



ABN: 44 114 553 392

Level 2, 9 Havelock Street, West Perth WA 6005  
PO Box 1160, West Perth WA 6872  
Telephone: (61 8) 9481 8627  
Facsimile: (61 8) 9481 8445

E-mail: [redhillinfo@redhilliron.com.au](mailto:redhillinfo@redhilliron.com.au)  
Website: [www.redhilliron.com.au](http://www.redhilliron.com.au)

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

31 July 2017

Dear Sir/Madam

### **ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

Red Hill Iron (RHI or the Company) is a ferrous metals gold and base metals explorer whose activities are concentrated on the West Pilbara area of Western Australia. The Company's current interests are:-

- the Red Hill Iron Ore Joint Venture (RHIOJV) - an iron ore joint venture, in which the Company currently holds a 40% carried interest convertible at RHI's election to a 2% FOB Royalty. The joint venture which is managed by API Management Pty Ltd (API), the management company of the API Joint Venture (participants Baosteel/Aurizon and AMCI/Posco) has identified substantial Channel Iron Deposit (CID) Mineral Resources and Ore Reserves;
- the West Pilbara Gold Project in joint venture with Chalice Gold Mines Ltd (Chalice). The area of this joint venture is encompassed by the area of the RHIOJV (the activities of which are restricted to iron ore exploration and development). Chalice may earn up to a 70% interest in any gold and basemetal (non-ferrous) deposits discovered within the joint venture area; and
- The Pannawonica Project located in the Pannawonica area which is wholly owned by RHI and encompasses two CID deposits and a commercial hard rock resource.

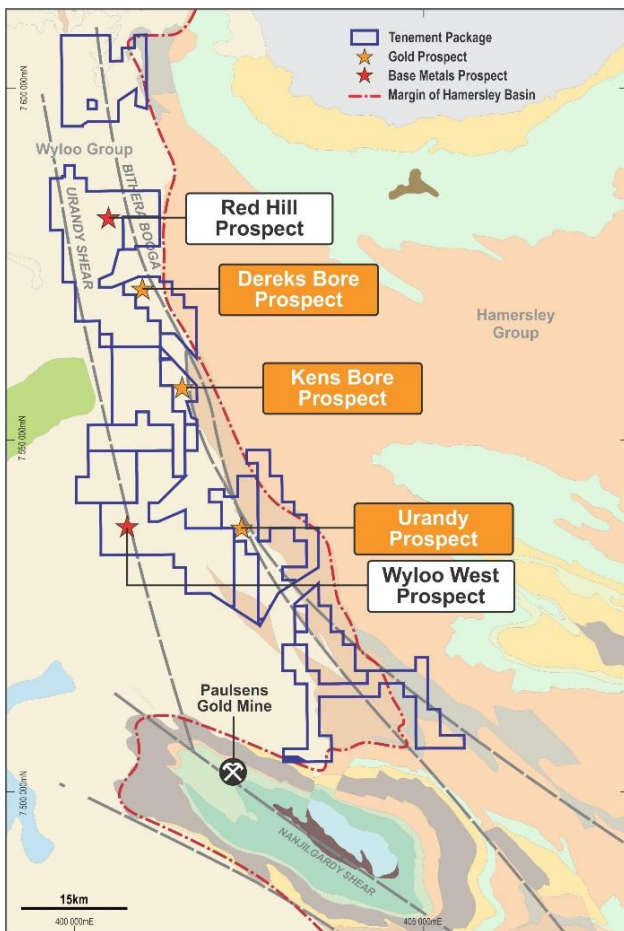
RHI reports on the above projects and activity during the quarter as follows:-

#### **West Pilbara Gold Project (Chalice earning up to 70%)**

The West Pilbara Gold Project is a farm-in and joint venture located in the highly prospective Ashburton Mineral Field in Western Australia's Pilbara region. Chalice have supplied the following report on activity during the quarter:-

*The 1,390km<sup>2</sup> West Pilbara Project (Figure 9) is located approximately 160km south-southwest of Karratha and has contiguous coverage of 90km of strike of prospective geology along the contact*

between the Ashburton and Hamersley Basins, referred to as the Paraburdoo Hinge Zone and is defined by regional fault/shear zones. The region is under-explored for both gold and base metals and the southwest boundary of the property is approximately 8km from Northern Star Resources' (ASX: NST) Paulsens multi-million ounce gold mine. The project is subject to a farm-in and joint venture whereby Chalice can earn up to a 51% interest in the non-iron rights from Red Hill Iron Limited (ASX: RHI) (or up to 70% interest if Red Hill elects not to contribute at this stage).



**Figure 9: Geology and property map of the West Pilbara project**



**Figure 10: Hydrothermal Breccia with malachite and chalcocite mineralisation at Wyloo West Prospect**

During the Quarter, a program of field reconnaissance and rock-chip sampling was undertaken across all high priority gold and base metal targets including Wyloo West, Dereks Bore, Kens Bore, G1 and Red Hill Copper prospects. A total of 130 rock-chip samples were collected from 9 prospects with maximum values recorded of up to 12.3g/t Au and 29% Cu.

Based on the results of the recent field program three prospects (Wyloo West, Dereks Bore and Red Hill) are currently being surveyed by gradient array IP geophysics to cover identified targets which include either elevated Au and Cu rock chip sampling, anomalous soil geochemistry or historic Au drill intersections. Any new drill targets defined from the IP surveying will be included with the planned drilling programs at Ken's Bore, G1, and Wyloo East with drilling scheduled to commence in September.

## **Competent Persons and Qualifying Persons Statement**

The information in this report that relates to the Chalice managed West Pilbara Gold Project is based on information compiled by Dr Kevin Frost BSc (Hons), PhD, who is a Member of the Australian Institute of Geoscientists. Dr Frost is a full-time employee of Chalice Gold Mines Limited and has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – ‘Standards of Disclosure for Mineral Projects’. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr Frost consents to the release of information in the form and context in which it appears here.

## **Red Hill Iron Ore Joint Venture (RHI interest 40%)**

API have supplied the following report on activity during the quarter:-

### **1. Exploration**

#### ***Highlights for the Quarter***

- *Exploration work continued during the Quarter with the completion of drill program planning for the 2017 field season*
- *RC drilling programmes completed at White Gate Channel Iron Deposit (CID) and Breccia Bedded Iron Deposit (BID) targets.*

### **2. Background**

*API Management Pty Ltd (APIM) manages the interests of Aquila Steel Pty Ltd (Baosteel & Aurizon) and AMCI (IO) Pty Ltd (AMCI & Posco) in the Pilbara region. These companies participate in the RHIOJV through API and currently hold a 60% interest in the RHIOJV which is a participant in an overall development concept which involves iron ore production of 40 million tonnes per annum (dry) and transportation of the product using a new 250 km railway and subsequent export to Asian markets via a new deep-water port facility located at Anketell Point.*

### **3. Exploration**

*Exploration work continued during the Quarter with the completion of RC drilling programmes at the White Gate Channel Iron Deposit (CID) and Breccia Bedded Iron Deposit (BID) targets (Figure 1).*

*A total of 7 RC drill holes were completed for 450m at the Breccia BID prospect (Figure 2). The drilling targeted a section of a north-west anticline structure where outcrop presents as breccia comprising of angular fragments of colluvium and Banded Iron Formation. Iron ore mineralisation is associated with goethitic overprinting.*

*A total of 10 RC infill drill holes were completed for 406m at the Whitegate CID prospect (Figure 3). The drilling targeted outcropping CID that was formed by the alluvial and chemical deposition of iron rich sediments in a palaeo-river channel.*

*Better assays received from both targets during the Quarter included:*

***Breccia (BID target)***

- *12m @ 55.23% Fe from 10m in BERC0005*
- *10m @ 54.55% Fe from 20m in BERC0006*
- *10m @ 55.79% Fe from 26m in BERC0009 and 10m @ 55.34% Fe from 46m in BERC0009*  
*Intercepts are true widths >10m thick and calculated for greater than 52% Fe.*

***Whitegate (Outcropping CID target)***

- *8m @ 53.95% Fe from surface in WGRC0038*
- *6m @ 55.21% Fe from surface in WGRC0042*  
*Intercepts are true widths >5m thick and calculated for greater than 52% Fe.*

*A full set of intercepts received during the Quarter are reported in Table 3.*

***4. Tenure***

*Heritage survey planning, including consultant engagement process continued during the period.*

*Processes to maintain tenements across the RHIOJV and the broader project area were continued, including lodgement of required extensions of term and reporting obligations for work completed.*

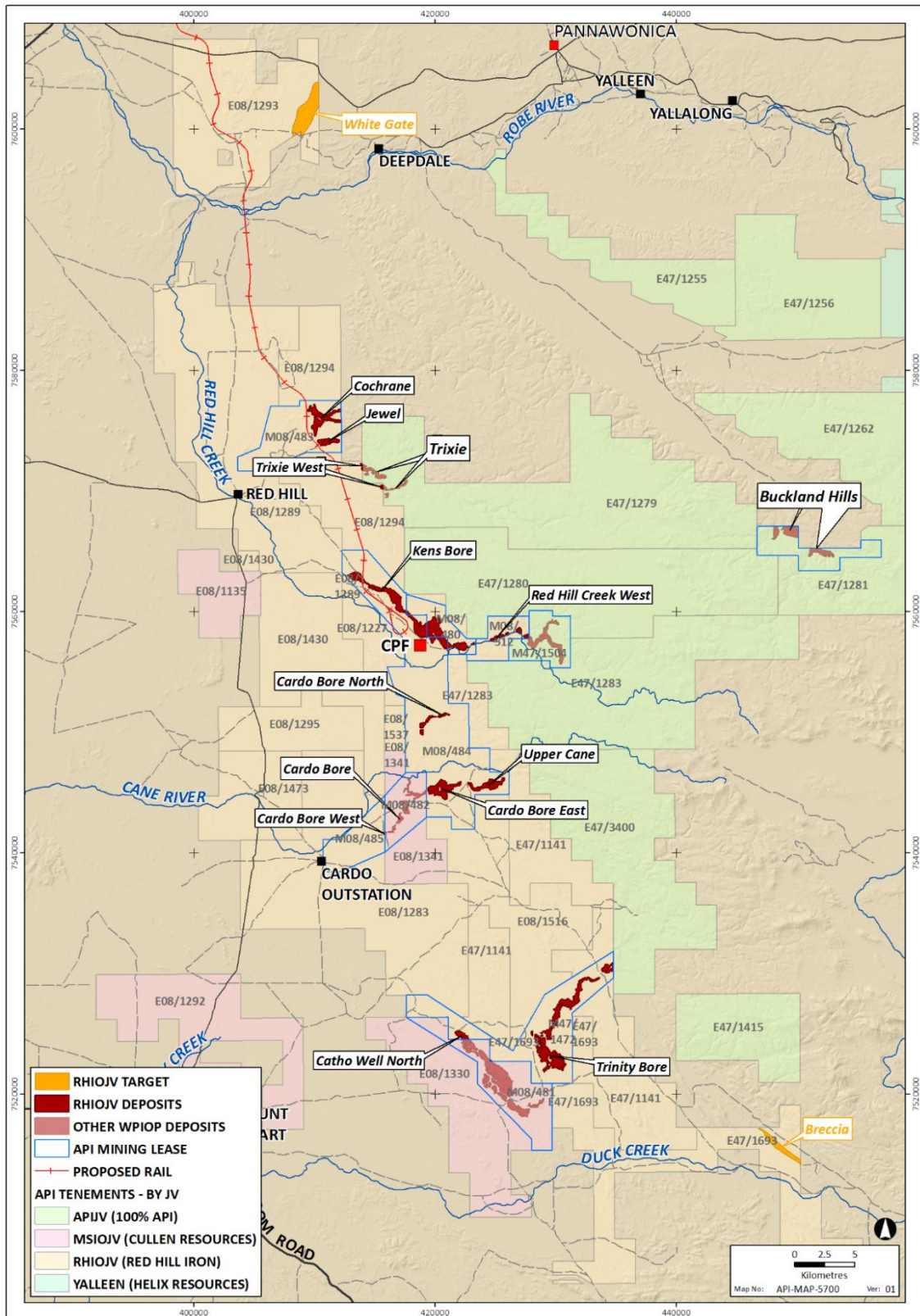
***5. Environment***

*Environmental compliance activities including statutory reporting and a level of field compliance monitoring were maintained.*

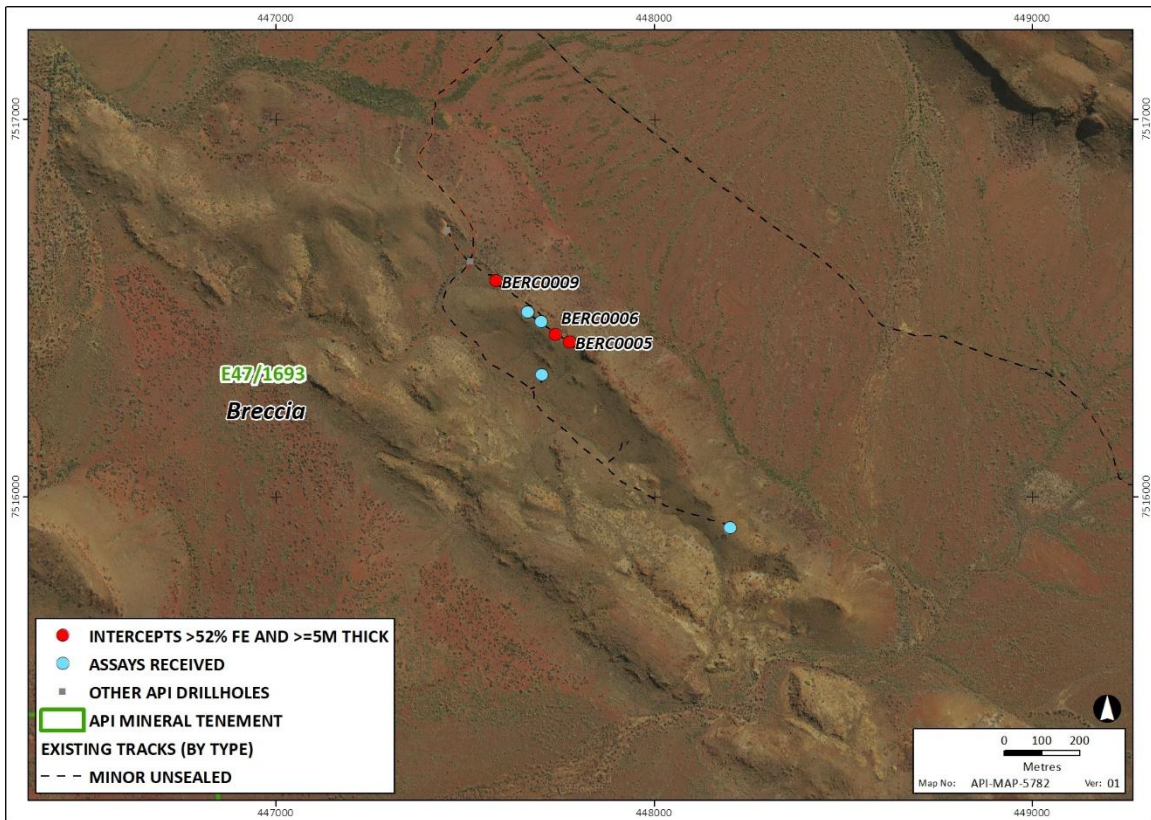
*Environmental review documents in relation to the Cardo expanded mine footprint areas and Red Hill Creek West (RHIOJV), Red Hill Creek (APIJV) were progressed.*

*Renewal applications for Stage 1 Groundwater Abstraction Licences and Bed and Banks Permits were compiled and submitted to the Department of Water.*

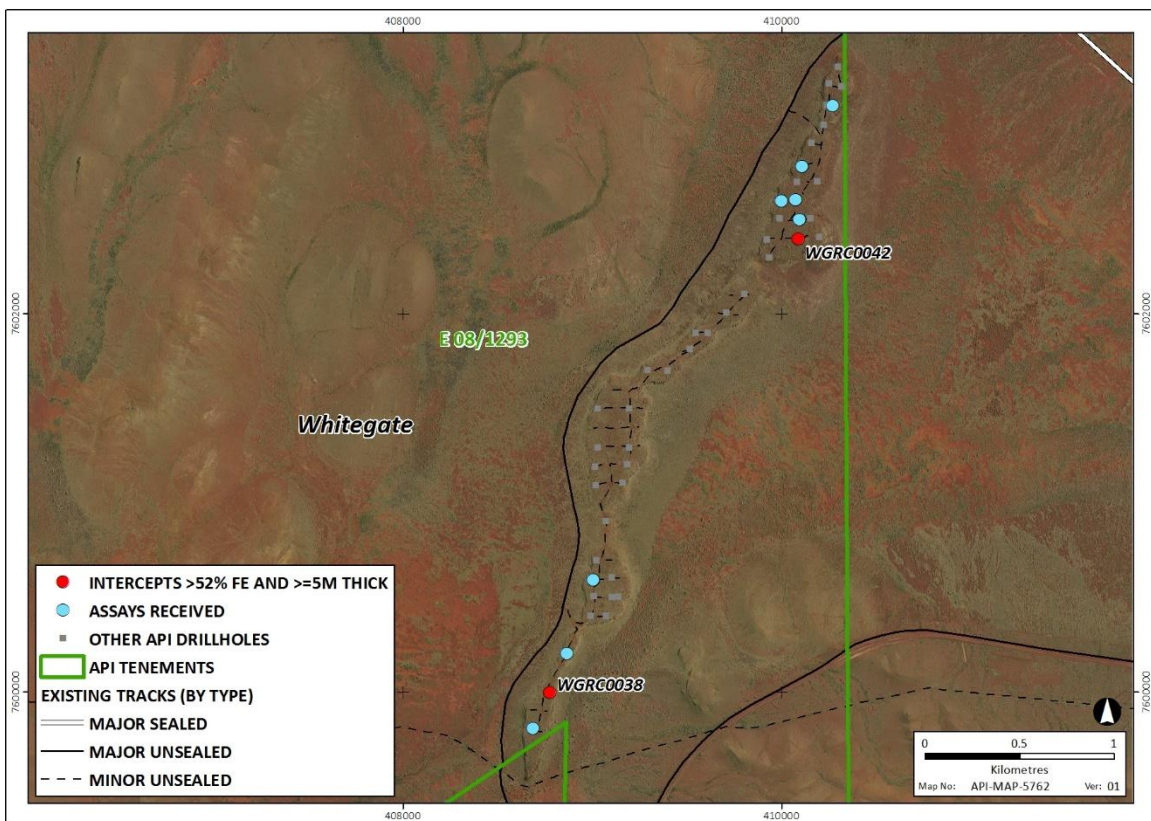
**Figure 1 – Location Plan**



**Figure 2 – Drillhole Locations at Breccia (BID)**



**Figure 3 – Drillhole Locations at Whitegate (CID)**



**Table 3 – Drilling Intercepts Received – June 2017 Quarter**

Prospect	Hole ID	Easting	Northing	RL	Depth From	Intercept	Al2O3%	SiO2%	P%	S%	LOI1000%	Hole Depth
Breccia*	BERC0003	448201	7515919	280	36	2.0m @ 52.83% Fe	1.29	12.45	0.158	0.006	10.30	88
Breccia*	BERC0004	447702	7516323	280	Results below intercept cut-off							82
Breccia*	BERC0005	447775	7516411	305	10	12.0m @ 55.23% Fe	1.94	7.41	0.137	0.007	10.93	42
Breccia*	BERC0006	447738	7516431	308	20	10.0m @ 54.55% Fe	2.98	7.15	0.144	0.008	11.22	34
Breccia*	BERC0007	447665	7516490	306	28	2.0m @ 53.08% Fe	2.68	10.16	0.139	BDL	10.50	40
Breccia*	BERC0007	447665	7516490	306	38	2.0m @ 52.05% Fe	0.95	14.14	0.144	BDL	10.00	40
Breccia*	BERC0008	447700	7516465	306	22	2.0m @ 56.03% Fe	2.38	5.55	0.148	0.006	11.30	94
Breccia*	BERC0008	447700	7516465	306	30	2.0m @ 55.49% Fe	1.51	7.36	0.135	BDL	11.10	94
Breccia*	BERC0009	447580	7516573	282	26	10.0m @ 55.79% Fe	1.10	7.66	0.190	0.005	10.76	70
Breccia*	BERC0009	447580	7516573	282	46	10.0m @ 55.34% Fe	0.97	8.37	0.277	BDL	10.37	70
Whitegate	WGRC0037	408687	7599806	152	2	4.0m @ 54.63% Fe	4.30	6.03	0.025	0.020	10.90	34
Whitegate	WGRC0038	408777	7599994	142	0	8.0m @ 53.95% Fe	4.13	7.71	0.033	0.013	9.92	34
Whitegate	WGRC0039	408866	7600202	144	0	2.0m @ 52.73% Fe	5.44	7.09	0.037	0.024	10.30	34
Whitegate	WGRC0040	409005	7600590	139	6	2.0m @ 52.81% Fe	5.08	6.32	0.033	0.018	12.20	40
Whitegate	WGRC0040	409005	7600590	139	12	2.0m @ 54.74% Fe	3.52	5.34	0.040	0.021	11.90	40
Whitegate	WGRC0041	410274	7603100	156	6	2.0m @ 53.54% Fe	4.73	7.56	0.037	0.016	10.40	52
Whitegate	WGRC0042	410090	7602396	150	0	6.0m @ 55.21% Fe	4.38	6.08	0.030	0.027	9.96	40
Whitegate	WGRC0043	410098	7602500	150	0	2.0m @ 52.50% Fe	6.57	7.55	0.035	0.036	9.81	40
Whitegate	WGRC0043	410098	7602500	150	8	2.0m @ 52.95% Fe	2.92	11.22	0.037	0.011	9.37	40
Whitegate	WGRC0044	410003	7602598	154	0	4.0m @ 54.27% Fe	4.90	6.38	0.034	0.041	9.98	40
Whitegate	WGRC0044	410003	7602598	154	8	2.0m @ 54.30% Fe	3.23	8.07	0.038	0.017	10.30	40
Whitegate	WGRC0045	410078	7602604	146	0	2.0m @ 52.75% Fe	4.56	9.06	0.039	0.022	8.55	46
Whitegate	WGRC0045	410078	7602604	146	6	2.0m @ 53.12% Fe	3.56	9.61	0.045	0.011	9.73	46
Whitegate	WGRC0046	410109	7602781	153	2	2.0m @ 53.65% Fe	5.50	8.21	0.052	0.011	7.85	46
Whitegate	WGRC0046	410109	7602781	153	8	2.0m @ 56.43% Fe	2.94	5.73	0.045	0.019	9.79	46
Whitegate	WGRC0046	410109	7602781	153	16	2.0m @ 55.74% Fe	3.67	5.56	0.064	0.012	10.20	46

\*Breccia BID holes dip = -60, Azimuth = 180. 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.  
 BDL = Below Detection Limit

## ***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 as follows.*

**Table 2: JORC Code Table 1.**

<b>JORC Code Assessment Criteria</b>	<b>Comment</b>
<b>Section 1 Sampling Techniques and Data</b>	
<p><b>Sampling Techniques</b></p> <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"> <li>■ 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.</li> <li>■ 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.</li> <li>■ All drilling was sampled in accordance with API sampling procedures.</li> </ul>
<p><b>Drilling Techniques</b></p> <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"> <li>■ The majority of the downhole samples were collected from RC drilling utilising a 5 ¼" face sampling hammer.</li> </ul>
<p><b>Drill Sample Recovery</b></p> <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"> <li>■ 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 on estimates of the size of drill spoil piles and were recorded as a percentage of the expected total sample volume. The majority of</li> </ul>



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>drilling was completed above the water table and sample recovery estimates of 100% were the norm.</p> <ul style="list-style-type: none"> <li>■ 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.</li> </ul>
<p><b>Logging</b></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"> <li>■ 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.</li> <li>■ 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.</li> </ul>
<p><b>Sub-Sampling Techniques and Sample Preparation</b></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"> <li>■ RC samples were collected in pre-labelled calico bags via a cone splitter mounted directly below the cyclone on the rig.</li> <li>■ Wet and dry samples were collected via the same technique.</li> <li>■ Samples were stored on-site prior to being transported to the laboratory. Wet samples were allowed to dry before being processed.</li> <li>■ 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.</li> </ul>
<p><b>Quality of Assay Data and Laboratory Tests</b></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>	<ul style="list-style-type: none"> <li>■ 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</li> </ul>

JORC Code Assessment Criteria	Comment
<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>	<p>sampling method and laboratory analysis. API conducts monthly checks of all QAQC data.</p> <ul style="list-style-type: none"> <li>■ 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.</li> </ul>
<p><b>Verification of Sampling and Assaying</b></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"> <li>■ 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.</li> <li>■ 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.</li> <li>■ API retain laboratory sample pulps for all samples since 2005.</li> </ul>
<p><b>Location of Data Points</b></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"> <li>■ All drill holes are initially surveyed by handheld GPS and later surveyed by differential GPS utilising an independent contractor.</li> <li>■ Drill hole collar coordinates were verified in ArcGIS and/or MapInfo software utilising aerial photography as part of API's monthly QA/QC procedures.</li> <li>■ Topographic coverage of all API deposits has been established by aerial survey (LIDAR) with a vertical accuracy of <math>\pm 0.15</math> m.</li> <li>■ API projects fall within the MGA Zone 50 or 51 (GDA 1994 based) for horizontal data and AHD for vertical data.</li> </ul>
<p><b>Data Spacing and Distribution</b></p> <p><i>Data spacing for reporting of Exploration Results.</i></p> <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"> <li>■ Drill hole spacing is sufficient for first pass and infill exploratory drilling to establish geological and grade continuity.</li> <li>■ No sample compositing has been undertaken for RC samples.</li> </ul>
<p><b>Orientation of Data in Relation to Geological Structure</b></p>	<ul style="list-style-type: none"> <li>■ Ore bodies and the geology described at the RC drilling locations described in this release relating to</li> </ul>

JORC Code Assessment Criteria	Comment
<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>	<p>CID are all flat lying. All drill holes were vertical.</p> <ul style="list-style-type: none"> <li>■ Holes drilled at the Breccia BID were drilled with a dip of -60 and (azimuth 180) so that only true widths of mineralisation are reported.</li> <li>■ The orientation of drilling and sampling achieves unbiased sampling of stratigraphic domains.</li> </ul>
<p><b>Sample Security</b></p> <p><i>The measures taken to ensure sample security.</i></p>	<ul style="list-style-type: none"> <li>■ 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.</li> </ul>
<p><b>Audits and Reviews</b></p> <p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<ul style="list-style-type: none"> <li>■ QA/QC procedures and rigorous database validation rules ensures sampling and logging data is validated prior to being used by API Geologists.</li> <li>■ API conducts monthly QA/QC data checks on reference standards and field duplicates.</li> <li>■ 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.</li> </ul>
<p><b>Section 2 Reporting of Exploration Results</b></p>	
<p><b>Mineral Tenement and Land Tenure Status</b></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 reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<ul style="list-style-type: none"> <li>■ 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 Yalleen Project (Helix Resources – royalty) collectively comprise the broader West Pilbara Iron Ore Project (WPIOP), with each joint venture managed by API Management Pty Ltd (API).</li> <li>■ There are no known environmental or cultural heritage matters that would impact on the development of the resource areas (subject to relevant approvals).</li> </ul>
<p><b>Exploration Done by Other Parties</b></p> <p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<ul style="list-style-type: none"> <li>■ 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.</li> </ul>
<p><b>Geology</b></p> <p><i>Deposit type, geological setting and style of mineralisation.</i></p>	<ul style="list-style-type: none"> <li>■ The drilling targeted 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.</li> <li>■ The Breccia target is a section of a north-west anticline structure. Outcrop presents as breccia comprising of angular fragments of colluvium and Banded Iron Formation. Iron ore mineralisation is associated with goethitic overprinting</li> </ul>

JORC Code Assessment Criteria	Comment
	<ul style="list-style-type: none"> <li>■ 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).</li> </ul>
<b>Drill hole information</b>	<ul style="list-style-type: none"> <li>■ RC Drill hole information is attached in Table 1.</li> <li>■ All RC drill holes targeting CID were drilled vertically.</li> <li>■ 2 Drillholes at the Breccia BID target were drilled with a dip of -60 (azimuth = 180).</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>■ No maximum or minimum grade truncations were performed.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>■ Mineralisation at the Whitegate CID prospect area is flat lying and only true mineralisation widths are reported.</li> <li>■ Holes drilled at the Breccia BID were drilled with a dip of -60 and (azimuth 180) so that only true widths of mineralisation are reported.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>■ A plan view map showing the drill locations are included in the body of the report.</li> </ul>
<b>Balance reporting</b>	<ul style="list-style-type: none"> <li>■ 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.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>■ Not applicable. Exploration results have previously been reported.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>■ Planned exploration and studies work to continue next Quarter.</li> </ul>

### ***Competent Person Statement***

#### ***Exploration Results***

The information in this report that relates to exploration results is based on information compiled by Mr Michael Wall, who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of API Management Pty Ltd. Mr Wall 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 Wall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Pannawonica Project (RHI 100%)**

The Company has initiated studies aimed at updating the potential for sale of the project. Dependent on iron ore prices the lower grade ore at Pannawonica may become attractive to Chinese mills. The Company's hard rock resource at Three Peak Hill is postulated to be used by future developers of road and rail infrastructure in the area.

---

Neil Tomkinson  
Chairman

## 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, 01/09/16

### Name of entity

RED HILL IRON LIMITED

### ABN

44 114 553 392

### Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(76)	(184)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(3)
(e) administration and corporate costs	(124)	(441)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	(6)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(198)</b>	<b>(631)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,968
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(8)	(19)
3.5	Proceeds from borrowings	-	300
3.6	Repayment of borrowings	-	(500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(8)</b>	<b>1,749</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,434	110
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(198)	(631)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8)	1,749
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,228</b>	<b>1,228</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	28	64
5.2 Call deposits	-	70
5.3 Bank overdrafts	-	-
5.4 Other (provide details): Term Deposits	1,200	1,300
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,228</b>	<b>1,434</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
40
-

6.1 Director remuneration

Rent and administration paid to listed director related entity

29

11

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-



## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	900	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan facility of \$900,000 is an unsecured working capital facility provided by companies associated with two directors on normal commercial terms and conditions at an interest rate of 2.5% per annum – further details are set out in the 2016 Annual Report. At quarter end, the full facility amount remains available for drawdown.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	132
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>182</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		None		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		None		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Company secretary)

Date: **31 July 2017**

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**RED HILL IRON LIMITED**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 30 June 2017**

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

<b>Tenement</b>	<b>Location</b>	<b>Registered Holding</b>	<b>Beneficial Interest</b>	<b>Note</b>
E08/1227-I	West Pilbara, WA	40%	40%	1
E08/1283-I	West Pilbara, WA	40%	40%	1
E08/1289-I	West Pilbara, WA	40%	40%	1
E08/1293-I	West Pilbara, WA	40%	40%	1
E08/1294-I	West Pilbara, WA	40%	40%	1
E08/1295-I	West Pilbara, WA	40%	40%	1
E08/1430-I	West Pilbara, WA	40%	40%	1
E08/1473-I	West Pilbara, WA	40%	40%	1
E08/1516-I	West Pilbara, WA	40%	40%	1
E08/1537-I	West Pilbara, WA	40%	40%	1
E47/1141-I	West Pilbara, WA	40%	40%	1
E47/1693-I	West Pilbara, WA	40%	40%	1
M47/1472	West Pilbara, WA	40%	40%	1
M08/480-I	West Pilbara, WA	0%	40%	1
M08/483-I	West Pilbara, WA	40%	40%	1
M08/484-I	West Pilbara, WA	40%	40%	1
M08/485-I	West Pilbara, WA	40%	40%	1
M08/512	West Pilbara, WA	0%	40%	1
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%	
ELA08/2729	West Pilbara, WA	0%	100%	
ELA08/2730	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

Note 1: These tenements are held by the parties to the Red Hill Iron Ore Joint Venture.  
Red Hill Iron's 40% beneficial interest relates to iron ore rights.  
Red Hill Iron also has a 100% beneficial interest in all other minerals which occur within the Exploration Licences and Mining Leases.

Key:

E: Exploration Licence  
ELA: Exploration Licence application  
M: Mining Lease