

**ONslow IRON PROJECT DECLARES FIRST ORE ON SHIP TRIGGERING SECOND
\$200M PAYMENT AND COMMENCEMENT OF
0.75% FOB ROYALTY**

Red Hill Minerals Limited (**ASX: RHI**) (**Red Hill** or **Company**) is pleased to announce that it has agreed with Mineral Resources Limited (**MinRes**) that the second payment (**FOOS Payment**) of \$200,000,000, pursuant to the terms of the Sale and Purchase of Joint Venture Interest Agreement announced on 30 July 2021¹, will be paid by MinRes on 1 July 2024. Under that Agreement, the Company sold its 40% participating interest in the Red Hill Iron Ore Joint Venture (**RHIOJV**) to MinRes.

The payment follows the MinRes announcement on 21 May 2024 of the delivery of first ore on ship from the Onslow Iron Project ahead of schedule for delivery to China Baowu Steel Group² (Figure 1).

This first commercial shipment from the Onslow Iron Project also marks the commencement of the 0.75% FOB revenue royalty stream payable to the Company.

The royalty revenue stream on iron ore will be sourced from:

- i. all future production from the RHIOJV tenements,
- ii. for the first 10 years, all production from the Australian Premium Iron Joint Venture (**APIJV**) owned Upper Red Hill Creek tenement, if the Project expands into that tenement, and
- iii. all production from the MinRes owned Bungaroo South tenement if developed in association with the RHIOJV tenements.

Red Hill's Executive Chairman, Joshua Pitt, said: *"Our Company worked closely within the RHIOJV over many years to advance this Project and found in MinRes an excellent team that is close to achieving the rare feat of completing a major project development, the Onslow Iron Project, on time and within budget. This second payment to the Company, followed by the royalty revenue stream generated from our royalty interest in the Project should benefit our shareholders while funding an effective gold and base metal exploration effort."*

The sale of the Company's 40% participating interest in the RHIOJV did not include the Other Mineral Rights over the RHIOJV tenements, which are currently the subject of the Company's extensive exploration work program (Figure 2).

The Onslow Iron Project²

- Onslow Iron is MinRes' flagship project in their transition to low-cost, long life iron ore operations.
- The project will ramp up to nameplate capacity of 35 million tonnes annually by June 2025. Practical completion of project infrastructure, including the dedicated haul road, is scheduled for the second half of 2024.
- At nameplate capacity, FOB cost is forecast at A\$45/wmt, which includes MinRes' life-of-mine mining services contract margins and a road infrastructure charge of A\$8.04 per tonne.
- A life-of-mine product off-take agreement is in place with Baosteel Resources to purchase between 50% and 75% of the MinRes volume entitlement.

This announcement has been approved for release by the Board of Directors.

Michael Wall

Chief Executive Officer

¹ Refer to Red Hill's announcement dated 30 July 2021 – Sale of Red Hill Iron Ore Joint Venture Interest.

² Refer to MinRes' announcement dated 21 May 2024 – Onslow Iron delivers first ore on ship ahead of schedule.

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Figure 1: MinRes Transhipper Loading Onslow Iron's First Ore onto a Bulk Carrier Ship

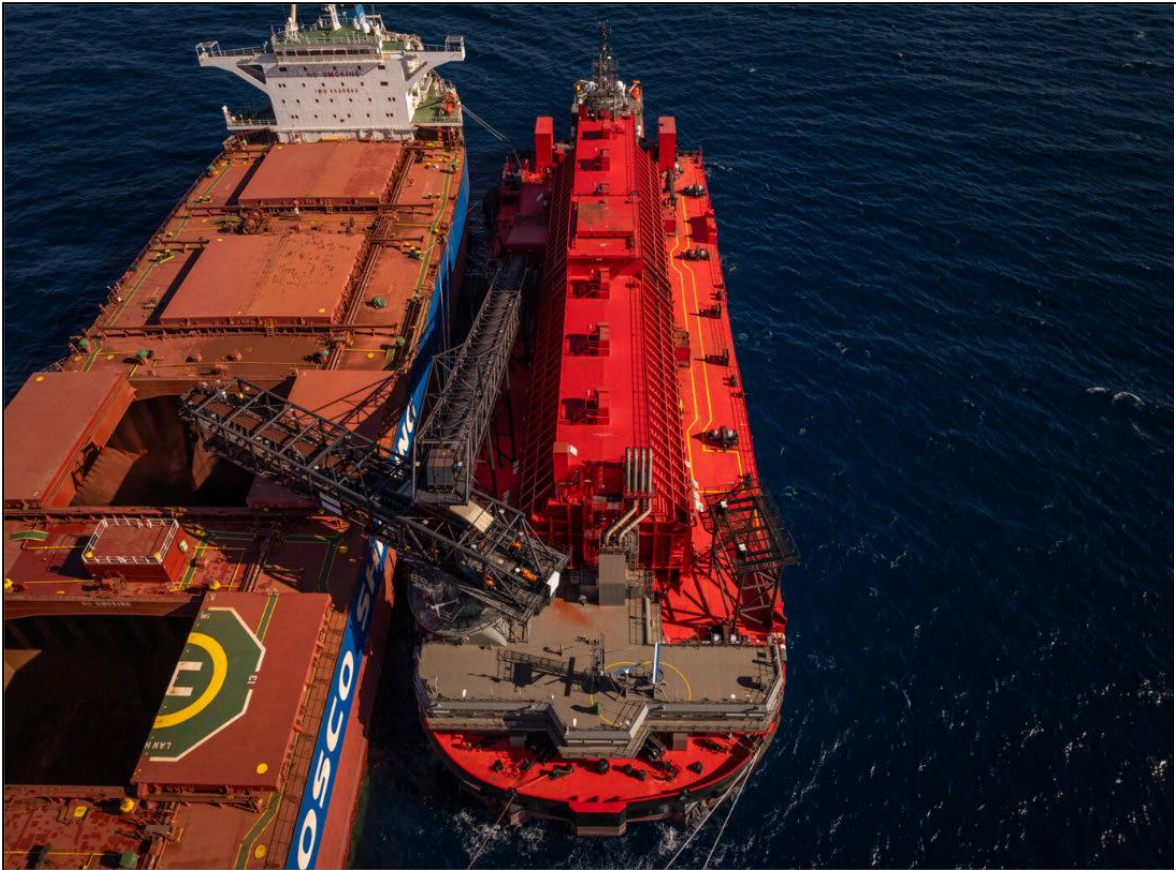


Figure 2: The Onslow Iron Project in Relation to Red Hill Minerals West Pilbara Gold and Base Metal Project

