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ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2016

CORPORATE COMMENTARY

- Red Hill Iron Limited (RHI) currently retains a 40% interest in the Red Hill Iron Ore Joint Venture (RHIOJV), which is part of the planned development of the West Pilbara Iron Ore Project (WPIOP). The Australian Premium Iron Joint Venture (APIJV), the owner of the WPIOP, has informed RHI of the decision not to proceed with the proposal to form an infrastructure company as an Aurizon controlled entity to develop a port and rail solution for the WPIOP. However, areas of potential project value optimisation and enhancement will continue to be the subject of investigation over the balance of 2016.
- RHI has no direct exposure to current RHIOJV expenditure since RHI is currently carried at the 40% level for all RHIOJV costs until production commences at which point the Company may elect to either reduce its interest to a participating 19% or convert it to a 2% FOB Royalty on total RHIOJV production.
- RHI is renewing gold exploration on its Pilbara tenements, following up and expanding on significant indications of prospectivity from past work programs. It retains total ownership of all metals except iron ore (the subject of the RHIOJV) on these tenements. The Company has contracted mining industry consultants, CSA Global Pty Ltd, to carry out a full data review and to provide recommendations for the next work programs. When this review has been completed RHI will then seek new joint venture participants to fund the recommended programs.

RHIOJV (RHI 40%)

API has provided the following report on the RHIOJV March 31 2016 quarterly activities:-

Highlights for the quarter

- During the March 2016 quarter, assay results were received for the RC drilling completed at the Swearengen and Trixie West CID prospects during the December 2015 quarter. Best intercepts included:
 - 20 metres @ 55.6% Iron from 2metres (at the Swearengen prospect)
 - 16 metres @ 56.7% Iron from surface (at the Trixie West prospect)
- Cost optimisation work was undertaken on the broader West Pilbara Iron Ore Project (WPIOP) to identify potential areas of savings over the interim cost estimates formulated as part of feasibility work undertaken up to December 2015. Potential C1 FOB operating cost savings (excluding the rail and port tariff) in the order of A\$3/dmt were identified, along with various opportunities for further operating and capital cost savings for investigation as part of future feasibility work.
- The Australian Premium Iron Joint Venture (APIJV) owners have decided not to proceed with the proposed structure of a separate MineCo and InfraCo, with InfraCo an Aurizon controlled entity developing the port and rail solution for the WPIOP. Consequently, the period of Aurizon's exclusivity to be the rail and port infrastructure proponent for the project will expire at the end of April 2016.
- Areas of potential project value optimisation and enhancement will continue to be investigated over the balance of 2016. Key WPIOP approvals will also continue to be progressed.
- RHIOJV expenditure for the quarter totalled \$0.57 million compared to the revised budget of \$1.00 million. Year to date (Jul-15 to Mar-16) expenditure of \$6.32 million is below the budget of \$8.11 million due primarily to lower exploration and land management costs than budget.

1. Background

API Management Pty Ltd (APIM) is the manager of three joint ventures: the APIJV between Aquila Steel Pty Ltd (Baosteel & Aurizon) and AMCI (IO) Pty Ltd (AMCI & Posco); the RHIOJV between APIJV and Red Hill Iron Limited and the Mount Stuart Iron Ore JV (MSIOJV) between APIJV and Cullen Exploration Pty Ltd. These joint ventures hold the iron ore rights over a number of deposits that form part of the WPIOP, located in the West Pilbara region of Western Australia.

The current WPIOP development concept involves iron ore production of 40 million tonnes per annum (dry), transportation of ore via a new 250 km railway and export to Asian markets via a new deep-water port facility located at Anketell Point. Up until December 2015, APIM had been conducting mine and market feasibility studies for the potential development of the WPIOP, with project partner Aurizon conducting a feasibility study relating to the rail and port components of the WPIOP. However, in late December 2015, the Manager was advised by the APIJV Participants (APIJVPs) that due largely to the current iron ore market conditions, they had decided to discontinue the previously targeted completion of a definitive feasibility study on the WPIOP by mid-2016.

2. Exploration

During the March Quarter assays were received from RC drilling completed at the Swaenggen and Trixie West Channel Iron Deposit (CID) prospects located within the RHIOJV project area (Figures 1, 2 and 3 in the Appendix) that was undertaken in the December Quarter.

First pass and infill drill programmes completed at Trixie and Swaenggen respectively targeted areas of outcropping CID mineralisation that was formed by the alluvial and chemical deposition of iron rich sediments in palaeo-river channels.

Drilling on the small area of the Trixie CID located within the RHIOJV was completed to 100 x100metre centres in order to constrain mineralised zones. The CID although relatively thick returned iron grades of <55% Iron. Results from the infill drilling completed at Swaenggen are consistent with previous drill assays and geological interpretations.

The best RC drill assay intercept received from the Swaenggen and Trixie West deposits included:

Swaenggen Prospect

- 20metres @ 55.6% Iron from 2metres in RNRC0433

Trixie West Prospect

- 16metres @ 56.7% Iron from surface in TXRC0236
Intercepts are true widths and calculated for greater than 52% Iron.

A full set of better intercepts (≥ 15 metre thick) are reported in Table 1. Figure 2 (Appendix) shows the location of drill holes. Table 3 (Appendix) contains all drill results.

Table 1 – Better Drilling Intercepts Received – March 2016 Quarter

Prospect	Site ID	Easting	Northing	RL	Depth From	Intercept	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI1000%	Hole Depth
Swaenggen	RNRC0406	409832.6	7573821.0	217.0	26	16.0m @ 53.58% Fe	5.35	7.30	0.092	0.017	10.04	64
Swaenggen	RNRC0408	409755.6	7573895.9	219.6	24	20.0m @ 53.42% Fe	4.69	8.46	0.079	0.011	9.62	58
Swaenggen	RNRC0409	409696.2	7573845.0	214.6	20	20.0m @ 53.52% Fe	4.90	8.20	0.071	0.015	9.75	58
Swaenggen	RNRC0410	409662.6	7573827.9	211.7	18	16.0m @ 54.12% Fe	4.72	7.89	0.070	0.026	9.35	58
Swaenggen	RNRC0411	409843.5	7573744.4	215.2	22	22.0m @ 54.76% Fe	4.71	6.64	0.054	0.020	9.71	70
Swaenggen	RNRC0414	409564.8	7573664.4	210.0	18	16.0m @ 54.76% Fe	5.22	6.22	0.061	0.024	9.45	58
Swaenggen	RNRC0419	409250.5	7573537.1	188.4	0	16.0m @ 55.34% Fe	4.34	6.41	0.058	0.021	9.42	34
Swaenggen	RNRC0423	409402.9	7573598.6	191.0	0	20.0m @ 53.76% Fe	4.72	7.52	0.066	0.027	9.75	40
Swaenggen	RNRC0425	409647.6	7573622.2	196.2	2	18.0m @ 52.50% Fe	5.55	8.08	0.055	0.039	10.25	46
Swaenggen	RNRC0426	409692.8	7573632.5	197.1	0	16.0m @ 53.19% Fe	5.36	7.85	0.055	0.053	9.71	46
Swaenggen	RNRC0427	409740.3	7573646.0	196.8	0	18.0m @ 53.89% Fe	5.09	7.59	0.055	0.050	9.61	46
Swaenggen	RNRC0431	409925.4	7573894.1	197.1	2	18.0m @ 54.05% Fe	5.15	7.12	0.072	0.058	9.75	40
Swaenggen	RNRC0433	409897.8	7573809.4	196.9	2	20.0m @ 55.58% Fe	4.62	6.25	0.062	0.072	9.14	46
Swaenggen	RNRC0434	409899.8	7573750.7	199.7	6	18.0m @ 54.43% Fe	5.17	6.69	0.060	0.121	9.65	52
Swaenggen	RNRC0436	409934.7	7573747.4	193.3	0	20.0m @ 54.60% Fe	4.99	6.76	0.059	0.023	9.55	46
Swaenggen	RNRC0441	409981.1	7573744.9	195.8	2	18.0m @ 53.25% Fe	6.10	7.46	0.063	0.053	9.56	46
Swaenggen	RNRC0443	410011.0	7573843.0	194.5	2	20.0m @ 55.59% Fe	4.59	5.86	0.062	0.063	9.43	46
Swaenggen	RNRC0445	410095.9	7573863.6	195.1	2	18.0m @ 53.61% Fe	5.00	7.63	0.067	0.096	10.06	46
Swaenggen	RNRC0446	410145.4	7573804.5	195.8	2	20.0m @ 54.70% Fe	4.92	6.61	0.055	0.100	9.65	46
Swaenggen	RNRC0450	410119.2	7573711.0	204.7	10	20.0m @ 53.73% Fe	5.71	6.81	0.059	0.052	9.92	52
Swaenggen	RNRC0451	410120.5	7573759.4	205.0	10	20.0m @ 54.16% Fe	5.36	6.54	0.064	0.040	9.80	58
Swaenggen	RNRC0452	410117.6	7573811.9	201.7	10	18.0m @ 55.10% Fe	4.87	6.00	0.065	0.054	9.66	52
Swaenggen	RNRC0454	410024.0	7573752.9	205.4	12	20.0m @ 54.05% Fe	5.30	7.13	0.058	0.040	9.53	52
Swaenggen	RNRC0455	410001.6	7573703.1	204.3	10	20.0m @ 53.98% Fe	5.62	6.68	0.064	0.049	9.74	52
Trixie West	TXRC0236	415497.8	7570336.7	243.5	0	16.0m @ 56.69% Fe	3.30	6.20	0.058	0.025	9.06	46
Trixie West	TXRC0237	415593.8	7570334.6	246.0	0	22.0m @ 55.05% Fe	3.35	8.50	0.064	0.023	8.84	46
Trixie West	TXRC0238	415602.6	7570260.5	247.8	0	24.0m @ 54.27% Fe	3.81	8.46	0.068	0.019	9.37	52

All drill holes targeting CID were drilled vertically.

All co-ordinates are in MGA94 Zone 50.

Intercepts are true widths ≥ 15 metre thick and calculated using a 52% Iron cut-off.

3. Project Cost Optimisation Work

During the quarter, value enhancement and cost optimisation work was undertaken on the broader WPIOP. This work was focussed on identifying key potential areas of savings over the interim cost estimates formulated as part of feasibility work undertaken up to December 2015. Potential areas of savings were investigated using internal APIM study team resources, with the previous feasibility cost estimates scrutinised and assumptions challenged.

Potential C1 FOB operating cost savings (excluding the rail and port tariff) in the order of A\$3/dmt were identified. Key areas of potential savings included revising the fuel price and contingency assumptions, together with the use of larger ROM haulage trucks and reduced mining overheads.

Further operating and capital cost saving opportunities and ideas were also identified for investigation as part of future feasibility work, but which involved a different risk, production or capex profile. These areas included dry processing only, autonomous mining, reduced accommodation camp size, optimised pre-production tonnages and mining fleet ownership alternatives.

4. Future Work Programme

The APIJV owners have decided not to proceed with the proposed structure of a separate MineCo and InfraCo, with InfraCo an Aurizon controlled entity developing the port and rail solution for the WPIOP. Consequently, the period of Aurizon's exclusivity to be the rail and port infrastructure proponent for the project will expire at the end of April 2016 and the APIJV will resume responsibility for developing the infrastructure solution.

Areas of potential project value optimisation and enhancement for the broader WPIOP will continue to be investigated over the balance of 2016. This is expected to primarily be undertaken using internal resources of the APIJVPs and a scaled down APIM study team. Key WPIOP approvals will also continue to be progressed.

A work programme and budget for the APIJV for the period May-16 to Dec-16 reflecting this proposed activity and meeting minimum tenement expenditure obligations is currently being finalised. To ensure alignment with the broader WPIOP, the Manager is also preparing relevant work programmes and budgets for consideration and approval by the RHIOJV and MSIOJV Management Committees.

5. Tenure

Native Title Agreement implementation continued to be progressed across the broader WPIOP with review of previous heritage survey results and ongoing engagement with native title groups (esp. KM) to support land access and environmental approval processes.

Processes to maintain tenements across the broader project area were continued, including lodgement of required extensions of term and reporting obligations for work completed. Grant of the Mining Lease applications covering deposits at Red Hill Creek West (RHIOJV), Red Hill Creek (APIJV) and Buckland Hills (APIJV) is expected in the June 2016 quarter.

6. Environment

Environmental compliance activities including surveys and baseline monitoring were maintained.

Draft environmental review documents in relation to the Cardo expanded mine footprint areas (including the RHIOJV deposits) continued to be progressed through peer review and stakeholder consultation processes. Submission of final application documents to the State and Commonwealth environmental agencies is now expected in June 2016.

Environmental approval applications for the Red Hill Creek West (RHIOJV), Red Hill Creek (APIJV) and Buckland Hills (APIJV) deposits also continued to be progressed through pre-submission processes, with submission of final application documents also now expected in June 2016.

7. RHIOJV Expenditure

Total RHIOJV expenditure for the March 2016 quarter totalled \$0.57 million compared to the revised budget of \$1.00 million with lower levels of activity and expenditure than budget in all areas, especially exploration and land management.

Year to date (Jul-15 to Mar-16) expenditure of \$6.32 million is below the budget of \$8.11 million also due primarily to lower exploration and land management costs than budget. A breakdown of expenditure is set out in Table 2.

Table 2 – RHIOJV Expenditure

RHIOJV Expenditure Report
Actual Cost for Jul-15 to Mar-16

RHIOJV	H1 (Jul-15 to Dec-15)			Q3 Actuals			Q3 (Jan-16 to Mar-16)			YTD (Jul-15 to Mar-16)		
	Actual	Budget	Variance	Jan-16	Feb-16	Mar-16	Actual	Budget	Variance	Actual	Budget	Variance
EXPLORATION												
Exploration	1,009,866	2,021,000	(1,011,134)	47,403	(55,983)	57,403	48,823	163,798	(114,975)	1,058,689	2,184,798	(1,126,109)
Rates and Rental	583,378	709,000	(125,622)	16,520	(3,309)	(308)	12,903	423	12,480	596,281	709,423	(113,142)
TOTAL EXPLORATION	1,593,244	2,731,000	(1,137,756)	63,923	(59,292)	57,095	61,726	164,221	(102,495)	1,654,970	2,894,221	(1,239,251)
RED HILL IRON ORE PROJECT												
PROJECT SUPPORT												
Study Management	0	141,000	(141,000)	0	0	0	0	30,000	(30,000)	0	171,000	(171,000)
Land Management	620,170	877,000	(256,830)	8,169	18,284	6,366	32,820	150,301	(117,482)	652,990	1,027,301	(374,312)
Environment	540,013	379,000	161,013	27,747	43,320	12,763	83,830	144,766	(60,936)	623,844	523,766	100,077
Mine planning & testwork	2,473,718	2,343,000	130,718	162,387	132,070	45,667	340,124	416,892	(76,768)	2,813,842	2,759,892	53,950
TOTAL PROJECT SUPPORT COSTS	3,633,902	3,740,000	(106,098)	198,303	193,674	64,797	456,774	741,960	(285,186)	4,090,676	4,481,960	(391,284)
GRAND TOTAL	5,227,146	6,471,000	(1,243,854)	262,226	134,382	121,892	518,500	906,181	(387,681)	5,745,646	7,376,181	(1,630,535)
JV administration percentage	10%	10%		10%	10%	10%	10%	10%		10%	10%	
TOTAL JV ADMINISTRATION CHARGE	522,715	647,100	(124,385)	26,223	13,438	12,189	51,850	90,618	(38,768)	574,565	737,618	(163,054)
GRAND TOTAL INCLUDING JV CHARGE	5,749,860	7,118,100	(1,368,240)	288,448	147,821	134,081	570,350	996,799	(426,449)	6,320,210	8,113,799	(1,793,588)

Neil Tomkinson
Chairman

Competent Person Statement

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.

APPENDIX – Exploration Drilling Locations and Results

Figure 1 – Location Plan

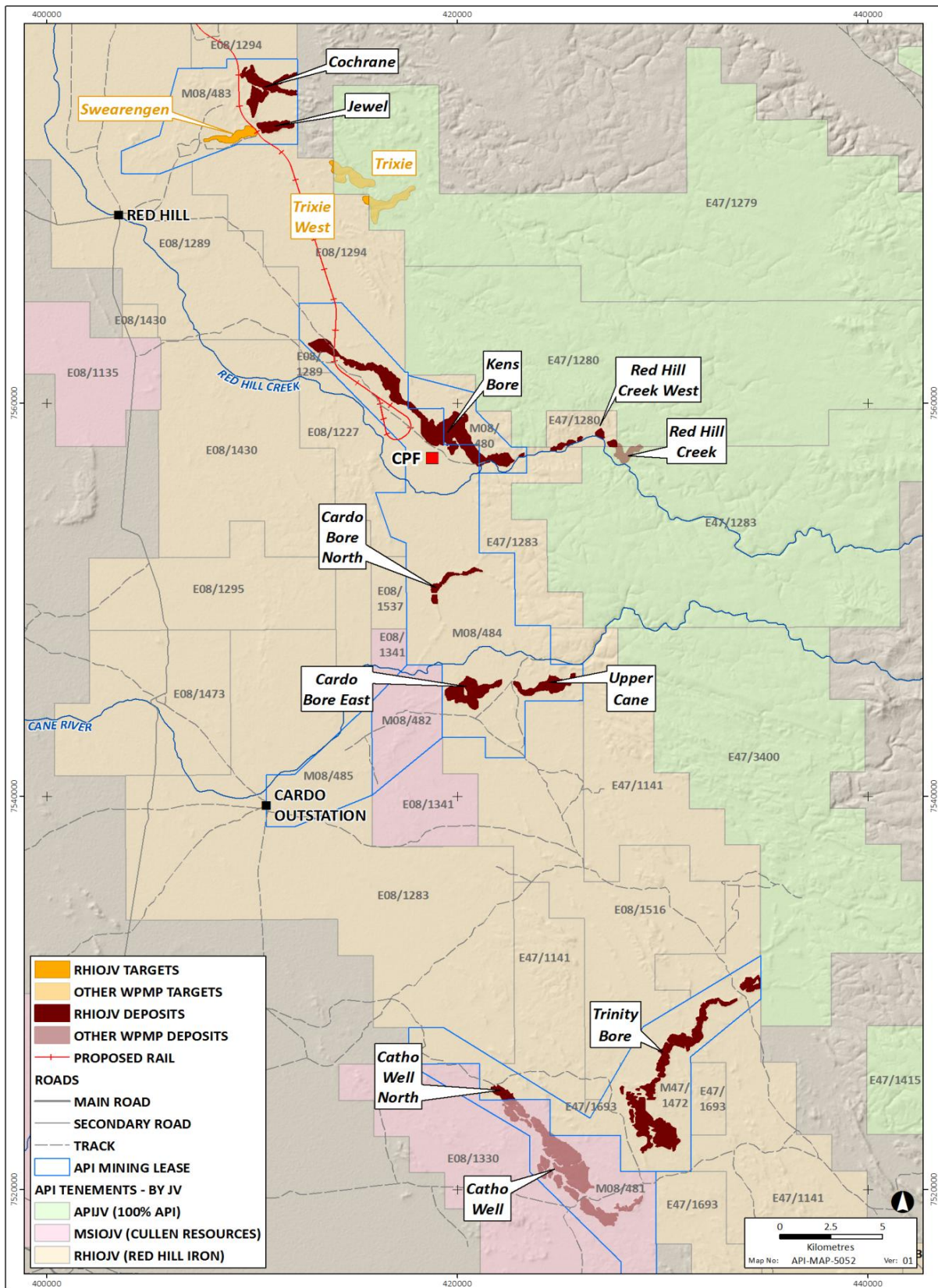


Figure 2 – Drillhole Locations at the Swearengen Prospect

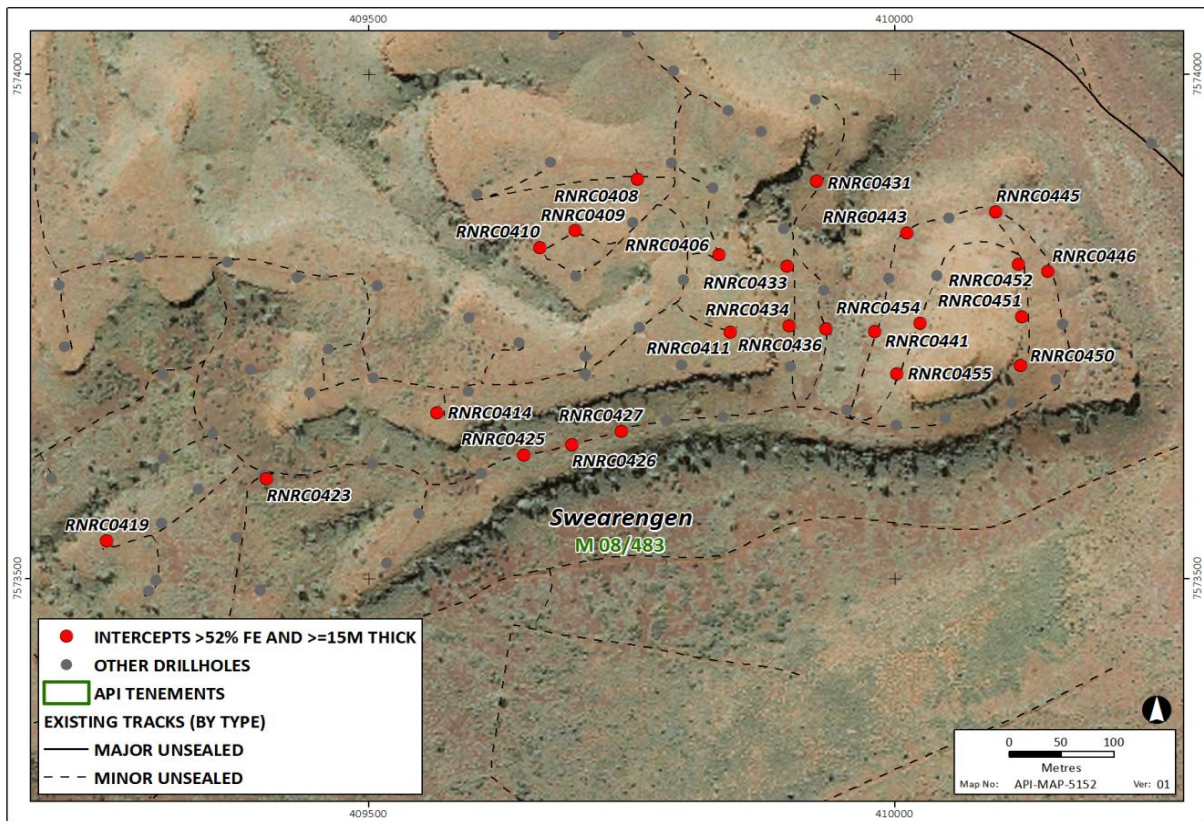


Figure 3 – Drillhole Locations at the Trixie West Prospect

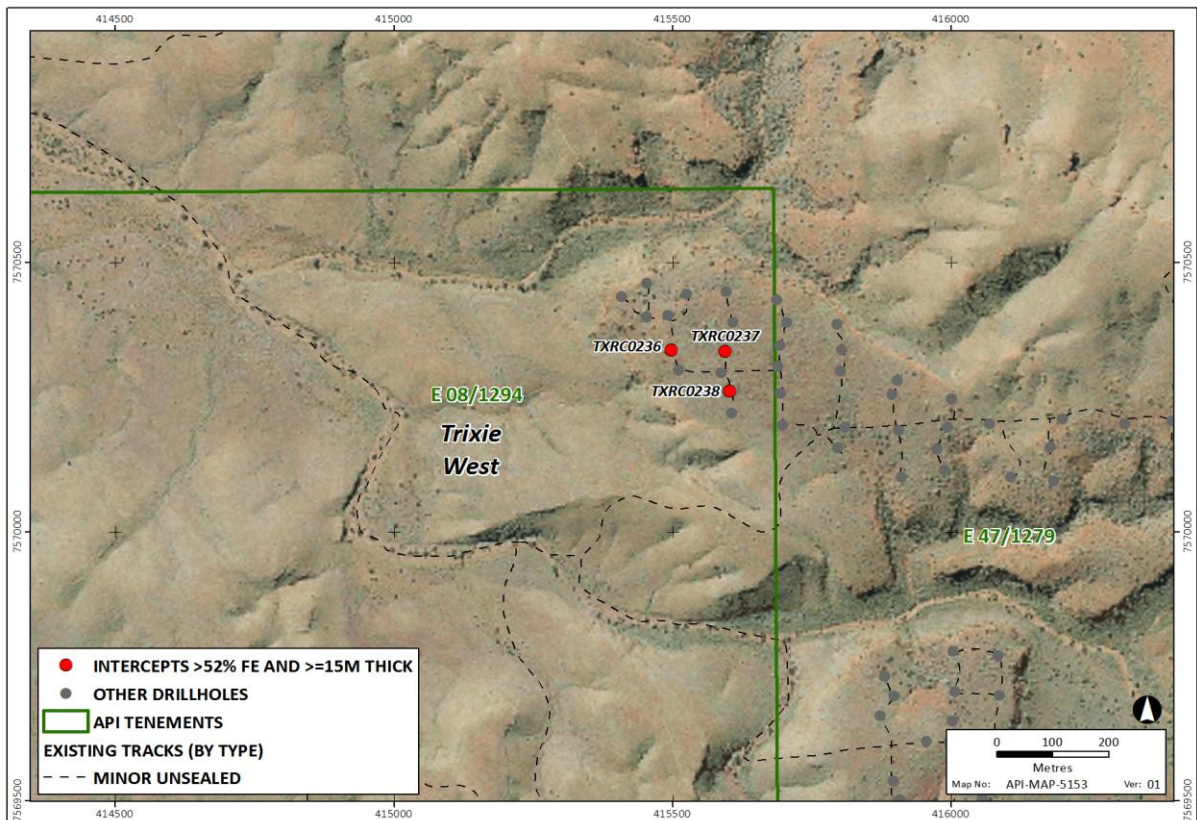


Table 3 – Drilling Intercepts Received – March 2016 Quarter

Prospect	Site ID	Easting	Northing	RL	Depth From	Intercept	Al2O3%	SiO2%	P%	S%	LOI1000%	Hole Depth	
Swearngen	RNRC0389	408462.4	7573379.7	188.5	0	4.0m @ 55.57% Fe	4.81	6.26	0.054	0.031	8.86	40	
Swearngen	RNRC0389	408462.4	7573379.7	188.5	18	2.0m @ 54.03% Fe	4.93	6.69	0.072	0.015	10.40	40	
Swearngen	RNRC0390	408409.5	7573408.1	184.4	0	2.0m @ 54.23% Fe	5.72	7.08	0.058	0.023	8.99	28	
Swearngen	RNRC0390	408409.5	7573408.1	184.4	18	2.0m @ 53.34% Fe	4.16	7.48	0.121	0.016	10.80	28	
Swearngen	RNRC0391	408449.9	7573394.9	188.2	0	4.0m @ 54.02% Fe	5.02	8.15	0.067	0.020	8.71	40	
Swearngen	RNRC0391	408449.9	7573394.9	188.2	18	2.0m @ 52.91% Fe	5.33	8.03	0.133	0.012	9.90	40	
Swearngen	RNRC0392	408497.0	7573390.1	188.9	4	4.0m @ 52.26% Fe	5.24	10.10	0.051	0.017	9.10	34	
Swearngen	RNRC0392	408497.0	7573390.1	188.9	18	2.0m @ 52.15% Fe	4.47	8.80	0.054	0.015	11.00	34	
Swearngen	RNRC0393	408551.5	7573393.2	188.0	12	6.0m @ 52.25% Fe	4.82	9.93	0.066	0.013	9.57	34	
Swearngen	RNRC0394	408614.9	7573352.6	185.4	Results below intercept cut-off								34
Swearngen	RNRC0395	408708.9	7573411.4	187.7	4	2.0m @ 53.23% Fe	4.35	8.02	0.070	0.016	10.70	34	
Swearngen	RNRC0395	408708.9	7573411.4	187.7	10	2.0m @ 55.08% Fe	4.04	7.80	0.076	0.019	8.63	34	
Swearngen	RNRC0396	408749.7	7573513.2	191.0	12	2.0m @ 52.65% Fe	5.23	9.71	0.060	0.025	8.90	34	
Swearngen	RNRC0396	408749.7	7573513.2	191.0	18	6.0m @ 53.41% Fe	4.24	8.13	0.076	0.017	10.39	34	
Swearngen	RNRC0397	408821.7	7573333.8	187.5	0	6.0m @ 54.51% Fe	5.14	6.30	0.043	0.025	9.82	34	
Swearngen	RNRC0398	408863.4	7573346.4	188.6	0	10.0m @ 54.15% Fe	5.31	6.65	0.053	0.024	9.99	34	
Swearngen	RNRC0398	408863.4	7573346.4	188.6	16	2.0m @ 52.70% Fe	4.27	7.97	0.043	0.021	11.70	34	
Swearngen	RNRC0398	408863.4	7573346.4	188.6	20	2.0m @ 52.24% Fe	4.12	8.98	0.052	0.016	11.50	34	
Swearngen	RNRC0399	409010.2	7573331.4	188.4	0	10.0m @ 53.87% Fe	4.99	7.78	0.035	0.025	9.55	34	
Swearngen	RNRC0399	409010.2	7573331.4	188.4	14	4.0m @ 52.33% Fe	5.03	8.30	0.032	0.017	10.95	34	
Swearngen	RNRC0400	409055.6	7573321.9	188.8	0	8.0m @ 54.39% Fe	4.82	6.22	0.033	0.024	10.11	40	
Swearngen	RNRC0401	409167.2	7573358.5	189.1	0	14.0m @ 53.08% Fe	5.34	7.21	0.041	0.023	10.53	40	
Swearngen	RNRC0402	409151.2	7573651.5	194.5	0	6.0m @ 56.01% Fe	4.18	6.14	0.065	0.020	8.62	52	
Swearngen	RNRC0403	409044.1	7573563.2	187.1	0	8.0m @ 56.40% Fe	3.91	6.20	0.076	0.028	8.71	34	
Swearngen	RNRC0403	409044.1	7573563.2	187.1	12	10.0m @ 53.41% Fe	4.44	7.95	0.127	0.019	10.35	34	
Swearngen	RNRC0404	409842.0	7573964.6	222.6	22	10.0m @ 54.38% Fe	4.85	6.30	0.094	0.032	10.02	52	
Swearngen	RNRC0405	409827.2	7573887.6	217.5	22	8.0m @ 55.41% Fe	4.83	5.56	0.066	0.020	9.75	58	
Swearngen	RNRC0406	409832.6	7573821.0	217.0	26	16.0m @ 53.58% Fe	5.35	7.30	0.092	0.017	10.04	64	
Swearngen	RNRC0407	409603.0	7573881.4	208.5	0	2.0m @ 53.42% Fe	4.50	8.88	0.047	0.061	9.55	46	
Swearngen	RNRC0407	409603.0	7573881.4	208.5	18	8.0m @ 53.09% Fe	5.88	7.91	0.078	0.016	9.15	46	
Swearngen	RNRC0408	409755.6	7573895.9	219.6	4	2.0m @ 52.23% Fe	4.58	11.69	0.061	0.053	8.70	58	
Swearngen	RNRC0408	409755.6	7573895.9	219.6	24	20.0m @ 53.42% Fe	4.69	8.46	0.079	0.011	9.62	58	
Swearngen	RNRC0409	409696.2	7573845.0	214.6	0	4.0m @ 52.81% Fe	4.62	9.25	0.051	0.036	10.12	58	
Swearngen	RNRC0409	409696.2	7573845.0	214.6	20	20.0m @ 53.52% Fe	4.90	8.20	0.071	0.015	9.75	58	
Swearngen	RNRC0410	409662.6	7573827.9	211.7	0	4.0m @ 54.05% Fe	4.55	7.72	0.057	0.033	10.08	58	
Swearngen	RNRC0410	409662.6	7573827.9	211.7	18	16.0m @ 54.12% Fe	4.72	7.89	0.070	0.026	9.35	58	
Swearngen	RNRC0411	409843.5	7573744.4	215.2	22	22.0m @ 54.76% Fe	4.71	6.64	0.054	0.020	9.71	70	
Swearngen	RNRC0412	409705.7	7573720.7	213.3	0	2.0m @ 52.43% Fe	6.40	7.02	0.052	0.031	11.10	56	
Swearngen	RNRC0412	409705.7	7573720.7	213.3	20	2.0m @ 52.74% Fe	6.17	8.70	0.065	0.037	8.67	56	
Swearngen	RNRC0412	409705.7	7573720.7	213.3	26	6.0m @ 55.53% Fe	4.77	6.01	0.067	0.022	9.18	56	
Swearngen	RNRC0413	409642.7	7573733.8	211.5	0	2.0m @ 54.66% Fe	4.85	5.43	0.054	0.040	11.30	58	
Swearngen	RNRC0413	409642.7	7573733.8	211.5	20	8.0m @ 56.54% Fe	4.03	5.16	0.070	0.020	9.50	58	
Swearngen	RNRC0414	409564.8	7573664.4	210.0	18	16.0m @ 54.76% Fe	5.22	6.22	0.061	0.024	9.45	58	
Swearngen	RNRC0415	409443.9	7573684.5	207.5	22	6.0m @ 53.65% Fe	4.74	8.05	0.062	0.024	9.80	52	
Swearngen	RNRC0415	409443.9	7573684.5	207.5	30	2.0m @ 54.30% Fe	5.14	7.83	0.092	0.017	8.51	52	
Swearngen	RNRC0415	409443.9	7573684.5	207.5	38	2.0m @ 52.31% Fe	4.41	10.27	0.100	0.012	9.77	52	
Swearngen	RNRC0416	409461.6	7573727.9	207.3	20	6.0m @ 55.73% Fe	4.25	5.43	0.080	0.017	10.13	52	
Swearngen	RNRC0417	409304.7	7573620.0	185.5	4	4.0m @ 52.41% Fe	4.93	9.71	0.070	0.030	9.14	34	
Swearngen	RNRC0417	409304.7	7573620.0	185.5	14	2.0m @ 53.43% Fe	4.38	8.98	0.141	0.015	8.91	34	
Swearngen	RNRC0418	409351.6	7573643.6	189.7	2	12.0m @ 54.64% Fe	4.25	7.32	0.087	0.052	9.46	34	
Swearngen	RNRC0418	409351.6	7573643.6	189.7	18	2.0m @ 53.11% Fe	4.54	9.01	0.107	0.024	9.12	34	
Swearngen	RNRC0419	409250.5	7573537.1	188.4	0	16.0m @ 55.34% Fe	4.34	6.41	0.058	0.021	9.42	34	
Swearngen	RNRC0420	409302.7	7573555.2	189.4	0	14.0m @ 54.65% Fe	4.60	6.21	0.075	0.023	9.83	34	
Swearngen	RNRC0421	409290.9	7573487.3	189.0	0	10.0m @ 53.04% Fe	4.65	7.30	0.059	0.021	10.18	34	
Swearngen	RNRC0421	409290.9	7573487.3	189.0	14	2.0m @ 53.83% Fe	4.65	8.37	0.059	0.017	9.23	34	
Swearngen	RNRC0422	409374.3	7573540.7	189.7	0	12.0m @ 54.17% Fe	4.80	6.66	0.053	0.032	10.24	34	
Swearngen	RNRC0423	409402.9	7573598.6	191.0	0	20.0m @ 53.76% Fe	4.72	7.52	0.066	0.027	9.75	40	
Swearngen	RNRC0424	409547.6	7573564.1	192.0	0	14.0m @ 54.68% Fe	4.97	6.43	0.050	0.024	9.92	40	
Swearngen	RNRC0425	409647.6	7573622.2	196.2	2	18.0m @ 52.50% Fe	5.55	8.08	0.055	0.039	10.25	46	
Swearngen	RNRC0425	409647.6	7573622.2	196.2	26	2.0m @ 52.49% Fe	6.35	9.45	0.041	0.015	8.06	46	
Swearngen	RNRC0426	409692.8	7573632.5	197.1	0	16.0m @ 53.19% Fe	5.36	7.85	0.055	0.053	9.71	46	
Swearngen	RNRC0427	409740.3	7573646.0	196.8	0	18.0m @ 53.89% Fe	5.09	7.59	0.055	0.050	9.61	46	
Swearngen	RNRC0428	409783.5	7573656.5	196.5	6	12.0m @ 53.01% Fe	5.28	8.08	0.054	0.055	10.03	46	

Swearengen	RNRC0429	409836.6	7573660.2	196.1	0	12.0m @ 53.05% Fe	5.49	7.60	0.044	0.081	10.14	46
Swearengen	RNRC0430	409924.0	7573975.4	200.7	2	10.0m @ 55.14% Fe	4.94	6.22	0.072	0.046	9.05	52
Swearengen	RNRC0431	409925.4	7573894.1	197.1	2	18.0m @ 54.05% Fe	5.15	7.12	0.072	0.058	9.75	40
Swearengen	RNRC0431	409925.4	7573894.1	197.1	24	2.0m @ 52.28% Fe	4.80	8.76	0.120	0.023	11.00	40
Swearengen	RNRC0432	409894.4	7573847.3	194.3	0	10.0m @ 55.74% Fe	4.70	5.23	0.060	0.022	9.70	40
Swearengen	RNRC0433	409897.8	7573809.4	196.9	2	20.0m @ 55.58% Fe	4.62	6.25	0.062	0.072	9.14	46
Swearengen	RNRC0434	409899.8	7573750.7	199.7	6	18.0m @ 54.43% Fe	5.17	6.69	0.060	0.121	9.65	52
Swearengen	RNRC0435	409900.5	7573710.4	199.8	8	10.0m @ 53.74% Fe	5.57	6.50	0.066	0.069	10.43	46
Swearengen	RNRC0436	409934.7	7573747.4	193.3	0	20.0m @ 54.60% Fe	4.99	6.76	0.059	0.023	9.55	46
Swearengen	RNRC0437	409932.7	7573786.2	193.1	0	14.0m @ 54.61% Fe	4.97	6.78	0.061	0.033	9.58	40
Swearengen	RNRC0438	409954.4	7573667.6	196.8	2	14.0m @ 54.16% Fe	5.46	6.57	0.039	0.069	10.01	40
Swearengen	RNRC0439	410047.7	7573659.2	201.9	6	8.0m @ 53.19% Fe	6.46	6.36	0.040	0.047	10.56	46
Swearengen	RNRC0440	410001.3	7573652.0	199.6	4	2.0m @ 54.71% Fe	5.98	6.61	0.036	0.053	8.84	46
Swearengen	RNRC0440	410001.3	7573652.0	199.6	12	4.0m @ 54.51% Fe	5.11	6.95	0.060	0.024	9.34	46
Swearengen	RNRC0441	409981.1	7573744.9	195.8	2	18.0m @ 53.25% Fe	6.10	7.46	0.063	0.053	9.56	46
Swearengen	RNRC0442	409994.5	7573798.0	195.0	6	8.0m @ 54.38% Fe	5.31	6.05	0.069	0.050	10.09	46
Swearengen	RNRC0443	410011.0	7573843.0	194.5	2	20.0m @ 55.59% Fe	4.59	5.86	0.062	0.063	9.43	46
Swearengen	RNRC0444	410051.4	7573858.1	195.1	4	8.0m @ 54.07% Fe	5.18	6.33	0.068	0.090	10.52	46
Swearengen	RNRC0444	410051.4	7573858.1	195.1	24	2.0m @ 52.62% Fe	4.28	9.97	0.086	0.024	9.79	46
Swearengen	RNRC0445	410095.9	7573863.6	195.1	2	18.0m @ 53.61% Fe	5.00	7.63	0.067	0.096	10.06	46
Swearengen	RNRC0446	410145.4	7573804.5	195.8	2	20.0m @ 54.70% Fe	4.92	6.61	0.055	0.100	9.65	46
Swearengen	RNRC0447	410159.6	7573752.3	196.1	10	10.0m @ 52.72% Fe	5.42	9.07	0.063	0.048	9.21	44
Swearengen	RNRC0448	410153.1	7573698.1	196.4	2	12.0m @ 52.92% Fe	6.13	6.69	0.048	0.093	10.75	46
Swearengen	RNRC0448	410153.1	7573698.1	196.4	18	2.0m @ 53.58% Fe	5.19	8.77	0.089	0.044	8.71	46
Swearengen	RNRC0449	410111.2	7573674.4	198.2	4	10.0m @ 52.71% Fe	6.39	6.02	0.060	0.098	11.52	46
Swearengen	RNRC0450	410119.2	7573711.0	204.7	10	20.0m @ 53.73% Fe	5.71	6.81	0.059	0.052	9.92	52
Swearengen	RNRC0451	410120.5	7573759.4	205.0	10	20.0m @ 54.16% Fe	5.36	6.54	0.064	0.040	9.80	58
Swearengen	RNRC0451	410120.5	7573759.4	205.0	34	2.0m @ 52.58% Fe	5.51	7.67	0.062	0.244	10.80	58
Swearengen	RNRC0452	410117.6	7573811.9	201.7	10	18.0m @ 55.10% Fe	4.87	6.00	0.065	0.054	9.66	52
Swearengen	RNRC0453	410039.7	7573800.6	205.1	12	12.0m @ 54.68% Fe	4.89	6.48	0.060	0.044	9.73	52
Swearengen	RNRC0453	410039.7	7573800.6	205.1	28	2.0m @ 52.84% Fe	5.85	8.51	0.065	0.029	9.37	52
Swearengen	RNRC0454	410024.0	7573752.9	205.4	12	20.0m @ 54.05% Fe	5.30	7.13	0.058	0.040	9.53	52
Swearengen	RNRC0455	410001.6	7573703.1	204.3	10	20.0m @ 53.98% Fe	5.62	6.68	0.064	0.049	9.74	52
Trixie West	TXRC0236	415497.8	7570336.7	243.5	0	16.0m @ 56.69% Fe	3.30	6.20	0.058	0.025	9.06	46
Trixie West	TXRC0236	415497.8	7570336.7	243.5	22	2.0m @ 52.41% Fe	3.72	11.73	0.075	0.019	8.84	46
Trixie West	TXRC0237	415593.8	7570334.6	246.0	0	22.0m @ 55.05% Fe	3.35	8.50	0.064	0.023	8.84	46
Trixie West	TXRC0238	415602.6	7570260.5	247.8	0	24.0m @ 54.27% Fe	3.81	8.46	0.068	0.019	9.37	52
Trixie West	TXRC0238	415602.6	7570260.5	247.8	34	2.0m @ 54.29% Fe	4.33	7.46	0.263	0.007	9.28	52

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.

The JORC Code Assessment Criteria

The JORC Code, 2012 Edition describes a number of criteria, which must be addressed in the Public Reporting of exploration results. These criteria are discussed in Table 4 as follows.

Table 4: JORC Code Table 1.

JORC Code Assessment Criteria	Comment
Section 1 Sampling Techniques and Data	
Sampling Techniques	
<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<ul style="list-style-type: none"> ■ RC drill samples for analysis were collected every 2 m down hole directly from the cyclone after passing through a three-tier riffle splitter or cone splitter mounted on the RC drilling rig. Each sample represents approximately 12% (by volume) of the drilling interval with an average weight of 4 kg for a 2 m interval. ■ 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. ■ All drilling was sampled in accordance with API sampling procedures.
Drilling Techniques	
<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.), and details (e.g. 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></p>	<ul style="list-style-type: none"> ■ The majority of the downhole samples were collected from RC drilling utilising a 5 ¼" face sampling hammer.
Drill Sample Recovery	
<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery</i></p>	<ul style="list-style-type: none"> ■ RC sample recoveries and quality were recorded for each sampling interval by the geologist. Samples were classified as dry, damp or wet. Sample recoveries were based

JORC Code Assessment Criteria	Comment
<p><i>and ensure representative nature of the samples.</i></p> <p><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></p>	<p>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.</p> <ul style="list-style-type: none"> ■ The cyclone in the RC rig 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.
<p>Logging</p> <p><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></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.), photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<ul style="list-style-type: none"> ■ All geological logging was conducted using API procedures and standardised coding. Data is entered directly into ruggedised laptops at the drill site using software that validates data as the geologist logs. ■ Logging data is then emailed to Perth where it undergoes further validation as it is uploaded and stored into the API SQL-based geological database.
<p>Sub-Sampling Techniques and Sample Preparation</p> <p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc., and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><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></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<ul style="list-style-type: none"> ■ RC samples were collected in pre-labelled calico bags via a cone splitter mounted directly below the cyclone on the rig. ■ Wet and dry samples were collected via the same technique. ■ Samples were stored on-site prior to being transported to the laboratory. Wet samples were allowed to dry before being processed. ■ Samples were sorted, dried and weighed at the laboratory where they were then crushed and riffle split to obtain a sub-fraction for pulverisation. The pulverised sample was reduced further and combined with various reagents prior to oven fusion to create a fused disc for analysis.

JORC Code Assessment Criteria	Comment
<p>Quality of Assay Data and Laboratory Tests</p> <p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><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></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<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 laboratory analysis. API conducts monthly checks of all QAQC data. ■ API has previously conducted external reviews (undertaken by Optiro and Geostats) of the geological and assay database. Audit results show an acceptable level of accuracy and precision.
<p>Verification of Sampling and Assaying</p> <p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<ul style="list-style-type: none"> ■ Comparison of RC and twinned diamond hole assay data distributions show that the drilling methods have similar grade distributions, verifying the suitability of RC samples in the Mineral Resource estimate. ■ API periodically conducts round robin studies on assay results to verify sample analysis. No concerns were highlighted and no adjustments to data have been made. ■ API retain laboratory sample pulps for all samples since 2005.
<p>Location of Data Points</p> <p><i>Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<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. ■ Drill hole collar coordinates were verified in ArcGIS and/or MapInfo software utilising aerial photography as part of API's monthly QA/QC procedures. ■ Topographic coverage of all API deposits has been established by aerial survey (LIDAR) with a vertical accuracy of ± 0.15 m. ■ API projects fall within the MGA Zone 50 or 51 (GDA 1994 based) for horizontal data and AHD for vertical data.
<p>Data Spacing and Distribution</p> <p><i>Data spacing for reporting of Exploration Results.</i></p>	<ul style="list-style-type: none"> ■ Drill hole spacing is sufficient for first pass and infill exploratory drilling to establish geological and grade continuity.

JORC Code Assessment Criteria	Comment
<p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<ul style="list-style-type: none"> ■ No sample compositing has been undertaken for RC samples.
<p>Orientation of Data in Relation to Geological Structure</p> <p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>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.</i></p>	<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. ■ The orientation of sampling achieves unbiased sampling of stratigraphic domains.
<p>Sample Security</p> <p><i>The measures taken to ensure sample security.</i></p>	<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.
<p>Audits and Reviews</p> <p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<ul style="list-style-type: none"> ■ QA/QC procedures and rigorous database validation rules ensures sampling and logging data is validated prior to being used by API Geologists. ■ API conducts monthly QA/QC data checks on reference standards and field duplicates. ■ Independent audits of API's sampling techniques and QA/QC assay data have been undertaken. Sampling procedures and the drill hole database is consistent with industry standards.
<p>Section 2 Reporting of Exploration Results</p>	
<p>Mineral Tenement and Land Tenure Status</p> <p><i>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.</i></p> <p><i>The security of the tenure held at the time of</i></p>	<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

JORC Code Assessment Criteria	Comment
<i>reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<p>comprise the broader West Pilbara Iron Ore Project (WPIOP), with each joint venture managed by API Management Pty Ltd (API).</p> <ul style="list-style-type: none"> There are no known environmental or cultural heritage matters that would impact on the development of the resource areas (subject to relevant approvals).
Exploration Done by Other Parties	
<i>Acknowledgment and appraisal of exploration by other parties.</i>	<ul style="list-style-type: none"> Exploration work completed by API or other parties prior to this report has been summarised in previous ASX releases or are publically available via the Department of Mines and Petroleum online systems.
Geology	
<i>Deposit type, geological setting and style of mineralisation.</i>	<ul style="list-style-type: none"> The Mineral Resources are from Channel Iron Deposits (CID) with mineralisation present as Tertiary Robe Pisolite. 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. Basement varies from Members of the Wyloo Group to Hamersley Group and includes dolomites, chert, volcanoclastics, and basalt (Wyloo Group), and shales to dolomites of the Wittenoom Formation, Mount McRae Shale, and Mt Sylvia Formation (Hamersley Group).
Drill hole information	<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"> No maximum or minimum grade truncations were performed.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Mineralisation in each of the areas reported is flat lying and only true mineralisation widths are reported.
Diagrams	<ul style="list-style-type: none"> A plan view map showing the deposit locations are included in the body of the report.
Balance reporting	<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 are 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"> Not applicable. Exploration results have previously been reported.
Further work	<ul style="list-style-type: none"> Work will continue next Quarter focussing on maintaining the RHIOJV tenements and progressing the West Pilbara Iron Ore Project.

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 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(51)	(144)
(b) development	-	-
(c) production	-	-
(d) administration	(111)	(378)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(161)	(516)
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)	(161)	(516)

+ 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)	(161)	(516)
	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	200	200
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	200	200
	Net increase (decrease) in cash held	39	(316)
1.20	Cash at beginning of quarter/year to date	177	532
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	216	216

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	63
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.16 & 3.1 The loan facility is an unsecured working capital facility provided by companies associated with two directors on normal commercial terms and conditions – further details are set out in the 2015 Annual Report. It was increased by \$200,000 during the current quarter, and is drawn to \$200,000.

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 affect 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	700,000	200,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	150

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	14	25
5.2 Deposits at call	202	102
5.3 Bank overdraft	-	-
5.4 Other (Term Deposit)	-	50
Total: cash at end of quarter (item 1.22)	216	177

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			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ 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: **28 April 2016**

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 2016

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%
M47/1472	West Pilbara, WA	40%	40%
M08/483-I	West Pilbara, WA	40%	40%
M08/484-I	West Pilbara, WA	40%	40%
M08/485-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%
EA08/2729	West Pilbara, WA	0%	100%
EA08/2730	West Pilbara, WA	0%	100%

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	EA:	Exploration licence application
M:	Mining lease	P:	Prospecting licence