In the upper levels of these deposits, and particularly in the thin carapace that defines the hardpan zone, there may be significant secondary hematite that has resulted from the dehydration of metasomatic goethite.

## 5.3 Koolyanobbing Enriched BIF Mineralisation

The goethite-hematite iron ore accumulations within the Koolyanobbing greenstone belt are amongst the most significant accumulations of high grade iron ore in the Yilgarn Craton. Seven iron ore accumulations are hosted in the southern section of the middle BIF unit over a strike length of 14km along the discontinuous Koolyanobbing Range. Pre-mining tonnage estimates amount to about 150Mt above a 58% Fe cut-off, whilst the K deposit, with >100Mt pre-mining, is considered to be the largest single accumulation of hematite-goethite mineralisation in the Yilgarn. There are five distinct high grade mineralisation types which are distinguished on the basis of the dominant iron oxide, viz. magnetite, martite, specularite, goethite and goethite-martite. The latter is volumetrically the most important at about 80% of known mineralisation. Typically, the lithologic units hosting the iron ore mineralisation show mixtures of the main oxides. The least altered, unweathered protolith is a quartz-magnetite BIF. Exploration during the 1950s also led to the discovery of massive sulphide bodies, sulphide-hosted goethite gossan and high grade magnetite mineralisation below what are now known to be the K and A deposits.

The most recent studies suggest a multi-stage alteration and iron ore formation process, the essence of which may be summarised thus:

- Stage 1 was an early Fe-Mg (±Ca?) metasomatism that locally altered quartz-magnetite BIF to Fe-rich carbonate-magnetite BIF by replacement of silica layers. The hydrothermally altered BIF is typically enriched in iron (approximately 45% to 55% Fe) without showing any volume reduction, which is considered to be evidence that iron was added to the BIF host by metasomatism. Stage 1 is thought to have "prepared" the BIF for subsequent dissolution of carbonate gangue during Stage 2. Since dolomite (Ca-Mg carbonate) deforms easily under moderately hot (<300°C) and wet conditions, early stage carbonate alteration was probably also important for strain localisation of shear zones and faults in which magnetite and specularite precipitated during iron ore formation Stages 3 and 4.
- Stage 2 includes formation of laminated magnetite and magnetite breccia mineralisation. Formation of the larger bodies of high grade magnetite mineralisation resulted from the removal of carbonate, and to a minor extent, quartz.
- Stage 3 involved the formation of enriched magnetite by the replacement of quartz and localised carbonate in brittle and brittle-ductile structures in reactivated $D_2$ fold cores, and locally in wall rock and quartz veins adjacent to mineralised brittle structures. Stage 3 mineralisation is only a minor part of overall iron ore formation.
- Stage 4 was predominantly specularite mineralisation and the first phase of martitisation. It is thought likely that the major controlling structures were large strike-slip faults with a north-northwest to west-northwest trend. The precipitation of specularite in BIF was not an effective enrichment process, and in fact caused a reduction in magnetite content. However, carbonate replacement of quartz in siliceous BIF was an important preparation for weathering-related leaching during Stage 5. Martitisation in wall-rock magnetite associated with specularite veins was minor.
- Stage 5 iron ore formation is attributed to supergene processes, which is supported by a top-down zoning of the mineralisation characteristics. Two types of weathering profiles are developed in the mineralised Koolyanobbing middle BIF:
    - A thick zone of goethite-martite mineralisation in the upper part underlain by deep zones of Stage 2 to 3 mineralisation, which is characteristic of the larger iron ore accumulations, and
    - A thin zone of goethite mineralisation underlain by oxidised, siliceous mineralisation or slightly hydrothermally altered BIF.

The main zones of the weathering profile therefore comprise, from the bottom up:

- A magnetite BIF showing no weathering;
- A martite zone indicating partial to complete gangue leaching and an upgrading of BIF, with minor leaching of massive martite;

## 5.3 Koolyanobbing Enriched BIF Mineralisation (continued)

- A goethite-rich martite zone showing partial to complete pseudomorphic gangue replacement of carbonate ± siliceous BIF or breccias and goethite replacement of martite forming goethite-martite; and
- A massive to vuggy, clay and secondary silica-rich goethite zone which represents the hard cap.

This zoning is similar to the vertical depth profiles of supergene (i.e. weathering related) modifications in iron ore accumulations in the Hamersley Basin. The maximum age of this weathering-related overprint may be as old as the Permian, corresponding to regolith ages throughout the central Yilgarn Craton. The predominant weathering processes were:

- Gangue leaching in which a second stage of removal of carbonate ± quartz from medium grade Stage 2 and 3 mineralisation at depth led to an upgrade to residual high grade iron ore. This weathering-related mineralisation is typically martite-rich.
- Textural modification of the BIF layering by replacement of magnetite, martite and specularite by pseudomorphic goethite. This process extended to 70m below surface, with deeper weathering present in steep fault zones.
- Martitisation in which massive, laminated martite ore pseudomorphically replaced massive Stage 2 magnetite mineralisation.

The intensity of BIF alteration and of the hypogene mineralising stages 1 to 4 varies throughout the Koolyanobbing belt, and there is a positive correlation between accumulation size and the number of stages of iron ore development within individual accumulations. In all mineralisation, it is apparent that at least one of the hypogene stages occurred. The boundaries between BIF and laminated iron ore are often perpendicular to bedding, which indicates that massive, layered magnetite rock did not form as a result of sedimentation. Ultimately, enriched iron ore formation was controlled by deformation-controlled processes, with the dominant goethite-martite mineralisation throughout the belt resulting from extensive near-surface supergene processes that operated during Stage 5. A typical specimen of hematite/goethite enriched mineralisation is shown in Figure 8.

*Figure 8. Typical Specimen of Hematite/Goethite Enriched DSO*

## 5.4 Magnetite Mineralisation

In simplistic terms, other than the magmatic-associated accumulations, accumulations of magnetite generally occur within iron-rich BIF units. As the supergene processes that resulted in the final enrichment of altered BIF to produce hematite-goethite enriched iron ore extended to only relatively shallow depths or are absent altogether, at least at Koolyanobbing, the size potential of magnetite mineralised accumulations far exceeds those of the secondary enriched accumulations. As described above, there is potential for the discovery of magnetite enriched BIF resulting from the Stage 1 and 2 iron ore forming processes in which gangue silicates were progressively replaced by carbonate-magnetite, and then the removal of carbonate and silica to form laminated magnetite iron ore and magnetite breccia iron ore. These iron ore accumulations are likely to be both outcropping, and blind, that is, non-outcropping.

Thus, the potential for the discovery of high grade magnetite iron ore extends well beyond the obvious, and will require a more complex approach than simple surface prospecting and sampling of outcropping BIF.

## 6. Koolyanobbing Type Mineralisation Exploration Models

Besides the influence of the structural framework on the formation of enriched iron ores, the conjunction of a number of regional-scale geological elements and processes is considered critical in effecting a sequential upgrade of BIF to iron ore, viz.:

- An originally high iron content in the BIF protore;
- Localised hydrothermal alteration of BIF;
- Progressive compressive deformation characterised by fold reactivation and brittle deformation;
- Long-lasting fluid flow favouring gangue leaching, channelled by large structures; followed by
- Weathering-related upgrade from the Permian to recent times after a long period of uplift.

The weathering-related upgrade is spatially related to Archaean magnetite and specularite ± martite-rich iron ore. This suggests that the localisation of supergene processes may be preferentially controlled by the earlier stages of medium grade iron ore formation, rather than by structures in unaltered BIF.

The strong structural control on early iron ore formation indicates that a full understanding of the prospectivity of a district will require an evaluation of its structural evolution and features. The close spatial relationship between surface-related upgrade and existing medium to high grade magnetite/martite/specularite iron ore suggests the possibility of discovering blind magnetite- and/or specularite-rich mineralisation within the BIF units. In order to identify these blind iron ore accumulations, an evaluation of the prospectivity of structures within the BIF, combined with geophysical surveys, especially gravity and magnetic inversion will be essential. Ferroan talc and carbonate occur proximal to the largest high grade iron ore accumulations in the region, and these may be useful as footprint indicators for high grade magnetite-, martite- and/or specularite-rich mineralisation.

## 7. Iron Ore Characteristics and Quality

Iron ore which can be mined and sold without any beneficiation is known as Direct Shipping Ore or DSO. A typical Pilbara DSO has a grade of 61% to 63% Fe or more, combined silica plus alumina of around 5% to 6% and a phosphorus content of around 0.06% to 0.07%. Some lower grade mineralisation has been developed to allow for blending achieve a required iron grade, reduced levels of impurities, or to deliver products with specific characteristics.

Mining, crushing and screening of DSO yields two principal products, lump ore and fines, with fines typically comprising 60% to 80% of products. Lump ore generally commands a premium of 25% to 30% over prices for fines as it can be fed directly into a blast furnace. Fines require agglomeration by sintering to prepare a suitable furnace feed. The sintering characteristics of the fines are critical in determining its marketability, as are the concentrations of key impurities. Prices for goethitic BIF iron ores and pisolitic iron ores are somewhat less than those for hematitic iron ores, which probably comprise about half of the iron ore produced from the Pilbara. Penalties are generally payable for silica plus alumina, and/or phosphorus exceeding specified limits.

Most steel mills throughout the world run with at least 5 or 6 iron ore types or "brands" in their sinter blend. The use of different brands is necessary to ensure a uniform chemical composition for the sinter feed, and especially, uniform physical and sintering properties. Few high grade (>63% Fe) iron ore fines have excellent all-round sintering quality since sinter quality is controlled by factors other than Fe content, including the iron-bearing minerals present, and their size, particle porosity and mineral textures. A high Fe grade in fines products does not necessarily mean good sintering properties. CID fines products have seen a significant increase in sales volumes over recent years as this material has excellent sintering properties, even though it contains only 58% to 60% Fe.

More recently, attention has turned to BIF-hosted magnetite prospects. As would be expected, magnetite iron ore has a lower iron grade and is more siliceous than hematite iron ore and requires grinding and magnetic concentration to produce a saleable concentrate, which may be pelletised. Unbeneficiated magnetite BIF typically contains 30% to 35% Fe which is upgradeable to a concentrate containing 65% to 70% Fe. Recovery of iron to concentrates is relatively low, and generally in the range 30% to 60%. Recovery is dependent upon the liberation characteristics of the magnetite from the siliceous gangue. A good indication of the likely recovery and product quality from a full-scale magnetic separator is provided by means of a procedure known as a Davis Tube Recovery ("DTR") test. The Davis Tube consists of a glass tube positioned in a magnetic field which enables the retention of the magnetic fraction within the tube whilst the non-magnetic fraction of the ground sample is flushed away with water.

The largest example of a project based on the beneficiation of magnetite iron ores is CITIC Pacific Mining's Sino Iron Project located at Cape Preston about 100 kilometres south of Dampier, which is currently under construction. The project is based on over two billion tonnes of magnetite mineralisation beneficiable to a 71% Fe concentrate, or almost pure magnetite. When complete, it is anticipated to produce 27.6Mtpa of pellets and concentrates. Other of the more advanced projects are Grange Resources' Southdown project near Albany, Gindalbie Metals Karara project and Mt Gibson's Extension Hill project in the mid-west.

Although more expensive to produce as a smelter feed, magnetite concentrates generate less carbon dioxide during the conversion process than hematite iron ores. Much of the Chinese steel making industry is based on magnetite as smelter feed.

## 8. Previous Exploration in Region

Various parts of the region have been subject to extensive exploration for gold, base metals and iron ore, however, other than iron ore, gold is the only commodity that has seen any significant production. The felsic extrusive rocks of the Marda Complex were extensively explored for volcanogenic massive sulphide style base metal mineralisation from about 1978 to 1986. As the non-iron ore exploration is not material to Radar's objectives it will not be considered in any further detail.

The BIF ridges within the region have been the target of several exploration programs for iron ore, predominantly in the 1960s and 1970s, with renewed interest since the late 1990s. Reconnaissance mapping, percussion and diamond drilling by Western Mining Corporation Limited ("WMC") between 1961 and 1969 outlined several iron ore prospects in the Mt Jackson and Windarling Peak areas. Although deemed uneconomic at the time, particularly in comparison with the giant iron ore projects in the Pilbara, this mineralisation now amounts to something in excess of 100Mt grading >62% Fe and forms an important ore source for Cliffs' Koolyanobbing DSO operations.

WMC also conducted exploration within the Die Hardy Ranges which identified extensive areas of magnetite BIF with enhanced iron contents of the order of 40% to 45% Fe. Although clearly not economic at the time, these grades are very much higher than unenriched BIF and today might represent a high grade magnetite target. BHP carried out reconnaissance exploration over the Helena-Aurora Range to the east during the 1960s and early 1970s and defined a number of prospects that are currently being re-evaluated by other explorers.

## 9. Iron Ore Prospects and Operations in Region

High grade iron ore grading 60% Fe or more occurs at a number of locations within lower grade BIF within the region. Open pit iron ore mining commenced at Koolyanobbing, about 50km north-northeast of Southern Cross, in 1948 from what is now known as the K deposit. At that time, the Western Australian State Government operated the mine to supply iron ore to the Wundowie charcoal iron smelter in the hills behind Perth. Between the mid-1960s and 1983, BHP operated the K and A mines to supply iron ore to its Kwinana blast furnace, south of Perth. After a ten year period of care and maintenance, Portman Iron Ore Ltd, in joint venture with a Chinese partner, bought the operation and mining re-commenced in 1994. From 2007, operations were conducted by the Koolyanobbing Alliance, a joint venture between Portman and BGC Contracting. In 2009, Cliffs increased its shareholding in Portman to 100%. Cliffs also operates mines at Windarling and Jackson, 100km and 75km respectively north-northwest of Koolyanobbing (Figure 9). Cliffs' operations have a combined output of about 8Mtpa. Cliffs also has a development project at Deception, about 20km north of its Windarling operations. Products are railed to the port of Esperance on Western Australia's south coast for export to overseas customers.

Elsewhere within the region north of Southern Cross, Mineral Resources Limited ("MIN") has defined iron mineralisation at Carina, about 60km northeast of Koolyanobbing, at Bungalbin, about 50km north northeast of Kooyanobbing, and holds the northern part of Cliffs' Deception project. The mineralisation at Bungalbin-Jackson consists mostly of goethite or goethite-hematite, whilst at Koolyanobbing and Windarling, hematite is the dominant mineral.

Further afield, Cashmere Iron Ltd has announced JORC Code compliant Mineral Resources at its Cashmere Downs project totalling 1.01 billion tonnes at a grade of 32.6% Fe, which is principally magnetite mineralisation. Cashmere Downs lies about 110km northeast of Radar's Johnston Range tenements. At Macarthur Minerals Limited's Lake Giles project, about midway between Johnston Range and Menzies, a JORC Code compliant Inferred Mineral Resource of 1.12 billion tonnes of magnetite mineralisation grading 28.7% Fe has been defined. Mindax Limited's Mt Forest project lies about 140km northeast of Johnston Range and about 40km east of the Cashmere Downs project. A JORC Code compliant Inferred Resource of 1.01 billion tonnes at a grade of 31.4% Fe has been defined in eleven deposits.

## 10. Radar Iron Ltd's Projects

Radar has three iron ore exploration project areas. Most of the work completed by Transit has been within the Johnston Range/ Copper Bore tenements. The Evanston and Die Hardy tenements have received only cursory attention and are yet to be assessed for their iron ore potential. In September 2010, six PoW applications were lodged with the Department of Mines and Petroleum to permit the initial drill testing of priority targets. At the time of writing, three had been approved.

### 10.1 Johnston Range/Copper Bore Project

The Johnston Range/Copper Bore tenements are located about 170 to 190km north of Southern Cross within the Johnston Range, and about 30km north of Cliffs' Windarling operations (Figure 9). They comprise three granted exploration licences totalling 80 blocks, and two exploration licence applications of 3 blocks each, for an aggregate area of about 260km2. The Johnston Range tenements (E77/1280 and E77/1281) are registered to Radar Resources Pty Ltd, and the Copper Bore tenement E77/1375 to Polaris Metals NL. Applications for E77/1806 and E77/1807 have been lodged by Transit and Radar Resources Pty Ltd, but are the subject of competing applications by others, with the outcome to be determined by ballot. The Johnston Range tenements have been the principal focus of Transit's exploration as they have the greatest potential for the discovery of significant iron ore mineralisation and lie outside the existing and proposed extensions to nature reserves and conservation parks described in Section 3.1, are not subject to any Native Title claims and do not include any heritage sites.

The project tenements cover the central portion of the Marda-Diemals greenstone belt. Within the centre of the project area, extensive areas of BIF are identifiable on images of aeromagnetic data. The BIFs within the tenements extend over 35km of strike and are characterised by multiple parallel to sub-parallel individual BIF units which exhibit complex folding patterns. Almost all the BIF has been only cursorily explored.

Exploration by Transit has been conducted in two phases, separated by the Global Financial Crisis in 2008/2009:

#### 10.1.1 Exploration 2006-2008

The principal emphasis of this phase of exploration was the discovery of surface-enriched hematite/goethite deposits, mainly through simple surface prospecting techniques.

In 2007 RSG Global Consulting Pty Ltd ("RSG") was commissioned to review the iron ore prospectivity of the tenements and completed a literature review and field trip. RSG's recommendation was that exploration efforts should be focussed on the Johnston Range tenements. Subsequently a structural interpretation was completed based on public domain aeromagnetic data which identified areas of structural complexity that may be conducive to the development of enriched hematite mineralisation. Field inspection confirmed the presence of hematite, which was followed-up with reconnaissance sampling of outcrop. In all, 391 rock chip samples were collected from within the Johnston Range exploration licences, and 45 from Copper Bore. As a result of the sampling program, seven prospective areas were identified, which were named Rowling, Clark, Shipley, Muldoon, Bolger, Holyoake and Lange (Figure 10). The BIFs at Muldoon and Bolger define the western and eastern limbs respectively of the Horse Well Anticline.

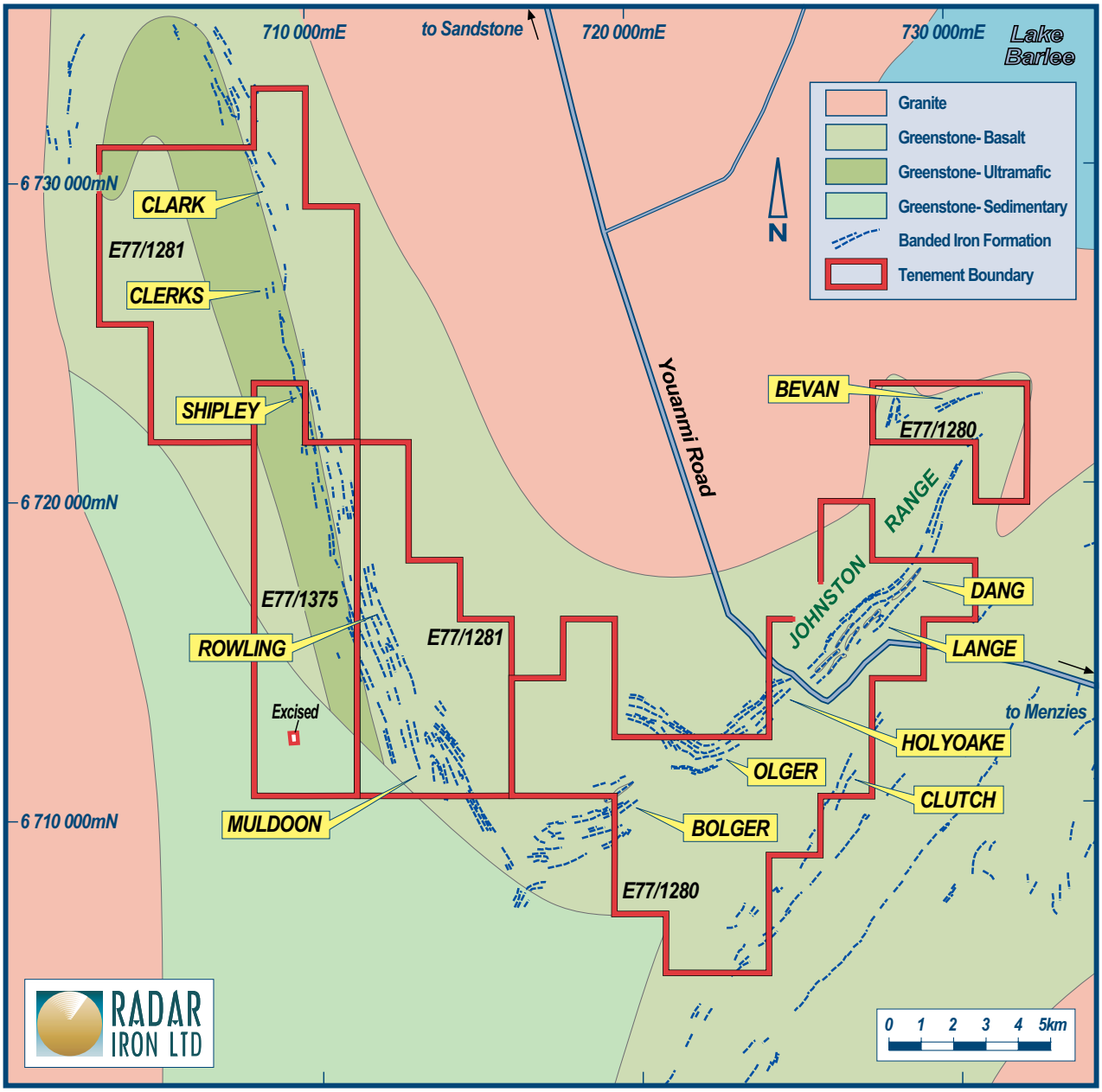


*Figure 9. Johnston Range/Copper Bore Project - Prospect Locations*

Analysis of the sampling data indicated that the most prospective targets were Muldoon, Bolger and Lange. Much of the BIF outcrop within Copper Bore is silica-rich or jasperoidal in nature, with some of the hematite/goethite mineralisation apparently only a surface feature. The surface rock chip results from the Rowling, Muldoon, Bolger and Lange prospects are summarised below:

*Table 2. Surface Rock Chip Sampling Results.*

| Cut-off % Fe | Number of assays | Average Fe% | Average $SiO_2$% | Average $Al_2O_3$% | Average P% | Average S% | Average LOI% |
|---|---|---|---|---|---|---|---|
| **Rowling** | | | | | | | |
| 0% Fe | 40 | 51.8% | 15.4% | 2.2% | 0.090% | 0.048% | 7.6% |
| 55% Fe | 21 | 58.7% | 5.2% | 2.3% | 0.080% | 0.053% | 8.1% |
| 60% Fe | 6 | 61.8% | 2.9% | 1.8% | 0.073% | 0.056% | 6.5% |
| **Muldoon** | | | | | | | |
| 0% Fe | 162 | 60.0% | 6.3% | 2.1% | 0.066% | 0.067% | 4.8% |
| 55% Fe | 146 | 61.6% | 4.4% | 2.0% | 0.066% | 0.068% | 4.9% |
| 62% Fe | 70 | 63.4% | 3.1% | 1.5% | 0.061% | 0.010% | 4.0% |
| **Bolger** | | | | | | | |
| 0% Fe | 44 | 58.5% | 7.5% | 2.5% | 0.063% | 0.061% | 5.8% |
| 55% Fe | 38 | 60.4% | 5.0% | 2.3% | 0.064% | 0.061% | 5.7% |
| 62% Fe | 14 | 63.2% | 3.2% | 1.8% | 0.070% | 0.048% | 3.9% |
| **Lange** | | | | | | | |
| 0% Fe | 14 | 50.4% | 2.97% | 16.6% | 0.084% | 0.062% | 7.52% |
| 55% Fe | 10 | 57.7% | 2.22% | 6.03% | 0.089% | 0.093% | 8.46% |
| 60% Fe | 1 | 60.4% | 1.22% | 3.54% | 0.081% | 0.074% | 8.39% |

The Muldoon samples comprised hematite/goethite and were collected over a 2.5km extent of outcropping mineralisation. The Bolger samples were collected from two zones of outcropping hematite/goethite mineralisation. In all cases, only low levels of key impurities are present. LOI is loss on ignition, which results in an upgrading of iron content during the sintering process.

With encouragement from the surface sampling, 37 angled reverse circulation holes totalling 2,740m were drilled at three of the main prospects targeting sub-surface hematite/goethite mineralisation. No holes were drilled at Rowling as the targets in the neighbouring tenements were considered higher priority. In all, 23 holes were drilled at Muldoon, 9 at Bolger and 5 at Langer. The results are shown in Table 3.

The drilling confirmed the presence of hematite-goethite mineralisation to relatively shallow depths, but occurring as isolated or lower grade intercepts. This perhaps indicates that the mineralisation is primarily related to surficial supergene enrichment. Approvals for drilling over BIF outcrops were exceptionally difficult to obtain in 2008, and consequently, in a number of cases, the best targets were either not able to be tested, or were only partially tested.

*Table 3. Johnston Range Project – January 2008 RC Drilling Intercepts*

| Prospect | BHID | Samples Submitted | Depth From (m) | Depth To (m) | Interval (m) | Grade (%Fe) |
|---|---|---|---|---|---|---|
| Muldoon | TRC0001 | N | | | | |
| Muldoon | TRC0002 | Y | | | | NSI |
| Muldoon | TRC0003 | Y | | | | NSI |
| Muldoon | TRC0004 | Y | 7 | 22 | 15 | 55.02 |
| | *includes* | | 11 | 16 | 5 | 58.61 |
| | *includes* | | 18 | 22 | 4 | 58.37 |
| Muldoon | TRC0005 | Y | | | | NSI |
| Muldoon | TRC0006 | N | | | | |
| Muldoon | TRC0007 | Y | 20 | 28 | 8 | 57.01 |
| Muldoon | TRC0008 | N | | | | |
| Muldoon | TRC0009 | Y | 18 | 25 | 7 | 60.56 |
| Muldoon | TRC0010 | N | | | | |
| Muldoon | TRC0011 | N | | | | |
| Muldoon | TRC0012 | Y | | | | NSI |
| Muldoon | TRC0013 | N | | | | |
| Muldoon | TRC0014 | Y | | | | NSI |
| Muldoon | TRC0015 | N | | | | |
| Muldoon | TRC0016 | Y | | | | NSI |
| Muldoon | TRC0017 | Y | | | | NSI |
| Muldoon | TRC0018 | Y | | | | NSI |
| Muldoon | TRC0019 | N | | | | |
| Muldoon | TRC0020 | N | | | | |
| Muldoon | TRC0021 | Y | 15 | 24 | 9 | 53.20 |
| | *and* | | 28 | 32 | 4 | 51.06 |
| Muldoon | TRC0022 | N | | | | |
| Muldoon | TRC0023 | Y | | | | NSI |
| Bolger | TRC0024 | Y | | | | NSI |
| Bolger | TRC0025 | N | | | | |
| Bolger | TRC0026 | N | | | | |
| Bolger | TRC0027 | Y | | | | NSI |
| Bolger | TRC0028 | Y | 3 | 13 | 10 | 57.76 |
| Bolger | TRC0029 | N | | | | |
| Bolger | TRC0030 | N | | | | |
| Bolger | TRC0031 | N | | | | |
| Bolger | TRC0032 | Y | | | | NSI |
| Lange | TRC0033 | N | | | | |
| Lange | TRC0034 | N | | | | |
| Lange | TRC0035 | Y | 9 | 11 | 2 | 55.58 |
| | and | | 44 | 45 | 1 | 51.86 |
| Lange | TRC0036 | Y | 21 | 25 | 4 | 51.86 |
| Lange | TRC0037 | Y | | | | NSI |

50 %Fe Cut-Off Grade

Maximum 2m Internal Dilution

NSI - No Significant Intercept

## 10.1.2 2008-2010 Exploration

Transit acquired the latest public domain aeromagnetic data over the Johnston Range/Copper Bore tenements during 2008. In July/August 2009 Atlas Geophysics completed a gravity survey over three areas of prospective BIF within the Johnston Range tenements using survey stations spaced 100m apart on 200m spaced east-west traverse lines. Figure 10 is an image of the aeromagnetic data with hotter colours (red and white) associated with areas of greater susceptibility, and therefore potential for magnetic iron-rich lithologies.

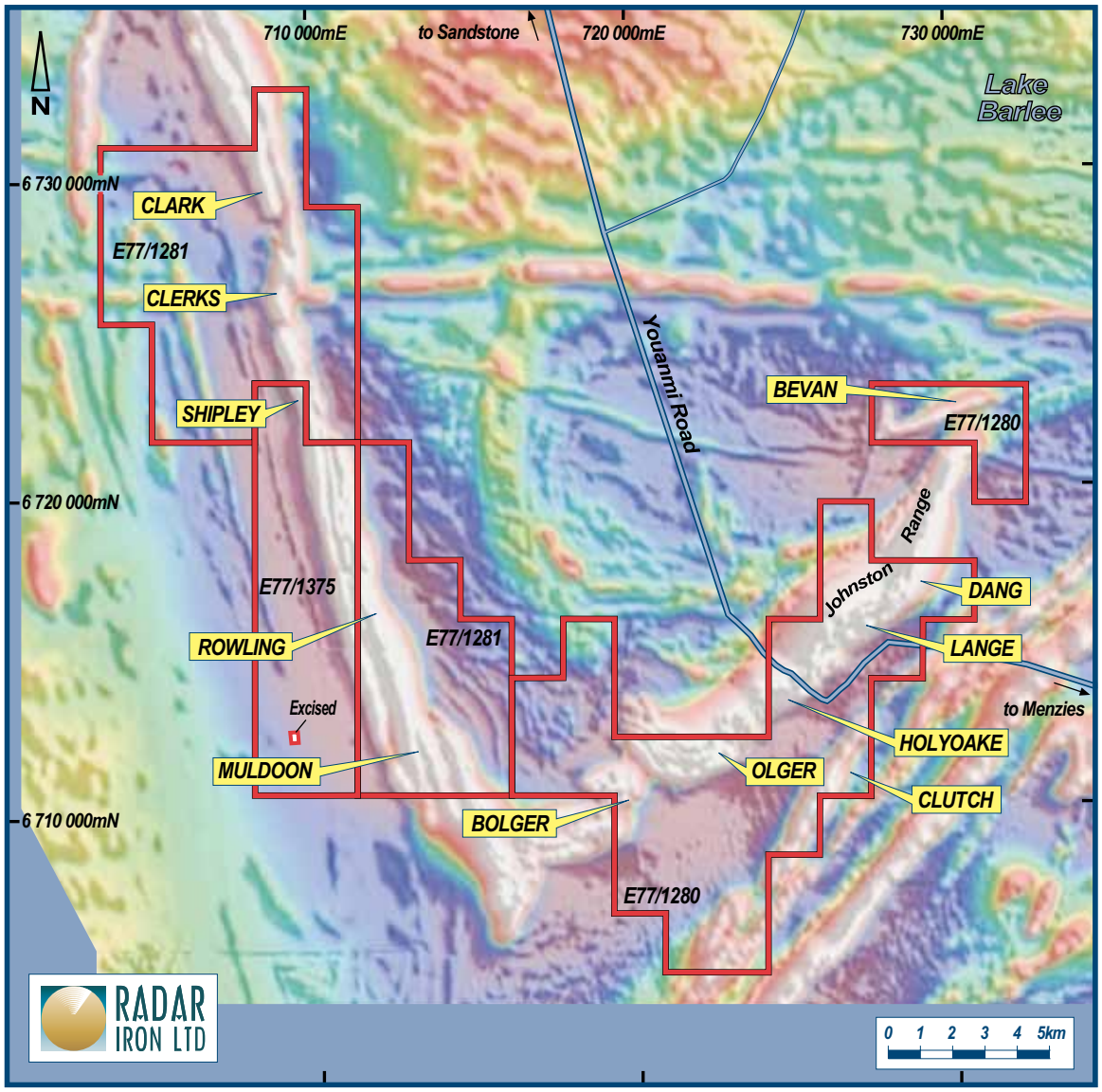


*Figure 10. Johnston Range/Copper Bore Imaged Aeromagnetic Data*

## 10.1.2 2008-2010 Exploration (continued)

In September 2009, Southern Geoscience Consultants Pty Ltd ("SGC") interpreted the aeromagnetic and gravity data, together with geological data to identify targets with potential for surface-enriched hematite-goethite mineralisation. The assessment focussed on identifying gravity highs (i.e. areas underlain by dense material) coincident with magnetic lows that could represent possible hematite mineralisation/alteration associated with BIF. It will be recalled that the processes thought responsible for the formation of secondary hematite/goethite mineralisation result in the replacement of magnetite with non-magnetic hematite and goethite. Targets were identified and grouped into three target types according to their potential based on geophysical anomaly strength and geological setting. Of these, 17 targets were selected as highest priority for follow-up.

Figure 11 shows the imaged gravity data overlain on the aeromagnetic image shown in Figure 10, together with the targets identified by SGC. The gravity data is shown as Bouger anomalies with the hotter colours indicating rocks with higher density, which in this case, would typically be iron-rich units.

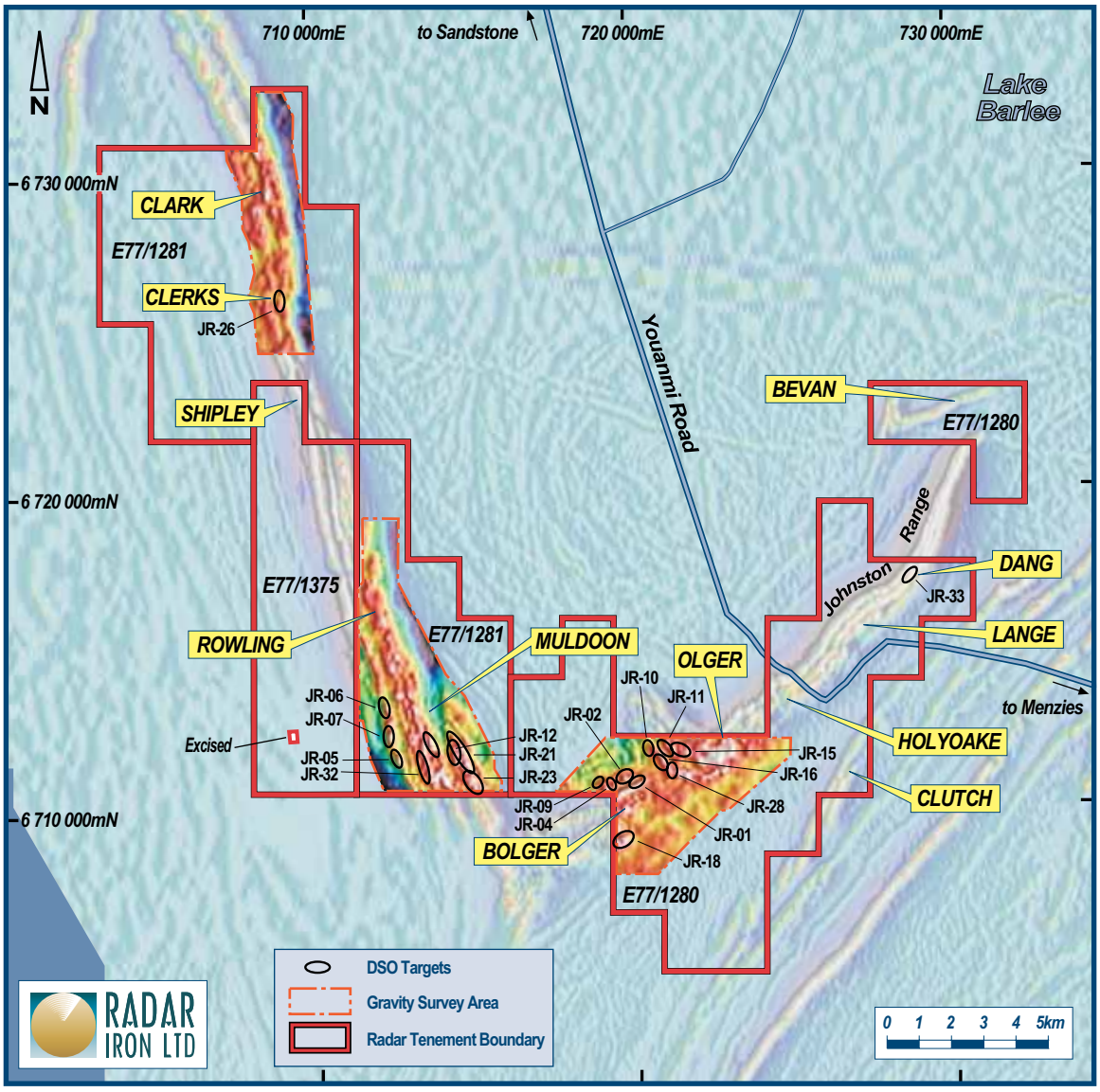


*Figure 11. Johnston Range/Copper Bore Goethite-Hematite Targets and Extent of Gravity Overlain on Aeromagnetic Image.*

### 10.1.2 2008-2010 Exploration (continued)

In addition to the hematite/goethite targets, a number of gravity highs associated with strongly magnetic units were attributed to magnetite accumulations at depth. As the initial interpretation was limited to targeting hematite mineralisation, further review is required to fully define the magnetite potential.

Field validation of the geophysical targets commenced in June 2010, with field inspections and mapping of the hematite/goethite targets and other areas of perceived interest. In conjunction with regional mapping over geophysical targets, selected magnetite-rich intervals from the 2008 drilling were submitted for assay. The iron assay grades returned were in keeping with a well mineralised BIF, with low levels of alumina and phosphorus. Whether or not these will report proportionally to a magnetite concentrate will not be known until metallurgical tests have been completed.

As a result of this work, five high priority hematite and seven magnetite targets have been selected for initial drill testing. Further field investigation is required to define additional drill targets.

### 10.1.3 Flora Survey within E77/1280 and E77/1281

Late in January 2008, J & J Tucker Environmental Solutions ("JJT") conducted a Declared Rare and Priority flora survey within E77/1280 and E77/1281, which are the two granted Johnston Range tenements (Table 1). The areas of greatest potential environmental sensitivity in terms of Declared Rare and Priority flora are the BIF ridges. JJT noted that the (then) principal prospects, Rowling, Bolger, Holyoake, Lange and Muldoon impact on only about 10% of the local BIF outcrops. Much of the work then in progress was away from the areas of outcrop.

The survey focussed on priority species identified from desktop searches of the Threatened Flora Database, the WA Herbarium and the Declared Rare Flora and Priority Flora Databases undertaken in November 2007 using a 15km radius from a centre point within the project tenements. Seven priority species were identified as potentially occurring within the search area.

The region had been subject to drought for a number of years and the field work showed that the lower stories of flora were in very poor condition due to both drought and pastoral grazing pressure. As a result, there were difficulties in identifying species in the field and it was decided to adopt an area approach whereby transects were studied both within and well away from the proposed areas of activity. Twenty three transects were established across the project areas, in addition to which, three extensive transects were established outside the areas designated for exploration activities. No work was conducted east of Lange as the extended survey to the west and south was considered sufficient to demonstrate that the species found within the prospect areas were also present elsewhere. This approach led to the conclusion that all priority species that could be recognised, if not positively identified within Transit's tenements, were well represented within a radius of 25km of the project areas.

Two of the seven species identified within the databases studied were positively identified within Transit's tenements, however, given that the distribution of the species extended beyond the area of potential impact, it was considered unlikely that the proposed exploration activities would threaten any local floral associations or individual species.

## 10.2 Die Hardy Project

The Die Hardy tenements are also located within the Marda-Diemals greenstone belt, approximately 120km north of Southern Cross (Figure 2). The tenements comprise two exploration licences E77/1164 and E77/1168, two granted prospecting licences P77/3458 and P77/3459, and three prospecting licence applications P77/3460-3462 held by Southern Cross Goldfields Ltd (Table 1). The granted tenements cover an area of about 18km2, whilst the applications cover a further 533ha. Iron ore rights within the tenements have been assigned to Radar Resources Pty Ltd. The tenements all lie within current or proposed conservation parks (Figure 3), however, a PoW was approved early in October 2010 which will allow initial drill testing of the Lara magnetite target to commence. Classification as a Conservation Park will still permit future applications to conduct mining activities within its boundaries.

The Die Hardy Range BIFs are generally folded by a large, northerly plunging anticline with a northwesterly trending axis (Figure 6). A similarly oriented syncline to the east straddles the large-scale, regionally significant, northwesterly trending Mt Dimer Shear Zone. There are also several smaller, well developed shears, with further structural complication created by normal and reverse faulting. The tenements are located over areas of strong folding and faulting within the Mt Dimer Shear Zone, which disappears beneath Recent cover toward the south.

## 10.2 Die Hardy Project (continued)

Figures 12 and 13 show a simplified geological interpretation of the areas surrounding the northerly and southerly tenements respectively. The more northerly tenements are located over a sequence of thin chert and BIF horizons within units of high-Mg basalt and ultramafic schist, which is overlain by a sequence of major, regionally extensive, structurally thickened BIFs, metabasalts, local amphibolites and a significant clinopyroxene-rich gabbro within the lower, mafic-dominated part of the greenstone sequence. The diapiric Pigeon Rocks monzogranite intrusive lies to the southwest, and another large granitic body lies to the northeast. About 13 strike kilometres of BIF occur within the more northerly tenements. E77/1168 to the south covers about 1.5km of BIF located 3.5km east along strike from Cliffs' J3 deposit. Preliminary exploration has shown the BIF is jaspilitic with a significant silica content.

Between 1961 and 1969, WMC conducted exploration within the Die Hardy Ranges which identified extensive areas of BIF with enhanced iron contents of the order of 40% to 45% Fe. Although clearly not economic at the time, these grades are very much higher than unenriched BIF and today might represent a high grade magnetite target. Reconnaissance exploration for hematite-goethite mineralisation was undertaken by Polaris in October/November 2009 on nearby tenements. Patchy and discontinuous outcrops of goethite were identified in a number of locations, and thirty three rock chip samples collected and assayed. The results of WMC's work and the more recent efforts of Polaris and Transit did not identify any areas with potential for significant near-surface hematite-goethite mineralisation.

Field mapping in 2010 identified the Lara prospect – a 3.2km long and 200m to 300m wide zone of outcropping coarse grained magnetite within BIF. Initial evaluation showed the strike of the unit to be consistent with that indicated by aeromagnetic data, with three samples of coarse grained magnetite reporting an average of 38% Fe. Initial drilling at Lara is a priority, with, as noted above, the PoW recently approved. The potential for the discovery of further magnetite mineralisation is considered high.

## 10.3 Evanston Project

Evanston comprises a single granted exploration licence E77/1196 with an area of 8 blocks, or about 24km2, registered in the name of Southern Cross Goldfields Ltd. Iron ore rights within the tenement have been assigned to Radar Resources Pty Ltd. Regional aeromagnetic data indicates the presence of significant magnetite-rich BIF, however, only limited field work has been completed, and further assessment is justified.

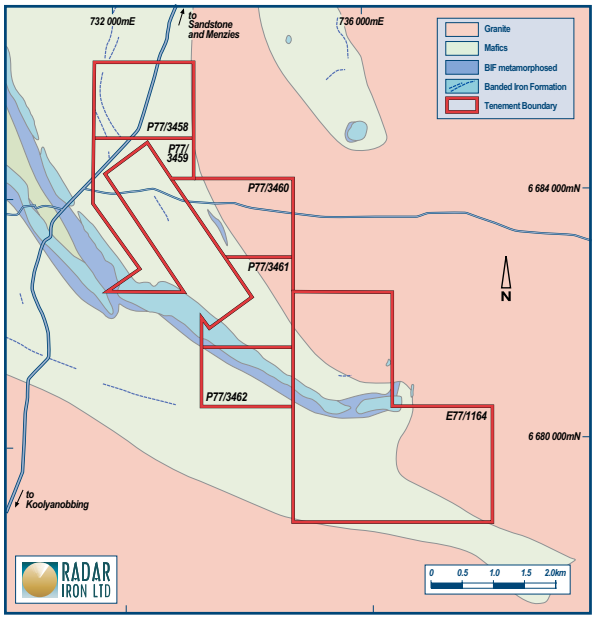


*Figure 12. Die Hardy Project Northern Tenements – Simplified Geology*

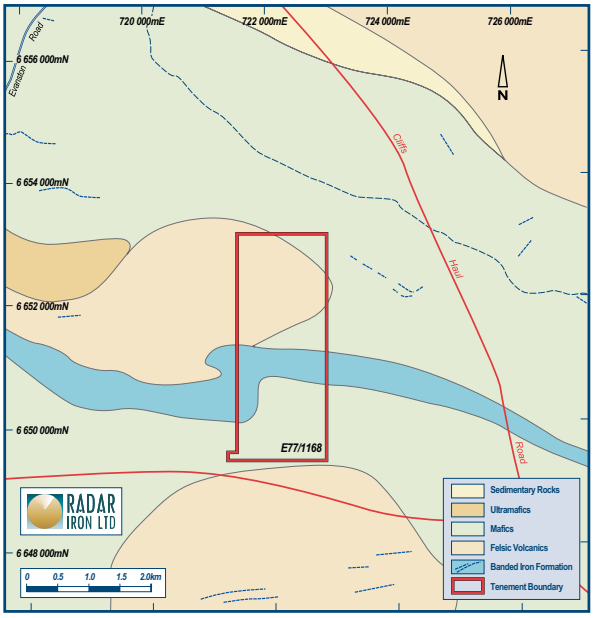


*Figure 13. Die Hardy Project Southern Tenement - Simplified Geology*

## 11. Proposed Exploration Programs

Radar is intending to raise up to $8.0M, with a minimum subscription of $5.0M. Costs associated with the IPO and capital raising are anticipated to be about $600,000. Additional funds raised from seed capital are about $500,000. Work programs and budgets have been developed which anticipate expenditure of about 70% of the net funds raised. The proposed exploration encompasses:

- Surface mapping, sampling and drilling evaluation of the geophysical targets identified by SGC.
- Re-evaluation of prospects showing evidence of hematite/goethite mineralisation at surface that have not yet been drill tested. These include Holyoake, Rowling, Muldoon Central and Johnston Range North.
- Further mapping and sampling over structural targets.
- Assessment of the Evanston and Die Hardy projects.
- Assessment of the magnetite potential within the Tenements.
- The proposed programs and budgets are summarised in Table 3.

The split of expenditure between categories, and between projects will be contingent upon progressive results as the work programs advance. The nature, location, timing and division of costs for the programs will also be contingent upon land access and other factors. CSA has reviewed the proposed exploration programs and considers the exploration approach appropriate. It is CSA's opinion that the proposed work programs and expenditure are justified in light of the results of the limited exploration conducted to date, the targets generated by the geophysical interpretations and the prospectivity of the tenements for both surface-enriched hematite-goethite and magnetite deposits.

*Table 4. Radar Proposed Exploration and Evaluation Budgets.*

| Based on minimum subscription ($5.0M) | Year 1 | Year 2 | Totals |
|---|---|---|---|
| Targeting surveys | $30,000 | $15,000 | $45,000 |
| Drilling (RC & diamond) | $1,400,000 | $1,200,000 | $2,600,000 |
| Assaying | $152,000 | $135,000 | $287,000 |
| Metallurgical studies | $23,000 | $45,000 | $68,000 |
| Field support | $35,000 | $21,000 | $56,000 |
| Resource modelling | $20,000 | $44,000 | $64,000 |
| Administration | $575,000 | $525,000 | $1,100,000 |
| **Totals** | **$2,235,000** | **$1,985,000** | **$4,220,000** |
| | | | |
| **Based on full subscription ($6.0M)** | **Year 1** | **Year 2** | **Totals** |
| Targeting surveys | $30,000 | $15,000 | $45,000 |
| Drilling (RC & diamond) | $1,700,000 | $1,300,000 | $3,000,000 |
| Assaying | $182,000 | $145,000 | $327,000 |
| Metallurgical studies | $23,000 | $45,000 | $68,000 |
| Field support | $35,000 | $21,000 | $56,000 |
| Resource modelling | $20,000 | $44,000 | $64,000 |
| Administration | $615,000 | $555,000 | $1,170,000 |
| **Totals** | **$2,605,000** | **$2,125,000** | **$4,730,000** |
| | | | |
| **Based on over-subscription ($8.0M)** | **Year 1** | **Year 2** | **Totals** |
| Targeting surveys | $30,000 | $15,000 | $45,000 |
| Drilling (RC & diamond) | $2,300,000 | $2,000,000 | $4,300,000 |
| Assaying | $205,000 | $175,000 | $380,000 |
| Metallurgical studies | $35,000 | $45,000 | $80,000 |
| Field support | $50,000 | $35,000 | $85,000 |
| Resource modelling | $35,000 | $60,000 | $95,000 |
| Administration | $795,000 | $680,000 | $1,475,000 |
| **Totals** | **$3,450,000** | **$3,010,000** | **$6,460,000** |

## 12. Principal Sources of Information

Much of this Report has been prepared using data which is available in the public domain. Sections of technical papers and articles have in some cases been extensively plagiarised and acknowledgement that this has been the case is freely made. The principal sources of information were:


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Chin, R.J., and Smith, R.A., 1983. 1:250,000 Series Explanatory Notes Jackson Western Australia. Geological Survey of Western Australia.

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Waters, P.J., 1998. The Y2-3 and Y10 iron ore deposits Yarrie, in Geology of Australian and Papua New Guinean Mineral Deposits (Eds: D.A. Berkman and D.H. Mackenzie), pp371-374 (The Australasian Institute of Mining and Metallurgy: Melbourne).

Wyche, S., Chen, S.F., Greenfield, J.E. and Riganti, A., 2001. Geology of the Johnson Range 1:100,000 Sheet. Geological Survey of Western Australia.

Various company websites.

## Glossary of Technical Terms

| | |
|---|---|
| *acid rock* | Rock very high in silica. |
| *aeromagnetic survey* | Measurement of variations in the earth's magnetic field over an area using airborne magnetic survey instruments. |
| *alkaline rock* | Containing sodium and/or potassium in excess of that required to form feldspar with the available silica. |
| *alteration* | A change in mineralogical composition of a rock commonly brought about by reactions with hydrothermal fluids or weathering. |
| *amorphous* | Without for, or in the case of rocks or minerals, having no definite mineral structure. |
| *anticline* | Fold in rocks in which the convexity is toward the younger rocks in the sequence. |
| *anomaly* | Departure from norm or background, usually evident as elevated levels or concentrations of the parameter of interest e.g. total magnetic intensity or concentrations of metals in soils or rocks. |
| *apatite* | A mineral group with the general composition calcium phosphate. |
| *Archaean* | Meaning ancient, is applied to the oldest rocks in the Precambrian, generally considered within Australia to be older than 2,500 million years. |
| *assay* | Accurate determination of metal content of ore, concentrates and metal products. |
| *banded iron formation (BIF)* | Finely banded sedimentary rock comprised of alternating layers of silica and iron oxides and of Precambrian age. |
| *basalt* | A fine grained, dark coloured, extrusive mafic igneous rock comprised primarily of calcic plagioclase and pyroxene minerals. |
| *basin* | A large depression in the earth's crust in which younger sedimentary and volcanic rocks are progressively deposited. |
| *batholith* | Large, generally circular or elliptical body of intrusive rock at least 40 square kilometres in area; usually granite. |
| *beneficiation* | Concentration of valuable components in an ore. |
| *blind* | Non-outcropping. |
| *boudinage* | A structure developed in strongly deformed rocks in which an original competent or stronger layer lying between more easily deformed layers has been stretched and broken at regular intervals to form bodies resembling boudins or sausages. |
| *breccia* | Rock comprised of coarse, angular fragments within a finer matrix. |
| *brittle deformation* | Failure in rocks where movement has been accommodated by fracturing, rather than plastic flow. |
| *carbonate* | Mineral containing $CO_3$, most commonly calcite or dolomite; rocks composed principally of carbonates. |
| *chert* | Fine grained sedimentary rock composed of cryptocrystalline silica. |
| *clastic* | Components of a sedimentary rock that were deposited by erosion and transportation of mineral and rock fragments. |
| *clastic rock* | Consolidated sedimentary rock composed of cemented fragments of pre-existing rocks. |
| *coeval* | Formed at the same time. |

| | |
|---|---|
| *craton* | Relatively immobile or stable part of the earth's crust, generally large in size. |
| *crenulation* | Small scale folding or kinking. |
| *cut-off grade* | The lower value of an ore variable, generally metal content, used to discriminate between different grade ranges of material, particularly ore and waste. |
| *D1, D2 etc.* | Successive phases of deformation. |
| *diagenesis* | All physical, chemical and biological processes that occur in a sediment after deposition, but before metamorphism. |
| *deformation* | A general term for the process of folding, faulting, shearing, compression or extension of rocks as a result of stress. |
| *diamond drilling* | Drilling technique wherein cylindrical cores are cut from in situ rock by a rotating diamond impregnated annular cutting bit attached to the end of a string of tubular drilling rods. |
| *diapir* | Volume of rock that rose upwards due to buoyancy as a result of its low density relative to the rocks it was intruding and causing deformation of the overlying strata. |
| *dip* | The angle at which a planar feature is depressed from the horizontal; always measured perpendicular to strike. |
| *dolerite* | A medium grained intrusive rock of basaltic composition. |
| *dolomite* | A mineral, calcium magnesium carbonate, or a rock composed principally thereof. |
| *domain* | Zone within a region or a mineralised body exhibiting relatively consistent structural characteristics. |
| *dome* | A roughly symmetrical up-fold; may be used to describe a small dome-shaped granite intrusive. |
| *drilling* | Penetration of sub-surface strata by rotational cutting equipment in order to obtain samples from depth. |
| *ductile deformation* | Failure in rocks in which movement has been accommodated by plastic deformation rather than fracturing. |
| *dyke* | Tabular body of igneous rock which cross-cuts the structure of the rocks which it has intruded. |
| *erosion* | Physical processes occurring at the earth's surface whereby earth or rock are abraded or dissolved and removed. |
| *$F^1$, $F^2$, etc.* | Successive generations of folding resulting from D1, D2, etc. deformation. |
| *fabric* | Pervasive features of a rock. |
| *facies* | The aspect belonging to a geologic unit of sedimentation, including mineral composition, type of bedding, fossil content, etc.; rocks of any origin formed within certain pressure-temperature conditions. |
| *fault* | Fracture in the earth's crust along which movement has generally occurred. |
| *felsic* | Descriptive of light coloured rocks containing an abundance of feldspars and quartz. |
| *felsic rock* | Igneous rock composed principally of quartz and feldspars. |
| *ferro-, ferroan* | Iron-rich. |
| *ferruginous* | Containing iron. |
| *fold* | A bend in strata or any planar structure. |

| | |
|---|---|
| *fold closure* | The nose or culmination of a fold in rock strata. |
| *footwall* | Rock mass below a fault or ore deposit. |
| *gabbro* | Coarse grained, dark coloured igneous rock of similar composition to basalt and dolerite, i.e. low in silica with relatively high levels of iron and magnesium minerals. |
| *gangue* | Non-valuable component of ores. |
| *geological mapping* | Process of identifying and recording the surface distribution of rock types, their age relationships and the structures affecting their distribution. |
| *geophysical survey* | Survey in which the physical characteristics of the earth, including magnetic field, gravitational field, conductivity and density are systematically measured over an area of interest. |
| *gneiss* | A coarse grained rock with alternating bands of granular minerals and schistose minerals. |
| *goethite* | An iron mineral, FeO(OH). |
| *gossan* | Hydrated iron oxides produced near surface by the oxidation and leaching of sulphide minerals. |
| *granite* | Deep seated intrusive igneous rock consisting principally of alkali feldspar and quartz, with lesser micaceous minerals. |
| *granitoid* | A granite-like rock in which the mineral crystals lack either external faces or have uncharacteristic shapes; a field term for a coarse grained felsic rock resembling granite. |
| *gravity survey* | Systematic measurement of the earth's gravitational field in order to map relative changes in the density of the earth's crust. |
| *greenschist facies* | Facies of weakly metamorphosed rocks produced under low temperature conditions. |
| *greenstone* | A term commonly applied to low metamorphic grade rocks of basic composition and comprised of the minerals chlorite and amphibole. Commonly applied to Archaean rock sequences dominated by these rock types. |
| *greenstone belt* | Generally elongate, tightly folded sequence of Archaean volcanic and sedimentary rocks enclosed by granite. |
| *haematite* | $Fe^2O^3$ – the principal ore mineral of iron. |
| *hanging wall* | Rock mass above a fault or ore deposit. |
| *hematite* | A mineral that is the principal ore of iron – $Fe^2O^3$. |
| *hydrothermal* | Referring to hot, aqueous solutions, the processes in which they are involved, and to the rocks, alteration products and ore deposits produced by their action. |
| *hypogene* | Formed by ascending hydrothermal solutions. |
| *image enhancement* | Computer manipulation of two dimensional digital data such as aeromagnetic or geochemical data to give the impression of three dimensionality or topographic relief. |
| *intrusive* | A mass of rock formed by magma cooling beneath the earth's surface. |
| *intrusive rock* | Igneous rock which has been forcibly injected into structural weaknesses within older rocks. |
| *iron formation* | Banded iron formation - finely banded sedimentary rock comprised of alternating layers of silica and iron oxides and of Precambrian age. |

| | |
|---|---|
| *isoclinal fold* | A fold in which the limbs have parallel dips. |
| *JORC Code* | Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 Edition. Prior editions (original 1989, 1992, 1996 and 1999) were also known as the JORC Code. The JORC Code sets out minimum standards, recommendations and guidelines for the public reporting within Australasia of Exploration Results, Mineral Resources and Ore Reserves wherein these terms are rigidly defined. The JORC Code is binding upon members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, and is included in the listing rules of the Australian and New Zealand Stock Exchanges. |
| *jaspilite* | Silica-rich banded iron formation. |
| *laminae* | Very thin layers. |
| *lava* | Liquid rock which issues from a volcano or fissure, or the solidified equivalent of same. |
| *limb (of fold)* | One of the two parts of a fold either side of the axis. |
| *lithology* | Physical character of a rock; often used as a synonym for rock type. |
| *mafic* | Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates. |
| *mafic rock* | Igneous rock composed largely of ferromagnesian and other non-felsic minerals. |
| *magnetite* | Magnetic iron oxide mineral $Fe^3O^4$. |
| *magnetic anomaly* | Zone where the magnitude and orientation of the earth's magnetic field differs from adjacent areas. |
| *magnetite* | Magnetic iron ore, an oxide of iron, $Fe^3O^4$. |
| *martite* | Hematite, or an intergrowth of hematite and magnetite which replaces magnetite along cleavage planes. |
| *massive* | Of homogeneous structure or composition, e.g. massive sulphides. |
| *metallurgy* | The science of extracting metals from their ores by physical or chemical means for later commercial use. |
| *metamorphic grade* | The extent to which a rock has been changed from the original as a result of metamorphism; generally determined by the development of assemblages of minerals which are characteristic of the temperature and pressure attained at the peak of metamorphism. |
| *metamorphism* | Process of change in rock composition, structure, texture and mineralogy induced by increases in temperature and pressure, other than changes resulting from progressive burial. |
| *metamorphosed* | A rock that has been modified by the effects of pressure, heat and fluids within the earth's crust. |
| *metasediment* | Metamorphosed sedimentary rock. |
| *metasomatic* | Descriptive of processes relating to the chemical alteration of a rock. |
| *meteoric groundwater* | Atmospherically derived groundwater, i.e. rainwater which has percolated downwards. |
| *mineralisation* | Naturally occurring concentration or accumulation of metals or their ore minerals. |
| *monzogranite* | Granite with equal proportions of alkali (Na, K) and plagioclase feldspars. |
| *ore* | Mineralisation that can be mined and processed for a profit. |
| *outcrop* | Surface exposure of bedrock. |
| *palaeochannel* | Ancient river channel now infilled with younger sediments. |

| | |
|---|---|
| *percussion drilling* | Drilling technique where an air driven hammer is used to penetrate hard formations. |
| *Permian* | The last of six periods of the Palaeozoic Era, covering the period 235 to 290 million years ago. |
| *pisolite* | Spheroidal accretionary body >2mm in diameter. |
| *plunge* | The departure of a fold nose or other essentially linear geological structure from the horizontal as measured in a vertical plane. |
| *pluton* | Large igneous intrusive with steep sides which was emplaced deep below the earth's surface. |
| *plutonic rock* | Intrusive rock that originated at great depth. |
| *Precambrian* | The oldest geological era; more than 570 million years ago. |
| *primary* | Completely unweathered when referring to rocks. |
| *Proterozoic* | The younger of the two Precambrian eras, generally considered older than about 570 million years ago to about 2,500 million years ago within Australia. |
| *protolith* | Pre-metamorphic or original rock type. |
| *protore* | A mineral deposit which is the pre-cursor to an ore deposit. |
| *pseudomorph* | A crystal which retains the shape and form of another mineral species which has been replaced by substitution or chemical alteration. |
| *pyrite* | A mineral, non-magnetic iron sulphide or fool's gold. |
| *pyroclastic* | General term to describe detrital volcanic material that has been ejected from a volcanic vent. |
| *quartz* | A common rock forming mineral, silicon dioxide; often occurs as discrete veins or veinlets occupying fractures or openings within rocks and shears. Quartz veins are common hosts for gold mineralisation. |
| *quartzite* | Granulose metamorphic consisting essentially of quartz, or a sandstone cemented by silica that that has grown in optical continuity around the original quartz fragments. |
| *RC drilling* | Reverse circulation drilling. |
| *Recent* | Holocene – the youngest Epoch of the Quaternary – from 10,000 years ago to the present. |
| *reconnaissance* | A general examination or survey of a region with reference to its main features, usually preliminary to a more detailed survey. |
| *regolith* | Mantle of weathering and erosional products covering bedrock. |
| *reverse circulation drilling* | A method of drilling whereby rock chips are recovered by airflow returning inside the drill rods rather than outside, thereby (usually) providing more reliable samples. |
| *schist* | Medium or coarse grained metamorphic rock with sub-parallel orientation of its dominantly micaceous minerals. |
| *schistosity* | Foliation in metamorphic rocks resulting from the parallel orientation of platy and ellipsoidal mineral grains. |
| *sediment* | Rocks formed by the deposition of solids from water. |
| *sedimentary rock* | A rock generally formed from the accumulation of rock fragments either under water or deposited from air. Sedimentary rocks are generally layered or bedded, with the beds almost always horizontal at the time of deposition. |

| | |
|---|---|
| *shale* | Finely laminated sedimentary rock in which the constituent particles are predominantly clay or silt sized. |
| *shear or shear zone* | Broad zone of dislocation within a rock mass where relative movement has been accommodated by compound slippage and plastic deformation, akin to sliding a deck of cards, resulting in the development of schistosity. |
| *silicate* | Mineral containing silica, Si02. |
| *siliceous* | Very high in silica. |
| *specularite* | A platy, metallic variety of hematite. |
| *stratigraphy* | The composition, sequence and correlation of stratified rocks within the earth's crust. |
| *strike* | The bearing or direction of a horizontal line in the plane of an inclined structure such |
| *strike-slip* | Horizontal component of movement on a fault. |
| *structural* | Pertaining to geological structure. |
| *supergene* | Mineralisation re-deposited at the water table, generally by the downward movement of water. |
| *syn-* | Together with, at the same time. |
| *syncline* | Fold in rocks in which the convexity is toward the older rocks in the sequence. |
| *talc* | A mineral, hydrated magnesium silicate, which is a common alteration product of mafic and ultramafic rocks. |
| *tectonic* | Refers to the rock structure and distribution resulting from deformation of the earth's crust. |
| *tenement* | Area of land to which access has been granted for mineral exploration or development under the relevant mining act or statute. |
| *terrane or terrain* | A region of the earth's crust with well defined margins which differs significantly in its tectonic evolution from the surrounding regions. |
| *Tertiary* | The older of the two geological periods comprising the Cainozoic or Cenozoic Era, generally between 1.8 and 65 million years ago. |
| *tholeiite* | A mafic rock of volcanic origin containing a higher proportion of silica than a normal basalt. |
| *tholeiitic basalt* | Basaltic rock composed primarily of plagioclase, pyroxene and oxides of iron set in a fine groundmass of quartz and alkali feldspar; contains little or no olivine. |
| *tonalite* | Crystalline rock usually associated with deep seated intrusions of diorite, granodiorite and/or granite. |
| *ultramafic rock* | Igneous rock containing less than 45 per cent silica, composed essentially of ferromagnesian silicates and metallic oxides and sulphides, with virtually no quartz or feldspars. |
| *unconformity* | An erosional surface or depositional break that separates younger strata from older rock. |
| *volcanoclastic* | Rock formed of volcanic ejecta and fragments of volcanic rock. |
| *volcanic rock* | Igneous rock which has been ejected, extruded or intruded at or near the earth's surface. |
| *volcano-sedimentary sequence* | A sequence of volcanic and sedimentary rocks. |
| *weathering* | The group of processes that change the character and composition of rocks by decay. |
| *Yilgarn Craton or Block* | The Archaean craton occupying the majority of the southern half of Western Australia. |

# 8. Investigating Accountant's Report

**MGI Perth Corporate Finance**
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4 November 2010

The Board of Directors
Radar Iron Ltd
Suite 2, 12 Parliament Place
WEST PERTH WA 6005

Dear Sirs

## Investigating Accountant's Report – Radar Iron Ltd

### 1. Introduction

This Investigating Accountant's Report (the "Report") has been prepared at the request of the Directors of Radar Iron Ltd ("Radar" or "the Company") for inclusion in a Prospectus to be dated on or around 4 November 2010 (the "Prospectus").

The Prospectus will offer up to 30,000,000 shares at an issue price of 20 cents each to raise $6,000,000 before costs. The Company may accept oversubscriptions for up to 10,000,000 shares to raise a further $2,000,000. The maximum amount that may be raised under the Prospectus is therefore $8,000,000 before costs ("Maximum Subscription"). The minimum subscription is 25,000,000 shares to raise $5,000,000 before costs ("Minimum Subscription").

### 2. Basis of Preparation

This Report has been prepared to provide investors with information on the historical financial position of the Company and the pro forma historical statement of financial position at 30 September 2010 as noted in Appendix 1. The pro forma historical statement of financial position is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports in accordance with the *Corporations Act 2001*.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risk associated with the investment, and has been prepared based on the complete offer being achieved. MGI Perth Corporate Finance Pty Ltd ("MGICF") has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purport to do so. MGICF accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors are set out in Section 11 of the Prospectus.

Expressions defined in the Prospectus have the same meaning in this report.

### 3. Background

The Company was incorporated on 21 September 2010 as a wholly owned subsidiary of Transit Holdings Limited ("Transit"), a listed entity on the ASX. The Company has signed a Share Sale Agreement with Transit to acquire 100% of the shares in Radar Resources Pty Ltd. The transaction is subject to Transit shareholder approval at a meeting to be held on 26 November 2010. Radar Resources currently holds exploration tenements in the Yilgarn Iron Ore Province located in Western Australia. These tenements are prospective for iron ore.

## 3. Background (continued)

As consideration, the Company will issue 22,690,612 ordinary shares and 12,000,000 options to Transit and will pay an amount of $120,000 from the proceeds of the IPO – please refer to Section 10 of the Prospectus for more information on the Share Sale Agreement.

Key personnel of Radar include:

- Mr Alan Tough (Non-executive Chairman)
- Mr Jonathan Lea (Managing Director)
- Mr Ananda Kathiravelu (Non- executive Director)

## 4. Scope

We have reviewed the pro forma historical statement of financial position in order to report whether anything has come to our attention which causes us to believe that the pro forma historical statement of financial position, as set out in Appendix 1 of the Report, does not present fairly the pro forma historical statement of financial position at 30 September 2010, on the basis of preparation, accounting policies and the pro forma transactions and/or adjustments described in Appendix 2, and in accordance with the recognition and measurement requirements (but not all of the disclosure requirements) of Australian Accounting Standards (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board.

The historical financial information set out in Appendix 1 to this Report has been extracted from the unaudited management accounts of the Company for the period ended 30 September 2010.

The directors of the Company are responsible for the preparation and presentation of the historical financial information including the determination of the pro forma transactions and/or adjustments.

We have conducted our review of the pro forma historical statement of financial position in accordance with Australian Standard on Review Engagements ASRE 2405 "Review of historical financial information other than a financial report". We made enquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances, including:

- A review of the unaudited management accounts for the period ended 30 September 2010;
- Analytical procedures on the pro forma historical statement of financial position;
- Consideration of the pro forma transactions/or adjustments made to the historical statement of financial position at 30 September 2010;
- Enquiry of directors, management and others;
- Review of contractual arrangements; and
- A review of work papers, accounting records and other documents.

Our review was limited primarily to an examination of the historical financial information, the pro forma financial information, analytical review procedures and discussions with both management and directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro forma financial information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

## 5. Conclusion:

*(a) Historical statement of financial position*

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical statement of financial position, as set out in Appendix 1 of this Report is not presented fairly in accordance with the recognition and measurement requirements (but not all of the disclosure requirements) of Australian Accounting Standards (including the Australian Accounting Interpretations).

*(b) Pro-forma historical statement of financial position*

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro-forma historical statement of financial position, as set out in Appendix 1 of this report, is not properly drawn up in accordance with the basis of preparation, accounting policies and pro forma adjustments described in Appendix 2 and the recognition and measurement requirements (but not all of the disclosure requirements) of Australian Accounting Standards (including the Australian Accounting Interpretations) as if the pro forma transactions had occurred on that date.

## 6. Subsequent events

Apart from the matters dealt with in this report and having regard to the scope of our Report, to the best of our knowledge and belief, no material transactions or events outside of the ordinary course of business of Radar have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Independence, Disclosure of interest and Consent

MGICF does not have any interest in the outcome of the listing of the shares, other than in connection with the preparation of this Report for which normal professional fees will be received. MGICF does not hold nor has any interest in the ordinary shares of the Company.

## 8. Responsibility

MGICF was not involved in the preparation of any part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

MGICF consents to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

## 9. General advice warning

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours sincerely

MGI PERTH CORPORATE FINANCE PTY LTD

TJ SPOONER CA FCA(UK) ACIS
DIRECTOR

# APPENDIX 1
# RADAR IRON LTD
# PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

| | | Reviewed 30 September 2010 | Pro forma adjustments | | | | | Pro forma 30 September 2010 | Maximum subscription | Minimum subscription |
|---|---|---|---|---|---|---|---|---|---|---|
| | | $ | $ | | | | | $ | $ | $ |
| | Note | | 2(a) | 2(b) | 2(c) | 2(d) | 2(e) | | | |
| **Current assets** | | | | | | | | | | |
| Cash and cash equivalents | 3 | - | 475,000 | (91,086) | - | 6,000,000 | (560,000) | 5,823,914 | 7,703,914 | 4,883,914 |
| Trade and Other receivables | | 3 | - | 4 | - | - | - | 7 | 7 | 7 |
| **Total current assets** | | 3 | 475,000 | (91,082) | - | 6,000,000 | (560,000) | 5,823,921 | 7,703,921 | 4,883,921 |
| **Non-current assets** | | | | | | | | | | |
| Exploration and evaluation expenditure | 4 | - | - | 561,857 | 40,000 | | - | 601,857 | 601,857 | 601,857 |
| **Total non-current assets** | | - | - | 561,857 | 40,000 | | - | 601,857 | 601,857 | 601,857 |
| **Total assets** | | 3 | 475,000 | 470,775 | 40,000 | 6,000,000 | (560,000) | 6,425,778 | 8,305,778 | 5,485,778 |
| **Current Liabilities** | | | | | | | | | | |
| Trade and other payables | | - | - | 29,979 | - | - | - | 29,979 | 29,979 | 29,979 |
| **Total current liabilities** | | - | - | 29,979 | - | - | - | 29,979 | 29,979 | 29,979 |
| **Non-current liabilities** | | | | | | | | | | |
| Deferred tax liabilities | | - | - | 127,131 | - | - | - | 127,131 | 127,131 | 127,131 |
| **Total non-current liabilities** | | - | - | 127,131 | - | - | - | 127,131 | 127,131 | 127,131 |
| **Total liabilities** | | - | - | 157,110 | - | - | - | 157,110 | 157,110 | 157,110 |
| **Net assets** | | 3 | 475,000 | 313,665 | 40,000 | 6,000,000 | (560,000) | 6,268,668 | 8,148,668 | 5,328,668 |
| **Equity** | | | | | | | | | | |
| Issued capital | 5 | 3 | 475,000 | 246,465 | 40,000 | 6,000,000 | (1,277,600) | 5,483,868 | 7,005,068 | 4,543,868 |
| Option reserve | - | - | - | 67,200 | - | - | 717,600 | 784,800 | 1,143,600 | 784,800 |
| **Total equity** | - | 3 | 475,000 | 313,665 | 40,000 | 6,000,000 | (560,000) | 6,268,668 | 8,148,668 | 5,328,668 |

*The pro forma historical statement of financial position is to be read in conjunction with the notes to and forming part of the pro forma historical statement of financial position in Appendix 2.*

# APPENDIX 2
# RADAR IRON LTD
# NOTES TO AND FORMING PART OF THE PRO FORMA STATEMENT OF FINANCIAL POSITION

## 1. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the historical and the pro forma historical statement of financial position are:

### (a) Basis of preparation of pro forma historical statement of financial position

The pro forma historical statement of financial position and notes have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board.

The pro forma historical statement of financial position is presented in a condensed form and does not contain all the disclosures that are usually provided in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

The pro forma historical statement of financial position has been prepared on an accruals basis, are based on historical cost and except where stated does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

### (b) Principles of consolidation

Subsidiaries

The pro forma historical statement of financial position comprises the assets and liabilities of Radar Iron Ltd and its subsidiary, Radar Resources Pty Ltd, at 30 September 2010 (the "Group"). A subsidiary is any entity controlled by Radar Iron Ltd.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of subsidiaries are prepared for 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 1 (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.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

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.

(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.

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.

The Company and its wholly-owned Australian resident subsidiary have not formed a tax-consolidated Group as at balance sheet date.

(d) Goods and service 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 statement of financial position 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 a debtor 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.

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) 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 Cash Flow Statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) 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 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.

(h) Impairment of assets

Where an indicator of impairment exists, the Group makes a formal estimate of 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.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit (group of assets) to which the asset belongs.

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.

(i) 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.

(j) Issued capital

*Ordinary shares*

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.

(k) Share Based Payments

The Group provides payment to related parties in the form of share-based compensation, whereby related parties render services 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 either a Binomial or Black & Scholes methodology depending on the nature of the option terms.

The Binomial option pricing model uses an iterative procedure, allowing for the specification of nodes, or points in time, during the time span between the valuation date and the option's expiration date. It assumes that underlying security prices can only either increase or decrease with time until the option expires.

The Binomial model reduces possibilities of price changes, removes the possibility for arbitrage, assumes a perfectly efficient market, and shortens the duration of the option. Under these simplifications, it is able to provide a mathematical valuation of the option at each point in time specified. The Binomial model takes a risk-neutral approach to valuation.

The Black & Scholes option pricing model 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.

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

## 2. Pro forma adjustments

(a) Proceeds from seed capital raising

The Company raised seed capital by issuing 4,750,000 shares at 10 cents a share.

(b) Acquisition of Radar Resources Pty Ltd

Subject to Transit's shareholder approval, the Company will acquire 100% of Radar Resources' share capital from Transit Holdings Ltd via a Share Sale Agreement. Please refer to Section 10 of the Prospectus for more information.

The acquisition was funded by:

- Issuing 22,690,612 shares at approximately $0.011 a share;
- Issuing 12,000,000 options valued at $0.056 an option; and
- $120,000 in cash from the proceeds of the capital raising.

The net assets acquired are represented by the following:

| | $ |
|---|---|
| Cash and cash equivalents | 28,914 |
| Trade and other receivables | 4 |
| Exploration and evaluation expenditure | 561,857 |
| Trade and other payables | (29,979) |
| Deferred tax liabilities | (127,131) |
| **Net assets acquired** | **433,665** |
| Less cash paid | (120,000) |
| **Net assets per the pro forma statement of financial position** | **313,665** |

(c) Acquisition of tenements from Vendor

The Company issued 200,000 shares at 20 cents a share to an unrelated third party under the *Tenement sale agreement* – Copper Bore (*Tenement E77/1375*). Please refer to Section 10 of the Prospectus for more information.

(d) Proceeds from share issue

The Company intends to issue up to 30,000,000 shares at 20 cents each to raise capital of $6,000,000 before costs.

The Company may accept oversubscriptions for up to 10,000,000 shares to raise a further $2,000,000. The maximum amount that may be raised under the Prospectus is therefore $8,000,000 before costs. The minimum subscription is 25,000,000 shares to raise $5,000,000 before costs.

(e) Capital raising cost

The transaction costs of an equity transaction are accounted for as a deduction from the equity raised in accordance with Australian Accounting Standards. The capital raising costs represent registration and other regulatory fees, legal, accounting and other professional fees and printing costs.

The transaction cost based on the amount raised is as follows:

- To raise $6,000,000 the transaction cost is $1,277,600
- To raise $8,000,000 the transaction cost is $1,756,400 (maximum subscription)
- To raise $5,000,000 the transaction cost is $1,217,600 (minimum subscription)

The transaction costs are settled in a combination of cash and options.

## 3. Cash and Cash Equivalents

| | Note | Unaudited 30 September 2010 $ | Unaudited Pro-forma 30 September 2010 $ |
|---|---|---|---|
| Cash on hand- unaudited | | - | - |
| Issue of seed capital shares | 2(a) | - | 475,000 |
| Acquisition of Radar Resources | 2(b) | - | 28,914 |
| Cash consideration for Radar Resources | 2(b) | - | (120,000) |
| Issue of share capital | 2(d) | - | 6,000,000 |
| Share issue costs – cash portion | 2(e) | - | (560,000) |
| | | - | 5,823,914 |

If the maximum subscription pursuant to the prospectus is achieved, total cash held will increase to $7,703,914.

If the minimum subscription pursuant to the prospectus is achieved, total cash held will decrease to $4,883,914.

## 4. Exploration Expenditure

| | | | |
|---|---|---|---|
| Capitalised exploration expenditure at cost – unaudited | | - | - |
| Acquisition of Radar Resources | 2(b) | - | 561,857 |
| Vendor share issue | 2(c) | - | 40,000 |
| | | - | 601,857 |

## 5. Issued Capital

| | | | |
|---|---|---|---|
| Balance at 30 September 2010 – unaudited (3 shares) | | 3 | 3 |
| Issue of seed capital shares (4,750,000 shares) | 2(a) | - | 475,000 |
| Acquisition of Radar Resources (22,690,612 shares) | 2(b) | - | 246,465 |
| Acquisition of tenements (200,000 shares) | 2(c) | - | 40,000 |
| Issue of shares (30,000,000) | 2(d) | - | 6,000,000 |
| Capital raising costs | 2(e) | - | (1,277,600) |
| (Pro forma ordinary shares 57,640,615) | | 3 | 5,483,868 |

If the maximum subscription pursuant to the prospectus is achieved, the total Issued Capital balance will be $7,005,068 (net of capital raising cost discussed in note 29(e)) This amount represents 67,640,615 shares (including 3 subscription shares) on issue.

If the minimum subscription pursuant to the prospectus is achieved, the total Issued Capital balance will be $4,543,868 (net of capital raising cost discussed in note 29(e)) This amount represents 52,640,615 shares (including 3 subscription shares) on issue.

## 6. Related party disclosures

Transactions with Related Parties and Directors Interests are disclosed in Section 10 of the Prospectus.

## 7. Commitments and contingencies

*Exploration and other commitments*

The Company has contractual commitments relating to minimum exploration obligations pursuant to the terms and conditions of Tenement Licences and other contractual commitments. These are discussed in more detail in the Solicitor's Report on Tenements (Section 9) and the Material Contracts (Section 10) sections of this Prospectus.

# 9. Solicitor's Report on Tenements

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3 November 2010

Radar Iron Ltd
Suite 2, 12 Parliament Place
WEST PERTH WA 6005

Dear Sirs

## SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the issue of up to 30,000,000 shares in the capital of Radar Iron Ltd (Company) at an issue price of 20 cents per share to raise up to $6,000,000 with provision to raise a further $2,000,000 in oversubscriptions (**Prospectus**).

### 1. Scope

We have been requested to report on certain mining tenements in which the Company and its proposed wholly owned subsidiary, Radar Resources Pty Ltd, have an interest (the **Tenements**).

The Tenements are located in Western Australia. Details of the Tenements are set out in Part 1 of the attached Schedule, which forms part of this Report.

### 2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows:

(a) we have obtained searches of the Tenements from the registers maintained by the Western Australian Department of Industry and Resources (**DOIR**). These searches were conducted on 1 October 2010. Key details on the status of the Tenements are set out in Part 1 of the Schedule;

(b) we have undertaken searches for registered native title claims and native title determinations that may apply to the Tenements, as determined by the National Native Title Tribunal (**NNTT**). These searches were undertaken on 4 October 2010 and revealed that there are currently no native title claims relating to the Tenements. Details of the law as it relates to native title claims and determinations are set out in Section 7 of this Report; and

(c) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the DOIR searches and have summarised the material terms (details of which are set out in Section 10 of the Prospectus).

## 3. Opinion

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant searches:

(a) (**Company's Interest**): this Report provides an accurate statement as to the interest of the Company and Radar Resources Pty Ltd in the Tenements;

(b) (**Good Standing**): this Report provides an accurate statement as to the validity and good standing of the Tenements; and

(c) (**Third party interests**): this Report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements.

## 4. Executive summary

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements.

(a) (**Radar Resources Pty Ltd**): The Company has entered into an agreement with Transit Holdings Ltd to acquire 100% of the shares in Radar Resources Pty Ltd. Radar Resources Pty Ltd is the entity with the rights to the Tenements.

(b) (**Granted Tenements**): At present, and Radar Resources Pty Ltd is the direct holder of E77/1280 and E77/1281. In addition, Radar Resources Pty Ltd has an interest (through the material contracts summarised in Section 10 of the Prospectus) in the following Tenements which have been validly granted and are held by the parties outlined below:

(i) E77/1164, E77/1168, E77/1196, P77/3458 and P77/3459 – currently held by Southern Cross Goldfields Ltd;

(ii) E77/1375 – currently held by Polaris Metals Pty Ltd and Vernon Wesley Strange.

(c) (**Applications for Tenements**): A summary of the position with respect to the Tenement applications is as follows:

(i) Tenement applications E77/1806 and E77/1807 (held by Transit Holdings Ltd and Radar Resources Pty Ltd, respectively) are subject to a competing application process with third parties for a single exploration licence. The grant of the exploration licence sought will be done via a ballot. Consequently, the exploration licence may be granted in favour of a third party, in which case the Company will not be able to undertake exploration activities on E77/1806 or E77/1807;

(ii) the Tenement applications for P77/3460, P77/3461 and P77/3462 are currently held by Radar Resources Pty Ltd, which will become a wholly owned subsidiary of the Company on settlement of the agreement summarised in Section 10.1 of the Prospectus; and

(iii) the applicant for P77/3460, P77/3461 and P77/3462 is Terra Firma Investments Pty Ltd. Radar Resources Pty Ltd will be transferred these tenements when granted by virtue of the agreements summarised in Section 10.7 and 10.8 of the Prospectus).

(d) (**Rent / Expenditure**): The Company has met all expenditure obligations for all granted Tenements except for E77/1168. If expenditure requirements are not met in regard to this Tenement it could be at risk of forfeiture.

(e) (**Third party interests**): Under the Polaris Option Agreement (summarised in Section 10.2 of the Prospectus); Radar Resources Pty Ltd (along with Polaris Metals NL) is required to pay to Vernon Wesley Strange a royalty of $1.00 per tonne of iron ore mined for the first 150,000 tonnes of iron ore mined each year from the E77/1375 Tenement.

Under the Copper Bore Joint Venture Agreement (summarised in Section 10.3 of the Prospectus)), if the interest held by Polaris Metals NL decreases below 5%, Radar Resources Pty Ltd will be liable to pay Polaris Metals NL, at their election, a royalty of 0.5% of net smelter returns from the date of election (being the date that the party managing the joint venture receives notice from the party electing to take the Royalty) on iron ore mined each year from the E77/1375 Tenement.

Under the Acquisition Letter Agreement (summarised in Section 10.6 of the Prospectus), Radar Resources Pty Ltd is required to pay a royalty to Mr Adam Hill and Mr Frank Hill of 1.5% of the net profit of minerals mined from the E77/1280 and E77/1281 Tenements.

(f) (**Caveats**): Tenement E77/1375 is subject to a caveat for the benefit of Southern Cross Goldfields Pty Ltd which means that any dealing in regards to the Tenement is subject to the Company discharging the caveat.

## 4. Executive summary (continued)

(g) (**Native Title**): Currently, there are no native title claims that relate to the Tenements contained in Part I of the Schedule.

(h) (Iron Ore Authorisation): Each of the granted Exploration Licences (EL77/1280, EL77/1281, EL77/1375, EL77/1164, EL77/1168 and EL77/1196) has an authorisation to explore for iron ore in accordance with Section 111 of the Mining Act 1978 (WA) (Mining Act). The granted Prospecting Licences (P77/3458 and P773459) do not currently have an authorisation to explore for iron ore. An application will need to be made under Section 111 of the Mining Act in order for the Company to be able explore for iron on these Prospecting Licences and any tenements that are granted in respect of the Tenement applications identified in Part 1 of the Schedule.

## 5. Description of the Tenements

The granted Tenements comprise exploration and prospecting licenses granted under Mining Act. Part I of the Schedule provides a list of the Tenements. The following provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act.

## 5.1 Exploration Licence

**Application:** A person may lodge an application for an exploration licence and the Minister decides whether to grant the application. An application for an exploration licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

**Rights**: The holder of an exploration licence is entitled to enter the land and undertake operations for the purposes of exploration for minerals.

**Term:** An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term where:

- the exploration licence was granted before 10 February 2006, by a further period or periods of 1 or 2 years; and
- the exploration licence was granted after 10 February 2006, by a further period of 5 years followed by a further period or periods of 2 years.

Where an exploration licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

**Retention Status:** The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource within the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease. The holder of an exploration licence applied for or granted before 10 February 2006, can apply for a retention licence (see below).

**Conditions:** Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. A failure to comply with these conditions may lead to forfeiture of the exploration licence.

**Relinquishment:** The holder of an exploration licence granted or applied for before 10 February 2006 must relinquish not less than half of the blocks comprising the licence at the end of the third year. A further relinquishment of not less than half of the remaining blocks is required at the end of the fourth year. The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year.

Priority to apply for Mining Lease: The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

**Transfer:** No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealing.

**Reversion Application:** The Mining Act allowed the holder of an exploration licence who had applied for a mining lease before 10 February 2006 to lodge an application between 11 February 2006 and 10 February 2007 for an exploration licence or prospecting licence in lieu of the grant of the mining lease. The Mining Act provides that reversion applications are deemed to be transferred to a transferee of the underlying exploration licence.

## 5.2 Prospecting Licence

**Application:** A person may lodge an application for a prospecting licence in accordance with the Mining Act. The mining registrar or warden decides whether to grant an application for a prospecting licence. An application for a prospecting licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

**Rights:** The holder of a prospecting licence is entitled to enter the land and undertake operations for the purposes of prospecting for minerals.

**Term:** A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted after 10 February 2006, the Minister may extend the term by 4 years and if retention status is granted (as discussed below), by a further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

**Retention Status:** The holder of a prospecting licence applied for and granted after 10 February 2006 may apply for approval of retention status for the prospecting licence. The Minister may approve the application where there is an identified mineral resource within the prospecting licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease. The holder of a prospecting licence applied for or granted before 10 February 2006 can apply for a retention licence (see below).

**Conditions:** Prospecting licences are granted subject to various standard conditions including conditions relating to minimum expenditure, the payment of rent and observance of environmental protection and reporting requirements. These standard conditions are not detailed in the Schedule. A failure to comply with these conditions may lead to forfeiture of the prospecting licence.

**Priority to apply for a Mining Lease:** The holder of a prospecting licence has priority to apply for a mining lease over any of the land subject to the prospecting licence. An application for a mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

**Transfer:** There is no restriction on transfer or other dealing in a prospecting licence.

**Reversion Application:** The Mining Act allowed the holder of a prospecting licence who had applied for a mining lease before 10 February 2006 to lodge an application between 11 February 2006 and 10 February 2007 for an exploration licence or prospecting licence in lieu of the grant of the mining lease. The Mining Act provides that reversion applications are deemed to be transferred to a transferee of the underlying prospecting licence.

## 5.3 Section 111 of the Mining Act

Section 111 of the Mining Act states that in lieu of written authorisation from the Minister, the holder of a prospecting or exploration licence is not authorised to prospect or explore for iron on the tenement.

Each of the granted Exploration Licences (EL77/1280, EL77/1281, EL77/1375, EL77/1164, EL77/1168 and EL77/1196) has an authorisation to explore for iron ore in accordance with Section 111 of the Mining Act. The granted Prospecting Licences (P77/3458 and P773459) do not currently have an authorisation to explore for iron ore. An application will need to be made under Section 111 of the Mining Act in order for the Company to be able explore for iron on these Prospecting Licences and any tenements that are granted in respect of the Tenement applications identified in Part 1 of the Schedule.

## 6. Aboriginal Heritage

There are areas or objects of Aboriginal heritage located on the Tenements.

We have undertaken searches with the Department of Indigenous Affairs. Those searches indicate that some of the Tenements contain Aboriginal heritage sites. Details of the Aboriginal heritage sites are contained within Part 1 of the Schedule below.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

## 6.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

## 6.2 Western Australian Legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons.

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered and the WA Heritage Act protects all registered and unregistered sites.

# 7. Native Title

## 7.1 Introduction

Currently there are no native title claims that relate to the Tenements contained within Part I of the Schedule. Notwithstanding this, set out below is a summary of the law relating to native title and how it relates to tenements in general.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2) (1992) 175 CLR 1* (**Mabo no.2**).

Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, where granted or renewed without due regard to native title rights, were invalid.

As a result of Mabo no. 2, the Native Title Act 1993 (Cth) (**NTA**) was passed to:

(a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the National Native Title Tribunal (**NNTT**) and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;

(b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2. This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996; and

(c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions.**

The Future Act Provisions are summarised in Section 7.2 below, following which the Report identifies:

(a) native title claims and determinations that are registered against the Tenements (see Section 7.3);

(b) Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 7.4);

(c) Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 7.4); and

## 7.1 Introduction (continued)

(d) Tenements which are yet to be granted and which may need to comply with the Future Act Provisions in order to be valid under the NTA (see Section 7.4).

Note that the grant of a Tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the Tenement, or has been validly extinguished prior to the grant of the Tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a Tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the Tenement and as such, the Future Act Provisions apply.

Where a Tenement has been retrospectively validated or validly granted under the NTA, the rights under the Tenement prevail over any inconsistent native title rights.

## 7.2 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are three alternatives: the Right to Negotiate, an Indigenous Land Use Agreement (ILUA) and the Expedited Procedure. These are summarised below.

### Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the Tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the Tenement can be granted. The applicant for the Tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the Tenement (eg in relation to heritage surveys).

If agreement is not reached to enable the Tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the Tenement can be granted and if so, on what conditions. The NNTT usually requires the parties to have had at least 6 months of negotiations before it will accept a referral for arbitration.

### ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the Tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the Tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

### Expedited Procedure

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

(a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;

(b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and

(c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

## 7.2 Future Act Provisions (continued)

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the Tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the Tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the Tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the Tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the Tenement can be granted.

The State of Western Australia currently follows a policy of granting prospecting and exploration licenses under the Expedited Procedure where the applicant has entered into a standard aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard heritage agreement (and ancillary agreements) usually provide for payment of compensation by the applicant for the tenement and conditions that apply to activities carried out within the tenement.

## 7.3 Registered Native Title Claims and Determinations

Our searches indicate that the Tenements are not subject to any native title claims and determinations.

# 8. Qualifications And Assumptions

This Report is subject to the following qualifications and assumptions:

(a) we have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;

(b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;

(c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our searches and the information provided to us;

(d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

(e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements complied with the applicable Future Act Provisions;

(f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(g) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

(h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

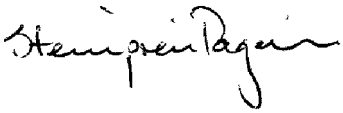
(i) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey; and

(j) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

## 9. Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



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## PART I

## TENEMENT SCHEDULE

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | APPLICATION DATE | GRANT DATE | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (NEXT RENTAL YEAR) | MINIMUM ANNUAL EXPENDITURE | SATISFACTION OF EXPENDITURE CONDITIONS TO DATE | ENCUMBRANCES/ DEALINGS | ABORIGINAL HERITAGE SITES | NOTES | MATERIAL CONTRACT NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E77/1164-I | Southern Cross Goldfields Ltd | 100 | N/A | 28/03/2006 | 27/03/2011 | 3BL | $767.25 | $20,000 | Satisfied | - | 20359 –Ky 45 – Die Hardy Ranges – Mythological | 1-3 | 1 |
| E77/1168-I | Southern Cross Goldfields Ltd | 100 | N/A | 05/10/2006 | 04/10/2011 | 4BL | $753.72 | $20,000 | No expenditure lodged for 2010 | - | 22944 – Mt Jackson Ranges - Mythological | 1-6 | 1 |
| E77/1196-I | Southern Cross Goldfields Ltd | 100 | N/A | 11/07/2006 | 10/07/2011 | 8BL | $2,046.00 | $30,000 | Satisfied | - | 20364 – Ky 50 - Mythological | 7-9 | 1 |
| E77/1280-I | Radar Resources Pty Ltd | 100 | N/A | 13/08/2007 | 12/08/2012 | 32BL | $6,029.76 | $48,000 | Satisfied | - | - | 7<br>10-12 | 4 |
| E77/1281-I | Radar Resources Pty Ltd | 100 | N/A | 13/08/2007 | 12/08/2012 | 35BL | $6,595.05 | $52,500 | Satisfied | - | - | 13 | 4 |
| E77/1375-I | Polaris Metals Pty Ltd<br>Vernon Wesley Strange | 95<br>5 | N/A | 30/01/2008 | 29/01/2013 | 13BL | $2,449.59 | $20,000 | Satisfied | Caveat – lodged by Southern Cross Goldfields Pty Ltd on 23/05/2008 | - | 14 | 2 |
| E77/1806 | Transit Holdings Ltd | 100 | 24/06/2010 | N/A | N/A | 3BL | N/A | N/A | N/A | - | 27020 – Diemals 5 – Artefacts / Scatter | | 3 |
| E77/1807 | Radar Resources Pty Ltd | 100 | 24/06/2010 | N/A | N/A | 3BL | N/A | N/A | N/A | - | 27020 – Diemals 5 – Artefacts / Scatter | | 4 |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | APPLICATION DATE | GRANT DATE | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (NEXT RENTAL YEAR) | MINIMUM ANNUAL EXPENDITURE | SATISFACTION OF EXPENDITURE CONDITIONS TO DATE | ENCUMBRANCES/ DEALINGS | ABORIGINAL HERITAGE SITES | NOTES | MATERIAL CONTRACT NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| P77/3458 | Southern Cross Goldfields Ltd | 100 | N/A | 09/08/2007 | 08/08/2011 | 200HA | $462.00 | $8,000 | Satisfied | - | 20359 –Ky 45 – Die Hardy Ranges – Mythological | 1-3 | 1 |
| P77/3459 | Southern Cross Goldfields Ltd | 100 | N/A | 09/08/2007 | 08/08/2011 | 163HA | $376.53 | $6,520 | Satisfied | - | 20359 –Ky 45 – Die Hardy Ranges – Mythological | 1-3 | 1 |
| P77/3460 | Terra Firma Investments Pty Ltd | 100 | 21/11/2003 | N/A | N/A | 199HA | N/A | N/A | N/A | - | 20359 –Ky 45 – Die Hardy Ranges – Mythological | | 5 |
| P77/3461 | Terra Firma Investments Pty Ltd | 100 | 21/11/2003 | N/A | N/A | 199HA | N/A | N/A | N/A | - | 20359 –Ky 45 – Die Hardy Ranges – Mythological | | 5 |
| P77/3462 | Terra Firma Investments Pty Ltd | 100 | 21/11/2003 | N/A | N/A | 135HA | N/A | N/A | N/A | - | 20359 –Ky 45 – Die Hardy Ranges – Mythological | | 5 |

Key to Tenement Schedule

P - Prospecting Licence

E – Exploration Licence

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Report.

References to numbers in the "Notes" column refers to the notes following this table.

The Tenements are subject to conditions imposed by the Mining Act and the Minister. The material conditions relating to certain Tenements are set out below and referenced in Part I of the Schedule.

Notes:

1. Prior to accessing the licence area, the licensee shall consult with the Regional Environmental Officer, Department of Industry and Resources (DoIR), and ensure that where required all vehicles and equipment entering the designated area are washed down to remove soil and plant propagules and adhering to such conditions specified for the prevention of the spread of soil-borne diseases.

2. Prior to any activity involving disturbance to vegetation and soils including:-

   - exploration access; and/or
   - exploration sampling;

   the licensee preparing a detailed program for each phase of proposed exploration for written approval of the State Mining Engineer. The State Mining Engineer to consult with the Regional/District Manager, Department of Conservation and Land Management or the Department of Environmental Protection or other government agency (as relevant) prior to approval. This program to describe the environmental impacts and programs for their management and is to include:-

   - maps and/or aerial photographs showing the proposed locations of all ground activities and disturbances;
   - the purpose, specifications and extent of each activity and disturbance;
   - descriptions of all vegetation types (in general terms), land forms, and unusual features likely to be disturbed by such proposed disturbances;
   - details on proposals that may disturb sensitive terrestrial habitats including any declared rare flora and fauna if applicable;
   - procedures to protect the integrity of special ecosystems such as wetland systems, mangal communities and rainforests areas (and/or associated rainforest monitoring sites) if applicable;
   - techniques, prescriptions, and timetable for rehabilitation of all proposed disturbances;
   - undertaking for corrective measures for failed rehabilitation;
   - details of water requirements from within the designated area;
   - details of refuse disposal; and
   - proposals for instruction and supervision of personnel and contractors in respect to environmental conditions.

3. At agreed intervals, not greater than 12 monthly, the licensee providing a brief report to the Director, Environment, DoIR outlining the progress of the operation and rehabilitation program and the proposed operations and rehabilitation programs for the next 12 months.

4. The grant of this licence does not include the land the subject of prior Exploration Licence 7/896. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

5. No interference with Geodetic Survey Station Yeenyanning and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

6. The rights of ingress to and egress from Miscellaneous Licence 77/184 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

7. Written notification, where practicable, of the time frame, type and extent of proposed ground disturbing activities being forwarded to the Department of Environment's Kalgoorlie Office seven days prior to commencement of those activities.

8. Prior to any ground-disturbing activity, as defined by the Director, Environment, DoIR the licensee preparing a detailed program for each phase of proposed exploration for approval of the Director, Environment, DoIR. The program to include:

   maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;

   the purpose, specifications and life of all proposed disturbances;

   proposals which may disturb any declared rare or geographically restricted flora and fauna; and

   techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.

9. The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Director, Environment, DoIR. Such rehabilitation as is appropriate and may include:

   - stockpiling and return of topsoil;
   - backfilling all holes, trenches and costeans;
   - ripping;
   - contouring to the original landform;
   - revegetation with seed; and
   - capping and backfilling of all drill holes.

10. The grant of this licence does not include the land the subject of prior Exploration Licence 77/1038. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

11. No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.

12. No interference with Geodetic Survey Station XM 93 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

13. The grant of this licence does not include the land the subject of prior Exploration Licences 77/864 and 77/1038. If the prior licences expire, are surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

14. The grant of this licence does not include the land the subject of prior Exploration Licence 77/864. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 title "Transitional provisions relating to Geocentric Datum of Australia".

Material Contract Notes:

1. Under the Southern Cross Agreement for the Sale of Mining Tenements and Grant of Non-Iron Ore Rights (**Southern Cross Grant**) (summarised in Section 10.9 of the Prospectus), Transit Holdings Ltd (**Transit**) and Radar Resources Pty Ltd (**Radar**) agreed to sell to Southern Cross Goldfields Limited the following Tenements: E77/1164, E77/1168, E77/1168, P77/3458, P77/3459, P77/3460, P77/3461 and P77/3462. Under the Southern Cross Grant, Transit and Radar retained the rights to explore and mine for iron ore on these Tenements.

2. Pursuant to the Polaris Option Agreement (summarised in 10.2 of the Prospectus), Polaris Metals NL (**Polaris**) acquired 95% of the Tenements held by Vernon Wesley Strange (**VWS**). Pursuant to the Copper Bore Joint Venture Agreement (**JV Agreement**) (refer to section 10.3 of this Prospectus) dated 18 November 2003 (and amended on 28 September 2006), Liberty Gold NL (now Liberty Resources Limited) (**Liberty**), obtained 60% of the interest held by Polaris. Under the Deed of Assumption and Assignment dated 31 July 2006, Liberty agreed to assign its rights, interests and remedies under the JV Agreement to Radar (refer to section 10.3 of this Prospectus). The 5% interest held by VWS in E77/1375 (excluding non-iron ore rights) will be sold to Radar Iron Ltd via the Copper Bore Tenement Sale Agreement (refer to section 10.5 of this Prospectus).

3. Pursuant to a letter agreement, Transit agreed to sell its right, title and interest in exploration licence application E77/1806 to Radar (refer to Section 10.10 of this Prospectus).

4. Radar is the registered holder of E77/1280, E77/1281 and E77/1807.

5. Under the Terra Firma Agreement for the Sale of Mining Tenements (summarised in Section 10.8 of the Prospectus), Terra Firma Investments Pty Ltd (**Terra Firma**) agreed to sell to Liberty each of E77/1164, E77/1168, E77/1168, P77/3458, P77/3459, P77/3460, P77/3461 and P77/3462. The interest acquired by Liberty was then sold to Radar via the Tenement Acquisition Agreement dated 26 June 2006 (refer to section 10.7 of the Prospectus). Under the Tenement Acquisition Agreement, Liberty granted Radar (formerly Exploreco Ltd) an option to acquire the Tenements and Tenement applications held by Liberty (being E77/1168, E77/1196, E77/1280, E77/1281, P77/3458, P77/3459, P77/3460, P77/3461 and P77/3462). Upon exercise of the option under the Tenement Acquisition Agreement, Liberty transferred the right, title and interest to the Tenements to Radar free from all encumbrances. Tenements P77/3460, P77/3461 and P77/3462 are applications that have yet to be granted and as such have not been validly transferred to Radar. It is intended that upon grant of the prospecting applications, Terra Firma will transfer the granted Tenements to Radar (via Liberty).

# 10. Material Contracts

## 10.1 Share Sale Agreement with Transit Holdings Ltd

Under a share sale agreement (**Agreement**) entered into between Radar Iron Ltd (**Radar Iron**) and Transit Holdings Ltd (**Transit Holdings**), Radar Iron agreed to acquire 100% of the shares in the capital of Radar Resources Pty Ltd (Radar Resources) (together the **Parties**). The following are the material terms of the Agreement:

(**Consideration**): The following consideration (**Consideration**) is payable under the Agreement:

(a) the issue by Radar Iron to Transit Holdings of 22,690,612 fully paid ordinary shares at an issue price of $0.09 each;

(b) the issue by Radar Iron to Transit Holdings of 12,000,000 options exercisable at $0.25 expiring on or before 30 November 2013; and

(c) the payment by Radar Iron to Transit Holdings of $120,000, within 7 days of Radar Iron's admission to the ASX Official List.

(**Conditions Precedent**): Settlement of the sale and purchase of Radar Resources is subject to and conditional upon the shareholders of Transit Holdings approving the sale by resolution in general meeting on or prior to 31 December 2010. If the condition precedent is not satisfied by the stated due date, the Agreement will be at an end.

(**Settlement**): At settlement, Radar Iron shall allot and issue the Consideration to Transit Holdings and deliver holding statements or share certificates to Transit Holdings for those shares and procure the approval of the registration (subject to payment of stamp duty) of the transfers of the Radar Resources shares and the issue of new share certificates for the Radar Resources shares in the name of Radar Iron.

(**Warranties**): Transit Holdings makes representations and warranties as to:

(a) **Title:** Transit Holdings is the legal and beneficial owner of 100% of the shares in the capital of Radar Resources which are free of all encumbrances and other third party interests or rights.

(b) **Consents:** Transit Holdings is able to sell and transfer its shares in Radar Resources without the consent of any other person and free of any pre-emptive rights or rights of first refusal.

(c) **No legal impediment**: The execution, delivery and performance by Transit Holdings of the Agreement complies with:

  (i) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency;

  (ii) the constitution or other constituent documents of Transit Holdings; and

  (iii) any security interest or document which is binding on Transit Holdings in relation to the shares and Radar Resources.

(d) **No Event of Insolvency:** No event of insolvency has occurred in relation to Transit Holdings or Radar Resources nor is there any act which has occurred or any omission made which may result in an event of insolvency occurring in relation to Transit Holdings or Radar Resources.

(e) **Authorisations:** Transit Holdings has taken all necessary action to authorise the execution, delivery and performance of the Agreement in accordance with its terms.

(f) **No litigation:** Transit Holdings, Radar Resources and the directors of Radar Resources are not involved in any litigation, arbitration or administrative proceeding relating to claims or amounts relating to Radar Resources nor is any such litigation, arbitration or administrative proceeding pending or threatened.

Radar Iron warrants that it has corporate capacity to enter into the Agreement.

(**Confidentiality**): The Agreement and all other information disclosed by the Parties to each other is confidential and each Party shall ensure that confidential information remains confidential, except that the Parties may make disclosure to their relevant advisors or as otherwise required by the law.

(**Assignment**): None of the Parties may assign any of the rights or obligations conferred by the Agreement without the consent of the other Parties.

## 10.2 Option Agreement

Under an option agreement dated 5 November 2003 (**Option Agreement**), Polaris Metals NL (**Polaris**) was granted an option (**Option**) to purchase a 95% interest in the E77/1104, E77/1126, P77/3134 and MLA77/973 (**Strange Tenements**) from Vernon Wesley Strange (**VWS**). Upon the exercise of the Option, the Option Agreement stipulates that Polaris and VWS will enter into an unincorporated joint venture under which Polaris will hold a 95% beneficial interest and VWS will hold a 5% beneficial interest. In addition, VWS shall have a right to a mining royalty of $1.00 per tonne for the first 150,000 tonnes of ore mined in each mining year.

Polaris exercised the Option by way of letter agreement dated 2 February 2004.

On 30 January 2008, E77/1375 (**Copper Bore Tenement**) was granted to Polaris (95% interest) and VWS (5% interest) pursuant to a special conversion of the following mining lease applications M77/1176, M77/1177, M77/1178 and M77/1179 (**Mineral Leases**), the Mineral Leases were granted pursuant to a conversion (discontinued) of E77/1104 and E77/1126 which formed part of the Strange Tenements.

The Copper Bore Tenement is now the only Tenement that is governed by the Option Agreement, Copper Bore Joint Venture Agreement and Copper Bore Joint Venture Deed of Assignment and Covenant (set out below).

## 10.3 Copper Bore Joint Venture Agreement

On 19 November 2003, Polaris entered into a joint venture agreement with Liberty Gold NL (now Liberty Resources Limited) (**Liberty**) and VWS in relation to the Strange Tenements (including the Copper Bore Tenement) (**Copper Bore Joint Venture Agreement**).

As noted in Section 10.2 above, this agreement now only covers the Copper Bore Tenement.

Under the Deed of Assumption and Assignment dated 31 July 2006, Liberty agreed to assign its rights, interests and remedies under the Copper Bore Joint Venture Agreement to Radar Resources Pty Ltd (**Radar Resources**). The participating interests of the parties are 60% interest held by Radar Resources and 40% interest held by Polaris.

Due to Polaris having a 95% interest in the the Copper Bore Tenement, Radar Resources is entitled to a 57% interest in the Strange Tenements. The object of the Copper Bore Joint Venture Agreement is to conduct exploration, feasibility studies, development and mining on or in respect of the the Copper Bore Tenement and treatment of minerals mined from the Copper Bore Tenement.

(**Expenditure and Work to be Completed**): Radar Resources is solely responsible for incurring sufficient expenditure on the Copper Bore Tenement each year so as to maintain the Copper Bore Tenement in good standing and to comply with the prescribed expenditure conditions applicable to them and to pay all rentals and rates as and when they fall due in respect of the Copper Bore Tenement. Radar Resources shall have the sole responsibility of complying with the Option Agreement (above).

(**Withdrawal**): Radar Resources or Polaris may withdraw from the Copper Bore Joint Venture Agreement by giving not less than 10 business days written notice to the Manager (the party who holds the largest interest in the Copper Bore Tenement i.e. Radar Resources), who must immediately notify the other party/parties. The other party/parties may then serve notice on Radar Resources that they also wish to withdraw from the Copper Bore Joint Venture Agreement. If, as a consequence all parties withdraw, the Copper Bore Joint Venture Agreement will be treated as terminated and each party will be liable to contribute to the costs of relinquishing the Copper Bore Tenement.

A withdrawing party must transfer its interest in the Copper Bore Tenement to the non-withdrawing party for no monetary consideration. If Radar Resources is a withdrawing party then it must, within 20 business days of the effective date of its withdrawal, provide to Polaris a comprehensive report on its activities on the Copper Bore Tenement.

(**Elections by Polaris**): If Polaris' interest reduces to 5% or less the Manager must give Polaris written notice of the calculation of Polaris' interest and the amount (if any) of a shortfall in Polaris' contributions to expenditure necessary to restore its interest to 5%. If Polaris fails to give notice and pay the amount required to fulfil the shortfall in expenditure, then Polaris will be deemed to have given a notice of withdrawal and Radar Resources will be obligated to pay a royalty to Polaris (being 0.5% of the net smelter return) (**Royalty**).

(**Payment of Royalty**): If Polaris elects to be paid the Royalty (being 0.5% of the net smelter return calculated from the date on which ore and/or concentrates are delivered to the refinery) then Radar Resources must pay the Royalty in accordance with the terms of the Copper Bore Joint Venture Agreement. There is no express or implied obligation upon Radar Resources to produce ore or concentrates from the Copper Bore Tenement.

## 10.3 Copper Bore Joint Venture Agreement (continued)

On and from the commencement of the payment of the Royalty, Radar Resources will provide to Polaris and/or VWS a written statement of the calculation of the Royalty on a quarterly basis within 20 days of the end of the quarter.

The parties and VWS acknowledge that if the Option under the Option Agreement is exercised, VWS will hold a 5% interest in the Copper Bore Tenement and the terms of the Copper Bore Joint Venture Agreement shall be amended to acknowledge that VWS' interest in the Copper Bore Tenement is free carried until completion of a feasibility study at which point it becomes a contributing interest and is accommodated within the Copper Bore Joint Venture Agreement.

(**Feasibility Studies and Development Decisions**): Any pre-feasibility study, feasibility study and/or decision to mine study must be undertaken on the basis that it considers the viability of a potential mining operation as a whole and does not consider any financial or taxation aspects particular to either party. If a decision to mine is made, any party that voted against the decision to mine shall, within 10 business days of the date of the decision to mine, advise Radar Resources in writing whether it will or will not participate. If Polaris/VWS elects not to participate then it will be entitled to take the Royalty.

If Polaris or VWS elect to take the Royalty, the party electing to take the Royalty shall transfer its interest in the Copper Bore Tenement into the sole name of Radar Resources in consideration of the Royalty. If Polaris takes the Royalty it will have no further interest or obligations under the Copper Bore Joint Venture Agreement and shall not be liable for any costs, expenses, losses, claims, liabilities and damages incurred by Radar Resources on the Copper Bore Tenement from the date the Royalty is taken.

(**Assignment and Securities**): A party may assign the whole or part of its interest in the Copper Bore Tenement to a related body corporate provided that the related body corporate has agreed by deed in favour of the other party to be bound by the terms of the Copper Bore Joint Venture Agreement. A party may assign the whole or part of its interest in the Copper Bore Tenement (including its Royalty interest) to any third party provided that:

(b) it advises the non-assigning party of the full details of the proposed terms of the assignment;

(c) the entire consideration for the assignment is cash;

(d) it has already offered to assign its interest in the Copper Bore Tenement to the non-assigning party for the same consideration and upon the same terms as offered to the third party;

(e) the third party enters into a deed with the non-assigning party covenanting to be bound to the terms of the Copper Bore Joint Venture Agreement;

(f) the proposed assignment does not result in any party holding a participating interest of less than 5%; and

(g) the proposed assignment is completed within 25 business days of non-assigning party losing the right to acquire the available interest.

(**Management**): The party holding the largest interest in the Copper Bore Tenement shall have the right to be appointed as the Manager. Radar Resources, holding the largest interest, may assign its rights and duties as Manager, but only to a related body corporate. Radar Resources shall be deemed to have resigned as Manager should it or its related body corporate cease to hold the largest interest in the Copper Bore Tenement.

(**Liability**): The rights, duties, obligations and liabilities of the parties arising out of the Copper Bore Joint Venture Agreement shall be several and neither joint nor joint and several.

(**Tenants in Common**): The Copper Bore Tenement shall be held by the parties as tenants in common in accordance with interests held from time to time.

(**Confidentiality**): The parties agree to treat all information in respect of the Copper Bore Tenement and the Copper Bore Joint Venture Agreement as confidential, except to the extent that such confidential information is generally available to the public, is required by law or rules of a stock exchange to be disclosed, is acquired from a third party having the right to disclose it to the relevant person or is disclosed to a bona fide potential purchaser.

(**Default**): If a party fails to pay a sum called to be paid by the Manager or defaults in the performance of any obligation under the Copper Bore Joint Venture Agreement, the Manager shall give notice of the default and require rectification of the default within 10 business days of receipt of notice. Interest will be payable at a rate of 4% on money called to be paid by the Manager. If a defaulting party fails to remedy the default within the notice period, the defaulting party shall:

## 10.3 Copper Bore Joint Venture Agreement (continued)

(a) if the default is in relation to a decision to mine, have its interest in the Copper Bore Tenement diluted by a ratio of 1 50%; or

(b) if the default occurs after the decision to mine date, be deemed to have offered its interest in the Copper Bore Tenement for sale to the non-defaulting party.

## 10.4 Copper Bore Joint Venture Deed of Assignment and Covenant

Under the a deed of assignment (**Deed of Assignment**) dated 6 March 2008, Polaris and VWS (together the **Continuing Parties**) agreed to waive their pre-emptive rights and consent to the assignment of the all of Radar Resources' rights, title and interest in the non-iron ore rights under the Copper Bore Joint Venture Agreement to Southern Cross. Southern Cross was not entitled to receive legal title in the Copper Bore Tenement, but Southern Cross is entitled to all the rights and benefits of a party to the Copper Bore Joint Venture Agreement.

## 10.5 Copper Bore Tenement Sale Agreement

Under a tenement sale agreement dated 27 October 2010 (**Tenement Sale Agreement**) Vernon Wesley Strange (**Vendor**) agreed to sell his 5% interest in the Copper Bore Tenement (excluding non-iron ore rights) and the royalty that attaches to the iron ore mined on the Copper Bore Tenement (**Strange Copper Bore Royalty**) (together the **Sale Interest**) to Radar Resources Pty Ltd (**Purchaser**). The following are the material terms of the Tenement Sale Agreement.

(**Conditions Precedent**): The parties obligations under the Tenement Sale Agreement are conditional upon the Purchaser receiving:

(a) valid applications under the Prospectus together with cleared funds for a minimum of $5,000,000;

(b) in principle approval from ASX for the admission of the Purchaser's securities to the official list of ASX; and

(c)` the Vendor obtaining all material consents and any third party agreements necessary to transfer the Sale Interest to the Purchaser (and the parties and relevant third parties execute any necessary deeds of assignment and assumption required under those agreements).

The conditions precedent may only be waived in writing by both parties and will be effective only to the extent specifically set out in that waiver.

(**Sale and Purchase**): The Vendor agrees to sell and the Purchaser agrees to purchase all of the Vendor's right, title and interest in the Sale Interest free of all encumbrances, except for the permitted encumbrances (royalties arising under the Mining Act) with effect from completion.

(**Consideration**): The consideration payable by the Purchaser under the Tenement Sale Agreement is 200,000 fully paid ordinary shares in the capital of the Purchaser (**Consideration Shares**).

(**Caveat**): The Purchaser is entitled to lodge a caveat in respect of the Sale Interest pending registration of the transfer of the Sale Interest following completion.

(**Covenants**): Up until completion of the Tenement Sale Agreement the Vendor must not dispose of, or allow an encumbrance to be granted, or allow an option to be granted to another party, over all or any part of the Tenement.

(**Purchaser's obligations at completion**): On completion, the Purchaser must allot and issue the Consideration Shares to the Vendor or his nominee on terms that each Consideration Share will rank equally with the existing share capital of the Purchaser and be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

(**Passing of title**): Unencumbered legal and beneficial title to the Sale Interest passes to the Purchaser on completion.

(**Passing of risk and insurance**): Risk in the Sale Interest passes to the Purchaser on completion and upon completion the Vendor is entitled to cancel all insurance effected by it in relation to the Copper Bore Tenement, and the Purchaser is responsible for procuring all necessary insurance in relation to the Tenement

(**Post Completion Obligations**): If the Sale Interest is not effectively vested in the Purchaser upon completion, the Vendor will account to the Purchaser for any benefits it receives in relation to the Sale Interest until title is vested in the Purchaser.

(**Failure to Complete**): If the Tenement Sale Agreement is not completed because of default of either party, the party not in default may issue notice requiring completion within 5 business days of receipt of notice.

## 10.5 Copper Bore Tenement Sale Agreement (continued)

(**Specific Performance/Termination**): If a defaulting party does not complete within the 5 day written notice period, the party not in default may proceed with termination of the Tenement Sale Agreement or enforce specific performance and, in either case, may claim damages.

(**Warranty by Vendor regarding issue of securities**): The Vendor warrants to the Purchaser that the issue of Consideration Shares under the Tenement Sale Agreement does not require disclosure under section 708 of the Corporations Act.

(**Escrow**): The Vendor acknowledges that the Consideration Shares may be escrowed in accordance with Appendix 9A of the ASX Listing Rules and the Vendor agrees to be bound by whatever escrow terms are imposed by ASX.

(**Vendor Warranties**): The Vendor makes general warranties as to title in the Sale Interest.

(**Vendor Indemnity**): The Vendor indemnifies the Purchaser against all loss arising directly or indirectly from the warranties given by the Vendor proving to be incorrect or misleading.

(**Purchaser Warranties**): The Purchaser makes general warranties as to corporate capacity.

(**Purchaser Indemnity**): The Purchaser indemnifies the Vendor against all loss arising directly or indirectly from the warranties given by the Purchaser proving to be incorrect or misleading.

(**Breach on or before completion**): If any Vendor warranty or Purchaser warranty is found to have been incorrect or misleading when made on or before completion, the party having the benefit of that warranty may, by notice to the other party, terminate the Tenement Sale Agreement without prejudice to any other remedy available to it.

## 10.6 Acquisition Letter Agreement

Under a letter agreement dated 26 October 2005, Liberty offered to acquire the Exploration License Applications EL77/1280 and EL77/1281 for the purchase price of $88,000, with a net profit interest royalty of 1.5% payable to Mr Adam Hill and Mr Frank Hill on the minerals extracted from such tenements. The interest, including the royalty payable, acquired by Liberty was then sold to Radar Resources via the Tenement Acquisition Agreement dated 26 June 2006 (below in Section 10.7).

## 10.7 Tenement Acquisition Agreement

Under a tenement acquisition agreement dated 26 June 2006 (**Tenement Acquisition Agreement**), Liberty granted Radar Resources (formerly Exploreco Ltd) an option to acquire the tenements and tenement applications held by Liberty (being E77/1168, E77/1196, E77/1280, E77/1281, P77/3458, P77/3459, P77/3460, P77/3461 and P77/3462) (Liberty Tenements). The consideration paid by Radar Resources under the Tenement Acquisition Agreement was $275,000. Upon exercise of the option under the Tenement Acquisition Agreement, Liberty transferred the right, title and interest to the Liberty Tenements to Radar Resources free from all encumbrances.

## 10.8 Terra Firma Agreement for the Sale of Mining Tenements

Under a sale of mining tenements agreement (**Terra Firma Agreement**), Terra Firma Investments Pty Ltd (**Terra Firma**) agreed to sell to Liberty each of E77/1164, E77/1168, E77/1168, P77/3458, P77/3459, P77/3460, P77/3461 and P77/3462. The consideration paid by Liberty under the Terra Firma Agreement was $180,000. The interest acquired by Liberty was then sold to Radar Resources via the Tenement Acquisition Agreement dated 26 June 2006 (above in Section 10.7).

## 10.9 Southern Cross Agreement for the Sale of Mining Tenements and Grant of Non-Iron Ore Rights

Under an agreement for the sale of mining tenements and grant of non-iron ore rights (**Southern Cross Grant**), Transit Holdings Ltd (**Transit**) and Radar Resources (wholly owned subsidiary of Transit) (together the **Vendors**) agreed to sell to Southern Cross Goldfields Limited (**Southern Cross**) each of E77/1164, E77/1168, E77/1168, P77/3458, P77/3459, P77/3460, P77/61 and P77/3462 (**Mining Property**) and grant Southern Cross the non-iron ore rights in the Strange Tenements and the Copper Bore Tenement. In consideration of the sale and grant, Southern Cross allotted to the Vendors 800,000 fully paid ordinary shares.

(**Acknowledgement of Effect of Completion and Iron Rights**): Southern Cross will be entitled to be the sole registered holder of the Mining Property and the Mining Property will be subject to the Transit/Radar Resources Iron Ore Rights (being the rights to be retained by the Vendors to explore and mine for iron ore on the terms of the Southern Cross Grant).

(**Acknowledgement regarding the Copper Bore Joint Venture Agreement**): Pursuant to the Southern Cross Grant, Radar Resources irrevocably waives its rights to assign its interest under the Copper Bore Joint Venture Agreement to a third party. Further, Radar

## 10.9 Southern Cross Agreement for the Sale of Mining Tenements and Grant of Non-Iron Ore Rights (continued)

Resources will remain solely responsible for meeting expenditure requirements under the Copper Bore Joint Venture Agreement. (**Acknowledgement regarding Strange and Strange Copper Bore Royalty**): The parties to the Southern Cross Grant acknowledge that a Royalty is payable to VWS under the Copper Bore Joint Venture Agreement and the Royalty shall attach to the commodity being mined and each party will be responsible for payment of the Royalty to the extent of that party's interest.

(**Notification of Actual or Potential Discovery**): If a party holding a tenement within the Mining Property in the course of exploration discovers minerals, the rights for which are held by another party to the Southern Cross Grant, it must immediately notify the party to whom the mineral rights apply and provide particulars of the discovery.

(**Mining Operations**): If either party to the Southern Cross Grant discovers any mineral resource pertaining to their rights under the Southern Cross Grant, that party may develop and mine the mineral resource. In undertaking mining activities, the party seeking to mine must notify the other party of its intention to mine and identify the area that is to be mined.

(**Environmental Responsibilities**): A Rights Holder (a party other than a registered holder of a Tenement) that has retained or been granted any ongoing rights over any of the Tenements within the Mining Property shall satisfy any rehabilitation obligations attributable to their activities or those of their contractors or agents. A party holding a Tenement will be responsible for the satisfaction of rehabilitation obligations resulting from activities undertaken by them.

(**Covenants and Undertakings**): A party holding a Tenement will not execute a native title agreement over the Mining Property without obtaining the written consent of the Rights Holder.

(**Indemnities**): The Rights Holder agrees to indemnify the Tenement Holder (the registered holder of the Tenement) against all losses or liabilities suffered or incurred by the Tenement Holder (including, but not limited to, any environmental or rehabilitation costs) and against all claims, demands and causes of action by third parties to the extent that they arise from activities carried out by the Rights Holder, its servants, agents, employees or sub-contractors. The Tenement Holder agrees to indemnify the Rights Holder against all losses or liabilities suffered or incurred by the Rights Holder (including, but not limited to, any environmental or rehabilitation costs) and against all claims, demands and causes of action by third parties to the extent that they arise from activities carried out by the Tenement Holder, its servants, agents, employees or sub-contractors.

(**Vendors Indemnity**): The Vendors shall indemnify and keep indemnified Southern Cross against all loss, damage and costs suffered by Southern Cross by reason of the warranties representations offered under the Southern Cross Grant proving to be incorrect.

## 10.10 Transit Tenement Sale Letter Agreement

Under a letter agreement (**Agreement**) dated 3 November 2010 Transit Holdings Ltd (Vendor) agreed to sell exploration licence application E77/1806 (**Tenement**) to Radar Resources Pty Ltd (**Purchaser**) upon the following terms and conditions:

(**Tenement**): The Tenement to be sold pursuant to the Agreement is, subject to the satisfaction of the conditions precedent (**Conditions Precedent**), the tenement to be granted in respect of exploration licence application E77/1806 (Tenement).

(**Consideration**): The consideration payable for the sale of the Tenement under the Agreement is $1.00.

(**Conditions Precedent**): The Agreement is conditional upon:

(a) the grant of an exploration licence in favour of the Vendor. The Purchaser is aware that the Tenement is subject to competing applications for the grant of a single exploration licence. The Department of Mines and Petroleum (DMP) will decide the grant of the exploration licence by way of a ballot. The Purchaser is aware, and accepts, that there is no guarantee that the exploration licence will be granted in favour of the Purchaser and the Vendor will accept no responsibility or liability in the event that the exploration licence is not granted to the Purchaser; and

(b) if required, the Minister consenting to the transfer of the Tenement from the Vendor to the Purchaser in accordance with the Mining Act 1978 (WA) (Act).

(**Title and Risk**): Subject to settlement of the Agreement, the title in and right to possession of the Tenement passes to the Purchaser at the opening of business on the date of settlement. The Tenement is at the risk of the Vendor until settlement after which time the Tenement is at the risk of the Purchaser.

## 10.10 Transit Tenement Sale Letter Agreement (continued)

(**Vendors Representations and Warranties**): The Vendor represents and warrants to the Purchaser (which representations and warranties shall survive settlement) that at settlement:

(c) the Vendor has full right, power and authority to sell, assign and transfer the Tenement to the Purchaser in accordance with the Agreement and such assignment shall convey to the Purchaser lawful, valid and unencumbered beneficial title to the Tenement;

(d) the Vendor holds the absolute beneficial interest to the Tenement and no other person except the Purchaser has any rights of any nature in respect of the Tenement;

(e) the Tenement transferred to the Purchaser will be free from all mortgages, charges, liens and other encumbrances of whatsoever nature;

(f) the Tenement is in full force and effect and in good standing and not liable to cancellation or forfeiture for any reasons and the Vendor is not in breach or contravention of any of the terms and conditions upon which the Tenement was granted or of any other rule, regulation or provision of the Act or any other statute concerning, affecting or relating to the Tenement;

(g) there are no other agreements or dealings in respect of the Tenement that have either been lodged at the DMP that remain unregistered in respect of the Tenement or have not been lodged at the DMP; and

(h) there is not in existence any current compensation agreement with the owner or occupier of any land which is subject to the Tenement.

## 10.11 Adviser Firm Allocation Letter

Under a letter agreement (**Letter Agreement**) dated 22 October 2010, Radar Iron Ltd (**Radar Iron**) agreed to provide a firm allocation of 15,000,000 shares at an issue price of $0.20 each for a total of $3,000,000 to Sigiriya Capital Pty Ltd or its nominees (**Sigiriya**).

(**Firm Allocation of Shares**): Sigiriya acknowledges that it must procure and submit to Radar Iron sufficient applications to satisfy the firm allocation within 5 weeks from the date of execution of the Letter Agreement. Should Sigiriya fail to satisfy the firm allocation, the Letter Agreement will be at an end and of no further force or effect.

(**Commercial Arrangements**): Radar Iron will pay Sigiriya a fee of 5% of the amount raised by Sigiriya and grant to Sigiriya one (1) option to acquire a share exercisable at $0.25 within 3 years of allotment for every $1 raised by Sigiriya. Sigiriya acknowledges that the options may be subject to ASX imposed escrow.

Should Sigiriya procure applications for the full amount of the firm allocation, it shall be entitled to appoint one (1) nominee to the board of Radar Iron and Radar Iron will use all reasonable endeavours to allow Sigiriya or investors introduced by Sigiriya to participate in any equity issue undertaken by Radar Iron within 12 months of Radar Iron listing on ASX.

## 10.12 Lead Manager Agreement

Under a lead manager agreement (**Lead Manager Agreement**) dated 21 October 2010, RM Corporate Finance Pty Ltd (**RMCF**) agreed to act as a lead manager (**Lead Manager**) for an IPO (**Offer**) in the capital of Radar Iron Ltd (Radar Iron) on the ASX. The following are the material terms of the Lead Manager Agreement:

(**Role and Services**): The role will incorporate the following:

(a) RMCF will act as Lead Manager for a seed capital raising (**Seed Raising**) of up to 4,500,000 fully paid ordinary shares (**Shares**) at an issue price of $0.10 each to sophisticated and professional investors pursuant to s708 Corporations Act.

(b) RMCF will act as Lead Manager for the Offer as follows:

(i) issue of 30,000,000 Shares in Radar Iron at an issue price of $0.20 each to raise $6,000,000 (before expenses of the Offer); and

(ii) the Offer will include oversubscriptions of a further 10,000,000 Shares at an issue price of $0.20 each to raise a further $2,000,000 (before expenses of the Offer), and

## 10.12 Lead Manager Agreement (continued)

(iii) the Offer will be conditional on the issue of a minimum of 25,000,000 Shares in Radar Iron at an issue price of $0.20 each to raise $5,000,000 (before expenses of the Offer).

The Lead Manager's role will also include:

(a) assistance with the arrangement of roadshows and other promotional activities;

(b) assisting in shareholder and media liaison;

(c) liaising with existing Transit Holdings Ltd (**Transit Holdings**) shareholders if required;

(d) assistance with achieving the necessary spread to satisfy compliance with ASX Listing Rules Chapter 1;

(e) raising capital pursuant to the Offer;

(f) raising capital pursuant to the Seed Raising; and

(g) assisting with the management of the bookbuild for the seed capital and the Offer.

(**Period of Mandate**): This Lead Manager Agreement will last from the date of execution of the Lead Manager Agreement and terminate on the completion of the Offer.

(**Fees**): Fees payable to RMCF under the Lead Manager Agreement are as follows:

(a) A lead manager fee of A$20,000 (plus GST) payable on quotation of the Radar Iron's securities on ASX;

(b) A lodgment fee in the amount of 1% on the amount subscribed by investors under the Offer (with RMCF being entitled to offer to other brokers a portion of this fee in respect of any subscriptions effected by them) and payable to RMCF on quotation of Radar Iron's securities on ASX;

(c) A fee in the amount of 5% on the amount subscribed by investors introduced by RMCF under the Offer and payable to RMCF on quotation of Radar Iron's securities on ASX; and

(d) The issue of 1,000,000 unlisted options to acquire shares at $0.25 on or before 30 November 2013 to be issued on closing of the Offer to RMCF (or its nominee(s)).

(**Indemnity**): Radar Iron will indemnify RMCF (and its directors, employees, agents and associated companies) against any and all claims, damages, losses, liabilities and expenses (including all reasonable fees and disbursements incurred in connection with the investigation of, and preparation for, any such claims pending or threatened and any litigation or other proceedings arising from such a claim) incurred or arising out of the engagement of RMCF provided however that there shall be excluded from such indemnity any such claim that arises from the negligence or willful misconduct of the indemnified parties.

(**Confidentiality**): Radar Iron and RMCF shall keep strictly confidential and shall not without the prior written consent of the other disclose, publish or permit the disclosure or publication to any other person of any information relating to the Lead Manager Agreement (except those issues required to be disclosed in accordance with the Corporations Act and ASX Listing Rules) and undertake to execute such confidentiality deeds as the other may reasonably request.

(**Termination**): RMCF engagement under the Lead Manager Agreement may be terminated by RMCF or Radar Iron on 14 days notice, but only with cause, provided however that the provisions of the indemnity and warranty clauses shall survive termination for a period of 12 months.

(**Limitation of Liability**): RMCF will assist the Radar Iron in the manner set out in the Lead Manager Agreement on a best endeavours basis. RMCF accepts no liability or responsibility in the event that certain events do not materialise or certain outcomes are not achieved. Radar Iron agrees that no indemnified party will have any liability whatsoever to Radar Iron or its related bodies corporate for or in connection with things done or omitted to be done pursuant to the Lead Manager Agreement.

## 10.13 Executive Services Agreement – Jonathan Lea

Radar Iron Ltd (**Company**) has entered into an executive services agreement (Agreement) with Jonathan Lea (Executive). The following are the material terms of the Agreement.

(**Appointment**): The Company will employ the Executive and the Executive will serve the Company as Managing Director upon and subject to the terms and conditions of the Agreement.

(**Remuneration**): the Company will pay to the Executive for his services a salary of $250,000 per year. The Executive's salary will be reviewed annually by the Company. The Company agrees to issue to the Executive 2,000,000 options exercisable on the following terms:

1,000,000 options at an exercise price of $0.25; and

1,000,000 options at an exercise price of $0.30.

(**Expenses**): On provision of all documentary evidence reasonably required by the Company, the Company will reimburse the Executive for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by the Executive in the performance of his duties in connection with the business of the Company and its related bodies corporate.

(**Termination by the Company with reason**): The Company may at its sole discretion immediately terminate the employment in the following manner:

(a) if at any time the Executive:

  (i) is or becomes incapacitated by illness or injury of any kind which prevents the Executive from performing his duties under the Agreement for a period of 3 consecutive months or any periods aggregating 3 months in any period of 12 months during the term of the employment; or

  (ii) is or becomes of unsound mind or under the control of any committee or officer under any law relating to mental health;

(b) if at any time the Executive:

  (i) commits any serious or persistent breach of any of the provisions contained in the Agreement and the breach is not remedied within 14 days of the receipt of written notice from the Company to the Executive to do so;

  (ii) in the reasonable opinion of the board, is absent in, or demonstrates incompetence with regard to the performance of his duties under the Agreement, or is neglectful of his duties under the Agreement or otherwise does not perform his duties under the Agreement in a satisfactory manner, provided that the Executive:

    (A) has been counselled on at least three separate occasions of the specific matters complained of by the board; and

    (B) after each such occasion has been provided with a reasonable opportunity of at least a month to remedy the specific matters complained of by the board;

  (iii) commits or becomes guilty of any gross misconduct; or

  (iv) refuses or neglects to comply with any lawful reasonable direction or order given to him by a the Company which the Executive, after receipt of prior notice, has failed to rectify to the reasonable satisfaction of the Company within 14 days of receipt of that notice; or

  (v) is convicted with any major criminal offence which brings the Company or any of its related bodies corporate into lasting disrepute, by giving notice effective immediately and without payment of any salary other than salary accrued to the date of termination.

(**Termination by the Company without reason**): The Company may at its sole discretion terminate the employment by giving 3 month's written notice to the Executive. The Company may elect to pay the Executive the equivalent of the 3 months salary and dispense with the notice period.

(**Termination by the Executive**): The Executive may at its sole discretion immediately terminate the Agreement (by notice in writing to the Company) if at any time the Company commits any serious or persistent breach of any of the provisions contained in the Agreement and the breach is not remedied within 14 days of receipt of written notice from the Executive to the Company to do so.

(**Termination by the Executive without reason**): The Executive may at its sole discretion terminate the employment by giving 3 month's written notice to the Company. The Company may elect to pay the Executive the equivalent of the 3 months salary and dispense with the notice period.

# 11. Risks Factors

## 11.1 Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and Directors. The risks identified in this section, or other risks factors, may have a material impact on the financial performance of the Company and the market price of the shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

## 11.2 Risks Specific to the Company

### 11.2.1 Infrastructure Risk

Iron ore development is largely dependent on access to major infrastructure to enable the export of the bulk commodity. Any development on Radar Iron's tenements will require road and rail haulage and a port with capacity. Haul roads can generally be constructed through a defined approval process. The rail line to the south of the Tenements is publically accessible, subject to capacity constraints that can generally be overcome by increasing passing bays or upgrading the axle weight capacity of the line. Improvements such as these would most likely require a capital contribution from Radar Iron. Iron ore is currently exported through Esperance and is planned to commence from Kwinana (Fremantle Port) in 2011. There is limited capacity for new exporters to access these ports at present without a major capital and capacity upgrade. While there are plans to increase the capacity and hence availability to new bulk commodity exporters at both ports, there is no certainty of these progressing nor on the timing of any such development. Any upgrade is likely to be keenly sought by other potential producers, so even with an increase in capacity there is no certainty of allocation to Radar Iron.

### 11.2.2 Environmental Risks

The Evanston and Die Hardy Projects lie inside existing conservation parks or proposed conservation and mining reserves. Both forms of tenure currently permit exploration and mining activity subject to the normal approval processes. The current proposed park boundaries were announced by the WA State Government on 1 September 2010 after a comprehensive review. The previous Government had a different approach and, had they remained in Government, it was possible that the portion of the region classified in a manner to prevent mining activity would have been greater.

A change of direction by the current or future State Governments could lock up potential tenure over which Radar currently has access. This could include expansion of proposed park boundaries to include the Johnston Range Project that is currently outside any proposed park or reserve.

In addition, there is potential that approvals for exploration or development in the park and reserve areas will be subject to a higher degree of scrutiny that may take longer and potentially be more costly.

Further, the Company's operations will have an impact on the environment and there are inherent risks associated with safety and damage to the environment and the disposal of waste products.

Please refer to Section 3.1 of the Independent Technical Report for further information.

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Priority Flora species have been reported from prior biological surveys of the Tenements. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

### 11.2.2 Environmental Risks (continued)

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

### 11.2.3 Dilution Risk

On completion of the Offers, between 22,750,000 and 25,750,000 Options will be on issue. If these Options are converted into Shares there will be a dilution so that the existing Shareholders will between 69% and 72% of the outstanding issued Shares.

### 11.2.4 Exploration and Development Success

The Tenements held by the Company as described in this Prospectus have had limited prior exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company has not yet published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Prospectus are able to be achieved.

The exploration costs of the Company described in the Independent Technical Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

In addition, each of the granted Exploration Licences (EL77/1280, EL77/1281, EL77/1375, EL77/1164, EL77/1168 and EL77/1196) in which Radar Resources Pty Ltd has an interest has an authorisation to explore for iron ore in accordance with Section 111 of the Mining Act. The granted Prospecting Licences (P77/3458 and P773459) do not currently have an authorisation to explore for iron ore. The Company will need to obtain authorisation under Section 111 of the Mining Act 1978 (WA) in order to be able explore for iron on these Prospecting Licences and any tenements that are granted in respect of the Tenement applications identified in Solicitor's Report on Tenements. There is no guarantee that the Company will be successful in obtaining such an authorisation.

### 11.2.5 Title Risks and Native Title

Although the Company has investigated title to all of its Tenements (as detailed in the Tenement Report), the Company cannot give any assurance that title to such Tenements will not be challenged or impugned. The Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

In addition, some of the Tenements in which the Company has or will have an interest (through Radar Resources Pty Ltd) are currently in the application stage. The Company will not be able to commence exploration on these Tenements until they are granted. There is no guarantee that these applications will become granted tenements.

Further, some of the Tenements are subject to agreements with third parties and, in some cases, the Tenements are held by the third parties. If any of these third parties default in their obligations under those agreements, it could make the Tenements liable to forfeiture or otherwise have a detrimental effect on the Company's operations. Please refer to Sections 9 and 10 for further details.

Exploration licences and prospecting licences only permit the Company to undertake exploration on the Tenements. In the event that the Company successfully delineates an economic resource on any of the Tenements, it will need to apply for a mining lease to undertake development and mining on the Tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for.

### 11.2.6 Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to the Mining Act 1978 (WA). The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

### 11.2.7 Failure to Satisfy Expenditure Commitments

Interests in tenements in Western Australia are governed by the Mining Act 1978 (WA) and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Currently, the minimum annual expenditure commitments for each of the granted Tenements have been met, except for E77/1168 which has had no expenditure lodged for 2010. Details are set out in the Solicitor's Report on Tenements in Section 9 of this Prospectus.

### 11.2.8 Taxation Risk

Any change in the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post–tax returns to Shareholders.

### 11.2.9 Aboriginal Heritage

Archaeological and ethnographic surveys in the Tenements have identified a number of sites of significance which have been registered with the Department of Indigenous Affairs. Approvals are required if these sites will be impacted by exploration or mining activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

### 11.2.10 Changes in Government Policy

Adverse changes in Federal or Western Australian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. In addition, there is a possibility that the Company's agreements with governments or joint venture partners may be unenforceable against such parties.

### 11.2.11 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its license interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### 11.2.12 Resource Estimates

In the event that the Company successfully delineates a JORC compliance resource on any of the Tenements, that resource estimate will be an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

### 11.2.13 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

### 11.2.14 Additional Requirements for Capital

The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company although if only the minimum subscription is raised the Company may not be able to meet the minimum expenditure requirements on some of the Tenements. Additional funding may be required in the event exploration costs exceed the Company's estimates. And to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessment, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

### 11.2.15 Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

### 11.2.16 Shareholder Approval

The Offer is conditional on the shareholders in Transit Holdings approving the sale of Radar Resources Pty Ltd to the Company in accordance with ASX Listing Rule 11.4 at a general meeting of shareholders to be held on 26 November 2010 (or any adjournment of that meeting). There is a risk that this approval may not be obtained, in which case all application monies will be returned to investors.

## 11.3 General Risks

### 11.3.1 Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

### 11.3.2 Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

### 11.3.3 Regulatory Risk

The Company's mining operations and exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

### 11.3.4 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) terrorism or other hostilities.

### 11.3.5 General Resource Sector Risk

In common with other entities undertaking business in the natural resources sector, certain risks are substantially outside the control of the Company. These risks include abnormal stoppages in production or delivery due to factors such as industrial disruption, major equipment failure, accident, power failure or supply disruption, unforeseen adverse geological or mining conditions and/or changes to predicted ore or mineral quality, the state of supply and demand for iron ore in Australia and overseas markets and the effect of the iron price, changes in government regulations (including environmental regulations) and government imposts such as royalties, rail freight charges and taxes and risks to land titles, mining titles and the use thereof as a result of native title claim.

### 11.3.6 Trading Risks

The price at which the Company's Shares trade on ASX after listing may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in iron ore and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

### 11.3.6 Trading Risks (continued)

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

### 11.3.7 Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### 11.3.8 Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

### 11.3.9 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

# 12. Additional Information

## 12.1 Ordinary Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend the Directors may declare a final dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

## 12.1 Ordinary Shares (continued)

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

## 12.2 Options

### 12.2.1 Options on Issue

When the Company completes the Offer and is admitted to the official list of ASX, the Company will have the following Options on issue:

| Options Class and Terms | Number |
|---|---|
| Class A Director Options exercisable at 25 cents expiring on or before 30 November 2013[1] | 2,000,000 |
| Class B Director Options exercisable at 30 cents expiring on or before 31 May 2014[2] | 2,000,000 |
| Class A Option Plan Options exercisable at 25 cents expiring on or before 30 November 2013 | 375,000 |
| Class B Option Plan Options exercisable at 30 cents expiring on or before 31 May 2014 | 375,000 |
| Transit Options exercisable at 25 cents expiring on or before 30 November 2013[3] | 12,000,000 |
| Lead Manager Options exercisable at 25 cents expiring on or before 30 November 2013[4] | 6,000,000 |

[1] The Class A Director Options are subject to shareholder approval at a meeting scheduled for 26 November 2010.

[2] The Class B Director Options are subject to shareholder approval at a meeting scheduled for 26 November 2010.

[3] The issue of the Transit Options is subject to shareholders of Transit Holdings approving the sale of Radar Resources Ltd at a meeting scheduled for 26 November 2010.

[4] The Company has reserved 1 million of the Lead Manager Options for RM Corporate Finance. The Company will make available a further 5 million Lead Manager Options to RM Corporate Finance to be distributed to other brokers and AFLS holders. In the event that the Company raises an additional $2 million in oversubscriptions, it has agreed to issue up to an additional 3 million Options to be distributed according to the amount subscribed by investors introduced by those parties under the oversubscriptions.

In addition to the Options described above, the Company proposes to undertake a non–renounceable entitlement issue of Entitlement Options within three to six months after the listing on ASX. Refer to section 4.12 for further details.

### 12.2.2 Terms and conditions of Class A Director Options

(a) Each Class A Director Option entitles the holder to acquire one fully paid ordinary share in the Company.

(b) The Class A Director Options may be exercised at any time until 30 November 2013. Each Class A Director Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of twenty five cents (25c) per Class A Director Option exercised. The Class A Director Options will lapse at 5pm WDST on 30 November 2013.

(c) The Class A Director Options may not be transferred.

(d) There are no participating rights or entitlements inherent in the Class A Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class A Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class A Director Options prior to the date for determining entitlements to participate in any such issue.

### 12.2.2 Terms and conditions of Class A Director Options (continued)

(e) Shares issued on the exercise of Class A Director Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Class A Director Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Class A Director Options on ASX, however, it will, pursuant to the exercise of a Class A Director Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.

(f) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

(g) If there is a bonus issue to shareholders, the number of shares over which the Class A Director Option is exercisable may be increased by the number of shares which the holder of the Class A Director Option would have received if the Class A Director Option had been exercised before the record date for the bonus issue.

(h) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Class A Director Options may be reduced in accordance with Listing Rule 6.22.

### 12.2.3 Terms and conditions of Class B Director Options

(a) Each Class B Director Option entitles the holder to acquire one fully paid ordinary share in the Company.

(b) The Class B Director Options may be exercised at any time until 31 May 2014. Each Class B Director Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of thirty cents (30c) per Class B Director Option exercised. The Class B Director Options will lapse at 5pm WDST on 31 May 2014.

(c) The Class B Director Options may not be transferred.

(d) There are no participating rights or entitlements inherent in the Class B Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class B Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class B Director Options prior to the date for determining entitlements to participate in any such issue.

(e) Shares issued on the exercise of Class B Director Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Class B Director Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Class B Director Options on ASX, however, it will, pursuant to the exercise of a Class B Director Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.

(f) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

(g) If there is a bonus issue to shareholders, the number of shares over which the Class B Director Option is exercisable may be increased by the number of shares which the holder of the Class B Director Option would have received if the Class B Director Option had been exercised before the record date for the bonus issue.

(h) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Class B Director Options may be reduced in accordance with Listing Rule 6.22.

### 12.2.4 Terms and conditions of the Transit Options

(a) Each Transit Option entitles the holder to acquire one fully paid ordinary share in the Company.

(b) The Transit Options may be exercised at any time until 30 November 2013. Each Transit Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of twenty five cents (25c) per Transit Option exercised. The Transit Options will lapse at 5pm WDST on 31 November 2013.

### 12.2.4 Terms and conditions of the Transit Options (continued)

(c) The Transit Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Transit Options at any time until 30 November 2013. This right is subject to any restrictions on the transfer of a Transit Option that may be imposed by ASX in circumstances where the Company is listed on ASX.

(d) There are no participating rights or entitlements inherent in the Transit Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Transit Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Transit Options prior to the date for determining entitlements to participate in any such issue.

(e) Shares issued on the exercise of Transit Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Transit Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Transit Options on ASX, however, it will, pursuant to the exercise of a Transit Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.

(f) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

(g) `If there is a bonus issue to shareholders, the number of shares over which the Transit Option is exercisable may be increased by the number of shares which the holder of the Transit Option would have received if the Transit Option had been exercised before the record date for the bonus issue.

(h) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Transit Options may be reduced in accordance with Listing Rule 6.22.

### 12.2.5 Terms and conditions of the Option Plan

The Company has established an employee incentive option plan (Option Plan). The full terms of the Option Plan may be inspected at the registered office of the Company during normal business hours.

A summary of the terms of the Option Plan is set out below.

(a) **Grant of Options** - the Directors, at their discretion, may issue options to subscribe for Shares (**Plan Options**) to Participants (or to a nominee as the Participant directs) at any time, having regard to relevant considerations such as the Participant's past and potential contribution to Radar Iron, and their period of employment with Radar Iron;

(b) **Participants** - full-time and part-time employees, directors and consultants of the Company or its associated bodies corporate, or nominees of these persons, are eligible to participate in the Option Plan (**Participants**);

(c) **Issue Price of Plan Options** - Plan Options are to be issued to Participants for no consideration;

(d) **Maximum Number of Plan Options** - If the Company makes an offer of Plan Options where:

(i) the number of Shares which would be issued if each outstanding offer of Shares and Options under the Option Plan or any other employee incentive scheme of the Company were accepted or exercised; and

(ii) the number of Shares issued during the previous 5 years under the Option Plan or any other employee incentive scheme of the Company,

(iii) exceeds 5% of the total number of issued shares in that share class of the Company at the time the Plan Option is offered, then the Company must comply with the disclosure requirements of Chapter 6D of the Corporations Act at the time of that offer.

(e) **Entitlement** - each Plan Option entitles the holder to subscribe for one Share. The Shares issued upon the exercise of a Plan Option will rank equally with all of the Company's then existing Shares;

(f) **Exercise Price** - the exercise price of each Plan Option shall be determined at the discretion of the Board, provided that the exercise price may not be less than any minimum price specified in the ASX Listing Rules;

## 12.2.5 Terms and conditions of the Option Plan (continued)

(g) **Exercise of Plan Options** - A Plan Option may only be exercised after the Plan Option has vested in the holder, and on or before the expiry date determined by the Board (Expiry Date). The Board may determine the time periods after which the Plan Options will vest in the holder of the Plan Options, and any further vesting conditions, including a requirement that the Participant satisfies:

(i) a service continuity period; and

(ii) any performance criteria,

(iii) specified by the Board at the time of issue of the Plan Options (**Exercise Conditions**);

(h) **Lapse of Plan Options** - a Plan Option will immediately lapse if:

(i) the Participant ceases to be an employee or director of Radar Iron and the Exercise Conditions have not been met;

(ii) the Exercise Conditions are unable to be met;

(iii) the Expiry Date has passed; or

(iv) the Participant ceases to be an employee or director of Radar Iron where the Exercise Conditions have been satisfied but the Plan Options are not exercised within 60 days of that Participant ceasing to be an employee or director of Radar Iron.

(i) **Quotation of Plan Options and Shares** - Plan Options issued under the Option Plan will not be quoted on ASX, however, the Company will make application for official quotation of all Shares issued upon the exercise of the Plan Options;

(j) **Future Issues of Shares** - holders of Plan Options will not be entitled to participate in new issues of capital offered to Shareholders. However, the Company will ensure that the record date for determining entitlements for any such issue will be at least seven business days after the issue is announced, to allow holders of Plan Options an opportunity to exercise the Plan Options prior to the record date. If the Company makes a bonus issue of Shares to Shareholders (**Bonus Issue**), each Participant holding Plan Options at the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to them, upon the exercise of those Plan Options, that number of Shares which would have been issued to them under the Bonus Issue had they exercised the Plan Options prior to the record date for determining entitlements for the Bonus Issue;

(k) **Reconstruction of Capital** - in the event of any reconstruction of the issued capital of the Company prior to the expiry of any Plan Options, the number of Plan Options to which each Participant is entitled or the exercise price of his or her Plan Options or both will be reconstructed in accordance with the provisions of the ASX Listing Rules; and

(l) **Powers of the Board of Directors** - the Option Plan is administered by the Directors of the Company, who have the power to:

(i) determine procedures for the administration of the Option Plan;

(ii) amend or waive the provisions of the Option Plan without the consent of Shareholders, provided that rights or entitlements in respect of any Plan Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained; and

(iii) suspend or terminate the Option Plan.

The Company intends to issue 375,000 Options under the Option Plan on the same terms as the Class A Director Options and 375,000 Options under the Option Plan on the same terms as the Class B Director Options.

## 12.2.6 Terms and conditions of Lead Manager Options

The Company intends to issue between 6 million and 9 million Lead Manager options on the same terms as the Class A Director Options.

The number of options issued depends on the amount raised under the Offer. Please refer to Section 10.12 of this Prospectus for further details.

### 12.2.7 Terms and conditions of proposed Entitlement Options

The Company proposes to proceed with a non-renounceable entitlements issue on the basis of one (1) option for every three (3) shares held on a date to be determined.

The Entitlement Options will be issued on terms subject to market conditions at time.

The Board reserves the right to adjust the terms of the Entitlement Options proposed to be issued under the entitlements issue.

### 12.2.8 Disclosure of Interests in Shares

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in Shares and Director Options as set out in the table below:

| Director | Shares[1] | Director Options |
|---|---|---|
| Alan Tough | - | 1,000,000[2] |
| Jonathan Lea | -[6] | 2,000,000[3] |
| Ananda Kathiravelu[5] | - | 1,000,000[4] |

Notes:

1 The Directors are entitled to participate in the Offer.

2 Mr Tough will be issued 500,000 Class A Director Options and 500,000 Class B Director Options subject to shareholders approving the issue at a meeting scheduled for 26 November 2010.

3 Mr Lea will be issued 1,000,000 Class A Director Options and 1,000,000 Class B Director Options subject to shareholders approving the issue at a meeting scheduled for 26 November 2010. Please refer to Section 10.13 of this Prospectus for further details,

4 Mr Kathiravelu will be issued 500,000 Class A Director Options and 500,000 Class B Director Options subject to shareholders approving the issue at a meeting scheduled for 26 November 2010.

5 Ananda Kathiravelu is also a director of Transit Holdings, the majority shareholder of Radar Iron Limited. Transit Holdings holds 22,690,612 Shares and 12,000,000 Transit Options in Radar Iron representing a 39% interest in the Company (assuming full subscription under the Offer).

6 It is proposed that Jonathan Lea will subscribe for 250,000 Shares at an issue price of $0.10, subject to approval of the Company's shareholders in general meeting on 26 November 2010.

As at the date of this Prospectus, the Directors have an interest in Transit Holdings as set out in the table below:

| Director | Shares | Options | % Interest |
|---|---|---|---|
| Alan Tough | - | - | - |
| Jonathan Lea | 110,000 | - | 0.24% |
| Ananda Kathiravelu | 93,332 | 500,000 | 0.21% |

## 12.3 Remuneration of Directors

The Company's Constitution provides that the remuneration of Directors (excluding salaries to executive Directors) will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors (excluding salaries to executive Directors) has been set at an amount not to exceed $300,000 per annum.

The remuneration of executive directors will be determined from time to time by the Board having regard to the nature and extent of their responsibilities.

## 12.3 Remuneration of Directors (continued)

The total remuneration paid or payable to each of the Directors for the current and previous financial years is as follows:

| Director | 2009/2010 | 2010/2011 |
|---|---|---|
| Alan Tough[1] | - | $47,233 |
| Jonathan Lea[2] | - | $166,667 |
| Ananda Kathiravelu[3] | - | $21,000 |

(1) Mr Tough's agreement stipulates remuneration of $65,000 p.a. plus statutory superannuation effective from the start date. Mr Tough commenced his role as non-executive chairman on 25 October 2010.

(2) Prior to being paid by Radar Iron Ltd, Mr Lea was paid $42,622 for his services by Transit Holdings Ltd. Please refer to section 10.13 for further details of Mr Lea's services agreement.

(3) Mr Kathiravelu will be paid for his services as a non-executive director subject to the Company completing the Offer and being admitted to the official list of the ASX. It is proposed that his remuneration will be $36,000 per annum.

## 12.4 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no:

(a) Director or proposed Director;

(b) person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(c) promoter of the Company; or

(d) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

has, or had within 2 years before lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or

(c) the offer of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

CSA Global Pty Ltd has acted as Independent Technical Expert and has prepared an Independent Technical Report which is included in Section 7 of this Prospectus. The Company estimates it will pay CSA Global Pty Ltd a total of $40,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, CSA Global Pty Ltd has not received any other fees from the Company.

MGI Perth has acted as Investigating Accountant in this Prospectus and has prepared an Investigating Accountant's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay MGI Perth a total of $10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, MGI Perth has not received any other fees from the Company.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements set out in Section 9 of this Prospectus. The Company estimates it will pay Steinepreis Paganin $30,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees from the Company.

RM Corporate Finance has acted as Lead Manager to the Offer. In respect of this work, RM Corporate Finance will be paid such amounts as detailed in Section 10.12 of this Prospectus. During the 24 months preceding lodgement of this Prospectus at the ASIC, RM Corporate Finance has not received any fees from the Company.

## 12.5 Consents

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

CSA Global Pty Ltd has given its written consent to being named as Independent Technical Expert in this Prospectus and to the inclusion of the Independent Technical Report in Section 7 of this Prospectus in the form and context in which the report is included. CSA Global Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

MGI Perth has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 8 of this Prospectus in the form and context in which the report is included. MGI Perth has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

MGI Perth Audit Services Pty Ltd has given its written consent to being named as the auditor to the Company in this Prospectus. MGI Perth Audit Services Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements set out in Section 9 of this Prospectus in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

RM Corporate Finance has given its written consent to being named as the Lead Manager to the Offer in this Prospectus. RM Corporate Finance has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Security Transfer Registrars Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Security Transfers Registrars Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

## 12.6 Expenses of the Offer

The total cash expenses of the Offer are estimated to be approximately $560,000 (excluding GST and assuming full subscription) and are expected to be applied towards the items set out in the table below:

| Item of Expenditure | Minimum Subscription ($5m) | Full Subscription ($6m) | Over Subscription ($8m) |
|---|---|---|---|
| ASIC fees | 2,068 | 2,068 | 2,068 |
| ASX fees | 44,121 | 44,919 | 46,514 |
| Broker Commissions and other payments* | 300,000 | 360,000 | 480,000 |
| Adviser Fees | 80,000 | 80,000 | 80,000 |
| Printing, Design and Miscellaneous | 73,811 | 73,013 | 71,418 |
| TOTAL | **$500,000** | **$560,000** | **$680,000** |

* Ananda Kathiravelu, a Director of the Company, may be entitled to a portion of the Broker Commissions paid by the Company depending on his, or any of his related entities, involvement in the placing of shares under the Offer.

As stated in the Lead Manager Agreement, the Company has agreed to issue between 6 million and 9 million options to the Lead Manager in consideration for services relating to the Offers. The table above reflects the cash expenses of the Offers and does not include any valuation of these options. Please refer to section 10.12 and 12.2 for further information regarding these options.

## 12.7 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

## 12.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, you may obtain a copy of this Prospectus from the Company's website at http://www.radariron.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 12.9 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

## 12.10 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

# 13. Directors' Authorisation

This 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 Prospectus with the ASIC.

Jonathan Lea
Managing Director
For and on behalf of
Radar Iron Ltd

# 14. Glossary

Where the following terms are used in this Prospectus they have the meanings set out below:

**A$** or **$** means an Australian dollar.

**Applicant** means a person who has applied for Shares under this Prospectus.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context requires).

**Board** means the board of Directors as constituted from time to time.

**Class A Director Option** means the Options summarised in Section 12.2.2 of this Prospectus.

**Class B Director Option** means the Options summarised in Section 12.2.3 of this Prospectus.

**Company** or **Radar Iron** means Radar Iron Ltd (ACN 146 455 576).

**Closing Date** means the closing date of the Offer as set out in Section 3.2 of this Prospectus (subject to the Closing Date being extended or the Offer being closed early).

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Direction Option** means an Option issued on the terms set out in Section 12.2.2 or 12.2.3 of this Prospectus.

**Directors** means the directors of the Company at the date of this Prospectus.

**Entitlement Options** means the Options summarised in Section 12.2.7 of this Prospectus.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**JORC Code** means Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**The JORC Code**).

**Lead Manager Option** means the Options summarised in Section 12.2.6 of this Prospectus.

**Listing Rules** means the official listing rules of ASX.

**MGI Perth** means MGI Perth Corporate Finance Pty Ltd who acted as Investigating Accountant

**Official List** means the Official List of ASX.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Option** means an option to acquire a Share.

**Option Plan Options** means the Options summarised in Section 12.2.5 of this Prospectus.

**Offers** means the Priority Offer and the Public Offer and Offer means either one of them.

**Priority Offer** means the offer of 2,500,000 Shares to Shareholders of Transit Holdings on the Record Date, on the terms and conditions as set out in Section 4 of this Prospectus.

**Priority Offer Application Form** means the application form attached to or accompanying this Prospectus relating to the Priority Offer.

**Prospectus** means this prospectus.

**Public Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 4 of this Prospectus.

**Public Offer Application Form** means the application form attached to or accompanying this Prospectus relating to the Public Offer.

**RM Corporate Finance** means RM Corporate Finance Pty Ltd.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Tenement** means a tenement in which the Company has an interest as set out in the Solicitor's Report on Tenements in Section 9 of this Prospectus.

**Transit Holdings** means Transit Holdings Ltd (ACN 121 184 316).

**Transit Option** means the Options summarised in Section 12.2.4 of this Prospectus.

**WST** means Western Standard Time observed in Perth, Western Australia.

## PUBLIC OFFER APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**SHARE REGISTRY:**
Security Transfer Registrars Pty Ltd
**All Correspondence to:**
**PO BOX 535, APPLECROSS WA 6953**
770 Canning Highway, APPLECROSS WA 6153
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

# RADAR IRON LIMITED

ACN: 146 455 576

**BROKER STAMP**

Broker Code

Advisor Code

**PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM**

Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

**I/We apply for:**

, , Shares at AUD $0.20 per share or such lesser number of Shares which may be allocated to me/us by their Directors.

**I/We lodge full application of monies of:**

A$ , , .

**Full Name of Applicant / Company**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #2**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #3**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Account Designation** (e.g.: THE SMITH SUPER FUND A/C)

< >

**Postal Address**

Unit / Street Number Street Name or PO BOX

Suburb/Town/City State Postcode

Country Name (if not Australia)

**CHESS HIN** (where applicable)

X

If an incorrect CHESS HIN has been provided (e.g.: incorrect number, registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

**Contact Name**

**Contact Number**

( )

**Email Address**

@

**Tax File Number / Australian Business Number**

**Tax File Number of Security Holder #2 (Joint Holdings Only)**

Declaration and Statements:

(1) I/We declare that all details and statements made by me/us are complete and accurate.
(2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
(3) I/We authorise the Company to complete and execute and documentation necessary to effect the issue of Securities to me/us.
(4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I/We acknowledge that returning the Application Form with the application monies will constitutemy/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

**REGISTRY DATE STAMP**

E & O.E.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON
UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 5 NOVEMBER 2010 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

**This Application Form relates to the Offer of Fully Paid Shares in Radar Iron Limited pursuant to the Prospectus dated 5 November 2010.**

## APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

### PAYMENT

All cheques should be made payable to **RADAR IRON - SHARE OFFER ACCOUNT** and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

### LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

| **Posted to:** | **OR** | **Delivered to:** |
|---|---|---|
| Radar Iron Limited | | Radar Iron Limited |
| C/- Security Transfer Registrars Pty Ltd | | C/- Security Transfer Registrars Pty Ltd |
| PO Box 535 | | 770 Canning Highway |
| APPLECROSS WA 6953 | | APPLECROSS WA 6153 |

**Applications must be received by no later than 5.00pm WST on the Closing Date 26 November 2010 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.**

### CHESS HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

### TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.
If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

### CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Radar Iron Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

| **TYPE OF INVESTOR** | **CORRECT** | **INCORRECT** |
|---|---|---|
| **Individual**<br>Use given names in full, not initials. | Mr John Alfred Smith | J A Smith |
| **Company**<br>Use the company's full title, not abbreviations. | ABC Pty Ltd | ABC P/L or ABC Co |
| **Joint Holdings**<br>Use full and complete names. | Mr Peter Robert Williams &<br>Ms Louise Susan Williams | Peter Robert &<br>Louise S Williams |
| **Trusts**<br>Use trustee(s) personal name(s), Do not use the name of the trust. | Mrs Susan Jane Smith<br><Sue Smith Family A/C> | Sue Smith Family Trust |
| **Deceased Estates**<br>Use the executor(s) personal name(s). | Ms Jane Mary Smith &<br>Mr Frank William Smith<br><Estate John Smith A/C> | Estate of Late John Smith<br>or<br>John Smith Deceased |
| **Minor (a person under the age of 18)**<br>Use the name of a responsible adult with an appropriate designation. | Mr John Alfred Smith<br><Peter Smith A/C> | Master Peter Smith |
| **Partnerships**<br>Use the partners' personal names. Do not use the name of the partnership. | Mr John Robert Smith &<br>Mr Michael John Smith<br><John Smith and Son A/C> | John Smith and Son |
| **Superannuation Funds**<br>Use the name of the trustee(s) of the super fund. | Jane Smith Pty Ltd<br><JSuper Fund A/C> | Jane Smith Pty Ltd Superannuation Fund |

PRIVACY STATEMENT Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

# PRIORITY APPLICATION FORM

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**SHARE REGISTRY:**
Security Transfer Registrars Pty Ltd
**All Correspondence to:**
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E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

## RADAR IRON LIMITED

ACN: 146 455 576

**BROKER STAMP**

Broker Code

Advisor Code

**PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM**
Before completing this Application Form you shouldread the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

**Unique Reference Number**

Please quote Unique Reference Number printed on Priority Offer Letter

**I/We apply for:**

, , Shares at AUD $0.20 per share or such lesser number of Shares which may be allocated to me/us by their Directors.

**I/We lodge full application of monies of:**

A$ , , .

**Full Name of Applicant / Company**
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #2**
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #3**
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Account Designation** (e.g.: THE SMITH SUPER FUND A/C)

< >

**Postal Address**
Unit / Street Number Street Name or PO BOX

Suburb/Town/City State Postcode

Country Name (if not Australia)

**CHESS HIN** (where applicable)

X

If an incorrect CHESS HIN has been provided (e.g.: incorrect number, registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

**Contact Name**

**Contact Number**

( )

**Email Address**

@

**Tax File Number / Australian Business Number**

**Tax File Number of Security Holder #2 (Joint Holdings Only)**

Declaration and Statements:
(1) I/We declare that all details and statements made by me/us are complete and accurate.
(2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
(3) I/We authorise the Company to complete and execute and documentation necessary to effect the issue of Securities to me/us.
(4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

**REGISTRY DATE STAMP**

E & O.E.

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|---|---|---|
| **Individual**<br>Use given names in full, not initials. | Mr John Alfred Smith | J A Smith |
| **Company**<br>Use the company's full title, not abbreviations. | ABC Pty Ltd | ABC P/L or ABC Co |
| **Joint Holdings**<br>Use full and complete names. | Mr Peter Robert Williams &<br>Ms Louise Susan Williams | Peter Robert &<br>Louise S Williams |
| **Trusts**<br>Use trustee(s) personal name(s), Do not use the name of the trust. | Mrs Susan Jane Smith<br><Sue Smith Family A/C> | Sue Smith Family Trust |
| **Deceased Estates**<br>Use the executor(s) personal name(s). | Ms Jane Mary Smith &<br>Mr Frank William Smith<br><Estate John Smith A/C> | Estate of Late John Smith<br>or<br>John Smith Deceased |
| **Minor (a person under the age of 18)**<br>Use the name of a responsible adult with an appropriate designation. | Mr John Alfred Smith<br><Peter Smith A/C> | Master Peter Smith |
| **Partnerships**<br>Use the partners' personal names. Do not use the name of the partnership. | Mr John Robert Smith &<br>Mr Michael John Smith<br><John Smith and Son A/C> | John Smith and Son |
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