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ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

4 July 2014

BY ELECTRONIC LODGEMENT

Aurizon – Initial substantial holder notice for Red Hill Iron

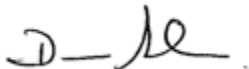
Please find attached a notice of initial substantial holder in respect of Red Hill Iron Limited (**Red Hill Iron**), for immediate release to the market.

This does not mean Aurizon (or any of its subsidiaries) have acquired shares in Red Hill Iron (or Cullen Resources Limited (Cullen Resources), in respect of the notice given yesterday). The notices are given to satisfy requirements of the Corporations Act 2001 (Cth) arising as a result of Aurizon and Baosteel's bid for Aquila Resources Limited (Aquila).

As a result of having voting power of more than 20% in Aquila, Aurizon Operations Limited is automatically deemed to have the same relevant interests as Aquila under section 608(3)(a) of the Corporations Act. Aurizon Holdings Limited is deemed to have the same relevant interests as Aurizon Operations Limited as it controls Aurizon Operations Limited.

As far as Aurizon is aware, Aquila (or subsidiaries of Aquila) remain the registered shareholders of Aquila's relevant interest in Red Hill Iron and Cullen Resources.

Yours faithfully



Dominic D Smith
VP & Company Secretary



Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Red Hill Iron Limited (Red Hill Iron)

ACN/ARSN 114 553 392

1. Details of substantial holder (1)

Name Aurizon Holdings Limited

ACN/ARSN (if applicable) 146 335 622

This notice is given by Aurizon Holdings Limited on behalf of itself and Aurizon Operations Limited.

The holder became a substantial holder on 1 July 2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	8,680,179 * (see footnote)	8,680,179	17.57%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Aurizon Holdings Limited	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Aurizon Operations Limited.	8,680,179 ordinary shares
Aurizon Operations Limited	Taken under section 608(3)(a) of the Corporations Act 2001 to have a relevant interest by reason of having voting power in excess of 20% of Aquila Resources Limited (Aquila).	8,680,179 ordinary shares
Baosteel Resources Australia Pty Ltd (BRA)	Taken under section 608(3)(a) of the Corporations Act 2001 to have a relevant interest by reason of having voting power in excess of 20% of Aquila.	8,680,179 ordinary shares
Fortune BS Company Pte Ltd (Fortune BS)	Taken under section 608(3)(a) of the Corporations Act 2001 to have a relevant interest by reason of having voting power in excess of 20% of Aquila.	8,680,179 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Each of the parties named in item 3	Penoir Pty Ltd	Not applicable	6,735,772 Ordinary shares
	Aquila Resources Limited	Not applicable	1,286,564 Ordinary shares
	BT.X Pty Ltd	Not applicable	657,843 Ordinary shares

* We have calculated this figure based on the Form 604 Notice of change of interests of substantial holder given by Aquila to Red Hill Iron on 15 January 2010 (**Aquila SHN**) and Red Hill Iron's 2013 Annual Report (**Annual Report**). Based on the Aquila SHN, we have assumed Aquila's relevant interest is equal to the shareholdings of the registered holders named in section 4 of the Aquila SHN in respect of the Aquila group, as most recently set out in the Annual Report.

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Each of the parties named in item 3	Not applicable – each party is taken to have a relevant interest under section 608(3)(a) or 608(3)(b) (as a result of acceptances of the takeover offer dated 6 June 2014 by Aurizon Operations Limited and BRA to acquire 100% of the shares in Aquila that they do not own)	N/A	N/A	8,680,179 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
Aurizon Holdings Limited	Controls Aurizon Operations Limited
Aurizon Operations Limited	Controlled by Aurizon Holdings Limited
BRA and Fortune BS	Pursuant to the Joint Bidding Agreement, the Shareholders Agreement, the Infrastructure Framework Agreement and the Convertible Securities Agreement annexed to Aurizon Holdings Limited's <i>Form 603: Notice of initial substantial holder</i> , given to the ASX on 5 May 2014, and sections 12(2)(b) and (c) of the Corporations Act

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Aurizon Holdings Limited	Level 17, 175 Eagle Street, Brisbane, QLD 4000 Australia
Aurizon Operations Limited	c/- Aurizon Holdings Limited, Level 17, 175 Eagle Street, Brisbane, QLD 4000 Australia
BRA	Level 20, Allendale Square, 77 St Georges Terrace, Perth, WA 6000 Australia
Fortune BS	c/o Baosteel Tower, No 370 Pudian Road, Pudong New District, Shanghai, China
Aquila Resources Limited	Level 2, 1 Preston Street, Como, WA 6000 Australia
Penoir Pty Ltd	Level 2, 1 Preston Street, Como, WA 6000 Australia
BT.X Pty Ltd	Level 2, 1 Preston Street, Como, WA 6000 Australia

Signature

print name	Dominic D Smith	capacity	Company Secretary
sign here		date	4 July 2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.

- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
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