

31 January 2013

The Manager
Announcements
Company Announcements Office
ASX Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir / Madam,

Announcement of Entitlement Offer

Red Hill Iron Limited announces a non-renounceable pro-rata issue of up to 5,489,461 fully paid ordinary shares at a price of 80 cents each to all shareholders of the Company as at 19 February 2013, on the basis of 1 share for every 8 shares held, to raise up to \$4,391,569 before costs. The Offer is fully underwritten by Euroz Securities Limited.

The purpose of the Offer is to raise funding for exploration and evaluation of the Company's Pannawonica CID Project, repayment of Directors' loans expected to arise from the settlement of legal costs, overseeing of the Company's interest in the Red Hill Iron Ore Joint Venture (RHIOJV), administration and operating costs of the Company and costs of the Offer.

The proposed timetable for this issue is set out below:

Announcement of Entitlement Issue, lodgement of Prospectus, application for listing	31 January 2013
Despatch of preliminary Notice to Shareholders	4 February 2013
Ex date – shares trade ex-entitlements	13 February 2013
Record Date for determining entitlements to new shares	19 February 2013
Prospectus and Entitlement and Acceptance Form despatched – Offer opens	22 February 2013
Offer closes - latest date for acceptances and payment in full	8 March 2013
Shares quoted on a deferred settlement basis	12 March 2013
Announcement of under-subscription	14 March 2013
Despatch Date - last day for shares to be entered into shareholders' holdings	19 March 2013

These dates are indicative only and may vary. The Company reserves the right to vary the opening and closing dates of the Entitlement Offer without prior notice subject to compliance with the ASX Listing Rules. This may impact on subsequent dates.

Yours faithfully

Peter Rutledge
Company Secretary