

25 October 2006

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

Dear Sir / Madam

**Notice of Annual General Meeting**

We attach a copy of the notice of Annual General Meeting forwarded to shareholders.

Yours faithfully

Peter Rutledge  
Company Secretary

# RED HILL IRON LIMITED

ABN 44 114 553 392

## NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

FOR THE

### ANNUAL GENERAL MEETING

TO BE HELD ON THURSDAY 30 NOVEMBER 2006

Notice is hereby given that the Annual General Meeting of Red Hill Iron Limited will be held at the Celtic Club, 48 Ord Street Street, West Perth, on Thursday 30 November 2006 commencing at 10.30am to conduct the following business:

#### 1. Financial Report

To receive the Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2006.

#### 2. Resolutions

##### Resolution 1: Re-election of a Director

To consider and if thought fit to pass the following resolution as an ordinary resolution:

"That Mr Joshua Pitt, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director."

##### Resolution 2: Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2006 as disclosed in the 2006 Financial Report be adopted."

**An Explanatory Memorandum accompanies this notice.**

#### PROXIES

A form of proxy is enclosed herewith. A member entitled to attend and vote at a meeting is entitled to appoint not more than two other persons (whether members or not) to attend the meeting and, on a poll, to vote instead of him/her. Where a member appoints two proxies, the proportion of the member's voting rights given in favour of each proxy must be specified. Proxies must be lodged at the registered office of the Company not later than 48 hours before the meeting. Proxies may be lodged by fax.

#### ENTITLEMENT TO VOTE

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members registered as holding ordinary shares at 5.00pm Perth time on Tuesday 28 November 2006 will be entitled to attend and vote at the Annual General Meeting

BY ORDER OF THE BOARD



**P C RUTLEDGE**  
Company Secretary

23 October 2006

**Registered Office:**  
Second Floor 9 Havelock Street  
West Perth WA 6005  
**Mailing Address:**  
PO Box 1160 West Perth WA 6872

Telephone: 61 8 9481 8628  
Facsimile: 61 8 9481 8445  
Email: redhillinfo@redhilliron.com.au  
Web: www.redhilliron.com.au

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Red Hill Iron Limited ("Red Hill Iron" or "the Company") in connection with the business to be conducted at the Annual General Meeting of shareholders to be held on Thursday 30 November 2006 ("the Meeting").

This Explanatory Memorandum should be read in conjunction with the Notice of Annual General Meeting ("the Notice").

The following matters should be noted in respect of Resolutions 1 and 2 in the Notice:

### **1. Resolution 1 – Re-election of Mr Joshua Pitt as a Director**

Pursuant to Clause 14.4(a) of the Company's Constitution Mr Joshua Pitt will retire by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.

Mr Pitt has been a non-executive director of the Company since June 2005.

Mr Pitt is a geologist with substantial exploration experience who has for more than thirty years been a director of exploration and mining companies in Australia. Prior to its merger with LionOre Mining International Limited he was a non-executive director of Dalrymple Resources NL and was then a non-executive director of LionOre Mining International Limited up to May 2005. He is currently a non-executive director of Traka Resources Limited, Red Metal Limited and Red Hill Iron Limited. Mr Pitt is involved in substantial private mineral exploration and also in resource investment.

The directors, other than Mr Pitt, recommend the re-election of Mr Pitt.

### **2. Resolution 2 – Adoption of the Remuneration Report**

Pursuant to section 250R(2) of the Corporations Act, 2001 the Company is required to put to the vote of shareholders a resolution adopting the Remuneration Report.

The Remuneration Report setting out the remuneration policy of the Company and the remuneration arrangements for directors and key management personnel for the 13 months ended 30 June 2006 is included in the Company's 2006 Financial Report.

The vote is advisory only and is not binding on the Company

# RED HILL IRON LIMITED

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## Proxy Form

I/we.....(full name, block letters)

of.....  
being a member of **Red Hill Iron Limited** hereby appoint

..... of .....  
or, failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held at **10.30 am on Thursday 30 November 2006** and at any adjournment thereof.

My proxy is instructed to vote as indicated below:

	FOR	AGAINST	ABSTAIN
<b>ORDINARY BUSINESS</b>			
<b>Resolution 1: To re-elect Mr Joshua Pitt as a director</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2: To adopt the Remuneration Report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Unless the proxy is directed otherwise, he may vote as he thinks fit or abstain.

Where the Chairman is appointed as proxy, the Chairman's voting intention in relation to undirected proxies in respect of these resolutions is to vote **FOR** the resolutions.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your Shares will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy is appointed to represent

is  %

If the shareholder(s) is an individual(s), every shareholder is to sign:

If the shareholder is a company, sign in accordance with Section 127(1) of Corporations Act or affix common seal (if required by Constitution).

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director or Sole Director and Secretary

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director/Secretary

Dated: \_\_\_\_\_ 2006

Dated: \_\_\_\_\_ 2006

This form is to be used in accordance with the directions overleaf.

### ***Instructions for completing and lodging this Proxy Form***

1. In order to direct the proxy to cast all votes covered by this instrument in a particular manner, place a tick or a cross in one of the boxes headed For, Against or Abstain.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and, on a poll, to vote in their stead.
3. Where two proxies are appointed, neither proxy shall be entitled to vote on a show of hands and, on a poll, the appointment shall be of no effect unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights in which case the shareholder should indicate the proportion of voting rights this proxy represents in the box provided.
4. A proxy need not himself be a shareholder of the Company.
5. The Proxy Form must be signed by the holder or his attorney duly authorised in writing (or, if the holder is a corporation, either under the common seal of that corporation or pursuant to Section 127(1) of the Corporations Act 2001).
6. The Proxy Form (and any power of attorney or other authority pursuant to which the Proxy Form has been signed) must:

either be deposited at the registered office of the Company, 2nd Floor, 9 Havelock Street, West Perth, WA 6005 ,

or be sent by post to Red Hill Iron Limited, PO Box 1160, West Perth, WA 6872,

or be sent by facsimile to Red Hill Iron Limited at (08) 9481 8445

in time to be received not later than 48 hours before the time fixed for the holding of the meeting - that is to be received by 10:30 am Western Standard Time on Tuesday 28 November 2006.

### **Change of Address**

Should your address have changed please use this section to advise the Company. Change of address notifications can only be accepted from Issuer Sponsored shareholders. CHESS shareholders must notify their Stockbroker directly. Please ensure you sign where indicated and, **if faxing your proxy form, please fax this side of the proxy form as well.**

My new address is:

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\_\_\_\_\_/\_\_\_\_\_/2006

Signature(s)