RED HILL MINERALS Limited

10 November 2026

OPTION AGREEMENT TO DIVEST PANNAWONICA IRON PROJECT WHILE RETAINING 1.5% GROSS REVENUE ROYALTY

Red Hill Minerals Limited (**ASX: RHI**) (**Red Hill** or **Company**) is pleased to announce that it has entered into a heads of agreement with Arrow Minerals Limited (**ASX: AMD**) (**Purchaser**) for the proposed divestment of its 100%-owned Pannawonica Iron Project (**Project**) in the West Pilbara region of Western Australia.

Under the terms of the agreement, the Purchaser will have an exclusive 12-month option to acquire 100% of the Project tenement package comprising seven tenements in the West Pilbara area of Western Australia near Pannawonica (**Tenements**).

Key Points

- **Option agreement executed** for the proposed divestment of Red Hill's 100%-owned Pannawonica Iron Project in Western Australia.
- **$150,000 upfront option fee** to be satisfied by the issue of shares in the Purchaser calculated on the 20 Day VWAP immediately prior to the date of execution of the Heads of Agreement.
- **On exercise of the Option $1,000,000** payable in cash or shares, at the Purchaser's election, plus the grant of **an uncapped 1.5% Gross Revenue Royalty (GRR)** on future iron ore sales from the Project and an **additional uncapped 0.25% GRR** over iron ore produced from certain deposits outside the Project tenements but within the Area of Influence (AOI) shown on the map in Figure 1 and 2.
- During the option period, the Purchaser will be responsible for the Project's ongoing Tenement holding costs and will undertake its own technical and commercial assessment of the Project.

Completion of the divestment of the Project tenements is subject to a number of conditions precedent which are summarised in Table 1.

Red Hill Minerals' Executive Chairman, Joshua Pitt, said:

"*The proposed divestment is consistent with Red Hill's strategy of actively managing its asset portfolio to maximise shareholder value by creating and acquiring royalties. The proposed transaction provides Red Hill with upfront consideration while retaining a long-term royalty interest in the Pannawonica Project and surrounding tenements within the Area of Influence if the option is exercised. As the founder of Atlas Iron, David Flanagan has an outstanding track record in developing and operating low-cost iron ore projects. His team has the skills and experience to unlock the full value of this asset".*

On exercise of the option by Arrow the Pannawonica Royalties will add to Red Hill's existing royalty portfolio which comprises:

- **0.75% FOB Royalty** over the Onslow Iron Project and a combined Mineral Resource Estimate of more than 1.1 billion tonnes of iron ore and which has been generating royalty income to the Company since May 2024[1]
- **2% Gross Revenue Royalty** over 1.3 million ounces of gold as part of Brightstar's Sandstone Gold Hub[2]
- **1.5% Net Smelter Royalty** over Legacy Minerals Intrusion Related Gold and Copper Thomson Project

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Figure 1: Location of the Pannawonica Iron Project, proposed 1.5% GRR royalty tenements and additional 0.25% GRR AOI, relative to Red Hill's existing West Pilbara iron ore royalty portfolio

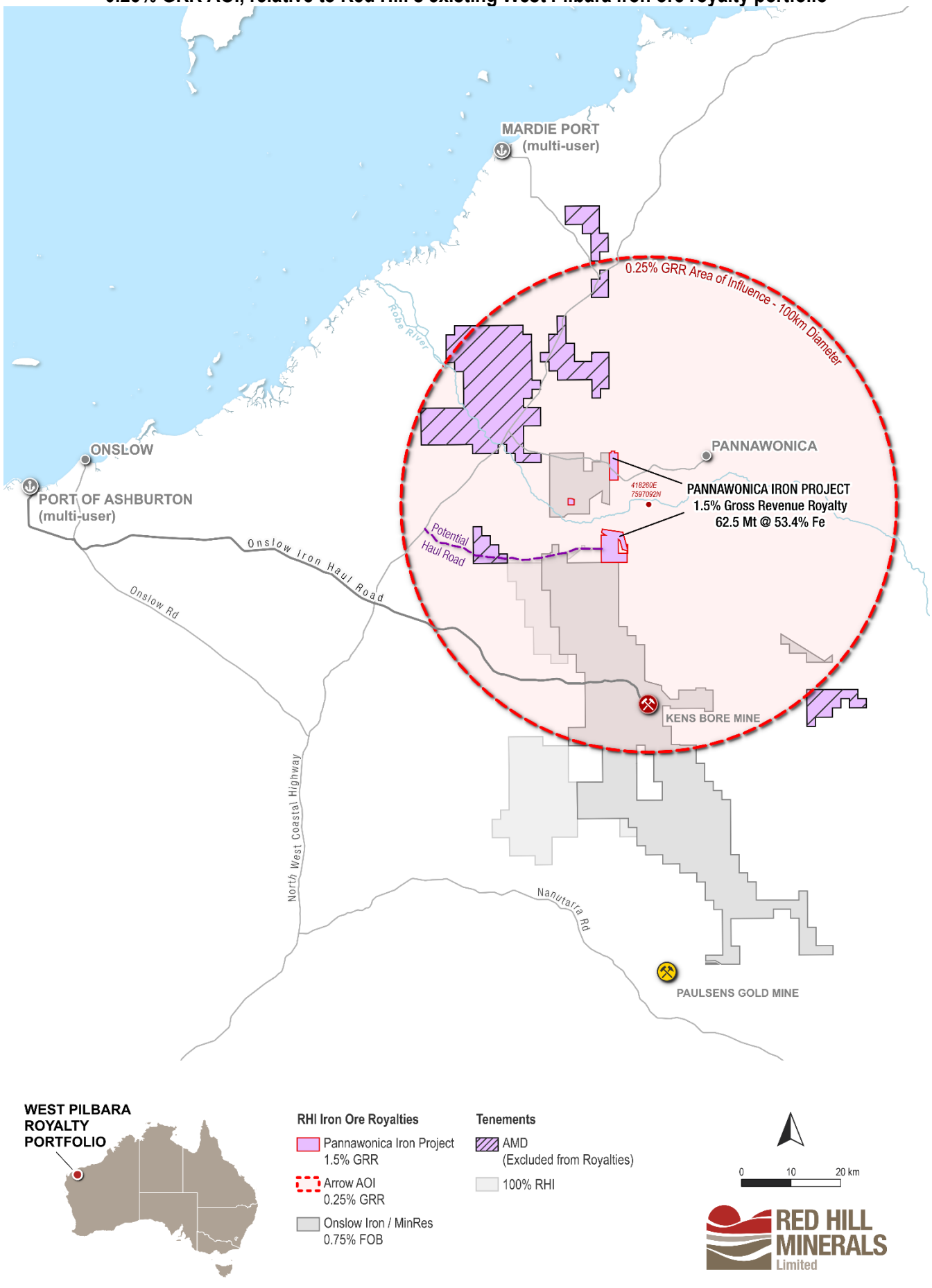


Table 1: Material Terms of the Binding Agreement

Option terms	A 12-month option period, commencing on issue of the Option Fee Shares, during which the Purchaser is responsible for minimum expenditure, rents and rates on the Tenements. The Purchaser may withdraw in that period, subject to expending a specified minimum amount on expenditure of the Tenements.
Option Fee Shares	Shares in the Purchaser to the value of $150,000 (calculated on the 20 Day VWAP prior to the date of the heads of agreement).
Purchase Price	Consideration payable at completion comprises $1,000,000 payable in cash or Shares at the election of the Purchaser, together with the grant of the Royalties. Any Shares issued at completion will be issued at the same price as the Option Fee Shares.
Royalty Consideration	An uncapped 1.5% GRR royalty on future iron ore sales from the Tenements and an uncapped 0.25% GRR over iron ore produced from certain deposits outside the Tenements but within the Area of Influence (see Figures 1 and 2).
Conditions Precedent	Prior to Exercise of the Option the Purchaser is required to have received binding commitment from investors to subscribe for at least $5 million under a capital raising to raise at least $5 million. Completion is subject to a number of standard conditions precedent, including any approvals required by ASX, Ministerial consent and other conditions usual for this type of transaction.
Project tenements	E08/2729, E08/2730, L08/0305, M08/0499, M08/0500, M08/501, and M08/0505.
Matching right	Following completion of the transaction, Red Hill has the right to match any offer received by the Purchaser in the event of sale of a Tenement.

Pannawonica Iron Project

The Pannawonica Iron Project is located in the West Pilbara region of Western Australia, near the township of Pannawonica. The Project contains a reported Mineral Resource of 62.5 million tonnes grading 53.4% Fe on granted mining leases[3].

Red Hill has previously completed significant technical and development studies on the Project, including environmental and heritage assessments. The Project also benefits from granted haul road tenure and other infrastructure-related approvals and applications.

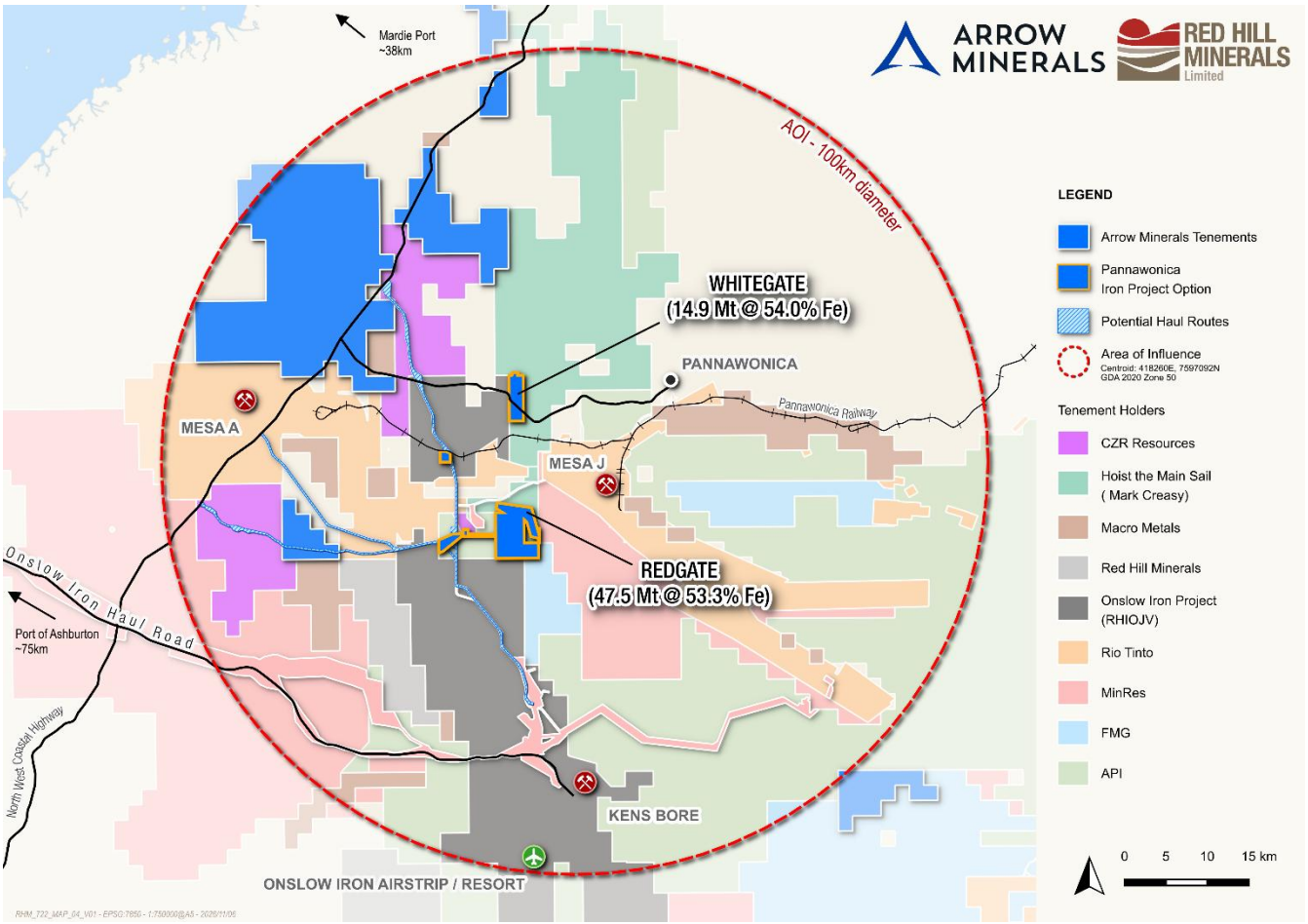
The proposed transaction provides an opportunity for the Project to be advanced by a party focused on its potential development, while allowing Red Hill to retain exposure to future iron ore production without directly funding the development.

The Purchaser will undertake its technical and commercial assessment of the Project during the 12-month option period.

This announcement has been approved by the Board of Directors.

Michael Wall
CHIEF EXECUTIVE OFFICER

Figure 1: Location of the Pannawonica Iron Project and surrounding tenement holders within the AOI



FORWARD LOOKING STATEMENTS

This document may contain certain forward-looking statements which have not been based solely on historical facts but rather on Red Hill Minerals' expectations about future events and on a number of assumptions which are subject to significant risks, uncertainties and contingencies many of which are outside the control of Red Hill Minerals and its directors, officers and advisers. Forward-looking statements include, but are not necessarily limited to, statements concerning Red Hill Minerals' planned exploration programme, strategies and objectives of management, anticipated dates and expected costs or outputs. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", potential", "should" and similar expressions are forward-looking statements. Due care and attention have been taken in the preparation of this document and although Red Hill Minerals believes that its expectations reflected in any forward-looking statements made in this document are reasonable, no assurance can be given that actual results will be consistent with these forward-looking statements. This document should not be relied upon as providing any recommendation or forecast by Red Hill Minerals or its directors, officers or advisers. To the fullest extent permitted by law, no liability, however arising, will be accepted by Red Hill Minerals or its directors, officers or advisers, as a result of any reliance upon any forward-looking statement contained in this document.

[1] Onslow Resource 744 Mt – ASX release: MIN, 21/5/2025, Bungaroo Resource 283 Mt – ASX release: BCI, 30/8/2016, Red Hill Creek 120 Mt – refer https://wamex.dmp.wa.gov.au/Wamex/Search/Reports (where A number = 118791, page 159, of file 1648592-005-R-Rev0 (complete).pdf (Upper Red Hill Creek Resource)

[2] Refer ASX: BTR announcement dated 15 July 2026 "Sandstone Mineral Resource Grows to 2.9 Moz".

[3] Refer ASX: RHI announcement dated 23 July 2021 "Pannawonica Iron Ore Project – Ore Reserve Statement Update" and announcement dated 14 April 2014 "Pannawonica Iron Ore Project: Pre-Feasibility Study Completed With Maiden Ore Reserves".