

13 June 2006

**Company Announcements Office
Australian Stock Exchange Limited
PO Box H224 Australia Square
SYDNEY NSW 2000**

Dear Sir / Madam

Recommencement of RC drilling

Red Hill Iron Limited has been advised by project managers API Management Pty Limited that RC drilling of the channel iron targets on the Red Hill Iron Project has recommenced following extensive delays caused by late seasonal rains.

Yours faithfully

Garry Strong
Director