

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

31 October 2018

## **ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

Red Hill Iron Limited (Red Hill Iron or the Company) continues to retain a 40% interest in the Red Hill Iron Ore Joint Venture (RHIOJV) located in the West Pilbara region of Western Australia, all the costs of which are provided by fellow joint venturer API Management Pty Ltd (APIM) until production commences, at which point the Company may elect to either reduce its carried interest to a participating 19% interest or convert it to an 2% FOB Royalty on total RHIOJV iron ore sales.

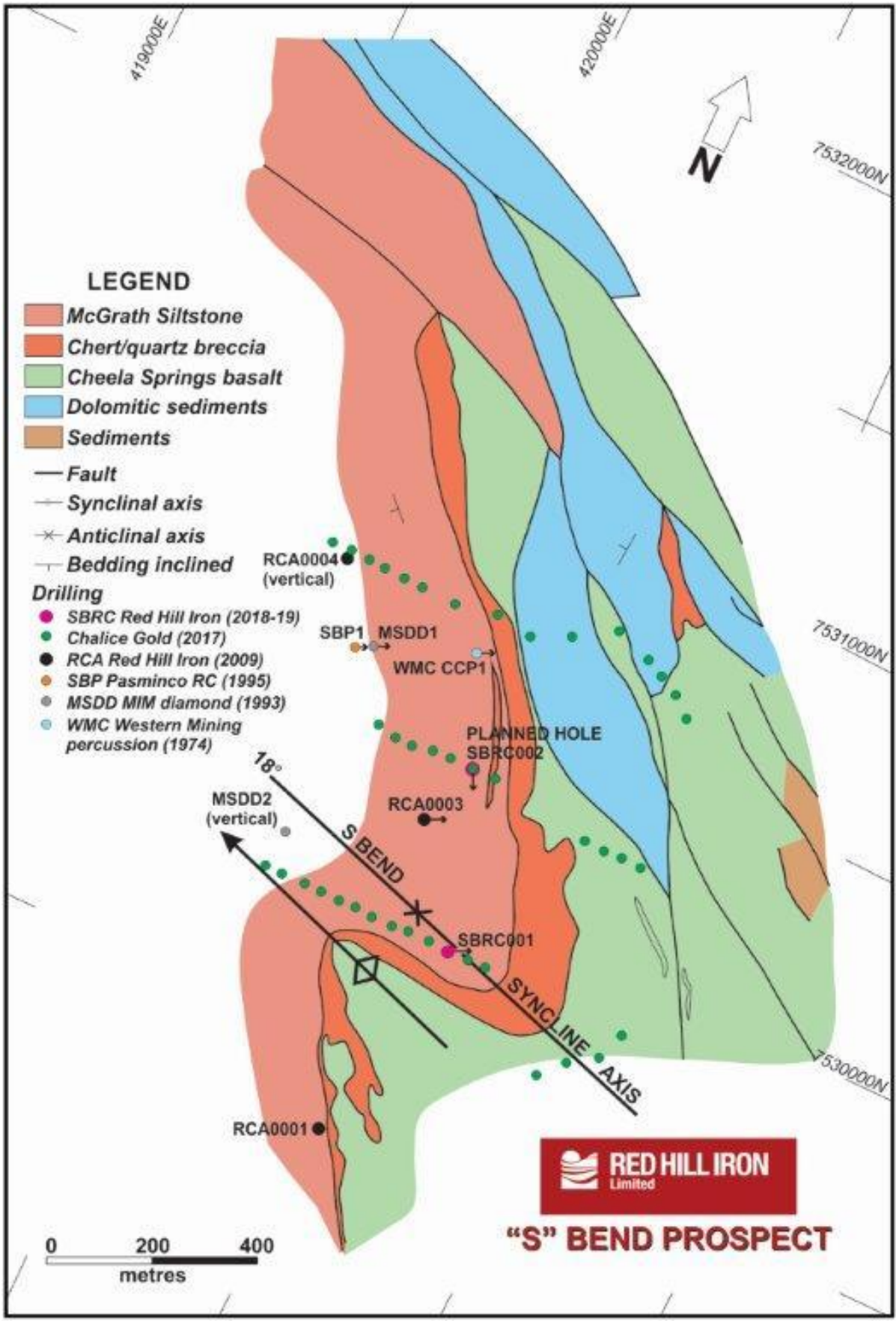
RHIOJV expenditure for the September quarter totalled \$1.87M.

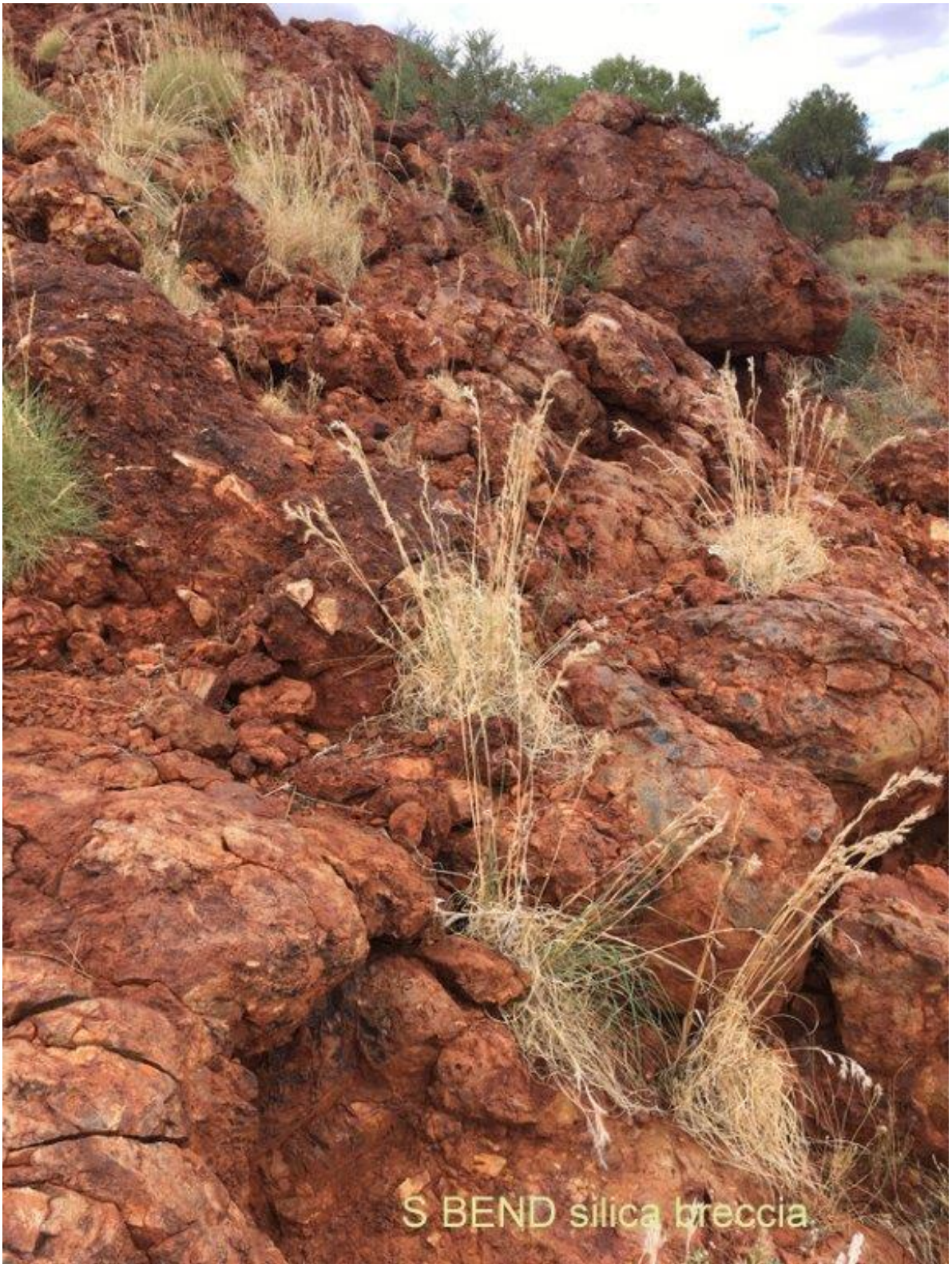
Red Hill Iron retains all non-ferrous mineral rights within the large RHIOJV tenement area and is actively undertaking base metal exploration on these tenements.

### **Red Hill Iron Non-Ferrous Exploration Project**

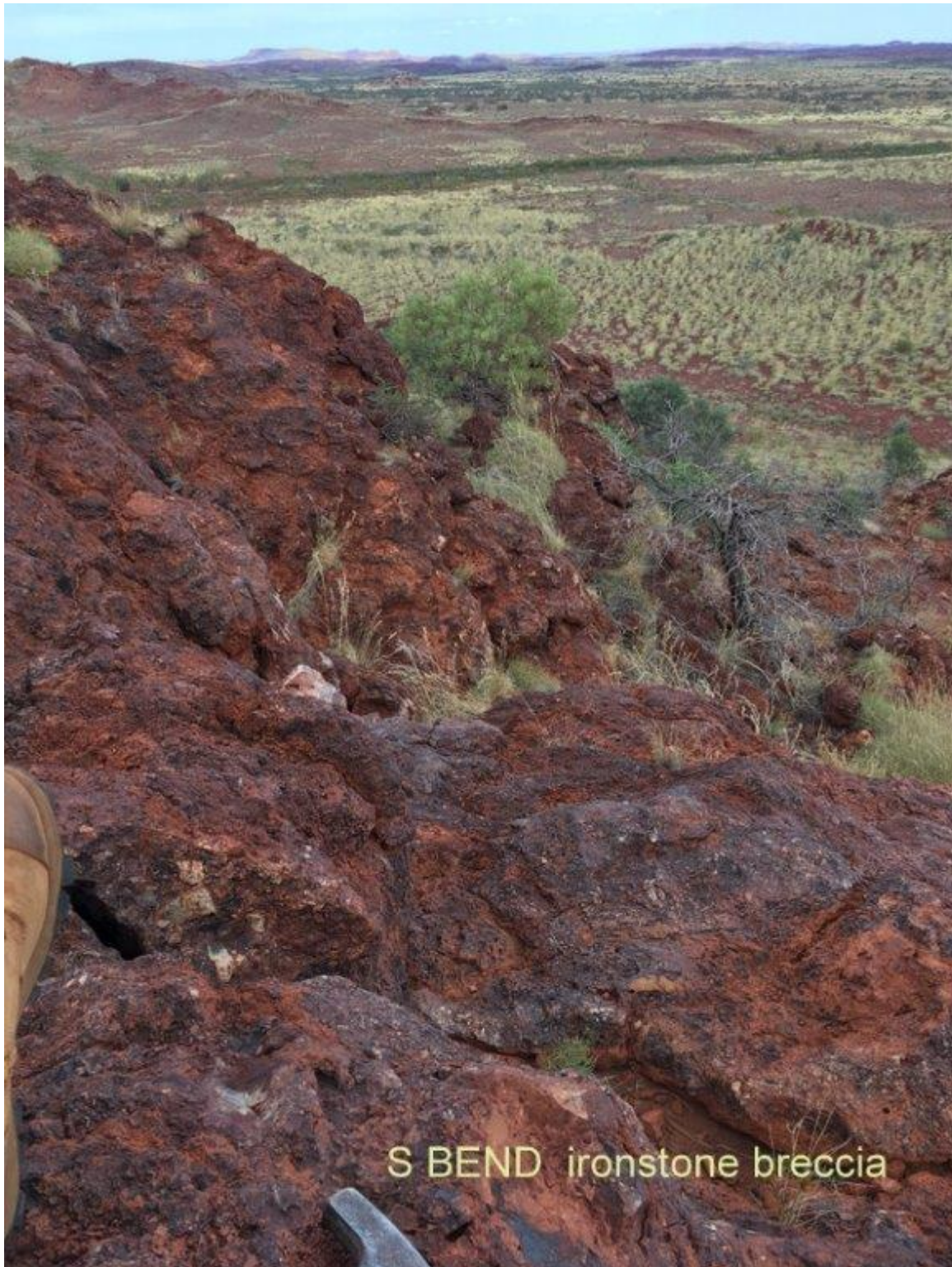
Red Hill Iron received assay results from its previous drilling campaign during the quarter which revealed anomalous results from the S-Bend prospect. A reverse circulation (RC) hole, SBRC001, intersected a 20 metre thick siliceous breccia zone from 40 metres downhole assaying an average of 0.15% copper, 0.63% lead and 0.24% zinc. This hole was the first effective test of the central section of the S-Bend chert/quartz breccia which outcrops as a prominent ridge and from the surface sampling of which a number of companies had noted anomalous base metal results. A review of past drilling campaigns concluded that the drilling was either too shallow or located too far north or west to effectively test this central section.

The Company now plans a 300 metre RC hole aimed at the fold axis of the chert/quartz breccia which will test the down plunge position of the siliceous breccia from the SBRC001 intersection. The Company will also drill 200 metre RC holes at the B4 aerial electromagnetic anomaly and at the East Urandy cobalt-silver anomaly. Red Hill Iron is applying for EIS drilling fund support from the federal government for this campaign. Drilling is planned to take place during the fourth quarter of this financial year.





S BEND silica breccia



**JORC COMPLIANCE STATEMENT**

*The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Joshua N Pitt, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a non-executive director of the Company. Mr Pitt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Pitt consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.*

## **Red Hill Iron Ore Joint Venture**

The following report has been received from *API Management Pty Ltd (APIM)*, the joint venture manager:

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

- *All assays from Red Hill (CID), Whitegate (CID) and Breccia (BID) have been received from Q2 drilling.*
- *A Liaison Committee Meeting was held with Kuruma Marthudunera (KM) Native Title Group, which included an update of activities since the last meeting in September 2017.*
- *Total RHIOJV expenditure for the September 2018 quarter totalled \$1.87M compared to the budget of \$1.45M.*

### **1. Background**

*APIM is the manager of two joint ventures: the APIJV between Aquila Steel Pty Ltd (Baosteel & Aurizon) and AMCI (IO) Pty Ltd (AMCI & Posco) and the RHIOJV between APIJV and Red Hill Iron Limited (Red Hill). These joint ventures hold the iron ore rights over a number of deposits that form part of the West Pilbara Iron Ore Project (**WPIOP**), located in the northern part of Western Australia.*

*The current WPIOP development concept involves iron ore production of 40 million tonnes per annum (dry), transportation of the product via a new 250 km railway and export to Asian markets via a new deep-water port facility located at Anketell Point.*

### **2. Exploration**

*All assays from Red Hill (CID), Whitegate (CID) and Breccia (BID) have been received from Q2 drilling.*

*The drilling at Red Hill and Whitegate targeted outcropping CID that was formed by the alluvial and chemical deposition of iron rich sediments in a palaeo-river channel.*

*The BID drilling at Breccia targeted a north-west anticline structure where mineralisation is associated with geothitic overprinting of a faulted banded iron formation.*

*Better assays received during the Quarter include:*

*Red Hill (CID Target) Tenement E08/1289*

- *12m @ 53.39% Fe from 10m in RHRC0519*

*Whitegate (CID Target) Tenement E08/1293*

- *6m @ 53.19% Fe from 2m in WGRC0049*
- *6m @ 52.33% Fe from 6m in WGRC0050*

*Breccia (BID Target) Tenement E47/1693*

- *6m @ 56.88% Fe from 54m in BER0010*

*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 1. Planning for 2019 work programmes has commenced.*

### 3. Tenure

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

A Liaison Committee Meeting was held with Kuruma Marthudunera (KM) Native Title Group, which included an update of activities since the last meeting in September 2017. No issues affecting the RHIOJV arose.

Shire Rates Notices received and paid.

Assessments of disturbances over tenements for MRF reporting (lodged at DMIRS in June) were confirmed with notices for payments received from DMIRS and paid.

### 4. Environment

Environmental compliance activities including statutory reporting and field compliance monitoring were maintained.

Renewals were received and new applications of bed and banks permits, water exploratory licences, native vegetation clearing permits were lodged.

Work to support on-ground activities for minimum expenditure on Mining Act tenure including pre-disturbance floristic surveys was completed. Internal ground disturbance permitting has been completed for CY2018.

### 5. RHIOJV Expenditure

Total RHIOJV expenditure for the September 2018 quarter totalled \$1.87M compared to the budget of \$1.45M. The overspend of \$0.42M reflects timing of Rates and Rents expenditure which were budgeted for October payment. Forecast FY19 remains within the draft budget estimate.

A breakdown of expenditure is set out in Table 1.

**Table 1 – RHIOJV Expenditure**

RHIOJV Expenditure Report  
FY19 Monthly actual/forecast costs

RHIOJV	Jul-18	Aug-18	Sep-18	Q1	Q1	FY19	FY19	FY19	FY19	FY19
A\$	Actual	Actual	Actual	Actual	Budget	Variance	Act / Fcast	Budget (draft)	Variance	
<b>RED HILL IRON ORE JOINT VENTURE</b>										
Exploration	30,863	77,562	88,652	197,077	119,591	(77,486)	624,941	635,966	11,025	
Rates and Rental	0	786,176	480,723	1,266,899	832,020	(434,879)	1,453,966	1,467,274	13,308	
<b>TOTAL EXPLORATION</b>	<b>30,863</b>	<b>863,738</b>	<b>569,375</b>	<b>1,463,976</b>	<b>951,610</b>	<b>(512,366)</b>	<b>2,078,907</b>	<b>2,103,240</b>	<b>24,333</b>	
<b>PROJECT SUPPORT</b>										
Study Management	-	-	-	-	-	-	-	-	-	
Land Management	11,001	29,935	17,319	58,254	99,725	41,470	620,797	627,347	6,550	
Environment	33,881	34,007	6,881	74,768	93,899	19,131	389,963	400,163	10,200	
Site Support, Mine Planning & OHS	64,981	23,875	14,667	103,523	175,652	72,129	426,580	436,070	9,490	
<b>TOTAL PROJECT SUPPORT COSTS</b>	<b>109,863</b>	<b>87,816</b>	<b>38,866</b>	<b>236,545</b>	<b>369,276</b>	<b>132,731</b>	<b>1,437,340</b>	<b>1,463,580</b>	<b>26,240</b>	
<b>TOTAL</b>	<b>140,726</b>	<b>951,554</b>	<b>608,241</b>	<b>1,700,521</b>	<b>1,320,886</b>	<b>(379,635)</b>	<b>3,516,246</b>	<b>3,566,820</b>	<b>50,573</b>	
JV administration percentage	10%	10%	10%	10%	10%	10%	10%	10%	10%	
<b>TOTAL JV ADMINISTRATION CHARGE</b>	<b>14,073</b>	<b>95,155</b>	<b>60,824</b>	<b>170,052</b>	<b>132,089</b>	<b>(37,963)</b>	<b>351,625</b>	<b>356,682</b>	<b>5,057</b>	
<b>TOTAL INCLUDING ADMIN</b>	<b>154,799</b>	<b>1,046,710</b>	<b>669,065</b>	<b>1,870,573</b>	<b>1,452,975</b>	<b>(417,598)</b>	<b>3,867,871</b>	<b>3,923,502</b>	<b>55,631</b>	

Figure 1 – RHIOJV Tenements and Drillhole Locations

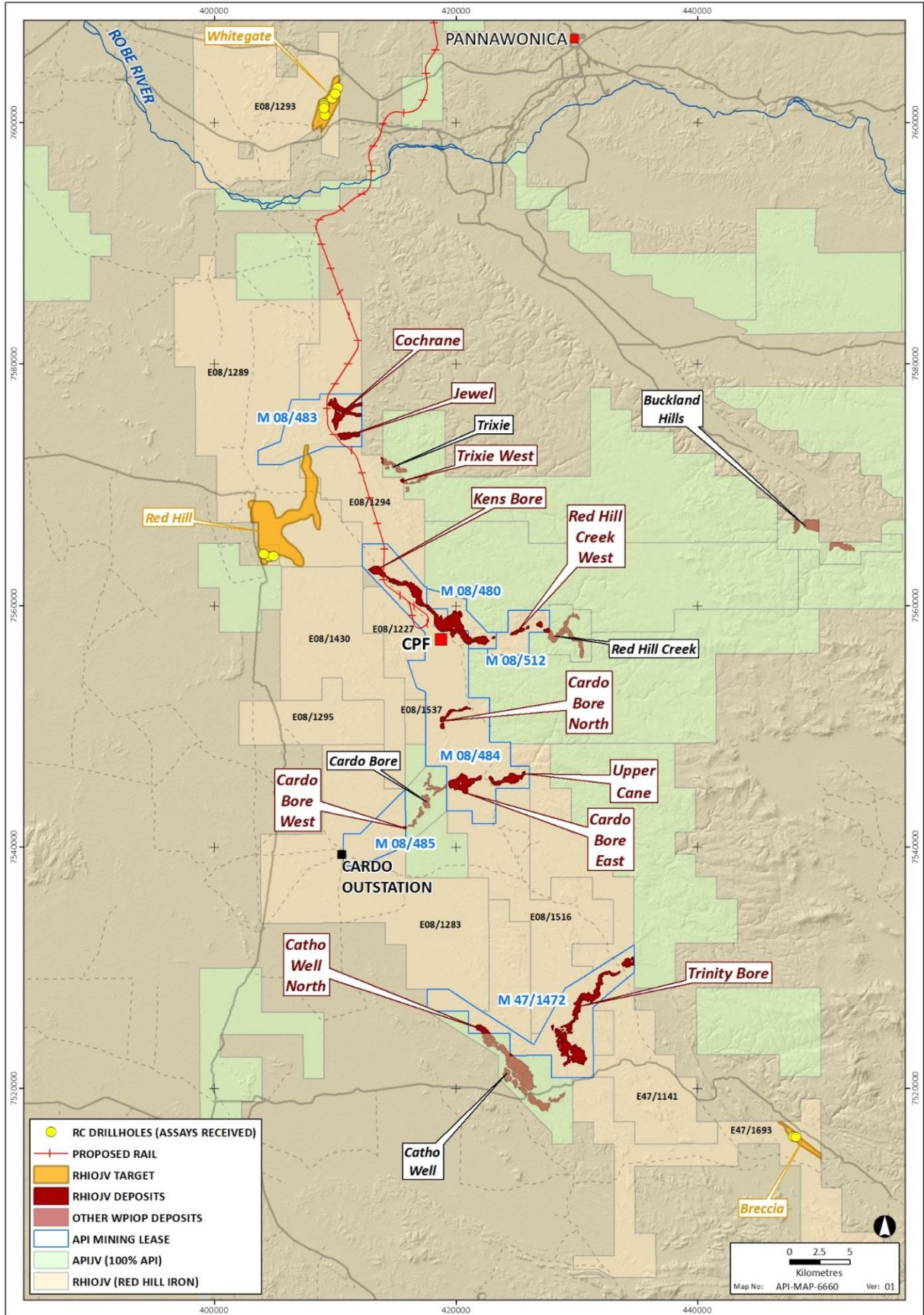


Figure 2 Drillhole Locations at Whitegate (CID)

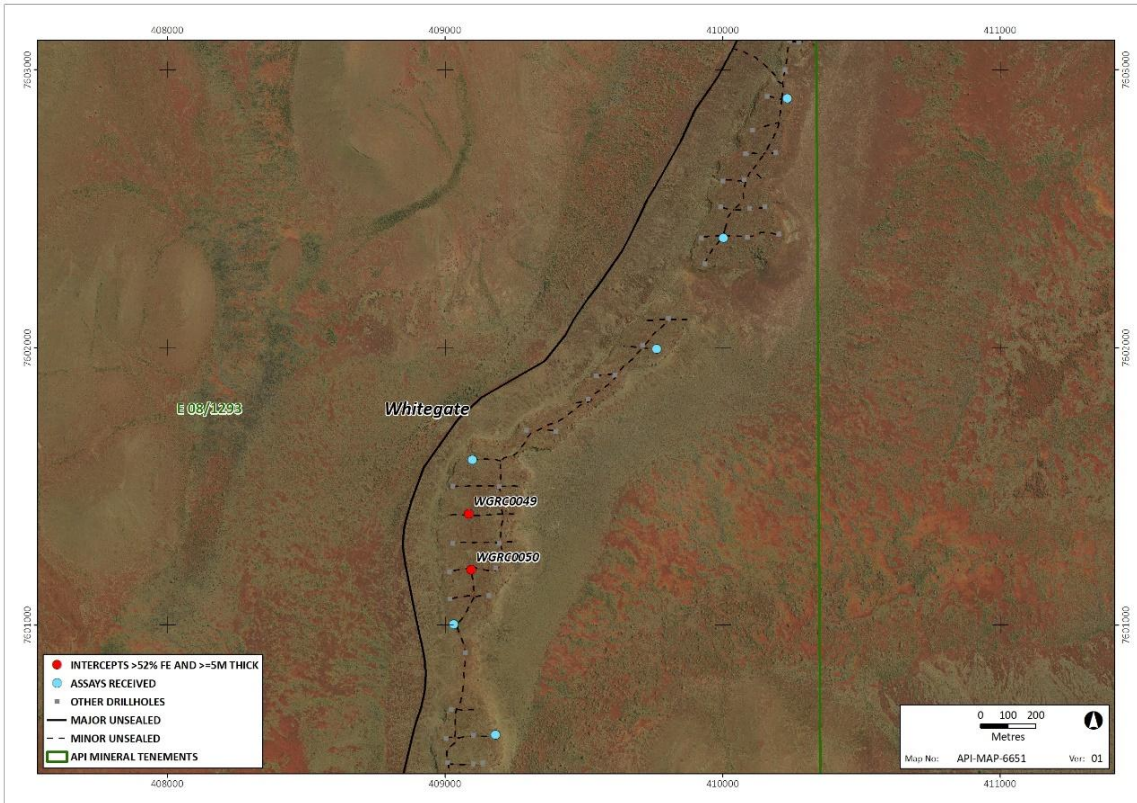
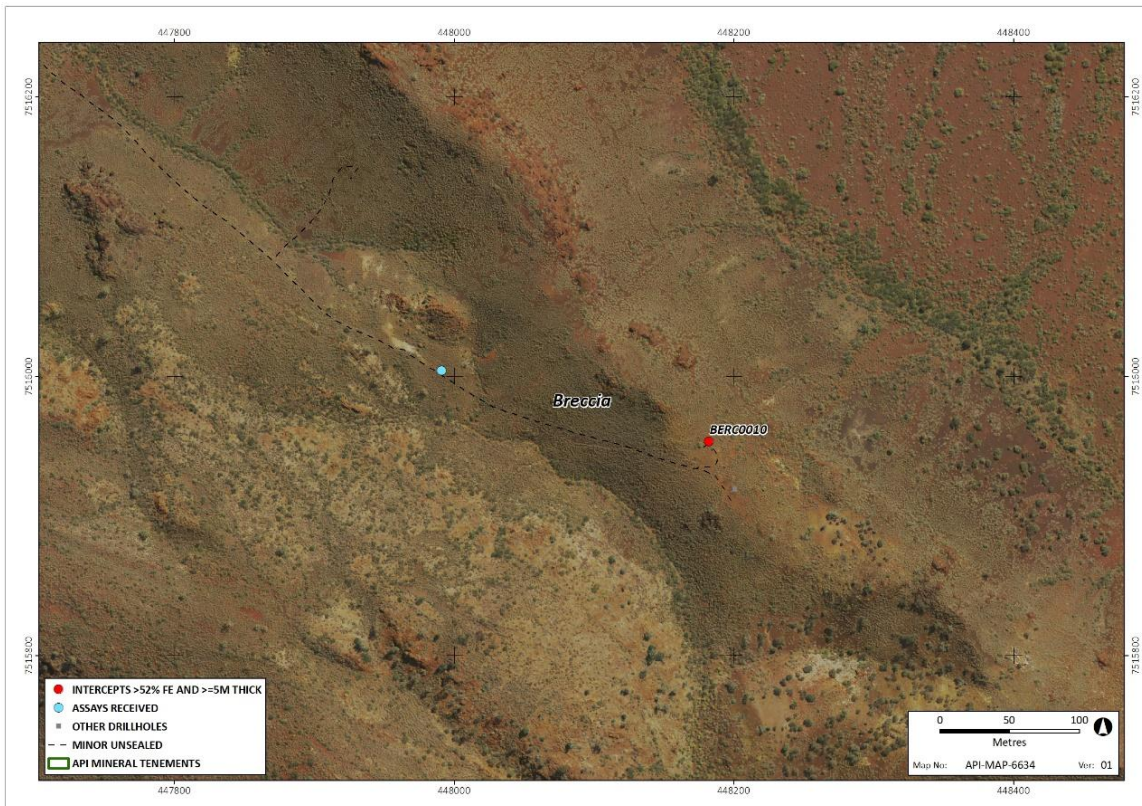
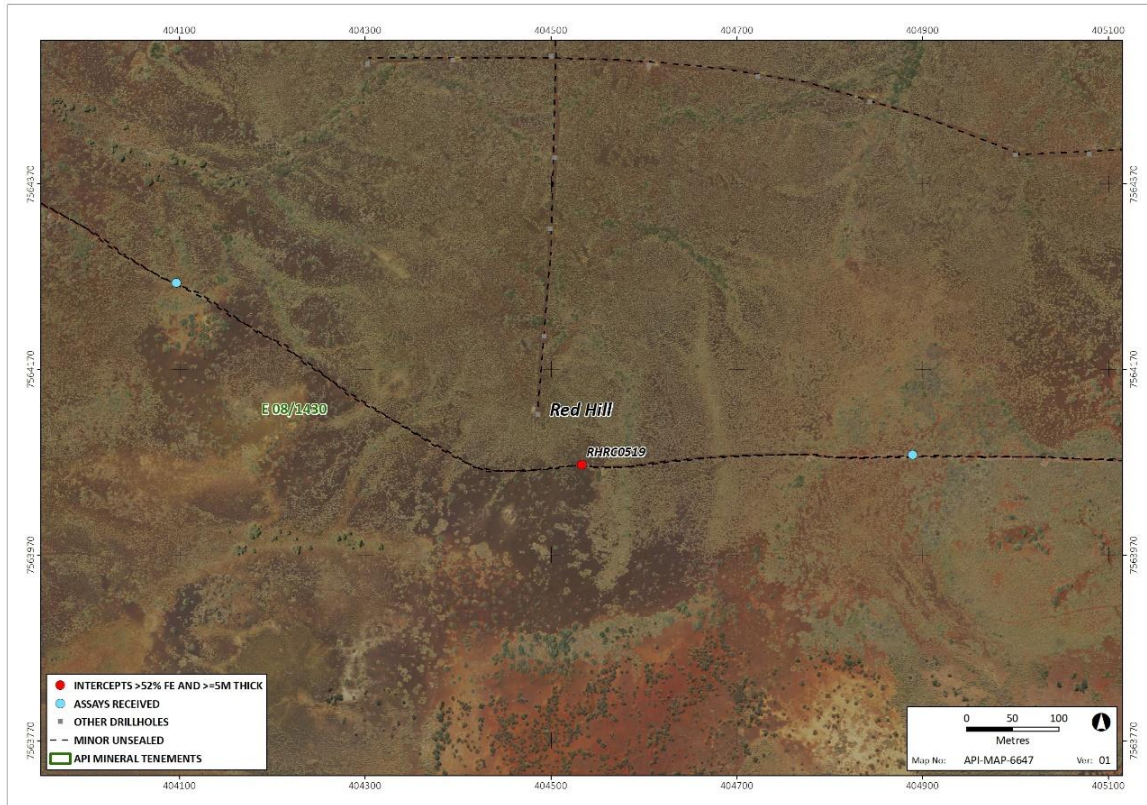


Figure 3 Drillhole Locations at Breccia (BID)





**Figure 4 Drillhole Locations at Red Hill (CID)**



**Table 2 Drilling Intercepts Received – September 2018 Quarter**

Prospect	Hole ID	Easting	Northing	RL	Depth From	Intercept	Al2O3%	SiO2%	P%	S%	LOI %	Hole Depth
Breccia	BERC0010	448182	7515953	219	54	6.0m @ 56.88% Fe	1.39	3.87	0.147	0.007	12.133	84
Breccia	BERC0011	447991	7516004	280	Results below intercept cut-off							80
Cardo Bore West	CBRC0447	411994	7539703	195	Results below intercept cut-off							40
Cardo Bore West	CBRC0448	411804	7539502	196	Results below intercept cut-off							40
Cardo Bore West	CBRC0449	411598	7539499	198	Results below intercept cut-off							28
Red Hill	RHRC0517	404097	7564263	175	4	4.0m @ 53.36% Fe	4.13	5.46	0.032	0.013	12.5	40
Red Hill	RHRC0517	404097	7564263	175	18	2.0m @ 53.39% Fe	3.84	6.88	0.018	0.013	12	40
Red Hill	RHRC0518	404889	7564078	182	Results below intercept cut-off							40
Red Hill	RHRC0519	404533	7564067	177	10	12.0m @ 53.39% Fe	4.53	5.48	0.039	0.026	12.183	40
Whitegate	WGRC0047	409762	7601994	120	Results below intercept cut-off							52
Whitegate	WGRC0048	409098	7601595	144	4	2.0m @ 52.71% Fe	5.33	7.10	0.044	0.017	11.3	52
Whitegate	WGRC0049	409085	7601400	148	2	6.0m @ 53.19% Fe	5.19	6.82	0.032	0.027	10.9	52
Whitegate	WGRC0050	409093	7601199	158	6	6.0m @ 52.33% Fe	3.76	7.99	0.025	0.021	12.2	52
Whitegate	WGRC0051	409030	7601002	144	6	2.0m @ 52.36% Fe	5.04	7.60	0.033	0.007	11.8	46
Whitegate	WGRC0052	409182	7600605	152	4	2.0m @ 52.37% Fe	5.56	7.44	0.024	0.016	11.3	46
Whitegate	WGRC0053	410002	7602394	152	Results below intercept cut-off							46
Whitegate	WGRC0054	410233	7602896	148	Results below intercept cut-off							46

All drill holes drilled vertically.

All co-ordinates are in MGA94 Zone 50.

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

## The JORC Code Assessment Criteria

The JORC Code, 2012 Edition describes a number of criteria, which must be addressed in the Public Reporting of exploration results. These criteria are discussed in Table 2 as follows.

**Table 3: JORC Code Table 1.**

JORC Code Assessment Criteria	Comment
<b>Section 1 Sampling Techniques and Data</b>	
<b>Sampling Techniques</b>	
<p>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.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>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.</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>
<b>Drilling Techniques</b>	
<p>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.).</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>
<b>Drill Sample Recovery</b>	
<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>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.</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 drilling was completed above the water table and sample recovery estimates of 100% were the norm.</li> <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>

<b>JORC Code Assessment Criteria</b>	<b>Comment</b>
<p><b>Logging</b></p> <p>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.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.), photography.</p> <p>The total length and percentage of the relevant intersections logged.</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>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc., and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>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.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</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>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>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.</p> <p>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.</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 sampling method and laboratory analysis. API conducts monthly checks of all QAQC data.</li> <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>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</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>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.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</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>Data spacing for reporting of Exploration Results.</p> <p>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.</p> <p>Whether sample compositing has been applied.</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> <p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>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.</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 CID are all flat lying. All drill holes were vertical.</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> <li>■ The orientation of drilling and sampling achieves unbiased sampling of stratigraphic domains.</li> </ul>
<p><b>Sample Security</b></p> <p>The measures taken to ensure sample security.</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>The results of any audits or reviews of sampling techniques and data.</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>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.</p> <p>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.</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>Acknowledgment and appraisal of exploration by other parties.</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>Deposit type, geological setting and style of mineralisation.</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 lateratized 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> <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>
<p><b>Drill hole information</b></p>	<ul style="list-style-type: none"> <li>■ RC Drill hole information is attached in Table 1.</li> <li>■ All RC drill holes were drilled vertically.</li> </ul>
<p><b>Data aggregation methods</b></p>	<ul style="list-style-type: none"> <li>■ No maximum or minimum grade truncations were performed.</li> </ul>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<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> </ul>
<p><b>Diagrams</b></p>	<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>
<p><b>Balance reporting</b></p>	<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>
<p><b>Other substantive exploration data</b></p>	<ul style="list-style-type: none"> <li>■ Not applicable. Exploration results have previously been reported.</li> </ul>
<p><b>Further work</b></p>	<ul style="list-style-type: none"> <li>■ Work will continue to ensure tenements remain in good standing.</li> </ul>

## **Other Exploration Assets**

Red Hill Iron also retains 100% of the Pannawonica Project which contains the Whitegate and Redgate channel iron deposits, activity on which is currently suspended due to the prevailing price differential for lower grade iron ore.

The Company also owns a significant hard rock quarry resource which could provide material for any new mine and associated transport development mooted in the region.

N.Tomkinson  
Chairman  
31 October 2018

## 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 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(70)	(70)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1)	(1)
(e) administration and corporate costs	(115)	(115)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
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>(182)</b>	<b>(182)</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	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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: Funds received from deposits > 3 months	-	-
	Funds placed on deposits > 3 months	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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>-</b>	<b>-</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	680	680
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(182)	(182)
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)	-	-
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>498</b>	<b>498</b>

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

<b>5. 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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	48	80
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details): Term Deposits	450	600
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>498</b>	<b>680</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	53
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	
6.1 Director remuneration	35
Rent and administration paid to listed director related entity	18

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

<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	-	-
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.		



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

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	10
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	110
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>120</b>

<b>10.</b>	<b>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	E08/1473	Surrendered	100%	0%
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 October 2018**

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 September 2018

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

Tenement	Location	Registered Holding	Beneficial Interest	Note
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
E08/1516-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
M08/483-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
M08/480-I	West Pilbara, WA	0%	40%	
M08/512-I	West Pilbara, WA	0%	40%	
E08/1473-I	West Pilbara, WA	100%	100%	
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