

4 December 2007

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Company Update

Attached is a general update of Red Hill Iron Limited's projects.

Yours faithfully

Joshua Pitt
Director

Red Hill Iron Ltd Update November 2007

Red Hill Iron was listed in February 2006 with a pre float NTA of \$6.7 million. With approximately 40 million shares on issue it now has a capitalization of approx \$160 million and has cash on hand of around \$9 million.

This appears to be an amazing appreciation of value in a very short time but it simply reflects the substantial exploration success of our endeavours with our joint venture partner in defining substantial iron ore deposits at Red Hill as reported in announcements to date

Red Hill Iron is essentially a one project company focussed entirely on its tenements which run along the western margin of the Hamersley Basin of Western Australia. The iron ore project is carried out in joint venture with API Management Pty Ltd –a company linked to the Australian listed Aquila Resources Ltd.

Huge strides have been made in less than 2 years towards completing a Pre-feasibility Study that envisages a 15 to 20 million tonne per year Channel Iron Deposit (CID) project railing ore to the coast. While API have large holdings in the West Pilbara in addition to our joint venture, it is clear that the Red Hill project resources are central to their iron ore ambitions and are likely to provide a very significant, if not dominant, proportion of the ore supply, particularly in the first decade. The Pre-feasibility Study budget is over \$20 million and this work is expected to be completed in the first half of next year. Credit is due to the API team for their extraordinary efforts in bringing this project on with such efficiency.

The project is based on the series of iron ore accumulations or CID's that were formed during the Tertiary geological period in drainage channels that carried iron westwards from the Hamersleys as acid rains eroded the iron rich lateritic regolith. The target style mirrors the Robe River Deepdale deposits to our immediate north which provide the ore for the Robe River Iron Associates operations around Pannawonica. At those operations, both outcropping CID in mesas up to 60 metres high and totally buried CID occur .To date, our exploration has focussed on the more obvious mesa targets. The new ore reserve calculations that are anticipated to be ready for release first quarter next year will be based on the first 18 months of drilling of these mesas. We believe that there is exciting potential for future reserves to be defined within extensions to these mesas but, more particularly, as buried CID and there is already evidence that deep canyon incision may have occurred within the project area.

Our joint venture with API is a way for us to exchange project equity in order to secure a competent exploration team and relieve Red Hill Iron of any exploration or capital expenditure during development. Under the terms of the agreement, we are borrowing these funds which are repayable only out of 80% of our share of any future mine revenue. At production, project ownership will be 80% API 20% Red Hill Iron. Importantly, should capital costs, operating costs or iron ore prices appear unfavourable

at the point of commencing production, we can elect to exchange our project interest for a 2% FOB royalty and cancel any repayment requirements.

This May, the joint venture announced an initial resource of 135 million tonnes grading 58.5% iron but this only related to the first four CID mesas to be drilled and drilling has been ongoing through much of this year. We anticipate an expanded resource statement for release first quarter next year.

All other aspects of the Pre-feasibility Study work are advancing efficiently. Diamond drilling to provide core for detailed evaluation of the mineralogy of the deposits is almost complete and preparations for a test pit at the Upper Cane deposit are well advanced. Metallurgical work is moving forward with a bulk sample prepared for sinter testing.

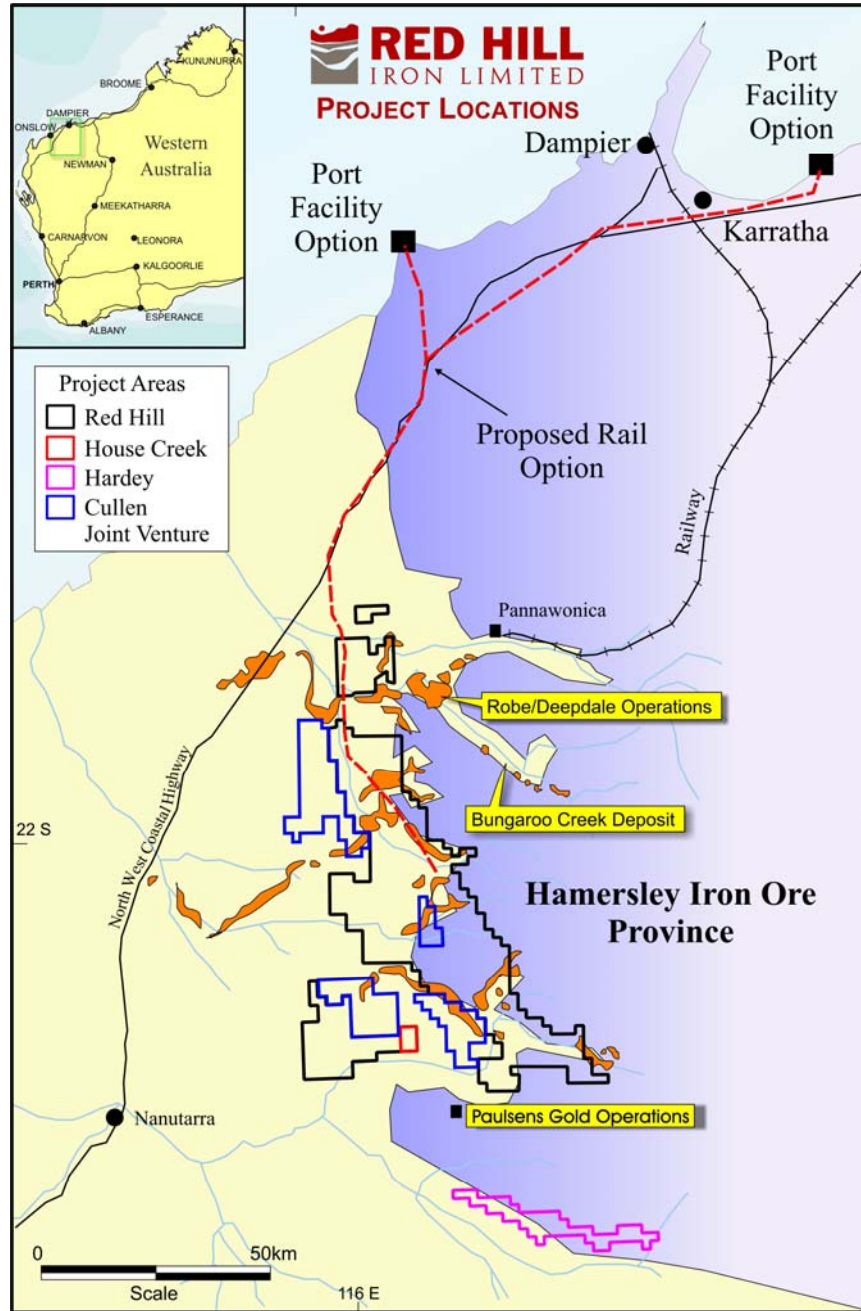
Concurrently, Red Hill is continuing with its gold and base metal work on the project in which API has no interest. These programs are being carried out on our own ground as well as on tenements in joint venture with Cullen Resources Limited. The Project area lies to the north of the Paulsens gold mine. Our tenements cover the postulated down dip potential of the Merlin gold system where we understand Newcrest plans deep diamond drilling.

Our Exploration Manager, Tim Boddington is currently on site with an RC drill testing a substantial gold target. We have done an enormous amount of work this year in evaluating the region for gold and base metals and I would like to thank our own staff for their efforts. It is not an easy area to work in and they have not had the infrastructural backup available to our friends at API doing the iron ore work.

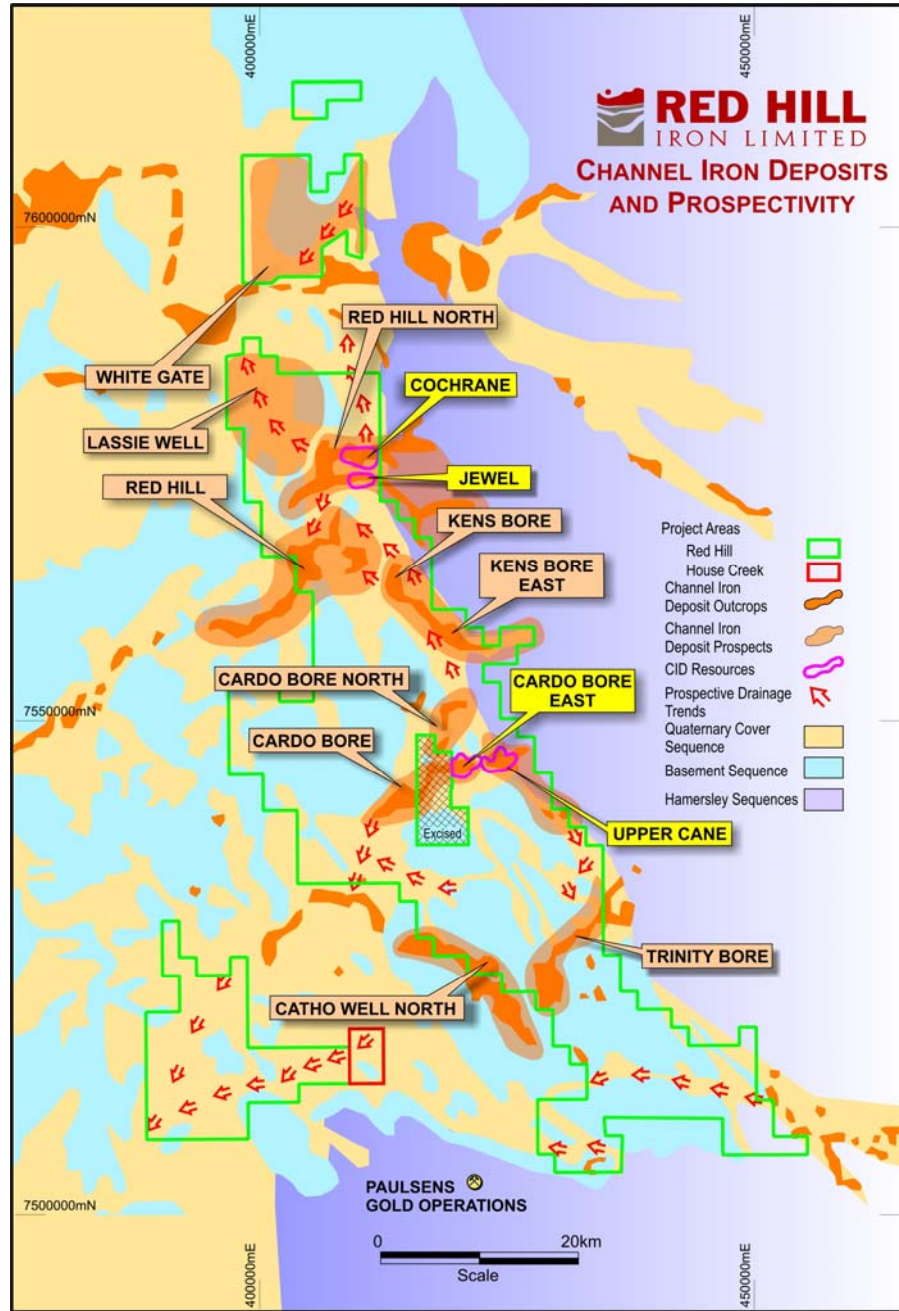
Joshua Pitt
Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Tim Boddington who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Boddington is a full-time employee of the company. Mr Boddington has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Boddington consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The accompanying photographs are taken from the Company's exploration area.



RED HILL
IRON LIMITED
**CHANNEL IRON DEPOSITS
AND PROSPECTIVITY**



Initial JORC compliant resource estimate for the Red Hill Project Area.

Cardo Bore East Deposit (cut-off grades >54% Fe and <4.0% Al₂O₃)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	30.6	59.32	4.60	3.43	0.076	0.016	0.065	0.109	6.59
Inferred	4.8	58.98	4.85	3.46	0.072	0.017	0.055	0.119	6.68
Total	35.4	59.27	4.63	3.44	0.075	0.016	0.064	0.110	6.60

Upper Cane Deposit (cut-off grade >54% Fe, no Al₂O₃ cut-off applied)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	27.8	58.74	4.97	2.88	0.082	0.020	0.024	0.043	7.55
Inferred	31.5	58.76	5.02	2.98	0.075	0.019	0.021	0.050	7.50
Total	59.3	58.75	5.00	2.93	0.078	0.019	0.022	0.047	7.52

Jewel Deposit (cut-off grades >54% Fe and <4.4% Al₂O₃)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	14.4	56.87	5.78	3.52	0.057	0.026	0.023	0.057	8.95
Inferred	5.3	56.80	6.05	3.62	0.066	0.025	0.027	0.056	8.59
Total	19.7	56.85	5.85	3.55	0.059	0.026	0.024	0.057	8.85

Cochrane Deposit (cut-off grades >54% Fe and <4.2% Al₂O₃)

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	20.7	57.90	5.05	3.59	0.079	0.020	0.012	0.115	7.91
Inferred	-	-	-	-	-	-	-	-	-
Total	20.7	57.90	5.05	3.59	0.079	0.020	0.012	0.115	7.91

Total - Channel Iron Deposits

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	Mn%	MgO%	LOI%
Indicated	93.5	58.46	4.99	3.32	0.076	0.020	0.035	0.083	7.53
Inferred	41.6	58.53	5.13	3.12	0.074	0.020	0.026	0.059	7.55
Total	135.1	58.48	5.04	3.25	0.075	0.020	0.032	0.075	7.53

A 250 hole program was commenced during the June 2007 quarter focussing on the Red Hill, Catho Well North, and Kens Bore prospects. Results from earlier drilling at the Ken's Bore prospect have not yet been included in the project resources statements. A selection of these are shown in the following table:

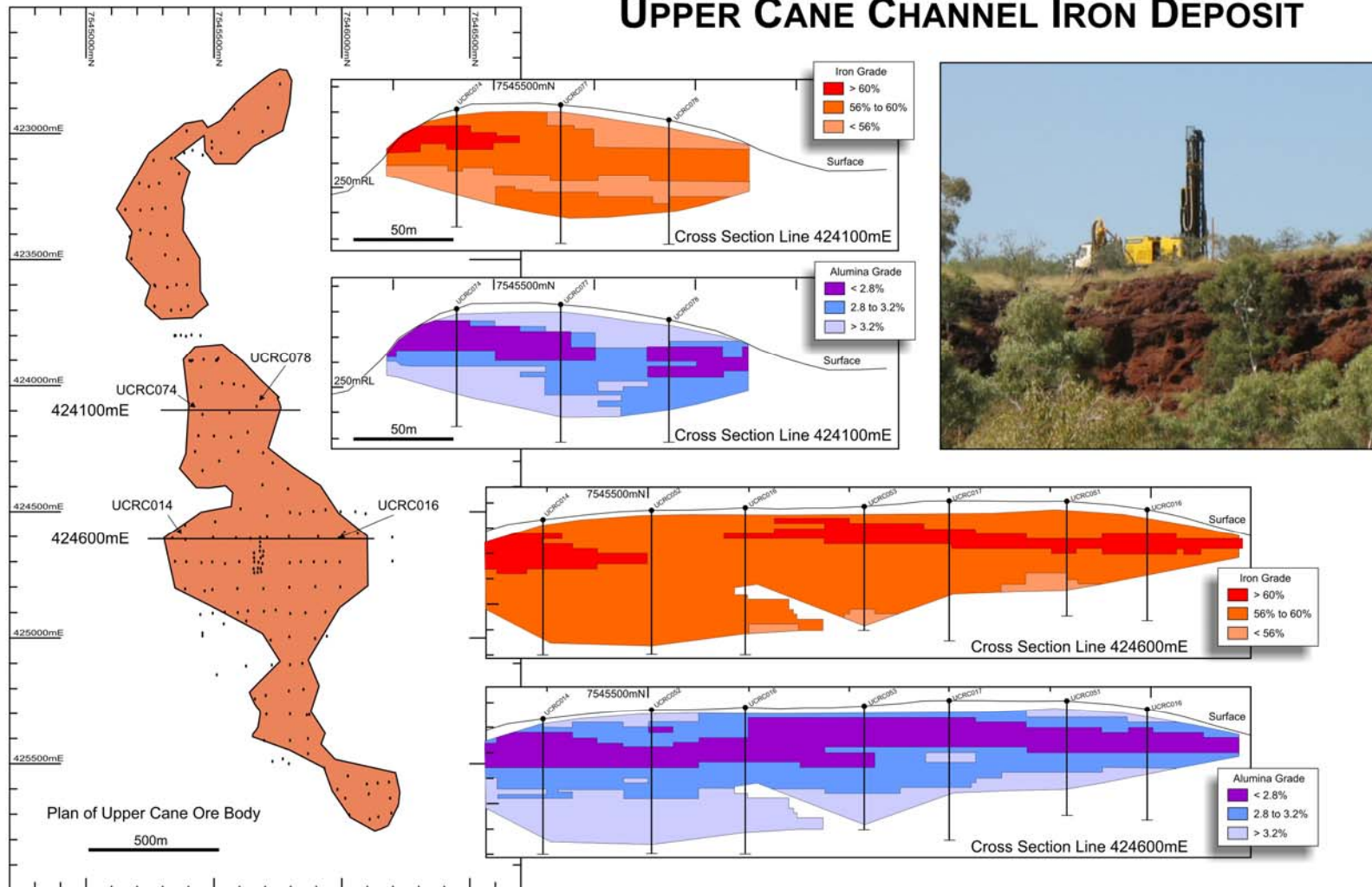
Ken's Bore

Hole ID	From	To	Intercept	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI%
KBRC020	16	36	20.00 m @ 56.51% Fe	3.84	5.33	0.066	0.015	9.35
KBRC035	20	50	30.00 m @ 59.04% Fe	3.13	4.23	0.089	0.010	7.73
KBRC041	4	52	48.00 m @ 58.67% Fe	3.36	3.91	0.077	0.007	8.45
KBRC047	24	56	32.00 m @ 58.74% Fe	3.22	4.18	0.084	0.009	8.03
KBRC048	30	50	20.00 m @ 58.85% Fe	2.97	4.90	0.082	0.010	7.62
KBRC050	42	74	32.00 m @ 56.69% Fe	3.28	6.22	0.191	0.010	8.60
KBRC052	8	46	38.00 m @ 59.99% Fe	2.78	3.24	0.075	0.007	7.71
KBRC054	8	44	36.00 m @ 59.44% Fe	2.90	3.66	0.076	0.013	8.06





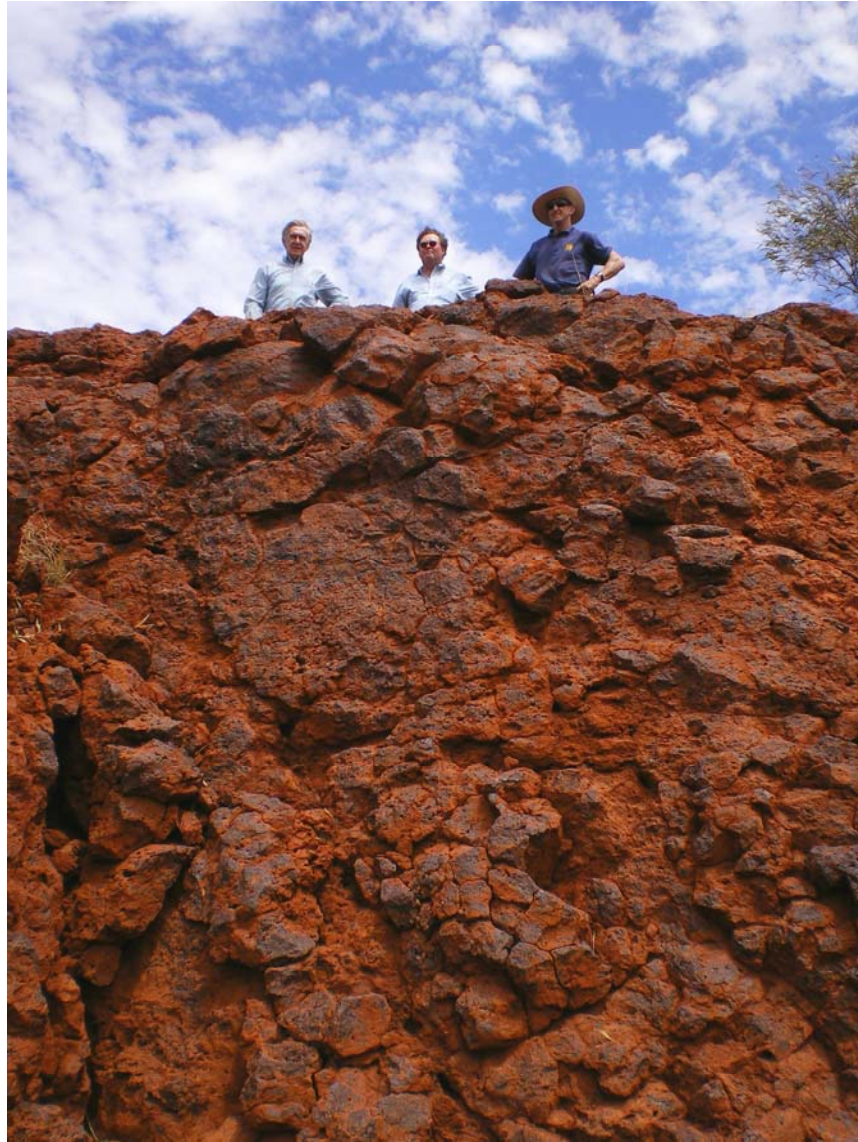
UPPER CANE CHANNEL IRON DEPOSIT





















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