

24 April 2015

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

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2015

Current Corporate Commentary

Red Hill Iron Limited (RHI) is a 40% participant in the Red Hill Iron Joint Venture (RHIOJV) which owns the major portion of the Channel Iron Deposits (CID) which make up the West Pilbara Iron Ore Project planned to involve the shipping of 40 million tonnes per year of ore using a new rail and port connection the feasibility of which is currently being studied by Aurizon Limited.

The other ultimate participants with RHI in the RHIOJV are Baosteel Resources Australia, a wholly owned enterprise of the Chinese Government, AMCI Inc. a privately owned company with strategic investments in coal, minerals, metals and shipping and Posco a major Korean steel producer.

Shareholders will be well aware of the recent dramatic fall in the price of iron ore. Whilst current market conditions are depressing, shareholders should note that RHI has a medium to long term perspective and is not exposed to the present price of iron ore.

The company has no debt and is carried at the 40% level for all project costs until production commences at which point it can elect either to reduce its participating interest in the RHIOJV to 20% or elect to exchange its 40% RHIOJV interest for a 2% FOB Royalty on all future RHIOJV production with all project cost repayment liability written off. Should RHI elect to continue as a 20% participant then it would be required to repay that liability out of 80% of its share of free cash flow.

RHIOJV (40% Red Hill Iron)

Exploration work continued during the Quarter targeting the infill and extension of Kens Bore Channel Iron Deposits (CID) located within the Red Hill Iron Ore Joint Venture (RHIOJV) project area (Figure 1).

A total of 18 RC drill holes for 824m were completed in the March Quarter with drilling targeting CID mineralisation formed by the alluvial and chemical deposition of iron rich sediments in palaeo-river channels (Figure 2). The programme has targeted areas where the CID mineralisation remained open and also infilled previous drilling to 100 x 100 metre centres in order to constrain mineralised zones and improve resource confidence (JORC 2012).

Infill drilling results are generally consistent with previous drill assays and geological interpretations. Better RC drill assays received from drilling targeting outcropping CID included ($\geq 10\text{m}$ thick):

Kens Bore Deposit

- 12m @ 56.43% Fe from 18m in KBRC1538
- 18m @ 54.62% Fe from 14m in KBRC1549
- 12m @ 54.40% Fe from 14m in KBRC1551
- 10m @ 54.13% Fe from 28m in KBRC1560.

Intercepts are true widths and calculated for greater than 52% Fe.

A full set of better intercepts ($\geq 10\text{m}$ thick) are reported in Table 1. Figure 2 shows the location of drill holes. Table 2 in Appendix 1 contains all drill results. Areas where mineralisation remained open on the main resource area have been closed-out and will result in additional tonnage being added to the current Mineral Resource. (The JORC 2012 – Table 1 information relating to the sampling techniques and data and the reporting of these exploration results is set out in Appendix 2).

Work has progressed on updating the Catho Well North, Cochrane, Jewel, Kens Bore, Upper Cane, Cardo Bore East, Cardo Bore North and Trinity Bore Mineral Resource Estimates that are being revised to include RC drilling carried out since the last Mineral Resource estimate was published in 2010. Revised Mineral Resource estimates will be completed next Quarter.

A total of 9 diamond drill holes for 274m were completed at the Cardo Bore East, Catho Well North, and Trinity Bore Deposits for geotechnical and beneficiation test work purposes (Figure 1). The Metallurgical testwork programme will continue into next quarter.

Work will continue next quarter focusing on mine planning and advancing a Mining Reserve Estimate (to JORC 2012 reporting standards) and accompanying FS for the RHIOJV as part of the broader West Pilbara Iron Ore Project (WPIOP).

The Manager's HSEC Management System improvement process continued.

Geotechnical studies on the WPIOP Main Access Road commenced. Kens Bore hydro programme production and monitoring bores were installed with aquifer testing trial work to commence during the next quarter.

Compliance reporting and monitoring activities were fulfilled. A Compliance Assessment report was submitted to the OEPA in fulfilment of Condition 4 of the Mine approval (Ministerial Statement 881) for the WPIOP. An Annual Groundwater Monitoring Report was submitted to the Department of Water.

Final execution of the PKKP Native Title Agreement was completed.

Heritage surveys continued over areas covering Cardo resource areas, including Cochrane/Jewel, Cardo Bore East and Kens Bore.

Competent Person Statement

Exploration Results

The information in this report that relates to exploration results is based on information compiled by Mr Stuart Tuckey, who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of API Management Pty Ltd. Mr Tuckey 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1 – Better Drilling Intercepts Received –March 2015 Quarter

Prospect	Site ID	Easting	Northing	RL	Depth From	Intercept	Al ₂ O ₃ %	Si O ₂ %	P%	S%	LOI 1000 %	Hole Depth
Kens Bore	KBRC1538	418625.74	7558892.44	221.68	18	12.0m @ 56.43% Fe	3.79	7.15	0.061	0.003	7.69	40
Kens Bore	KBRC1549	418737.24	7558956.16	236.14	14	18.0m @ 54.62% Fe	4.75	9.11	0.053	0.012	7.28	58
Kens Bore	KBRC1551	418754.88	7558910.28	237.24	14	12.0m @ 54.40% Fe	5.05	9.40	0.061	0.014	6.83	58
Kens Bore	KBRC1560	418517.73	7559027.28	229.86	28	10.0m @ 54.13% Fe	5.60	7.97	0.068	0.005	8.21	52

All drill holes targeting CID were drilled vertically.

All co-ordinates are in MGA94 Zone 50.

Intercepts are true widths \geq 10m thick and calculated using a 52% Fe cut-off.

Figure 1 – Location Plan

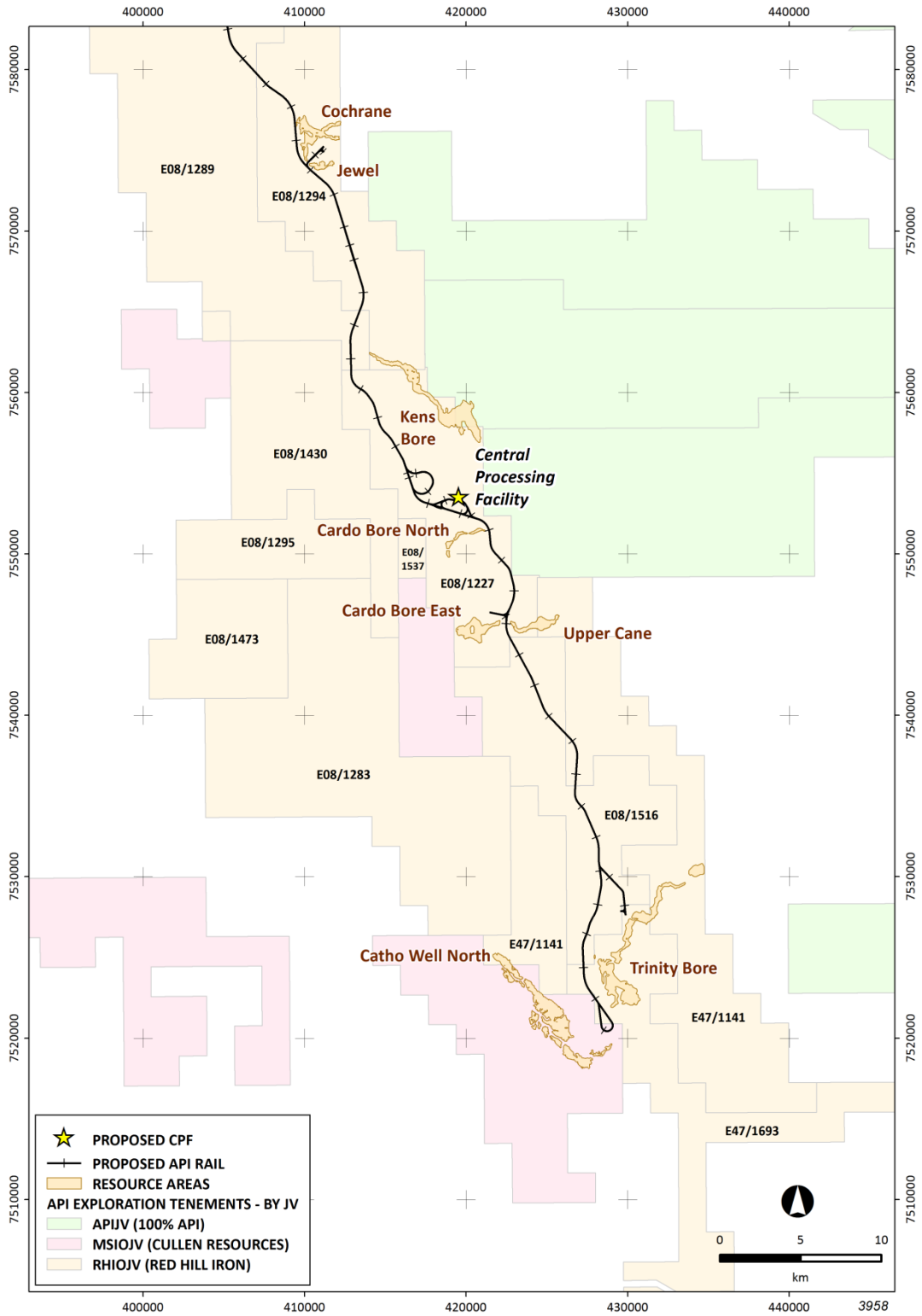
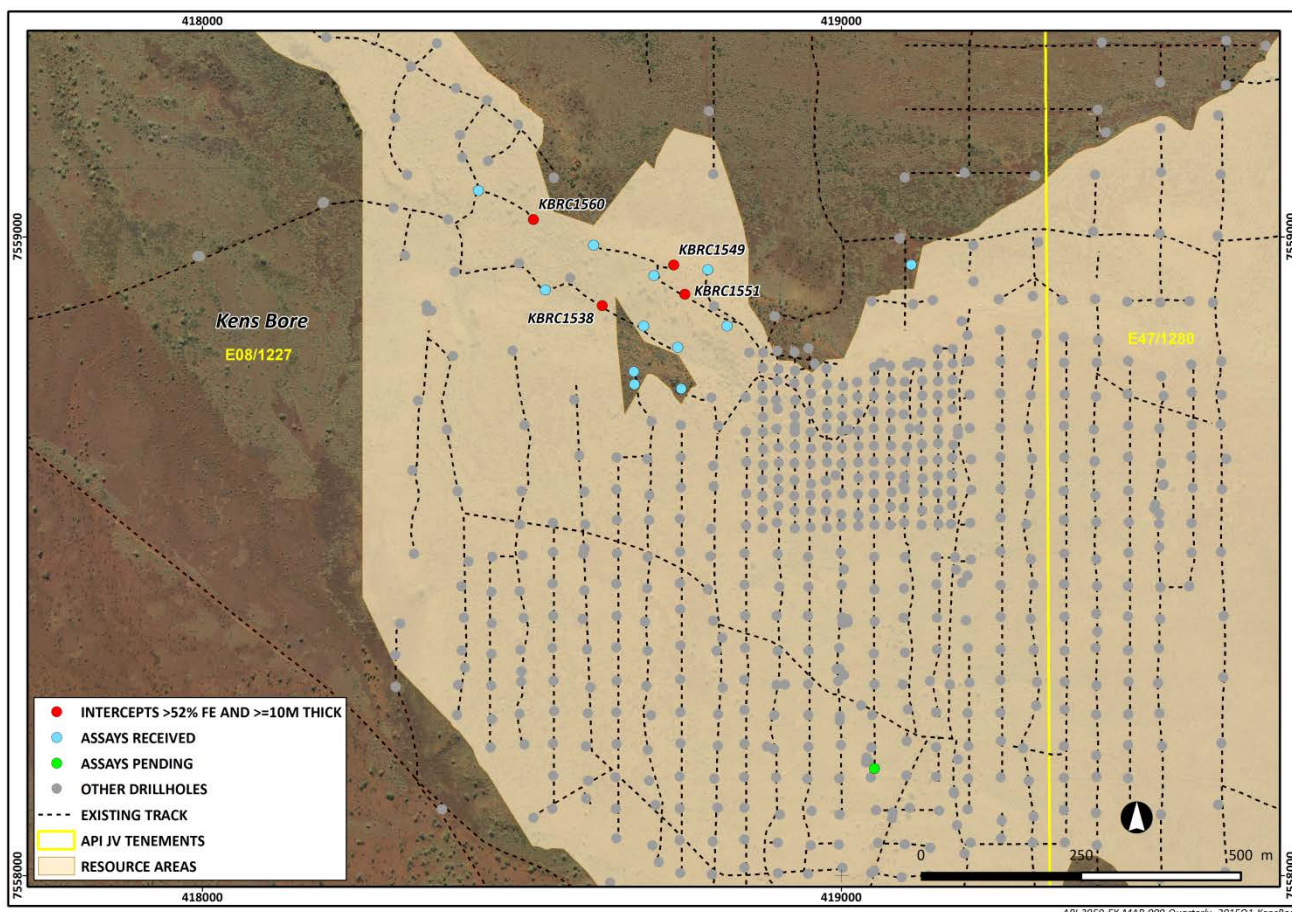


Figure 2 – Kens Bore Drill Hole Locations



API-3959-EX-MAP-000-Quarterly_2015Q1-KensBore

Pannawonica Project (100% Red Hill Iron)

The Pannawonica Project is dependent on the development by third parties of transport infrastructure solutions. Either the proposed WPIOP/Aurizon rail and port infrastructure development using Anketell Point or the BC Iron Ltd proposed road and transshipment infrastructure using Cape Preston East could enable this project which has an Ore Reserve Estimate (JORC Code 2112) of 29.3 million tonnes at 54 % iron to be developed.

Neil Tomkinson
Chairman

APPENDIX 1

RHIOJV Operations

Table 2 – Drilling Intercepts Received – March 2015 Quarter

Prospect	Site ID	Easting	Northing	RL	Depth From	Intercept	Al2O3 %	SiO2 %	P%	S%	LOI 1000 %	Hole Depth
Kens Bore	KBRC1534	420999.18	7556755.51	239.01	Results below intercept cut-off							28
Kens Bore	KBRC1535	420901.92	7556748.53	238.55	Results below intercept cut-off							28
Kens Bore	KBRC1536	418743.64	7558827.19	223.43	0	2.0m @ 53.57% Fe	6.41	8.19	0.051	0.027	8.22	28
Kens Bore	KBRC1537	418690.49	7558860.93	222.62	4	8.0m @ 52.07% Fe	5.45	11.12	0.060	0.011	7.95	28
Kens Bore	KBRC1538	418625.74	7558892.44	221.68	18	12.0m @ 56.43% Fe	3.79	7.15	0.061	0.003	7.69	40
Kens Bore	KBRC1539	418536.72	7558917.19	220.11	Results below intercept cut-off							16
Kens Bore	KBRC1548	418611.93	7558986.91	229.77	12	6.0m @ 54.64% Fe	5.33	7.99	0.057	0.017	7.77	70
Kens Bore	KBRC1548	418611.93	7558986.91	229.77	26	4.0m @ 52.86% Fe	5.75	9.72	0.057	0.006	8.03	70
Kens Bore	KBRC1549	418737.24	7558956.16	236.14	14	18.0m @ 54.62% Fe	4.75	9.11	0.053	0.012	7.28	58
Kens Bore	KBRC1550	418706.60	7558939.52	235.23	14	4.0m @ 54.79% Fe	4.76	8.71	0.058	0.021	7.50	64
Kens Bore	KBRC1550	418706.60	7558939.52	235.23	24	2.0m @ 52.64% Fe	4.72	11.33	0.066	0.011	7.77	64
Kens Bore	KBRC1550	418706.60	7558939.52	235.23	30	2.0m @ 52.26% Fe	6.10	11.12	0.054	0.008	7.17	64
Kens Bore	KBRC1551	418754.88	7558910.28	237.24	14	12.0m @ 54.40% Fe	5.05	9.40	0.061	0.014	6.83	58
Kens Bore	KBRC1552	418790.73	7558948.86	235.26	18	2.0m @ 53.83% Fe	4.41	10.49	0.056	0.014	7.35	40
Kens Bore	KBRC1553	418820.74	7558860.56	237.81	Results below intercept cut-off							34
Kens Bore	KBRC1554	419109.38	7558956.39	225.67	Results below intercept cut-off							22
Kens Bore	KBRC1555	418675.08	7558789.27	235.92	Results below intercept cut-off							46
Kens Bore	KBRC1556	418675.81	7558769.17	237.26	Results below intercept cut-off							40
Kens Bore	KBRC1557	418749.42	7558762.31	236.58	Results below intercept cut-off							40
Kens Bore	KBRC1560	418517.73	7559027.28	229.86	16	2.0m @ 55.82% Fe	4.78	6.09	0.083	0.007	8.84	52
Kens Bore	KBRC1560	418517.73	7559027.28	229.86	28	10.0m @ 54.13% Fe	5.60	7.97	0.068	0.005	8.21	52
Kens Bore	KBRC1561	418431.52	7559072.66	232.88	0	2.0m @ 52.49% Fe	4.54	7.85	0.061	0.014	11.70	22

All drill holes targeting CID were drilled vertically.

All co-ordinates are in MGA94 Zone 50.

Intercepts are true widths \geq 2m thick and calculated using a 52% Fe cut-off.

APPENDIX 2

RHIOJV Operations

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none">• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>• <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	<ul style="list-style-type: none">• Samples for analysis were collected every 2m down hole directly from the cyclone after passing through a three tier riffle splitter mounted on the RC drilling rig. Each sample represented 12% (by volume) of the drilling interval with an average weight of 4kg for a 2m interval. Standards and duplicates were inserted into the sample sequence at the rate of 1 in 50 samples, i.e. every 25th sample was a standard or a duplicate. These samples were used to test the precision and accuracy of the sampling method and laboratory analysis.• Sample analysis was completed by SGS Laboratories in Welshpool, WA. Samples were sent direct to the laboratory, sorted, dried and pulverised using a ring mill.• Samples were analysed for a suite of elements by X-Ray Fluorescence Spectrometry and gravimetrically for Loss on Ignition (LOI 1000° and LOI 371 °C). Assays were reported to API by email.
Drilling techniques	<ul style="list-style-type: none">• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<ul style="list-style-type: none">• RC drilling utilised a 5 ¼” face sampling hammer.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • Sample recoveries and quality were recorded for each sampling interval by the geologist as part of the digital logging system. Samples were classified as dry, damp or wet. Sample recoveries were based on estimates of the size of drill spoil piles and were recorded as a percentage of the expected total sample volume. The majority of drilling was completed above the water table and sample recovery estimates of 100% were the norm. The cyclone was cleaned in between drill holes to minimise sample contamination. Previous twinned hole studies (diamond vs RC) at API project areas indicate minimal sample bias using RC drilling techniques.
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • All RC drill holes were sampled, assayed and geologically logged. All data and information was validated prior to being uploaded and stored in the API SQL-based geological database in Perth.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Sample recoveries and quality were recorded for each sampling interval by the geologist as part of the digital logging system. Samples were classified as dry, damp or wet. Sample recoveries were based on estimates of the size of drill spoil piles and were recorded as a percentage of the expected total sample volume. The majority of drilling was completed above the existing water table and recoveries of 100% were therefore the norm. • Samples for analysis were collected every 2m down hole directly from the cyclone after passing through a three tier riffle splitter mounted on the RC drilling rig. Each sample represented 12% (by volume) of the drilling interval with an average weight of 4kg for a 2m interval. • Duplicate samples were collected every 50th sample. Results were compared on receipt of results from laboratory.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Sample analysis was completed by SGS Laboratories in Welshpool, WA. Standards and duplicates were inserted into the sample sequence at the rate of 1 in 50 samples, i.e. every 25th sample was a standard or a duplicate. These samples were used to test the precision and accuracy of the sampling method and / or laboratory analysis. All results show an acceptable level of accuracy and precision.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Laboratory performance was monitored by the submission of analytical standards and the collection of duplicate samples. Standards and duplicates were inserted into the sample sequence at the rate of 1 in 50 samples, i.e. every 25th sample was a standard or a duplicate. Results from the standard and duplicate samples were monitored for any discrepancies throughout the drill programmes. QA/QC reports were routinely

Criteria	JORC Code explanation	Commentary
		<p>generated by API geological staff and any issues were addressed immediately. QA/QC reporting was completed by a Senior Geologist (API). No twinned holes were completed during the programme. No adjustments were made to any of the results. All data management procedures (field and office) are documented.</p>
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • All drill holes are initially surveyed by handheld GPS and later surveyed by differential GPS utilising an independent contractor (MGA, Zone 50). Drill hole collar co-ordinates were verified in MapInfo GIS software utilising aerial photography as part of API's routine QA/QC procedures. • Topographic coverage of all API projects has been established by aerial survey (LIDAR) with a vertical accuracy of $\pm 0.15\text{m}$.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Drill hole spacing is sufficient for first pass and infill exploratory drilling to establish geological and grade continuity.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Ore bodies and the geology described at the RC drilling locations described in this release are all flat lying. All drill holes were vertical. No sample biasing was observed.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • API and SGS communicate on a regular basis and standard chain of custody paperwork is used. Samples are despatched and transported to the laboratory on a regular basis.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • QA/QC procedures and rigorous database validation rules ensures sampling and logging data is validated prior to being

Criteria	JORC Code explanation	Commentary
		<p>used by API Geologists.</p> <ul style="list-style-type: none"> Independent audits of API's sampling techniques and QA/QC data have been undertaken. Sampling procedures are consistent with industry standards. Any inconsistency within the QA/QC dataset were investigated and action taken as required. API monitors in house all QA/QC data as and when it is received from the laboratory.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Australian Premium Iron Joint Venture (APIJV - between Aquila Steel Pty Ltd and AMCI (IO) Pty Ltd), the Red Hill Iron Ore Joint Venture (RHIOJV - between API and Red Hill Iron Limited) and the Mt Stuart Iron Ore Joint Venture (MSIOJV – between API and Cullen Exploration Pty Ltd) and the Yalleen Project (Helix Resources – royalty) collectively comprise the broader West Pilbara Iron Ore Project (WPIOP), with each joint venture managed by API Management Pty Ltd (API).
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No other mineral exploration for iron ore has taken place by any other parties on any of the project areas during the Quarter mentioned in this report. Exploration work completed by API prior to this report has been summarised in previous ASX releases.

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Work during the Quarter focussed on exploration for outcropping and buried Channel Iron Deposits (CID). <ul style="list-style-type: none"> ○ CID has been formed by the alluvial and chemical deposition of iron rich sediments in palaeo-river channels after erosion and weathering of lateratised Hamersley Group sediments.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • RC Drill hole information is attached in Table 2. All RC drill holes targeting CID were drilled vertically.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Intercepts in “Table 1 – Better Drilling Intercepts Received – March 2015 Quarter” are shown are for intercepts \geq 10m thick using a 52% Fe cut-off.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> • Due to the shallow depth of drill holes and the horizontal stratigraphy of the CID it was not considered a requirement to complete down hole orientation surveys. Mineralisation in each of the areas reported in flat lying and only true mineralisation widths are reported.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Maps showing drill hole locations (where assay results are reported) were included in the body of the report.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Due to the amount of drilling data it is not practicable to report all drilling results. Cut-off grades used for intercept reporting is generally based on a natural well-defined boundary that is consistent with how API has previously reported and modelled and reported CID mineralisation.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Meaningful and material API exploration data has previously been reported and is publically available.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Work will continue across the WPIOP area next Quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13

Name of entity

RED HILL IRON LIMITED

ABN

44 114 553 392

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(43)	(163)
(b) development	-	-
(c) production	-	-
(d) administration	(68)	(436)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	85
Net Operating Cash Flows	(107)	(494)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(107)	(494)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(107)	(494)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(107)	(494)
1.20	Cash at beginning of quarter/year to date	544	931
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	437	437

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	52
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.2 Year to date includes the receipt of 2013 Research & Development incentive during quarter 1 amounting to \$231,000.
1.7 Other comprises refunds of security deposits.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	105
4.2 Development	-
4.3 Production	-
4.4 Administration	123
Total	228

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	28	39
5.2 Deposits at call	109	105
5.3 Bank overdraft	-	-
5.4 Other (Term Deposit)	300	400
Total: cash at end of quarter (item 1.22)	437	544

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	None		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	49,405,037	49,405,037		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	500,000		<i>Exercise price</i> 98.75 cents	<i>Expiry date</i> 8 April 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: **Peter Rutledge**
Company secretary

Date: **24 April 2015**

Print name: **Peter Rutledge**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.

RED HILL IRON LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)
For the quarter ended 31 March 2015

Mining tenements and beneficial interests held at quarter end, and their location:

Tenement	Location	Registered Holding	Beneficial Interest
E08/1227-I	West Pilbara, WA	40%	40%
E08/1283-I	West Pilbara, WA	40%	40%
E08/1289-I	West Pilbara, WA	40%	40%
E08/1293-I	West Pilbara, WA	40%	40%
E08/1294-I	West Pilbara, WA	40%	40%
E08/1295-I	West Pilbara, WA	40%	40%
E08/1430-I	West Pilbara, WA	40%	40%
E08/1473-I	West Pilbara, WA	40%	40%
E08/1516-I	West Pilbara, WA	40%	40%
E08/1537-I	West Pilbara, WA	40%	40%
E47/1141-I	West Pilbara, WA	40%	40%
E47/1693-I	West Pilbara, WA	40%	40%
E47/1280	West Pilbara, WA	0%	40%*
E47/1283	West Pilbara, WA	0%	40%*
MLA47/1472	West Pilbara, WA	40%	40%
MLA08/483-I	West Pilbara, WA	40%	40%
MLA08/484-I	West Pilbara, WA	40%	40%
MLA08/485-I	West Pilbara, WA	40%	40%
M08/499-I	West Pilbara, WA	100%	100%
M08/500-I	West Pilbara, WA	100%	100%
M08/501	West Pilbara, WA	100%	100%
M08/505-I	West Pilbara, WA	100%	100%
P08/623-I	West Pilbara, WA	100%	100%

*Subject of dispute

Mining tenements and beneficial interests acquired during the quarter, and their location:

None

Mining tenements and beneficial interests disposed of during the quarter, and their location:

None

Key:

E: Exploration licence
M: Mining lease

P: Prospecting licence
MLA: Mining lease application