

5 July 2024

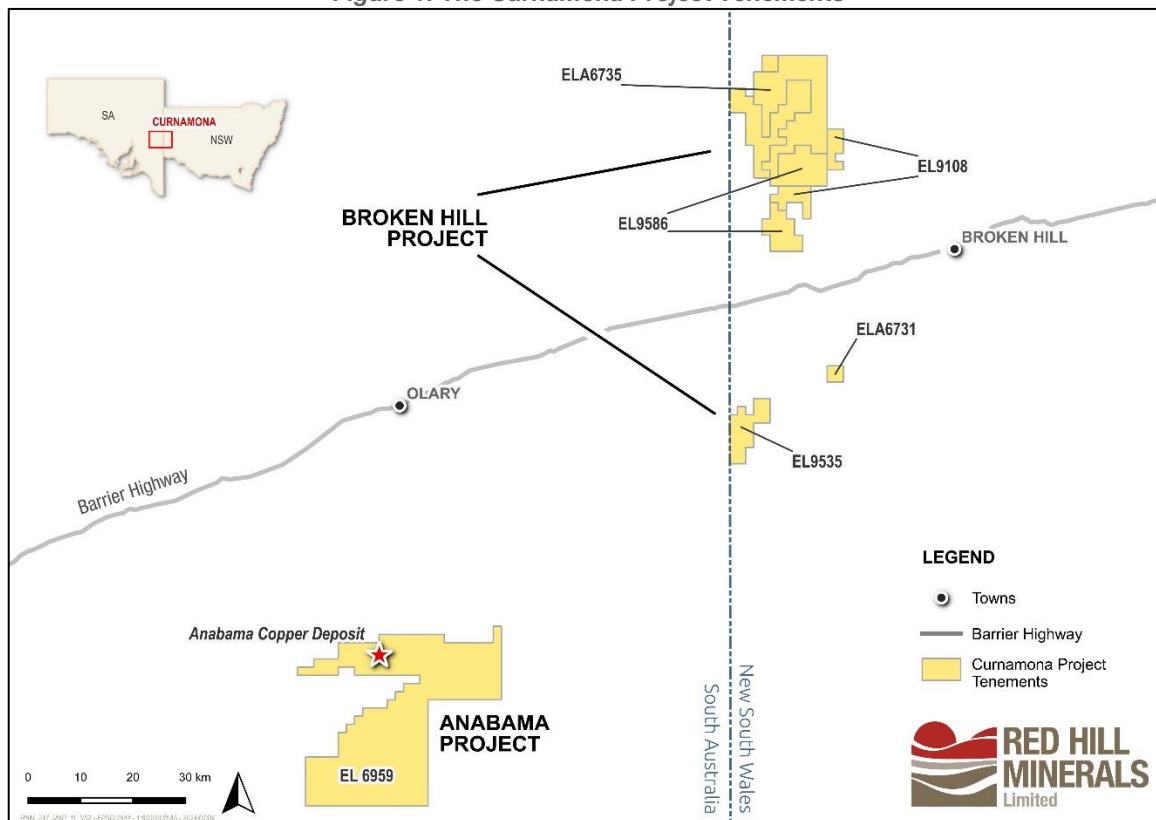
Binding Heads of Agreement expands Red Hill's exploration into the Broken Hill and Olary regions of NSW and SA

Red Hill Minerals Limited (**ASX: RHI**) (**Red Hill or the Company**) is pleased to announce that it has executed a conditional binding Heads of Agreement with Peel Far West Pty Ltd, a subsidiary of ASX-listed Peel Mining Limited (**ASX: PEX**) (**Peel**) to enter into a \$6.5 million 5-year farm-in agreement for the exploration of the Curnamona Project.

Highlights

- Red Hill may earn a 75% interest by incurring \$6.5 million in exploration expenditure during the farm-in period of up to five years.
- Upon earning a 75% interest, a Joint Venture will be formed with Red Hill as the Manager. From this stage onwards, funding reverts to a standard contribute or dilute arrangement.
- The Curnamona Project tenements cover over 1,460 km² of land holding in the Broken Hill province of New South Wales (**Broken Hill Project**) and across the border into South Australia (**Anabama Project**).
- Red Hill considers the Broken Hill Project to have Tier 1 potential for Zinc-Lead-Silver deposits. The tenements host the highly prospective Willyama Supergroup and occurrences of interpreted Broken Hill Type mineralisation¹.
- The Anabama Project is prospective for Copper/Gold and contains an existing non JORC compliant resource estimate of 4.2Mt at 0.52% Copper reported by Placer Exploration Ltd².

Figure 1: The Curnamona Project Tenements



Red Hill's Executive Chairman, Joshua Pitt, said: *"The Curnamona tenements provide Red Hill with an opportunity to explore for Tier 1 Zinc-Lead-Silver deposits throughout the highly prospective Broken Hill region and an opportunity to advance a proven copper target at Anabama in South Australia. Red Hill is looking forward to working closely with Peel to apply systematic and innovative exploration approaches to unlock value from these tenements. The Company is excited to progress exploration of the Curnamona tenements in parallel with the West Pilbara Gold and Base Metals Project and will continue to assess future projects to add to the exploration portfolio"*.

Key terms of the Heads of Agreement are included in the attachment to his announcement.

The parties intend to put in place a separate contracting agreement where Red Hill may utilise Peel's existing team for exploration related activities.

This announcement has been approved by the Board of Directors.

Michael Wall

CHIEF EXECUTIVE OFFICER

Material Terms of the Heads of Agreement

The Transaction	Red Hill, or its wholly owned subsidiary, may earn an initial 75% Joint Venture Interest in the Curnamona Project Tenements (Tenements) by spending \$6.5 million on exploration during the farm-in period and the Parties will then form the Joint Venture in respect of the Tenements.				
Conditions Precedent	<p>The Transaction is subject to the following conditions precedent (Conditions):</p> <ul style="list-style-type: none"> • execution of a Formal Agreement consistent with the terms of the Heads of Agreement; • completion of due diligence on the Tenements and the Transaction to the satisfaction of Red Hill, acting reasonably and confirmation of certain tenure; and • renewal of Tenement EL8877. <p>The Parties must use their respective reasonable endeavours to ensure that all Conditions are satisfied as soon as practicable after execution of this Heads of Agreement, unless a Condition is expressly waived in writing by Red Hill.</p> <p>Peel has agreed to deal exclusively with Red Hill in this period in regard to the right to acquire an interest in the Tenements.</p>				
Farm-in	On satisfaction of the Conditions, Red Hill, or its wholly owned subsidiary, will have the exclusive right to earn a 75% JV Interest in the Tenements (Initial JV Interest) by spending \$6.5 million on in-ground expenditure on the Tenements over a farm-in period of up to 5 years.				
Minimum commitment	Red Hill must incur a minimum of \$1.5 million on in-ground expenditure over the initial 24 months of the farm-in period, as may be extended by the Parties, before it is entitled to withdraw.				
Joint Venture	<p>On Red Hill earning the Initial JV Interest, Red Hill and Peel will form an unincorporated joint venture (Joint Venture) for the exploration and evaluation and, if warranted, development and exploitation of all minerals within the Tenements.</p> <p>The initial participating interests of the Parties (Participating Interests) will be:</p> <table> <tr> <td>Red Hill</td> <td>75%</td> </tr> <tr> <td>Peel</td> <td>25%</td> </tr> </table> <p>(each a Participant while it holds a Participating Interest).</p>	Red Hill	75%	Peel	25%
Red Hill	75%				
Peel	25%				
Manager	Red Hill will be the initial Manager of the Joint Venture.				
Dilution	<p>Standard dilution provisions will be included in the Formal Agreement relating to optional dilution.</p> <p>If a Participant's Participating Interest dilutes to 10% or less, that Participant must, within 30 days of notification, elect:</p> <ul style="list-style-type: none"> • for its Participating Interest to revert to a 1.5% Net Smelter Return (NSR) Royalty on all minerals extracted and sold from the Tenements; or • to offer to sell its Participating Interest to the other Participant. 				

References

¹ PlatSearch NL, 2005, Annual Report for Exploration Licence 6404 "Mundi Plains" for the period 20 April 2005 to 19 April 2006, PlatSearch NL, Australia.

² Placer Exploration Ltd, 1997, Annual Report for the Period 16 April 1993 to 15 May 1997, Placer Exploration Ltd, Australia.