



ABN: 44 114 553 392

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28 November 2016

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

### Announcement of Entitlement Issue

Red Hill Iron Limited announces a non-renounceable pro-rata issue of up to 7,057,862 fully paid ordinary shares at a price of 38 cents each to all shareholders of the Company as at 5 December 2016, on the basis of 1 share (New Share) for every 7 shares held, to raise up to \$2,681,988 before expenses of this issue, which are estimated to be \$30,000.

The purpose of the issue is to repay loans from director related entities, maintain the Company's exploration interests and meet ongoing administration and operating costs.

The proposed timetable for this issue is set out below:

Announcement of Entitlement Offer and application for quotation (Appendix 3B)	28 November 2016
Lodgement of Prospectus with ASIC and ASX	28 November 2016
Despatch of notice to Shareholders containing Appendix 3B information	1 December 2016
Ex date - shares trade ex-entitlements	2 December 2016
Record Date for determining entitlements to New Shares	5 December 2016
Prospectus and Entitlement and Acceptance Form despatched and Offer opens	7 December 2016
Last day to extend the offer closing date	15 December 2016
Offer closes - latest date for acceptances and payment in full	20 December 2016
Shares quoted on a deferred settlement basis	21 December 2016
Notify ASX of undersubscriptions	23 December 2016
Issue date – New Shares entered in shareholders' holdings and deferred settlement ends	29 December 2016
Despatch of holding statements	30 December 2016

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

An Appendix 3B – New issue announcement and application for quotation is attached together with a copy of the Prospectus.

Yours faithfully

Neil Tomkinson  
Chairman

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

**RED HILL IRON LIMITED**

ABN

**44 114 553 392**

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                                   |
|---|---|-----------------------------------|
| 1 | +Class of +securities issued or to be issued  | <b>ORDINARY SHARES</b>            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | <b>7,057,862</b>                  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <b>Fully paid ordinary shares</b> |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p><b>Yes - rank equally with existing ordinary fully paid shares</b></p>
<p>5 Issue price or consideration</p>	<p><b>38 cents per share</b></p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p><b>The proceeds of the capital raising will be used to:</b></p> <p>(a) repay loans from director related entities;</p> <p>(b) maintain the Company's exploration interests, in particular its gold and base metal interests and its wholly owned iron ore interests;</p> <p>(c) meet ongoing administration and operating costs of the Company, including the costs of this issue.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b - 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p><b>No</b></p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p><b>Not applicable</b></p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p><b>Not applicable</b></p>

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+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	<b>Not applicable</b>	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<b>Not applicable</b>	
6f	Number of +securities issued under an exception in rule 7.2	<b>Not applicable</b>	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<b>Not applicable</b>	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	<b>Not applicable</b>	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<b>Not applicable</b>	
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<b>29 December 2016</b>	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<b>Number</b> <b>56,462,899</b>	<b>+Class</b> <b>Ordinary Shares</b>

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	<b>No dividend policy is currently in place since the company is involved only in exploration.</b>

**Part 2 - Pro rata issue**

11	Is security holder approval required?	<b>No</b>
12	Is the issue renounceable or non-renounceable?	<b>Non-renounceable</b>
13	Ratio in which the +securities will be offered	<b>1:7</b>
14	+Class of +securities to which the offer relates	<b>Ordinary fully paid shares</b>
15	+Record date to determine entitlements	<b>5 December 2016</b>
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	<b>Not applicable</b>
17	Policy for deciding entitlements in relation to fractions	<b>Fractional entitlements will be disregarded through rounding down.</b>
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	<b>Bermuda, Cayman Islands, United Kingdom, Singapore and United States of America.</b>
19	Closing date for receipt of acceptances or renunciations	<b>20 December 2016</b>

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20	Names of any underwriters	<b>Not applicable – the offer is not underwritten</b>
21	Amount of any underwriting fee or commission	<b>Not applicable</b>
22	Names of any brokers to the issue	<b>Not applicable</b>
23	Fee or commission payable to the broker to the issue	<b>Not applicable</b>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	<b>Not applicable</b>
25	If the issue is contingent on security holders' approval, the date of the meeting	<b>Not applicable</b>
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<b>7 December 2016</b>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<b>Not applicable</b>
28	Date rights trading will begin (if applicable)	<b>Not applicable</b>
29	Date rights trading will end (if applicable)	<b>Not applicable</b>
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<b>Not applicable</b>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<b>Not applicable</b>

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)? Not applicable
- 33 <sup>+</sup>Issue date 29 December 2016

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities** **Not applicable**

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

**Not applicable**

38    Number of +securities for which  
      +quotation is sought

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39    +Class of +securities for which  
      quotation is sought

--	--

40    Do the +securities rank equally in  
      all respects from the +issue date  
      with an existing +class of quoted  
      +securities?

If the additional +securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next  
dividend, (in the case of a  
trust, distribution) or interest  
payment
- the extent to which they do  
not rank equally, other than in  
relation to the next dividend,  
distribution or interest  
payment

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41    Reason for request for quotation  
      now

Example: In the case of restricted securities, end  
of restriction period

(if issued upon conversion of  
another +security, clearly identify  
that other +security)

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	Number	+Class
42    Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

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+ See chapter 19 for defined terms.



## Appendix 3B New issue announcement

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### Quotation agreement

- 1 Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - ~~If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.~~
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Peter Rutledge  
(~~Director~~/Company secretary)

Date: 28 November 2016

Print name: **Peter Rutledge**

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1 Not Applicable

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

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<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
“C”	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract</b> “C”  <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.15] – “C”	  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<p><b>“A”</b></p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
<b>Step 2: Calculate 10% of “A”</b>	
<p><b>“D”</b></p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<p><b>“E”</b></p>	

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.



**RED HILL IRON**  
**Limited**

ABN 44 114 553 392

**PROSPECTUS**

**FOR AN ENTITLEMENT OFFER OF SHARES**

**DATED**

**28 NOVEMBER 2016**

For a non-renounceable pro rata issue of up to 7,057,862 fully paid ordinary shares in Red Hill Iron Limited at a price of 38 cents each to all holders of ordinary shares in Red Hill Iron Limited as at 5 December 2016, on the basis of 1 share for every 7 shares held, to raise up to \$2,681,988 before costs.

IMPORTANT NOTICE TO ALL SUBSCRIBERS TO THE OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION  
IT SHOULD BE READ IN ITS ENTIRETY

If you are in doubt as to the course you should follow,  
or you need an informed opinion, you should consult your  
stockbroker, solicitor, accountant or other professional  
adviser immediately

THIS ISSUE IS NOT UNDERWRITTEN

## CORPORATE DIRECTORY

### Directors

Neil Tomkinson  
Executive Chairman

Joshua Pitt  
Non-executive Director

Garry Strong  
Non-executive Director

Mark Okeby  
Non-executive Director

### Registered and Business Office

Level 2, 9 Havelock Street  
West Perth WA 6005  
Telephone: (08) 9481 8627  
Facsimile: (08) 9481 8445  
Email: [redhillinfo@redhilliron.com.au](mailto:redhillinfo@redhilliron.com.au)  
Website: [www.redhilliron.com.au](http://www.redhilliron.com.au)

### Company Secretary

Peter Rutledge

### Share Registry

Security Transfer Australia  
770 Canning Highway  
Applecross WA 6153  
PO Box 535  
Applecross WA 6953  
Telephone: (03) 9268 2200  
Facsimile: (08) 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### Auditor

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
Perth WA 6000

### Home Exchange

Australian Securities Exchange  
2 The Esplanade  
Perth WA 6000

Red Hill Iron Limited (ABN 44 114 553 392) is a public listed company incorporated and domiciled in Australia.

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## SECTION 1 – EXPLANATION OF THE PROSPECTUS

This Prospectus is dated 28 November 2016. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. Neither ASIC nor the Australian Securities Exchange (**ASX**) is responsible for the contents of this Prospectus.

This Prospectus is a transaction specific prospectus issued in accordance with Section 713 of the Corporations Act 2001, which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is therefore intended to be read in conjunction with publicly available information in relation to the Company which has been notified to the ASX; it does not include all information that would be included in a prospectus for an initial offering of securities of a company that is not already listed on the ASX. Accordingly, shareholders should read this Prospectus in its entirety and should also have regard to other publicly available information in relation to the Company before deciding whether to apply for securities under this Prospectus. Refer to Section 2.1 for further information in this regard.

The securities offered under this Prospectus are shares (the **New Shares**) in a class of shares that are listed for quotation on a stock market of the ASX.

No securities will be issued on the basis of this Prospectus after the Expiry Date which is 3 months after the date of this Prospectus.

All monetary amounts referred to in this Prospectus are expressed in Australian Dollars.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia (other than New Zealand) may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.



## SECTION 2 – INFORMATION AVAILABLE

### 2.1 Continuous Disclosure

Red Hill Iron Limited (**Red Hill Iron or the Company**) is a "disclosing entity" for the purposes of Section 111AC of the Corporations Act 2001. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Disclosing entities are, pursuant to the Corporations Act 2001, required to issue a prospectus satisfying the test set out in Section 713 of the Corporations Act 2001, where the securities offered by the prospectus are to be quoted and the securities are in a class of securities that were quoted securities at all times in the twelve months before the issue of the prospectus.

The Company believes that it has complied with the general and specific requirements of the ASX (as applicable from time to time throughout the twelve months before the issue of this Prospectus) which require the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to a stock market conducted by the ASX, and thereby keep the market fully informed.

The shares offered by this Prospectus are considered to be in a class of securities that have been enhanced disclosure securities at all times during the twelve months prior to the issue of this Prospectus.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Information that is already in the public domain has not been reported in this Prospectus other than that information which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents free of charge to any person who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ended 30 June 2016; and
- (b) the following documents, being all the continuous disclosure notices used to notify the ASX of information relating to the Company during the period after lodgement on 23 September 2016 of the Annual Financial Report referred to in (a) and before the lodgement of this Prospectus with ASIC:

<b>Lodgement Date</b>	<b>Headline/Description of Announcement</b>
14 October 2016	Annual Report to shareholders
14 October 2016	Corporate Governance Statement
14 October 2016	Appendix 4G Corporate Governance
14 October 2016	Notice of Annual General Meeting
31 October 2016	Quarterly activities, cash flow and tenement reports
18 November 2016	Results of Annual General Meeting
18 November 2016	Change of Director's Interest Notices
22 November 2016	Change of Director's Interest Notices
24 November 2016	RHIOJV Mineral Resources Update

### 2.2 Effect of this Prospectus

When this Prospectus is forwarded to members of the Company they shall have been served with a prospectus for the purpose of the application for and allotment of and issue of New Shares.

### 2.3 Website – Electronic Prospectus

This Prospectus will not be issued as an electronic prospectus but a copy of the Prospectus excluding the Entitlement and Acceptance Form may be accessed and downloaded for general information purposes only from the Company's website on the internet at [www.redhilliron.com.au](http://www.redhilliron.com.au)

## SECTION 3 – SUMMARY OF THE OFFER AND TIMETABLE OF IMPORTANT DATES

### 3.1 The Entitlement Offer

Up to 7,057,862 fully paid ordinary shares in Red Hill Iron are being offered at a price of 38 cents each to all holders of ordinary shares in the Company as at 5 December 2016 on the basis of 1 share for every 7 shares held, to raise up to \$2,681,988 before costs.

The issue is not underwritten.

### 3.2 Timetable of Important Dates

Announcement of Entitlement Offer and application for quotation (Appendix 3B)	28 November 2016
Lodgement of Prospectus with ASIC and ASX	28 November 2016
Despatch of notice to Shareholders containing Appendix 3B information	1 December 2016
Ex date - shares trade ex-entitlements	2 December 2016
Record Date for determining entitlements to New Shares	5 December 2016
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Notify ASX of undersubscriptions	23 December 2016
Issue date – New Shares entered in shareholders' holdings and deferred settlement ends	29 December 2016
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These dates are indicative only and may vary. The Company reserves the right to vary the date that the Entitlement Offer opens and closes without prior notice. This may impact on subsequent dates. Applicants are encouraged to apply as soon as possible after the Entitlement Offer opens as it may close earlier than the date specified. The Company reserves the right not to continue with the Entitlement Offer at any time before the allotment of New Shares to successful applicants.

## SECTION 4 – CHAIRMAN’S LETTER

Dear Shareholder,

This is only the second time since listing on the ASX in February 2006 that your Company has presented a new share issue to shareholders to meet its current and future funding needs.

In the past 10 years Red Hill Iron has participated in the discovery and evaluation of two significant iron ore assets located in the West Pilbara region of Western Australia. Recently a new initiative, funded by a third party, has commenced to test the gold and base metal potential of the Red Hill Iron Ore Joint Venture (**RHIOJV**) project area (excluding the iron ore Mining Leases) where the Company retains a 100% interest in non-iron ore mineralisation.

The proposed raising will be applied to costs associated with the share issue, repayment of Director Related Loans, overseeing the Company’s exploration interests and the administration of the Company over the foreseeable future.

Entities associated with my fellow director, Mr Joshua Pitt, and myself hold 30.82% of the issued shares of the Company and intend to take up their full entitlements under this Offer.

The issue, which is non renounceable and not underwritten, is being offered at a discount to the recent 5 day VWAP of the Company’s shares. It is designed to allow shareholders to participate should they so wish, or refrain from contributing without a large dilution of their current shareholdings taking place.

### *The RHIOJV*

The RHIOJV has recently announced a small increase in total Mineral Resources to 816 million tonnes @ 56.45% iron (*RHI ASX Announcement 24 November 2016*) of which Red Hill Iron’s interest is currently 40%. When commercial production commences and product is delivered to customers, the Company may choose either to participate in the joint venture at the 19% level and contribute to costs (including repayment of carried costs from 80% of revenue), or to convert its interest to a 2% FOB royalty on all RHIOJV production.

Until it is obligated to make this election, Red Hill Iron has no requirement to contribute to the cost of iron ore exploration or development as it is sole funded under the joint venture arrangements.

As previously reported, Red Hill Iron’s joint venturers are currently finalising a desktop study to consider an integrated rail and port infrastructure solution (*RHI ASX Announcement 31 October 2016*) which envisages a 40 million tonne per year project production rate over 20 years sourcing the majority of CID ores from the RHIOJV.

### *Pannawonica Project*

Red Hill Iron owns 100% of the Pannawonica CID Project where 70 million tonnes of CID Inferred Resources grading 54.1% iron (4.8% alumina) have been defined (*RHI ASX Announcement 18 February 2014*). Three granted Mining Leases cover the area of mineralisation.

The Pannawonica Project is situated approximately 30 kilometres east of the Great Northern Highway and 100 kilometres south of Cape Preston East, where a new port with iron ore export facilities is being contemplated by third parties. The rail line servicing the Mesa A CID mine passes between the Company’s Mining Leases. Pending a sustained increase in the iron ore price and a viable transport route to port facilities being established, this project remains on a care and maintenance basis.

*Base Metal and Gold Joint Venture*

Red Hill Iron recently announced a new joint venture agreement with a mid-tier ASX listed mining company, to explore the gold and base metal potential of the Company's West Pilbara tenement package (excluding the area of the Red Hill Iron Ore Joint Venture's iron ore Mining Leases). The joint venture terms give the new party the right to earn up to 70% in Red Hill Iron's gold and base metals interests through expenditure of \$3M with an initial minimum commitment of \$500,000.

I encourage all shareholders to read this Prospectus in full and give due consideration to taking up their Entitlement.

Neil Tomkinson  
Chairman  
28 November 2016

## SECTION 5 – PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

### 5.1 Purpose of the Entitlement Offer

The Entitlement Offer will raise funds for the following purposes:

- (a) to repay loans from director related entities;
- (b) to meet ongoing administration and operating costs of the Company for the next two to three years, including the costs of this issue;
- (c) to maintain the Company's exploration interests in particular its gold and base metal interests and its wholly owned iron ore interests.

The estimated allocation of funds to be raised is as follows:

	\$000
Costs of this issue	30
Repayment of Director Related Loans	500
Maintaining the Company's exploration interests	1,050
Evaluation of new projects	100
Administration and operating costs	<u>1,002</u>
Gross proceeds of the Entitlement Offer	<u>2,682</u>

### 5.2 Effect of this Entitlement Offer on the Company's Capital Structure

The capital structure before and after the Entitlement Offer is presented below based on the assumption that all Entitlements are taken up.

Ordinary Shares Fully Paid	No of Shares
On issue	49,405,037
New Shares	<u>7,057,862</u>
After this Issue	<u>56,462,899</u>

### 5.3 Effect of this Entitlement Offer on the Company's Statement of Financial Position

The Company's audited Statement of Financial Position as at 30 June 2016 is used as the basis to show the effect of a fully subscribed Entitlement Offer. It is set out below alongside an Unaudited Proforma Post-Issue Statement of Financial Position which reflects the effect of the following transactions:

- (a) all Entitlements are taken up, raising \$2,651,988 after expenses of the Issue;
- (b) an increase of \$300,000 in the Director Related Loans from 30 June 2016 to the date of this Prospectus (applied to meeting the cost of the Company's operations during that period) and the repayment in full of the resulting \$500,000 Director Related Loan balance from the proceeds of the Entitlement Offer;

## STATEMENT OF FINANCIAL POSITION

	Audited 30 June 2016	Unaudited Proforma Post-Issue
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	109,770	2,261,758
Trade and other receivables	11,053	11,053
<b>Total Current Assets</b>	120,823	2,272,811
<b>Non-Current Assets</b>		
Exploration and evaluation assets	10,008,025	10,008,025
<b>Total Non-Current Assets</b>	10,008,025	10,008,025
<b>Total Assets</b>	10,128,848	12,280,836
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	157,088	157,088
Borrowings	200,000	-
<b>Total Current Liabilities</b>	357,088	157,088
<b>Total Liabilities</b>	357,088	157,088
<b>Net Assets</b>	9,771,760	12,123,748
<b>Equity</b>		
Issued capital	25,086,598	27,738,586
Reserves	462,770	462,770
Accumulated losses	(15,777,608)	(16,077,608)
<b>Total Equity</b>	9,771,760	12,123,748

### 5.4 Consequences of undersubscription

As set out in Section 6.5 of this Prospectus, the Director Linked Entities intend to take up their full entitlement under this Offer subject to their voting power in the company not being more than 3% higher than it was 6 months before their acquisition of New Shares.

If the total of all funds raised from acceptances of Entitlements is less than the \$2,681,988 being sought in this Offer, the Company will have the ability to amend its expenditure budgets accordingly, while the Directors consider other options, which may include alternative equity raising opportunities. Additionally the Director Related Loans facility (described in Section 8.1 of this Prospectus) will remain in place.

## SECTION 6 – DETAILS OF THE ENTITLEMENT OFFER

### 6.1 The Offer

This Prospectus invites all existing holders of ordinary shares in the Company to participate in a pro-rata non-renounceable Entitlement Offer of New Shares on the basis of 1 New Share for every 7 Shares held on the Record Date at an issue price of 38 cents per New Share. Fractional entitlements will be disregarded through rounding down.

The Entitlement Offer is for up to 7,057,862 New Shares and will raise up to \$2,681,988 before costs (estimated to be approximately \$30,000) if all Entitlements are taken up.

There is no minimum subscription.

### 6.2 No Rights Trading

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly there will be no rights trading on the ASX.

### 6.3 Opening and Closing Dates

The Entitlement Offer will open for receipt of acceptances at 10.00 am WST on **Wednesday 7 December 2016** and will close at 5.00 pm WST on **Tuesday 20 December 2016**, or such later date not exceeding 3 months from the date of this Prospectus, as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives the ASX notice of the change at least 3 Business Days prior to the Closing Date.

### 6.4 Not underwritten

The Offer is not underwritten.

### 6.5 Directors' Support of the Offer and Effect of Control and Dilution

Entities associated with two of the Company's Directors, Mr Neil Tomkinson and Mr Joshua Pitt, (**Director Linked Entities**) currently hold a 30.82% relevant interest in the shares of the Company. These entities intend to take up their full entitlement under this Offer subject to their voting power in the company after allotment and issue of New Shares to them not being more than 3% higher than it was 6 months before.

Based on the Company's share register as at one day before the date of this Prospectus, if no Shareholders other than the Director Linked Entities were to take up their Entitlements, the Director Linked Entities' Entitlement would be reduced by 56,750 New Shares, out of their expected Entitlement of approximately 2,175,500 New Shares, in order to comply with the 3% threshold requirements of Section 611(9) of the Corporations Act 2001.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to 12.5% (as compared to their holdings and the number of Shares on issue as at the Record Date). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% Post Offer	Dilution %
Shareholder 1	2,500,000	5.06%	357,143	2,500,000	4.43%	11.9%
Shareholder 2	1,000,000	2.02%	142,847	1,000,000	1.77%	12.3%
Shareholder 3	500,000	1.01%	71,429	500,000	0.89%	12.4%
Shareholder 4	100,000	0.20%	14,286	100,000	0.18%	12.5%
Shareholder 5	50,000	0.10%	7,143	50,000	0.09%	12.5%
Shareholder 6	10,000	0.02%	1,429	10,000	0.02%	12.5%

Note: The reduced % Post Offer shown in the table represents the maximum dilution based on the assumption that all Entitlements other than the Shareholder's are taken up.

## 6.6 Share Market Trading

The latest available market sale price of the Company's shares on the ASX on the day immediately before the announcement of the terms of the Entitlement Offer was 45 cents on 22 November 2016.

The highest and lowest recorded sale prices of the Company's shares during the three months immediately preceding the announcement of this issue and the respective dates of those sales were:

Highest price:	50 cents	Date:	18 November 2016
Lowest price:	40 cents	Date:	30 August 2016

## 6.7 Entitlements and Acceptances

Your entitlement to New Shares is set out in the accompanying Entitlement and Acceptance Form.

The Entitlement Offer is non-renounceable and accordingly you may not dispose of any part of your entitlement.

The Entitlement Offer is made on the condition that the Company has the right to scale back any acceptances from a Shareholder that would result in that Shareholder being in breach of Section 606 (1) (c) (20% Threshold) or Section 611 (9) (3% Threshold) of the Corporations Act 2001.

You may:

- Accept your entitlement in full – refer below; or
- Accept part of your entitlement and allow the balance to lapse – refer below; or
- Not accept any of your entitlement and allow it to lapse – refer below.

### Acceptance of Entitlement in Full

If you wish to accept your entitlement in full, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form and submit your acceptance either electronically by BPAY® no later than 3.00 pm WST on the Closing Date, or, together with a cheque by mail, so that it is received at the Company's Share Registry no later than 5.00 pm WST on the Closing Date, 20 December 2016. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.



## Partial Acceptance of Entitlement

If you wish to accept part of your entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form for that part of your entitlement that you wish to accept and submit your acceptance either electronically by BPAY® no later than 5.00 pm WST on the Closing Date, or, together with a cheque, by mail, so that it is received by the Company's Share Registry no later than 5.00 pm on the Closing Date, 20 December 2016. If you are using BPAY® please note, as set out below, that you will need to allow time for your acceptance and remittance to be processed by the banking system.

## Non-Acceptance of Entitlement

If you do not wish to take up any part of your entitlement, you are not required to take any action.

## Payment for Acceptances by cheque or BPAY®

Entitlements may be taken up by submitting the completed Entitlement and Acceptance Form together with your cheque or money order, made payable to "Red Hill Iron Limited" and crossed "Not Negotiable", to:

Security Transfer Australia  
PO Box 535  
Applecross WA 6953 Australia

to be received **no later than 5pm WST on 20 December 2016**. Shareholders using this method of Acceptance are cautioned to make adequate allowance for delivery by mail particularly on account of the Christmas season.

Alternatively, entitlements may be taken up electronically using BPAY®, in which case you are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of shares accepted by using the Biller Code and the personalised Reference Number set out on your Entitlement and Acceptance Form. You must ensure that acceptance and payment by BPAY® is received **no later than 3pm WST on 20 December 2016**.

Instructions for payment using BPAY® are set out in your Entitlement and Acceptance Form. You should be aware that your own financial institution may impose earlier cut-off times with regard to electronic payments and you should therefore take this into consideration when making payment. It is the responsibility of the Eligible Shareholder to ensure that funds submitted through BPAY® are received by the Closing Date.

## Enquiries

If you have any queries regarding your Entitlement, Acceptance of your Entitlement please contact the Company by telephone on (08) 9481 8627 (from New Zealand +61 8 9481 8627) or your stockbroker or professional adviser.

## 6.8 Undersubscriptions

Entitlements not taken up will lapse.

## 6.9 Issue and Allotment of New Shares

The New Shares are expected to be issued and allotted by no later than 29 December 2016 and holding statements will be despatched one business day after the issue. Until the issue and allotment of the New Shares under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only, as required by the Corporations Act. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place or not.

## **6.10 ASX Listing**

The Company has made application to the ASX for the official quotation of the New Shares offered by this Prospectus. If approval is not granted by the ASX for the official quotation of the New Shares within three (3) months after the date of this Prospectus, the Company will not allot or issue any New Shares and will repay all application monies (where applicable) within the time prescribed under the Corporations Act 2001, without interest.

The fact that the ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

## **6.11 CHESS System**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532 (**ASTC**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the offer made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASTC.

Shareholders registered under the Issuer Sponsored subregister will receive an Issuer Sponsored statement from the Company's Share Registry.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

## **6.12 Overseas Investors**

This Prospectus does not constitute an offer in any overseas jurisdiction in which, or to any person to whom, it would not be lawful without satisfying regulatory compliance to make such an offer.

Given the cost of regulatory compliance in those overseas jurisdictions, it is not practicable to extend this offer to shareholders other than those with Australian and New Zealand registered addresses. Consequently no offer of entitlements will be made to shareholders with registered addresses outside Australia and New Zealand.

New Shares to which Eligible Shareholders who are not residents of Australia and New Zealand would otherwise be entitled will lapse.

### **New Zealand shareholders**

The New Shares are being offered to existing shareholders of the Company with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to accept their entitlements under this Offer.

## **6.13 No issue of New Shares after the Expiry Date**

No New Shares will be issued on the basis of this Prospectus later than the Expiry Date.

## **6.14 Ranking of New Shares**

The New Shares will rank equally in all respects with the Company's existing issued fully paid ordinary shares. The Company currently has 49,405,037 fully paid ordinary shares on issue.

#### **6.15 Dividend Policy**

As the Company is an exploration company the Directors have not considered it necessary to formulate a dividend policy. A dividend policy will become appropriate in the event of the development of a cash flow which leads to trading profits.

#### **6.16 Taxation Implications**

The Directors do not consider that it is appropriate to give shareholders advice regarding the taxation implications of applying for New Shares under the Entitlement Offer. Neither the Company nor its advisers or Directors accept any responsibility or liability for any taxation consequences to shareholders. Shareholders should therefore consult their professional tax adviser in relation to any taxation implications of the Entitlement Offer which may be relevant to them.

## **SECTION 7 – INVESTMENT CONSIDERATIONS - RISKS**

The shares offered pursuant to this Prospectus are speculative.

The value of the Company's shares can and does fluctuate depending on various factors including the general economic conditions in Australia, world-wide prices of metals and minerals, increases in operating costs in the Company's areas of operation and non-Australian factors which influence the Australian share market.

The ownership of the Company's shares involves certain risks and shareholders in doubt should consult their stockbroker or financial adviser for advice. Factors which in the opinion of the Directors should be taken into account include:

### **Equity Markets**

The price of shares quoted for trading by the ASX is impacted by various international and domestic factors. As the Company is listed on the ASX, its share price is subject to these numerous influences that may reflect both the trends in the share market and the share prices of individual companies.

### **Government**

In Australia, where the Company operates, Government policies are subject to review and change from time to time and the Company relies upon Government agencies promptly and favourably dealing with applications and consents. Such matters are likely to be beyond the control of the Company. Changes in community attitudes on matters such as taxation, environment and landholder issues may bring about reviews and possible changes in government policies and regulations. Any such government action or inaction may limit or prohibit operations or require increased capital or operating expenditure and could adversely impact the Company's business.

### **Taxation**

The Company is subject to various forms of taxation in Australia. There is an ongoing risk that changes to taxation legislation or the interpretation or enforcement of taxation laws or regulations may adversely impact revenues, and therefore the financial performance of the Company.

### **Economic Conditions and Project Delays**

Domestic and global economic conditions may affect Company performance. Factors such as inflation, interest rates, prices and availability of critical supplies, such as gas, oil, power and water may delay operations and impact upon operating costs and may adversely affect the prospects of the Company. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and its Directors.

### **Contractual and Other Legal Risks**

All permits and contracts entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce all its presumed rights under its permits and contracts. The introduction of new legislation or amendments to existing legislation or changes in regulation or administrative practices by governments, developments in existing common law or civil law, or the interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets and operations and therefore on the financial performance and share price of the Company.

### **Litigation Risk**

Exposure to litigation brought by third parties such as joint venture participants, contractors, regulators, or employees could negatively impact on the Company and its operations and licences. Legal claims, if successful could adversely impact on the profits or financial position of the Company.

## **Exploration and Appraisal Risk**

Potential investors should understand that mineral projects are high-risk undertakings. There can be no assurance that exploration of the Company's tenements will result in economic mineral reserves being discovered or subsequently developed. The estimated costs of the Company are based on certain assumptions. By their nature, these estimates and assumptions are subject to significant uncertainties and, as a result, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, factors which may materially and adversely affect the Company's viability.

## **Reserve and Resource Estimates**

Reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change, resulting in alterations to mining development plans which could, in turn, adversely affect the Company's operations.

## **Title Risks**

Interests in tenements are governed by the granting of licences or leases by the appropriate government authorities. The conduct of operations and the steps involved in acquiring all licences and permits involve compliance with numerous procedures and formalities. It is not always possible to correctly interpret, or comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly complied with, or that it is possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the titles.

## **Speculative Nature of Investment**

This list of risk factors is not exhaustive of the risks faced by the Company or by investors in the Company. Potential investors should also have regard to the Company's prior publications and announcements. The above factors, and others not referred to specifically above, may in the future materially affect the financial performance of the Company and the value of the shares offered under this document. Potential investors should treat the investment in the Company as speculative and should consult their stockbroker or professional advisers before deciding whether to apply for shares.

## SECTION 8 – ADDITIONAL INFORMATION

### 8.1 Interests of Directors

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or its promotion of the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or this Entitlement Offer.

#### Directors' Shareholdings

Directors' interests in the share capital of the Company as at the date of this Prospectus are shown below:

Director	Ordinary Shares Fully Paid
J Pitt	9,025,255
N Tomkinson	6,203,254
G Strong	1,286,938
M Okeby	625,000

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 15,228,509 ordinary shares (30.82%).

The Company has no options on issue.

#### Directors' Remuneration

Details relating to the remuneration of Directors are set out in the Remuneration Report section of the Directors' Report and Note 17 of the Notes to the Financial Statements contained in the Company's 2016 Annual Financial Report lodged with the ASX on 23 September 2016. There have been no changes to the level of Directors' remuneration since that date.

#### Director Related Loans

The Company has entered into loan agreements with companies associated with Directors Mr Neil Tomkinson and Mr Joshua Pitt whereby those companies have made available a loan facility totalling \$900,000 to the Company to enable the Company to meet its ongoing working capital requirements.

This facility consists of two unsecured short term loans of up to \$450,000 each bearing interest at 2.5% per annum, paid quarterly in arrears, and is otherwise on normal commercial terms and conditions. The loans are repayable by 15 October 2017.

\$200,000 had been drawn on the facility to 30 June 2016 and subsequently a further \$300,000 has been drawn down, resulting in a total amount of \$500,000 as at the date of this Prospectus.

## 8.2 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or shares or otherwise) have been paid or agreed to be paid to any expert, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or offer of the securities.

## 8.3 Consent

HLB Mann Judd (HLB) consents to

- (a) being named by reference in this Prospectus as the auditor for the Company; and
- (b) the distribution of paper and electronic copies of the Prospectus.

HLB has not authorised or caused the issue of the Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any other part of the Prospectus.

HLB has not withdrawn this consent prior to lodgement of the Prospectus with ASIC.

## 8.4 Substantial Shareholders

As at the date of this Prospectus the following substantial shareholdings have been recorded:

Name	Shares Held	% of Issued Capital
Perth Capital Pty Ltd and associates (Director Linked Entities)	15,228,509	30.82%
Baosteel Group Corporation, Fortune BS, Aurizon Holdings Ltd and associates	8,680,179	17.57%
Brisbane Investments I Ltd and Brisbane Investments II Ltd	4,051,210	8.20%
Aigle Royal Superannuation Fund Pty Ltd <A Poli Super>	3,545,393	7.18%

## 8.5 Rights Attaching To Shares

Details of the rights attaching to the Company's shares are set out in Note 12 of the Notes to the Financial Statements in the Company's 2016 Annual Financial Report lodged with the ASX on 23 September 2016, and in the Constitution of the Company, a copy of which can be inspected at the Company's registered office at Level 2, 9 Havelock Street, West Perth during normal business hours.

## 8.6 Corporate Governance

The Company has adopted comprehensive corporate governance policies. These policies are set out on the Company's website at: <http://www.redhilliron.com.au/CorpGov.htm>

## SECTION 9 – DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENTS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that no statements made by the Directors in this Prospectus are misleading or deceptive and that, in respect of any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or, to the Directors knowledge, are not likely to withdraw such consent before any issue of New Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed in accordance with a resolution of the Directors.

N Tomkinson  
Chairman

Dated 28 November 2016



## SECTION 10 - GLOSSARY OF DEFINED TERMS

"ASIC" means the Australian Securities and Investments Commission;

"ASTC" means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532;

"ASX" means ASX Limited as operator of the Australian Securities Exchange;

"Board" means the Board of Directors of the Company;

"Business Day" means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the ASX declares is not a business day;

"CHESS" means the ASX's Clearing House Electronic Sub Register System;

"Closing Date" means 5.00pm WST on 20 December 2016 or such other date as may apply under terms hereof;

"Company" or "Red Hill Iron" means Red Hill Iron Limited ABN 44 114 553 392;

"Corporations Act" means the Corporations Act 2001 (Cth) as amended from time to time;

"Directors" means the directors of the Company;

"Director Linked Entities" means entities associated with two of the Company's Directors, Mr Neil Tomkinson and Mr Joshua Pitt, which constitute one of the substantial shareholders of the Company;

"Director Related Loans" means loans advanced to the company by entities associated with directors N Tomkinson and J Pitt in terms of a facility described in Section 8.1 of the Prospectus;

"Entitlement" means the entitlement of an Existing Shareholder to apply for New Shares under the Entitlement Offer;

"Entitlement Offer" or "Offer" means the non-renounceable pro-rata offer pursuant to this Prospectus, of up to 7,057,862 New Shares on the basis of one New Share for every seven Shares held on the Record Date, at an issue price of 38 cents per New Share, to raise up to \$2,681,988 before expenses of the Issue;

"Entitlement and Acceptance Form" or "Form" means the personalised Entitlement and Acceptance Form accompanying this Prospectus;

"Ex Date" means 2 December 2016 being the date from which Shares trade without the Entitlement;

"Existing Shareholder" means a shareholder of the Company whose details appear on the Company's register of shareholders at the Record Date;

"Eligible Shareholder" means an Existing Shareholder who is entitled to participate in the Entitlement Offer under the Listing Rules or other ASX requirements;

"Expiry Date" is the date 3 months after the date of this Prospectus;

"Issue" means the issue of New Shares pursuant to this Prospectus;

"Listing Rules" means the Listing Rules of the ASX;

"Lodgement Date" means the date of lodgement of the Prospectus with ASIC – that is 28 November 2016;

"New Shares" means the Shares to be issued pursuant to this Prospectus;

"Offer" means the offer of New Shares pursuant to this Prospectus;

"Official Quotation" means official quotation by ASX in accordance with the Listing Rules;

"Opening Date" means 10.00am WST on 7 December 2016 or such other date as may apply under the terms hereof;

"Prospectus" means this Prospectus dated 28 November 2016;

"Record Date" means 5.00pm WST on 5 December 2016;

"RHIOJV" means the Red Hill Iron Ore Joint Venture

"Share Registry" means Security Transfer Australia;

"Section" means a section of this Prospectus;

"Share" means a fully paid ordinary share in the capital of the Company;

"Shareholder" means a holder of ordinary shares in the Company;

"WST" means Australian Western Standard Time;

"\$" means Australian dollars unless otherwise stated.