

20 August 2010

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

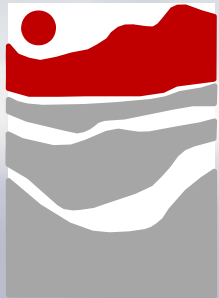
Dear Sir/Madam

INVESTOR PRESENTATION

Attached is a copy of a presentation which the company proposes making to investors.

Yours faithfully

Peter Rutledge
Secretary



RED HILL IRON LIMITED

ABN: 44 114 553 392

PRESENTATION AUGUST 2010





RED HILL
IRON LIMITED



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RED HILL

IRON LIMITED



- ⚙ THE COMPANY
 - Structure, Performance, Location
- ⚙ THE JOINT VENTURES
 - Structure, Mineral Resources
- ⚙ MINERAL RESOURCES
- ⚙ FEASIBILITY STUDY RESULTS
 - Summary, Project Costs
- ⚙ ASSETS
 - Inside the JV, Outside the JV
- ⚙ REGIONAL PLAY
- ⚙ THE IRON ORE MARKET
 - Supply and demand
- ⚙ THE WAY FORWARD

ASX: RHI

Red Hill Iron

Listed Ordinary shares on issue:	43,915,686	
ASX Code:	RHI	
Options:	Nil	
Share Price	19-Aug-10	2.70
Cash on hand	\$4m	
Mkt Cap	\$118m	

Directors / Senior Management

Neil Tomkinson (Non Exec. Chairman)
Joshua Pitt (Non Exec. Director)
Garry Strong (Non Exec. Director)
Peter Rutledge (Secretary)
Doug Stewart (Project Manager)
Timothy Boddington (General Manager)

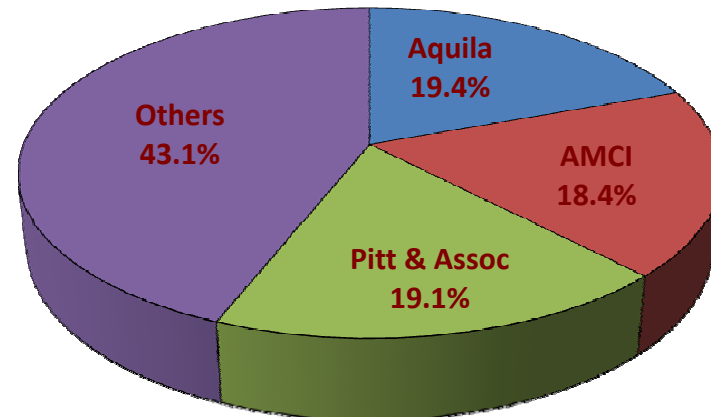
<http://www.redhilliron.com.au/>



Substantial Shareholders

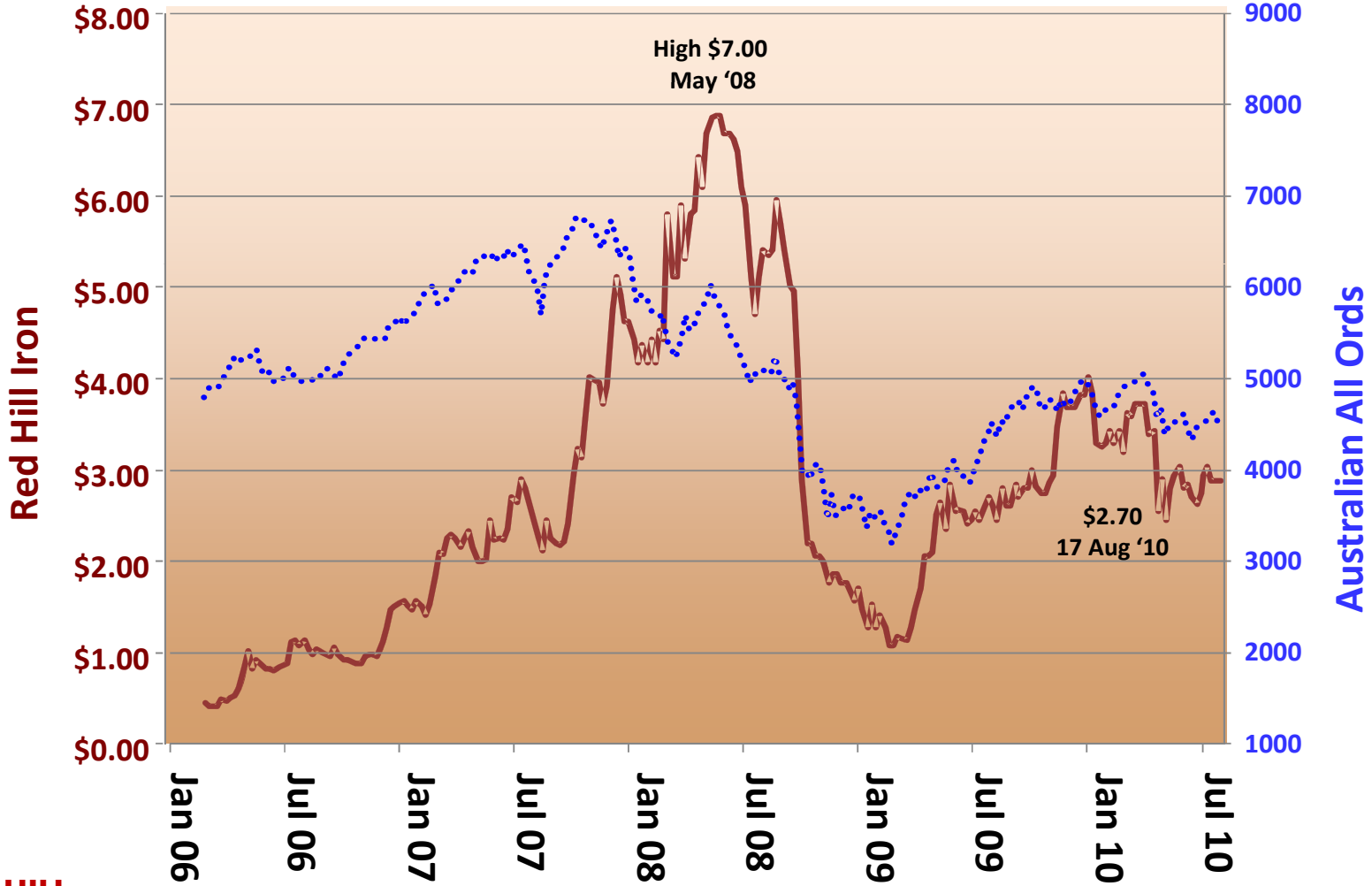
AQA	8,532,731
AMCI	8,082,422
Pitt & Assoc	8,375,464

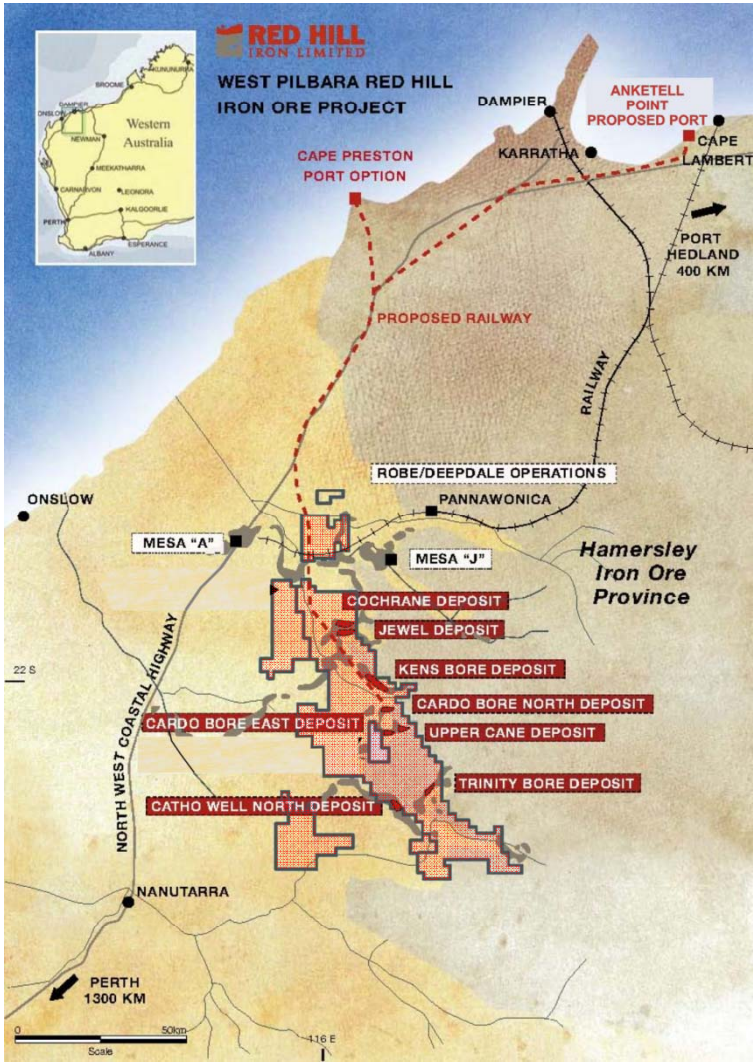
Substantial Shareholders



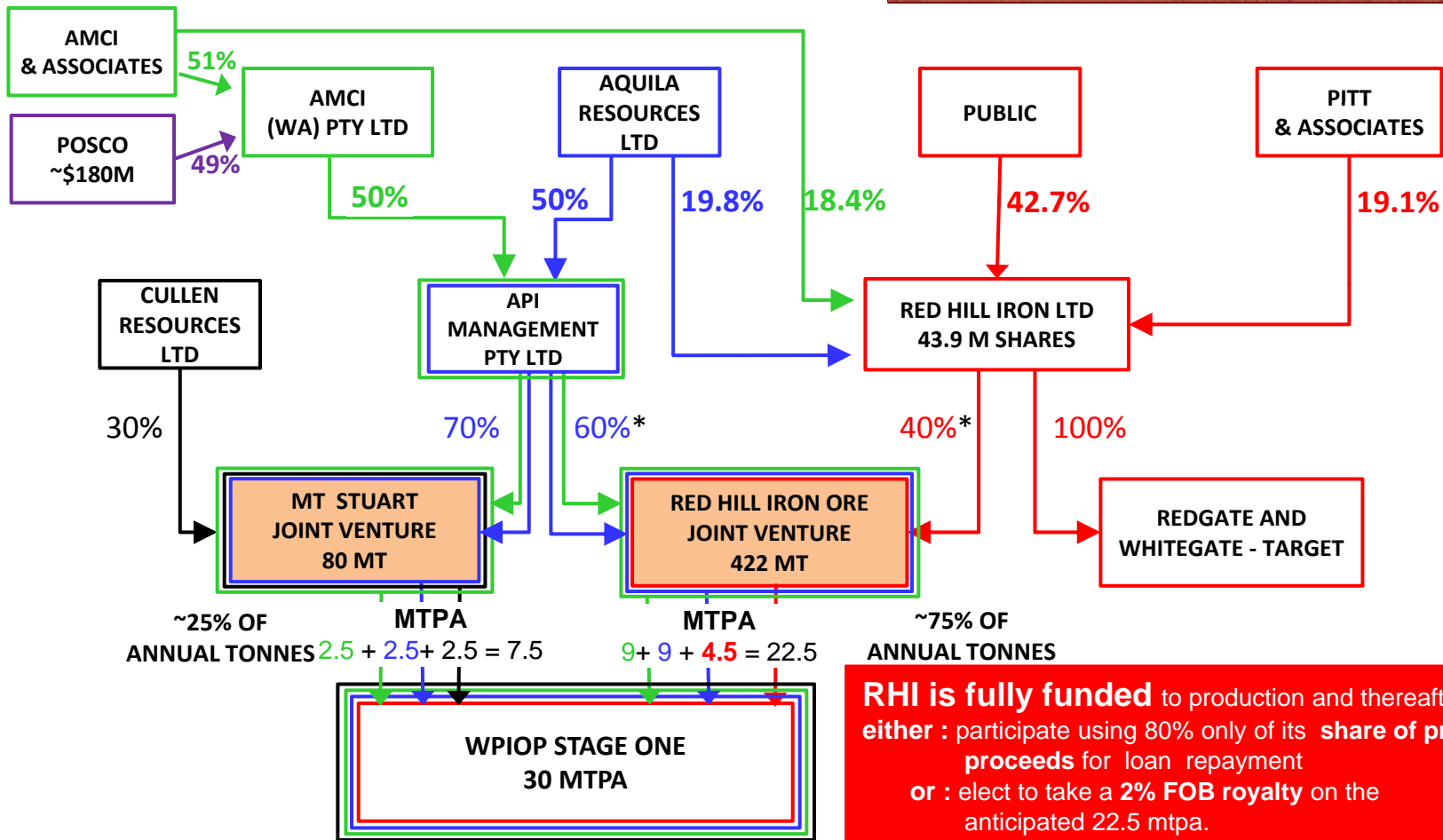
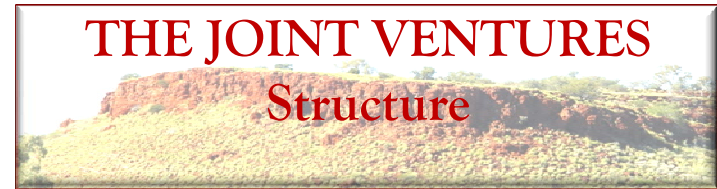


ASX: RHI





RHIOJV and WPIOP STAGE ONE



RHI is fully funded to production and thereafter may either : participate using 80% only of its share of project proceeds for loan repayment or : elect to take a 2% FOB royalty on the anticipated 22.5 mtpa.

*API Management's interest in the RHIOJV will increase from 60% to 80% with Red Hill Iron Limited's project interest reducing from 40% to 20% at the date on which iron ore is first delivered to a customer under a Contract of Sale.

THE JOINT VENTURES Resources

RHIOJV WPIOP Stage 1								
	Class	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
	Measured	75	57.6	5.6	3.3	0.085	0.018	8.14
	Indicated	226	56.6	6.2	3.8	0.071	0.018	8.43
	Inferred	121	56.2	6.2	3.8	0.068	0.016	9.06
	Total	422	56.6	6.1	3.7	0.072	0.017	8.56

Mt Stuart JV WPIOP Stage 1								
	Class	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
Catho Well	Measured	0						
	Indicated	55	55.4	6.67	3	0.037	0.016	10.32
	Inferred	24	55.2	7.06	3.18	0.036	0.016	9.99
	Total	79	55.34	6.79	3.06	0.037	0.016	10.22

WPIOP Stage 1 CID								
	Class	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
	Measured	75	57.6	5.6	3.3	0.085	0.018	8.14
	Indicated	281	56.3	6.3	3.6	0.064	0.018	8.8
	Inferred	146	56.0	6.3	3.7	0.062	0.016	9.21
	Total	501	56.4	6.2	3.6	0.067	0.017	8.82

Source: AQA Announcement 28 Jul 2010

RHIOJV Mineral Resources ¹	
Deposit	Mt
Cochrane	33
Jewel	28
Ken's Bore East	?
Ken's Bore	119+
Cardo Bore North	6
Cardo Bore East	45
Upper Cane	79
Trinity Bore	107
Catho Well North	6
Total	422+ +?

WPIOP Mineral Resources ¹ - STAGE ONE			
	Mt Stuart JV	RHIOJV	WPIOP
RHI		84Mt	84Mt
AQA	28Mt	169Mt	197Mt
AMCI	28Mt	169Mt	197Mt
CUL	24Mt	0Mt	24Mt
Total	80Mt	422Mt	502Mt

¹ Measured + Indicated + Inferred



WPIOP FS Presented 5th July 2010

Summary of the study highlights announced by Aquila

- ⊗ The 30Mtpa Project is technically and financially viable
- ⊗ NPV of **\$2.2 billion** and IRR of **16.4%**
- ⊗ Capital expenditure **\$5.77 billion** including EPCM and contingency
- ⊗ Operating costs of **\$19.48 per tonne FOB** excluding royalties
- ⊗ Average annual EBITDA of \$1.8 billion using iron ore prices and exchange rates as forecast by ©Metalytics
- ⊗ 282 kms of new rail and a new deep water port facility at Anketell Point granted Major Project Facilitation Status, port development approved as a Multi-User Facility
- ⊗ Development decision scheduled for the Sept Quarter 2010
- ⊗ Construction could commence in the March Quarter 2012 with **first shipments early in Calendar 2014** subject to statutory approvals and funding,



FEASIBILITY STUDY Project Costs

WPIOP Capital Expenditure

Area	Capital Cost (\$millions)
Mine, Processing and Infrastructure	1,863
Railway and Rolling Stock	1,695
Port Materials Handling, Jetty & Wharf, Dredging and Infrastructure	1,368
Total Direct Costs	4,926
EPCM	319
Contingency	529
Total Costs	5,774

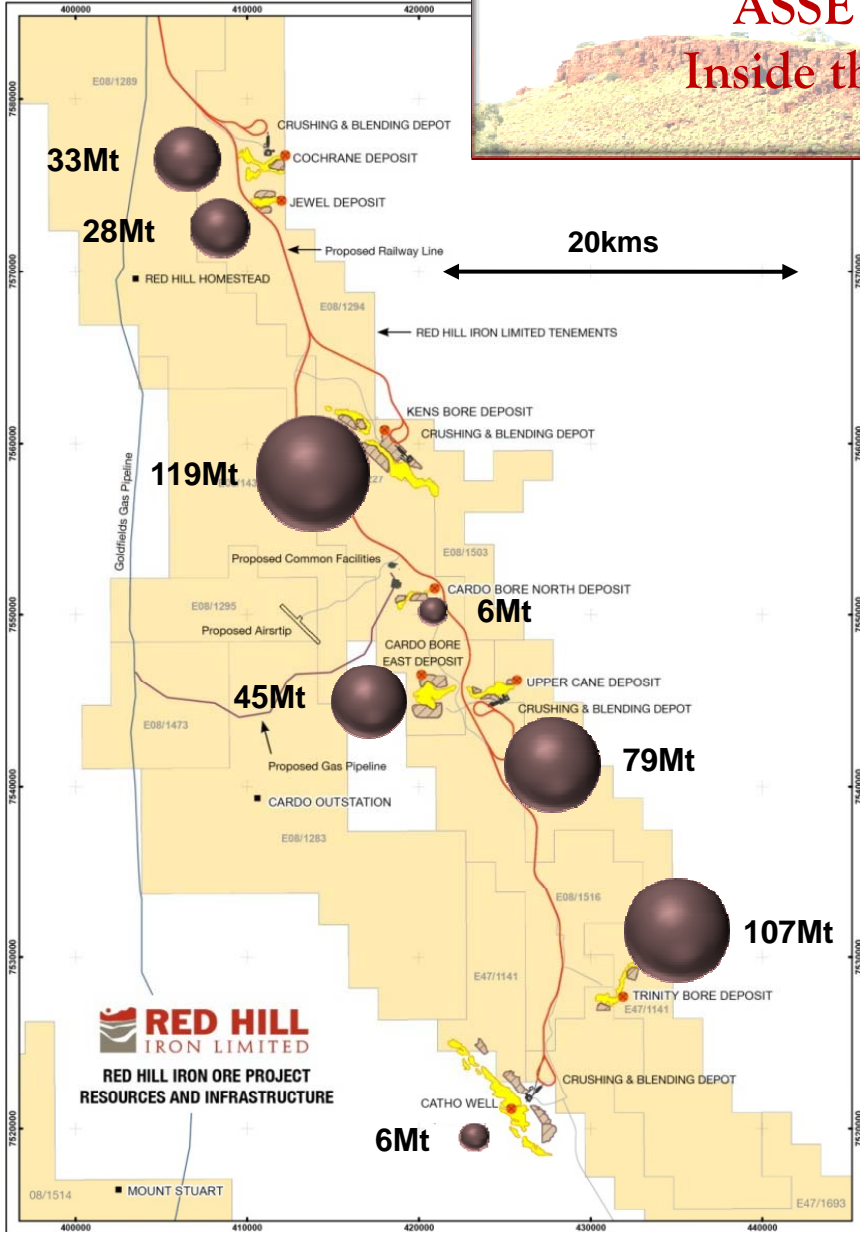
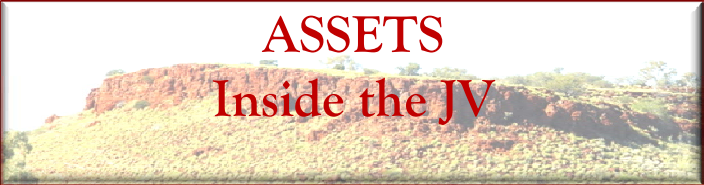
*Administration costs apportioned

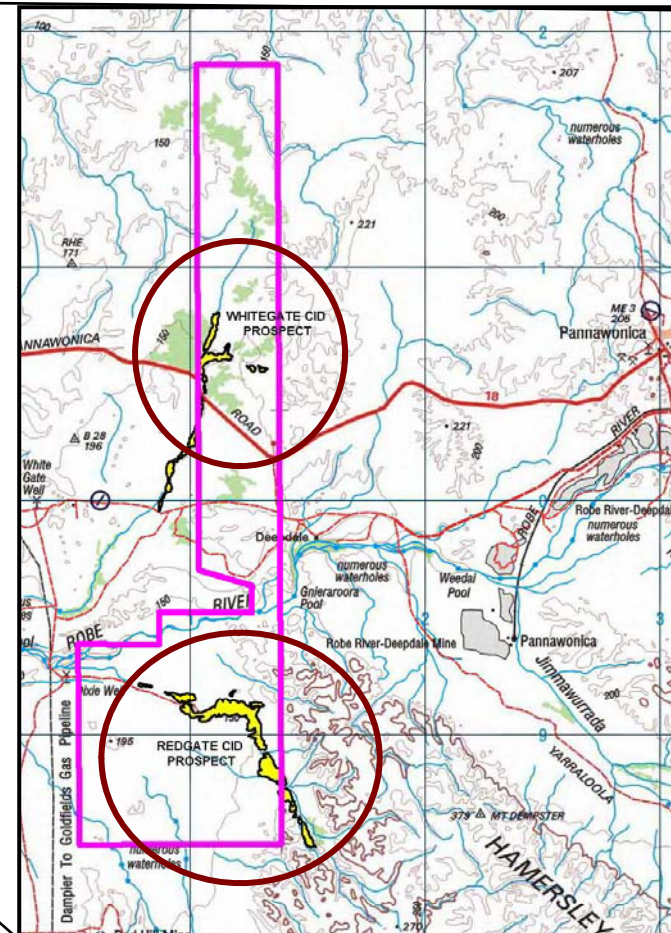
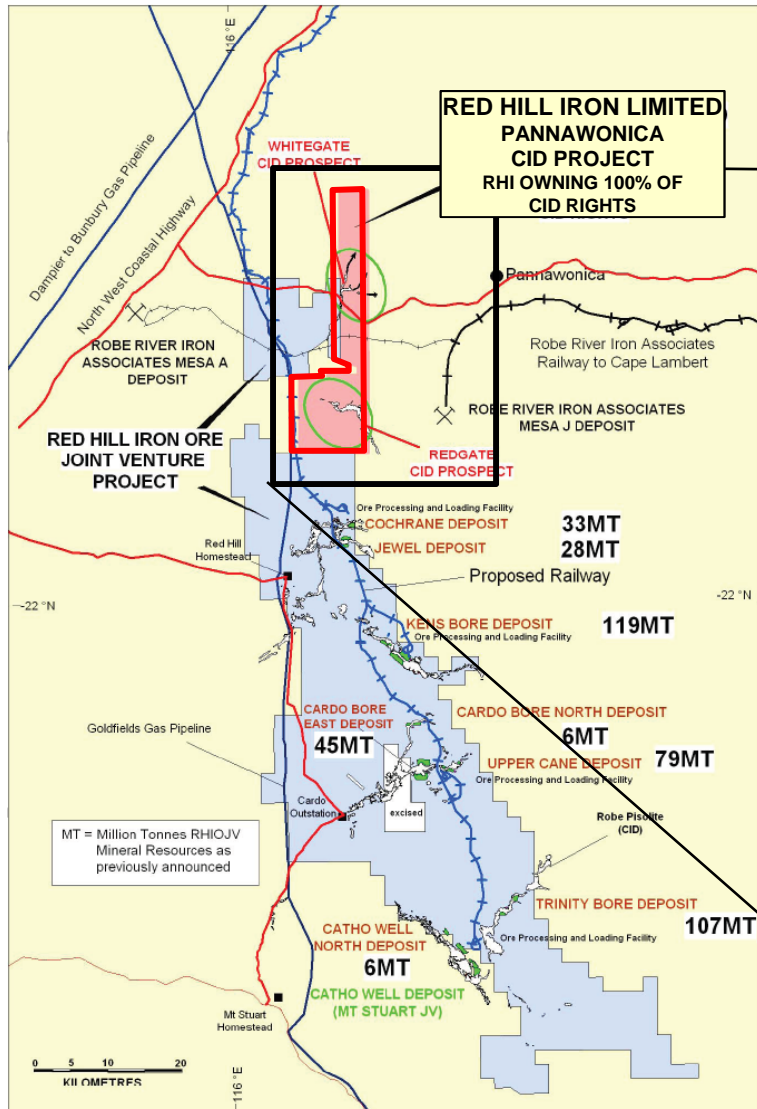
WPIOP Operating Costs

Area	Opex (\$/t)*
Mining	10.32
Processing	2.25
Rail Operations	3.34
Port Operations	3.57
Total	19.48

*Administration costs apportioned

On 28th July Aquila made amendments to their 5th July announcement and recommended that pending a new release with an updated mine schedule and maiden Reserve Statement, no investment decision should be made based on the NPV, the IRR and EBITDA which were referred to in that announcement.





PANNAWONICA PROJECT Planned Drill Hole Locations

Phase 1 : RC drilling

To outline the CID mesas and surrounding aprons. COMPLETE

Phase 2: Metallurgy

Test beneficiation by dry screening. PLANNED

Phase 3 : RC drilling

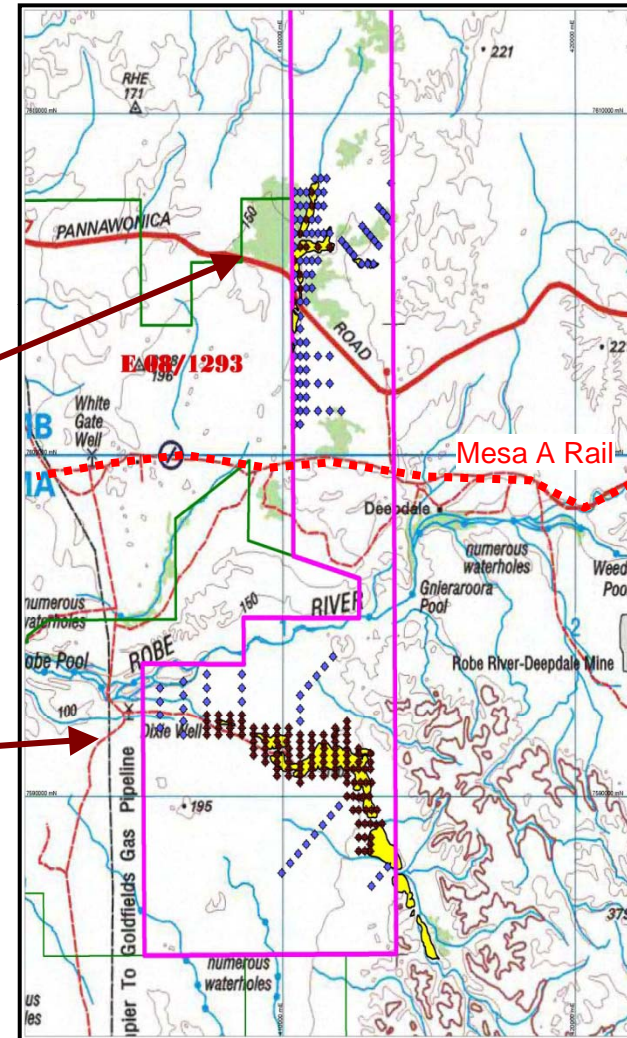
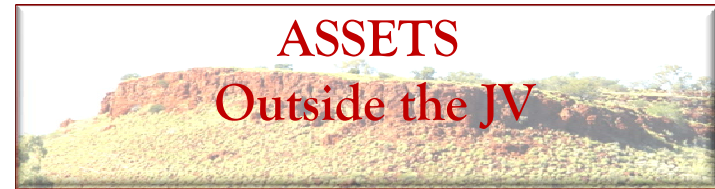
100 x 200 metre infill RC drilling and drilling to test for possible blind CIDs. CONTINGENT ON PHASE 2

WHITEGATE PROSPECT

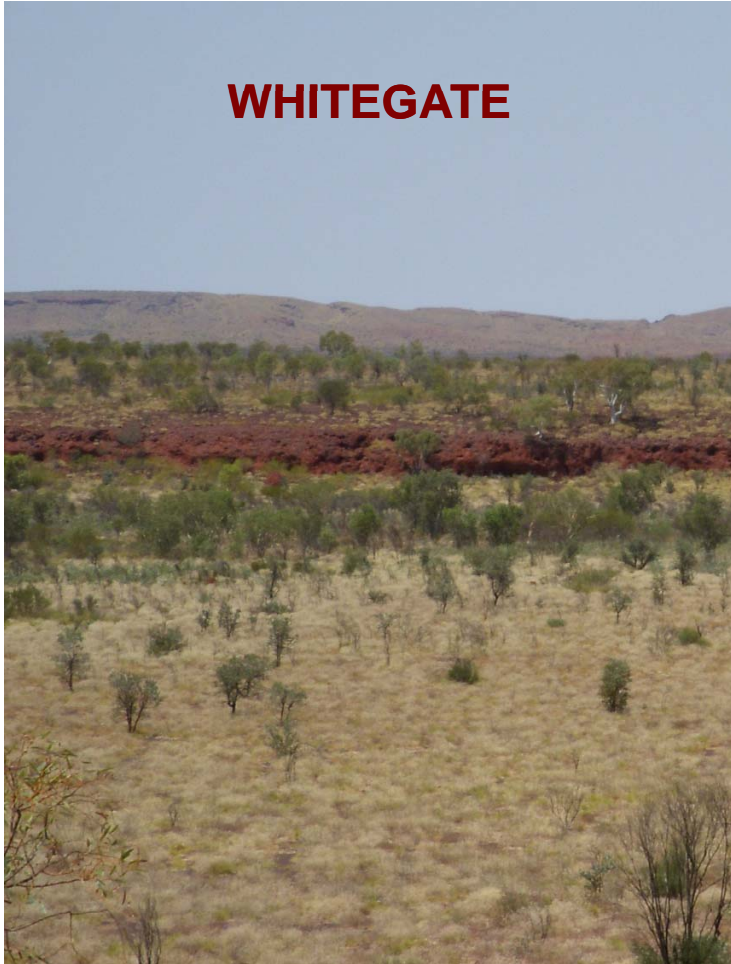
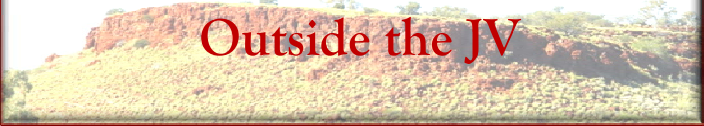
The CID mesas occur over a strike length of 5.5 kilometres, and widths of up to 0.35 kilometres.

REDGATE PROSPECT

The CID mesas occur over a strike length of 8.5 kilometres, and widths of up to 0.75 kilometres.



ASSETS
Outside the JV





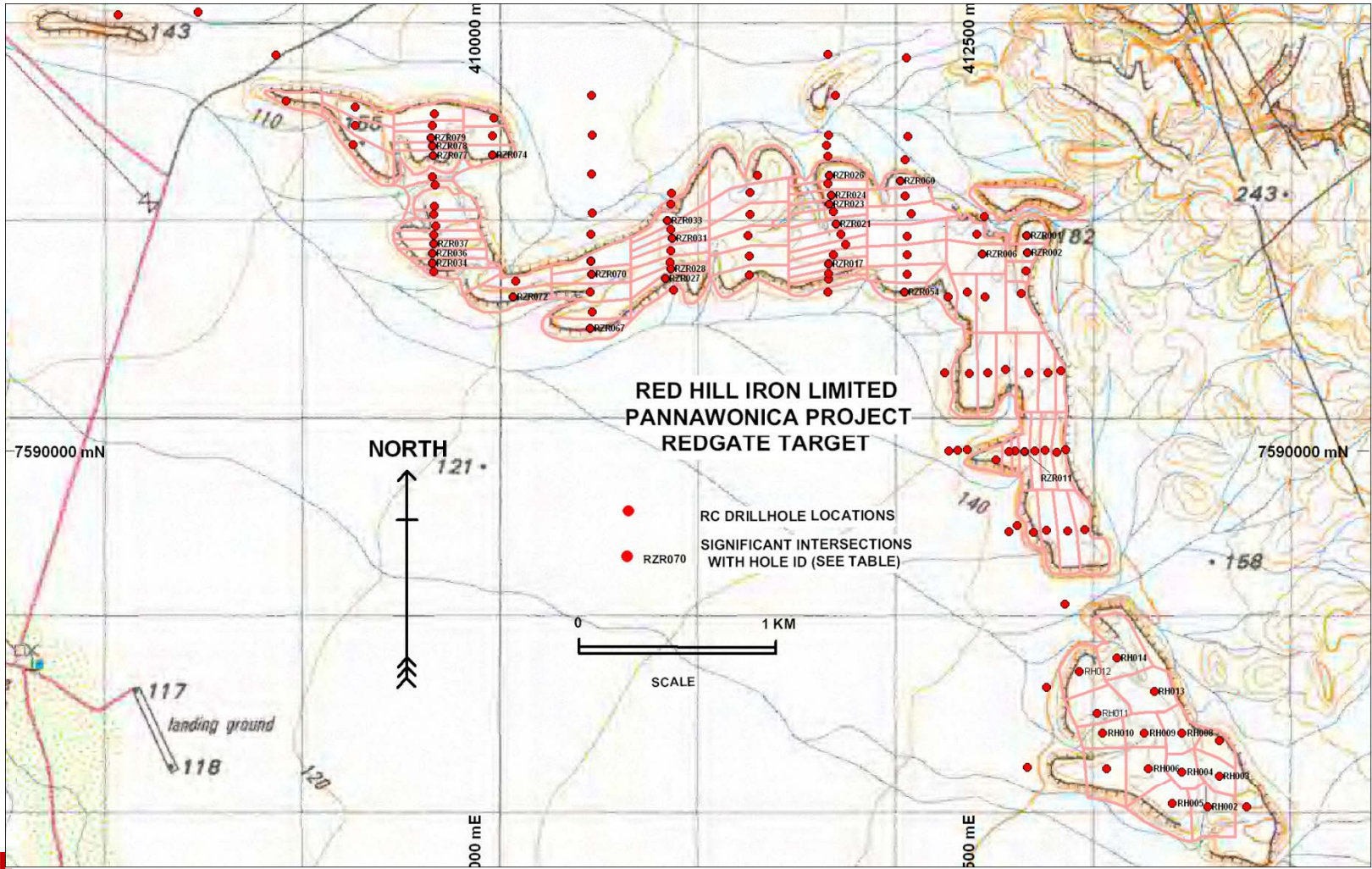
WHITEGATE

WHITEGATE APPEARS MODEST

The drilling so far at Whitegate has revealed a good development of CID mineralization but with lower iron content and higher alumina than expected. This CID is a lesser target with only some 20 metres of relief.

HOLE	INTERSECTIONS	Iron%	Alumina%	Silica%
RZW001	12 metres from 0 metres	56.1	3.6	5.6
RZW002	12 metres from 0 metres	55.6	3.9	7.9
RZW003	4 metres from 0 metres	54.8	4.8	7.9
RZW004	4 metres from 4 metres	56.9	4.2	5.2
RZW006	4 metres from 6 metres	56.1	3.5	8.0
RZW007	6 metres from 0 metres	55.8	3.8	8.1
RZW010	6 metres from 0 metres	55.0	4.2	7.3
RZW011	4 metres from 0 metres	55.8	4.4	5.6
RZW032	4 metres from 18 metres	54.6	3.9	9.6
RZW034	6 metres from 0 metres	55.0	4.4	6.2
RZW036	4 metres from 0 metres	55.0	4.8	5.5
RZW048	4 metres from 0 metres	56.3	3.6	5.1
RZW083	4 metres from 4 metres	55.4	3.7	5.9
RZW088	10 metres from 0 metres	56.0	4.2	5.3
RZW091	12 metres from 2 metres	55.2	3.9	8.1
RZW092	8 metres from 0 metres	58.9	3.3	3.9
RZW093	9 metres from 0 metres	58.2	3.6	4.9

Drill sections with greater than 54% iron and at least 4 metres width.



Selected Composites - 48%Fe Cutoff

Hole #	E	N	Fr	To	m	Fe%	Al ₂ O ₃	SiO ₂
RH002	413721	7588194	0	38	38	52.5	6.7	11.0
RH003	413781	7588354	2	38	36	52.2	6.4	11.5
RH004	413591	7588374	8	48	40	54.2	5.1	8.8
RH005	413541	7588214	2	36	34	52.3	5.5	10.4
RH006	413421	7588394	20	32	12	51.5	5.5	11.7
RH008	413591	7588574	12	28	16	50.9	6.8	11.5
RH009	413401	7588574	18	42	24	52.8	5.2	10.5
RH010	413191	7588574	12	34	22	54.0	4.9	9.8
RH011	413161	7588674	18	42	24	51.7	5.1	11.5
RH012	413071	7588884	16	30	14	49.8	6.0	12.6
RH013	413451	7588784	24	44	20	52.4	5.6	9.7
RH014	413261	7588954	12	28	16	52.5	5.7	9.9
RZR001	412804	7591092	0	30	30	54.4	5.1	9.5
RZR002	412808	7591007	0	12	12	53.6	5.8	9.5
RZR006	412580	7591000	16	36	20	54.9	4.3	9.2
RZR011	412795	7589994	12	22	10	52.6	6.9	8.6
RZR017	411801	7590949	8	18	10	52.9	5.3	9.3
RZR021	411840	7591152	2	20	18	54.7	4.6	6.9
RZR023	411805	7591253	8	24	16	52.9	5.4	7.6
RZR024	411816	7591298	0	26	26	52.5	4.8	9.4
RZR026	411804	7591397	6	24	18	53.2	5.0	8.1
RZR027	410975	7590879	0	12	12	52.5	6.3	7.3
RZR028	411002	7590927	10	24	14	52.7	5.9	8.6
RZR031	411010	7591080	6	20	14	54.0	4.8	7.0
RZR033	410984	7591169	0	16	16	54.3	5.2	6.4
RZR034	409794	7590954	0	14	14	52.7	4.3	9.9
RZR036	409794	7591001	0	12	12	53.0	4.2	8.6
RZR037	409802	7591050	0	14	14	54.3	4.7	6.3
RZR054	412186	7590810	0	12	12	53.8	5.0	7.5
RZR060	412166	7591370	0	18	18	52.2	5.3	9.2
RZR067	410593	7590624	0	12	12	53.0	5.7	7.4
RZR070	410600	7590900	0	18	18	54.0	4.8	7.5
RZR071	410595	7590963	0	14	14	53.9	4.8	7.6
RZR072	410202	7590783	0	20	20	53.6	4.9	7.4
RZR074	410099	7591502	0	12	12	52.3	5.7	8.0
RZR077	409798	7591497	0	18	18	52.0	5.0	9.4
RZR078	409794	7591547	6	18	12	52.0	4.3	9.6
RZR079	409786	7591589	0	14	14	52.8	3.9	9.0



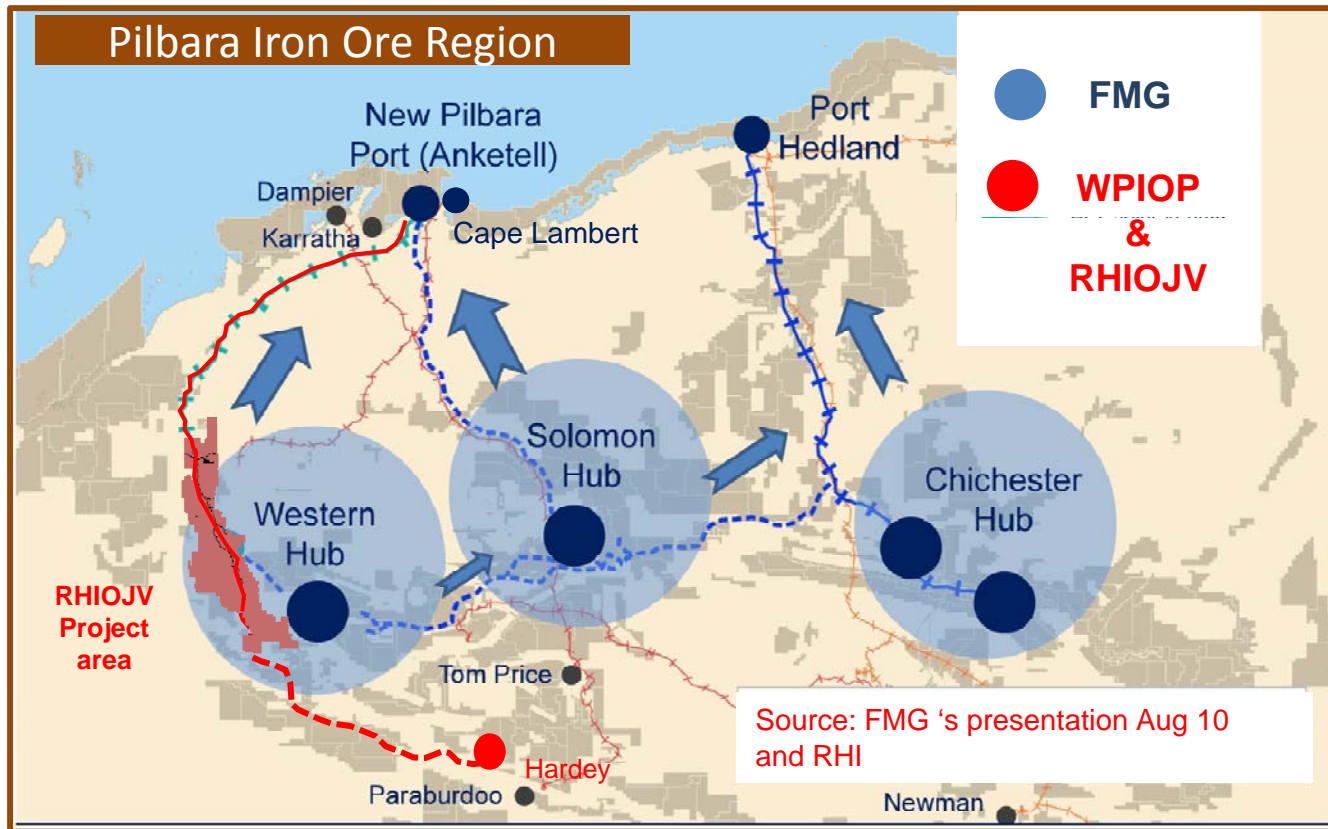
REDGATE APPEARS LARGE BUT MODEST GRADE

The drilling so far at Redgate has outlined a large tonnage potential of modest grade CID along a length of over 6 kilometres of mesa. The drill results include the significant intersections shown in the table.

The intersections of CID mineralization occur almost entirely above the level of the surrounding plain which provides the opportunity for defining significant resources of very favourable stripping ratio and almost all above water table. The mesa lies very close to both the Robe River and Associates Pannawonica railway and close to the proposed route of the railway planned to service the Red Hill Iron Ore Joint Venture CID resources.

While a small tonnage of direct shipping grade CID is targeted at Whitegate, the much larger Redgate target will require beneficiation to achieve optimal grades. An upgrade of the iron content and reduction of the alumina and silica content by clay removal using standard crushing and dry processing technology is to be examined. To this end, a diamond drilling program is planned to commence shortly to provide bulk samples for petrographic and metallurgical testing and specific gravity analysis

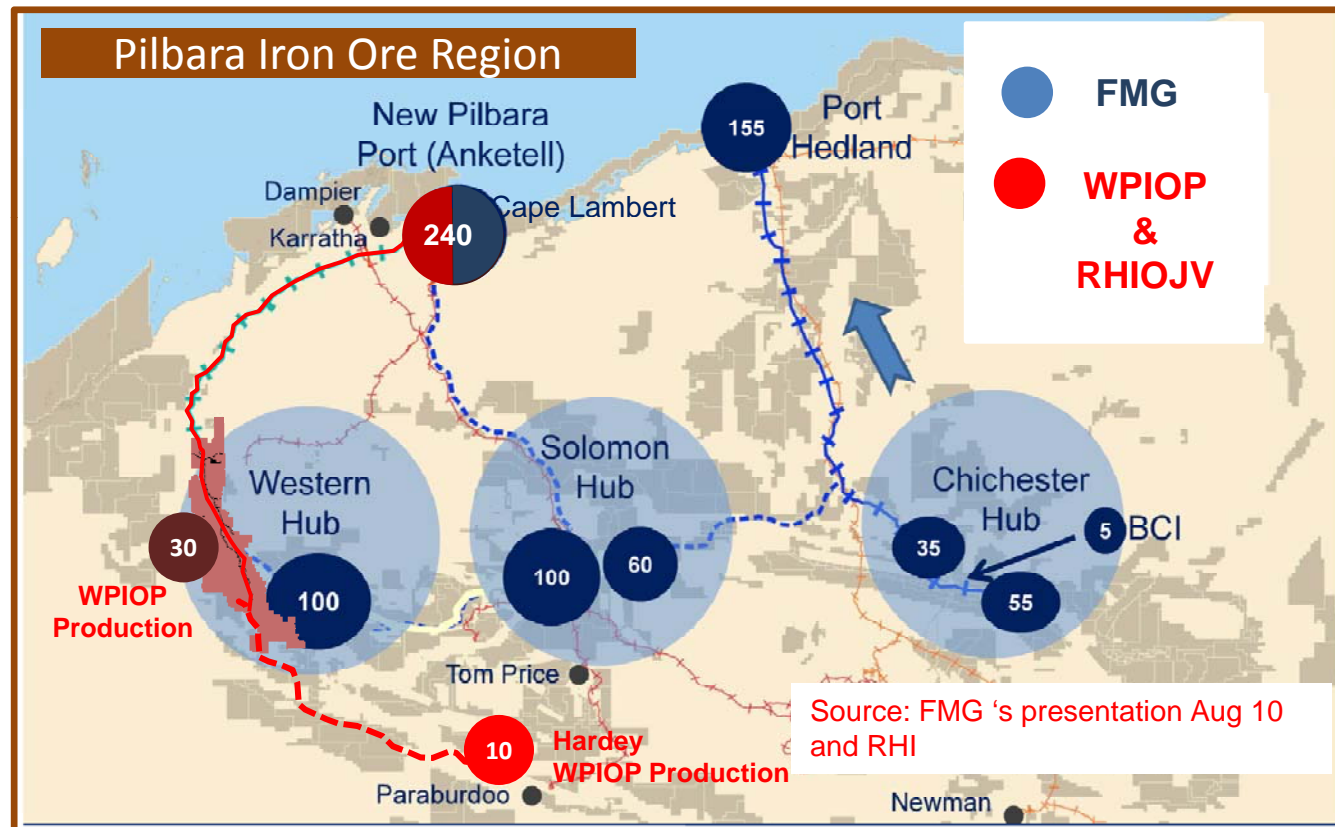
On the 10th August Fortescue Metals Group Ltd (FMG) gave a detailed presentation of its conceptual view of the future for its Pilbara iron ore assets including the development of Anketell port. The following two slides overlay the infrastructure relevant to the RHIOJV.

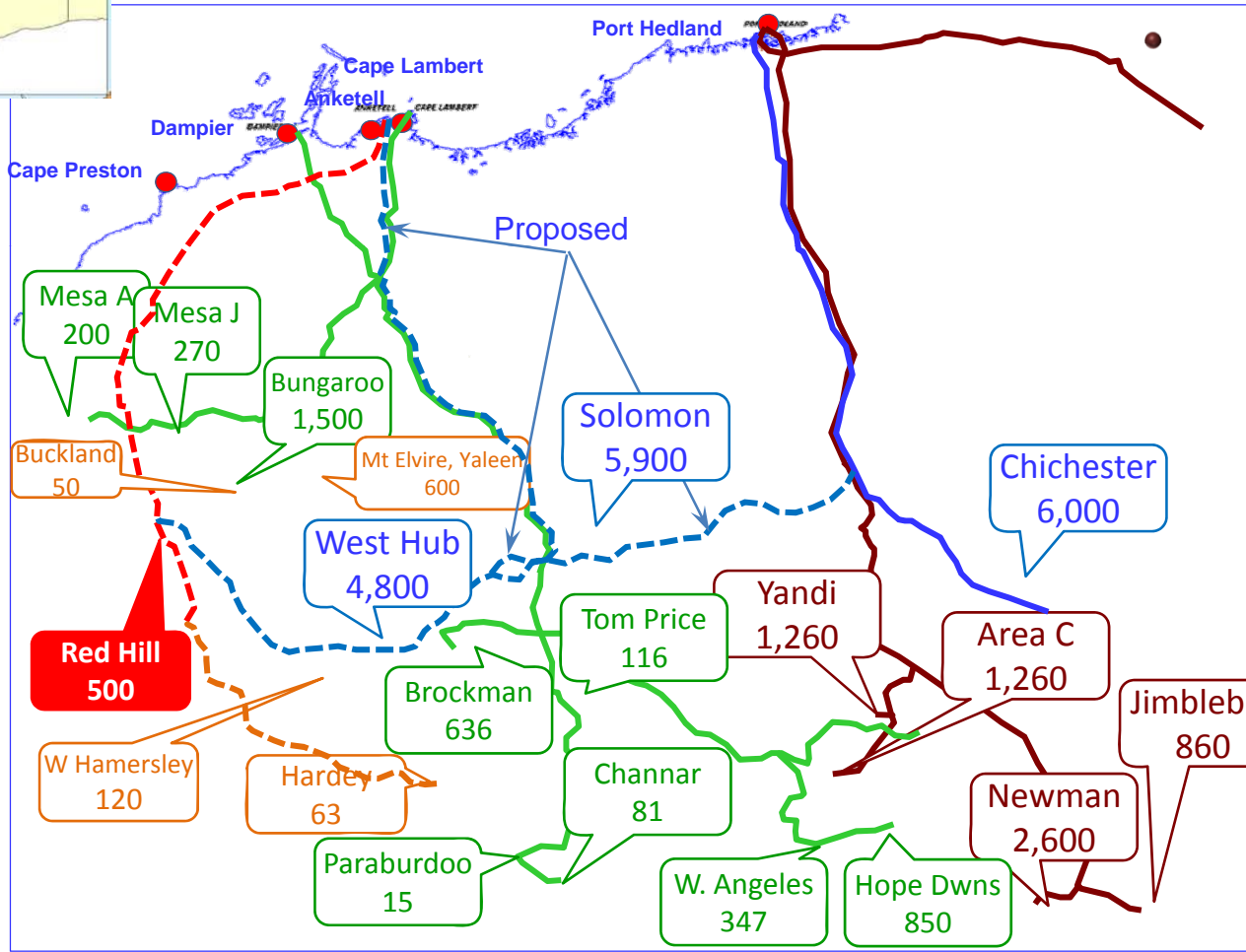


REGIONAL PLAY



If both the FMG and WPIOP present development concepts come to fruition then Anketell Point and the West Pilbara will be established as a major Australian Iron Ore Province.





RESOURCE
Tonnes are
Millions

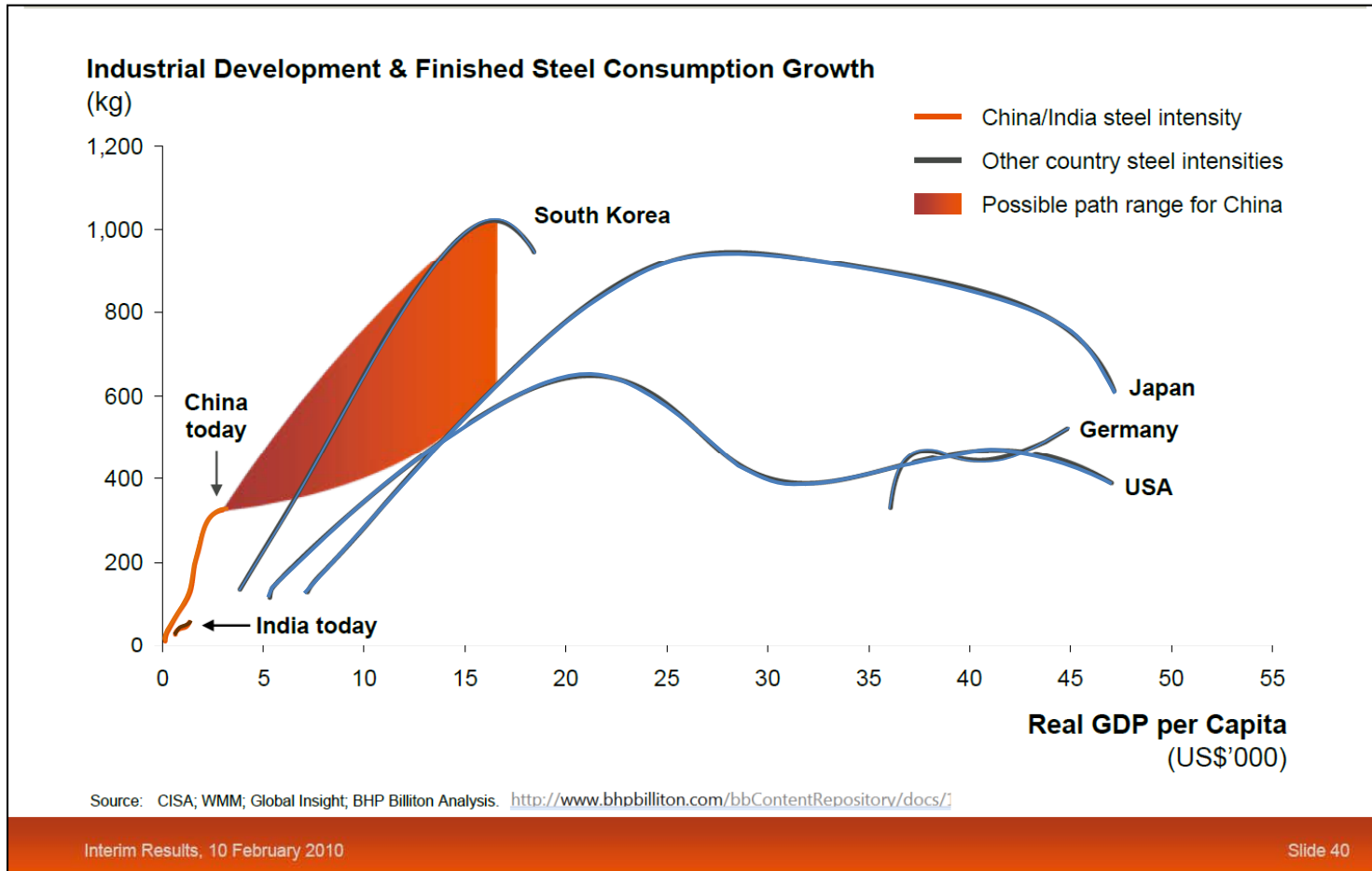
BHP

RIO

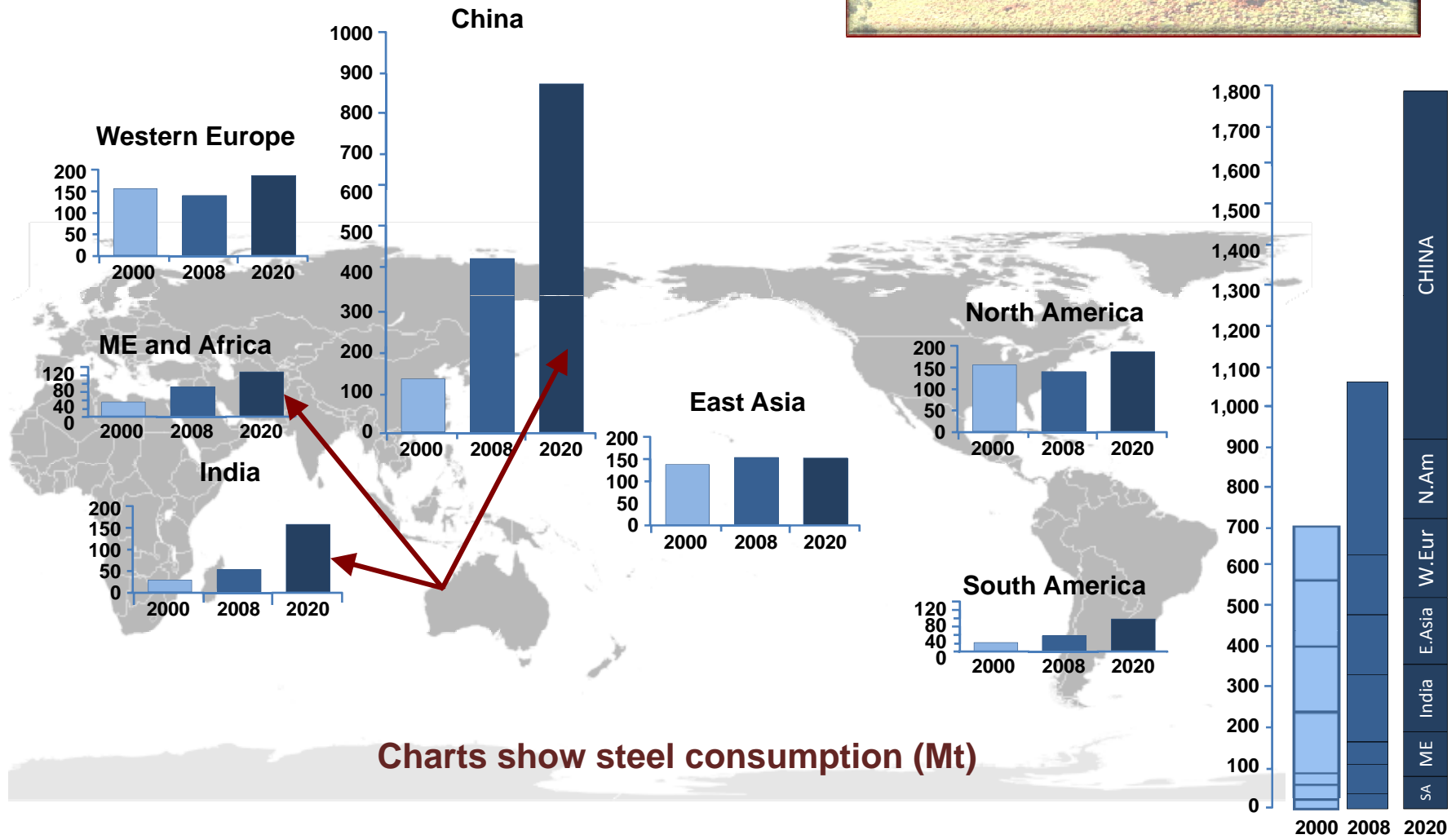
FMG

Other

Steel Intensity Per Capita Grows Strongly As A Nation Becomes Wealthier



China and other emerging nations will drive steel consumption growth



Charts show steel consumption (Mt)

THE WAY FORWARD



West Pilbara Iron Ore Project – Stage 1

- ☀ **Stage 1 of the WPIOP is based on CID Deposits SW of Pannawonica**
- ☀ **A Feasibility Study for mine, rail and Anketell Port completed June 2010**
- ☀ **Public Environmental Review submitted early 2010**
- ☀ **Development Decision expected 2010***
- ☀ **Government approvals expected by mid 2011***
- ☀ **Construction commencing in 2011***
- ☀ **Production start-up in 2014***

* Aquila announcement 5th July



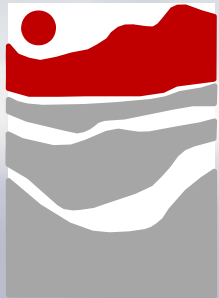
RED HILL
IRON LIMITED

Competent Person Statement



Competent Person Statement

The information in this announcement is based on information compiled by Mr Doug Stewart, who is a Fellow of The Australasian Institute of Mining and Metallurgy and is an employee of Red Hill Iron Limited. Mr Stewart has sufficient experience which is relevant to the style of mineralisation and types of deposits 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 Stewart consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



RED HILL IRON LIMITED

ABN: 44 114 553 392

AUGUST 2010 UPDATE

