

29 April 2022

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

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2022

Corporate

On 28 April 2022 the Board announced that it had resolved to pay a special dividend of \$0.20 per share fully franked. This decision reflects the board objective of delivering funds to shareholders that it deems are in excess of the need to maintain a reasonable level of financial strength.

Red Hill Iron Limited (RHI) currently holds funds of around \$83 million after paying instalments of income tax totalling \$39 million.

Exploration Activities

The Company is ramping up exploration activity for gold and base metals across a 1,600 square kilometre contiguous tenement package (Figure 1), located adjacent to the western margin of the Hamersley Basin, over which it holds all mineral rights other than for iron ore. An exploration team is being established by Mike Wall, the Company's Exploration Manager, for a major expansion of the exploration effort dedicated to the appraisal of this project.

Work this quarter has been largely preparatory and focussed on data acquisition and the establishment of RHI geological database for gold and base metal targeting. The Company is currently carrying out a \$300,000 core cutting and gold/base metal assaying campaign on selected portions of approx. 1,788 metres of historic diamond drill core (Figure 1). Results are expected late in the next quarter as there have been significant delays from laboratories due to high demand and labour shortages due to the covid pandemic. Hylogger analysis of two diamond drill holes to assess mineral assemblages and alteration (from the Three Peaks and Kens Bore Gold targets) has been completed.

Work will continue next quarter to integrate and consolidate datasets relating to RHI gold and base metals to allow target ranking and the advancement of exploration activities. Arrangements are being put in place for RHI with Mineral Resources Limited (MRL), the manager of the Red Hill Iron Ore Joint Venture, to facilitate a reverse cycle (RC) drill programme on selected targets to be commenced next quarter.

A 5,426 line kilometre VTEM airborne survey using 200 metre line spacing has been scheduled by RHI for September 2022 to assist with target prioritisation and generation (Figure 1). This data set will complete the full coverage of the project area when merged with data from a previous EM survey flown by RHI over the southern portion of the tenements in 2006.

PANNAWONICA IRON ORE PROJECT

Red Hill Iron owns 100% of this project and is appraising the various development options.

Red Hill Iron continued work on remodelling and optimising the ore reserve base. The current Ore Reserve Statement is 4.68 million tonnes (Mt) at 56% Iron at a 54.5% iron cut-off grade (Refer ASX announcement of 23 July 2021) within a total project Mineral Resource of 62.5 million tonnes at 53.4% Iron (Refer ASX announcement of 14 April 2014).

Activity continued in order to have miscellaneous licences that will be required to allow transport of ores to port approved.

Mining Leases have been granted and a Heritage Agreement has been executed.

PAYMENTS TO RELATED PARTIES

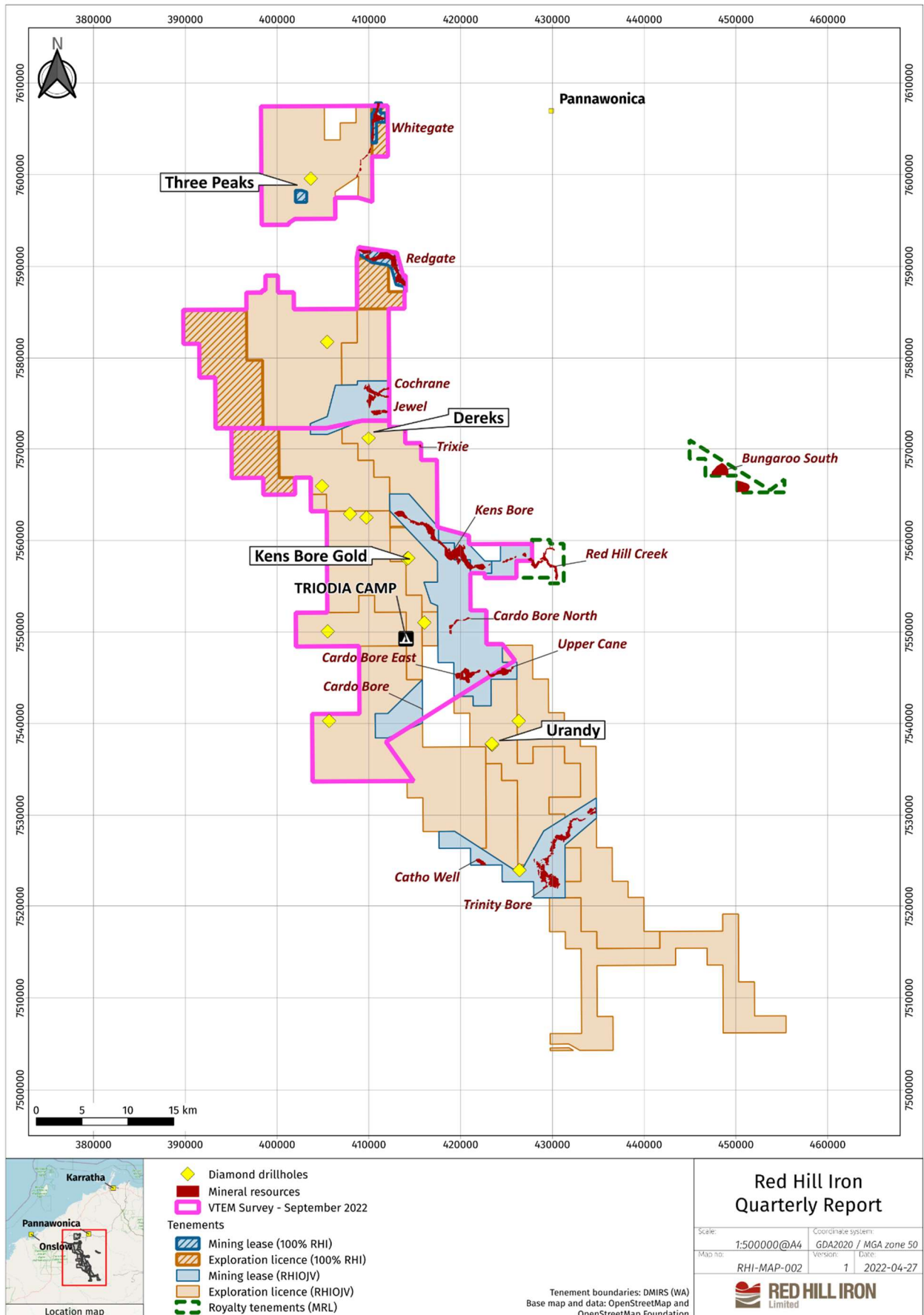
The \$ 107,000 cash outflow reported under Section 6.1 of the Appendix 5B Quarterly Cash Flow Report relates to director fees, director consulting fees and shared office and administration fees paid to a company of which a director is also a director of Red Hill Iron.

Authorised by the Board

Joshua Pitt

Chairman

Figure 1: Location Plan including diamond drillholes (assay results pending) and VTEM survey (scheduled for September 2022)



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Red Hill Iron Limited

ABN

44 114 553 392

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(208)	(653)
(b) development	-	-
(c) production	-	-
(d) staff costs	(71)	(82)
(e) administration and corporate costs	(263)	(2,855)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	42	82
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(11,000)	(22,000)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(11,500)	(25,508)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(78)	(78)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	200,000
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other:	-	-
2.6	Net cash from / (used in) investing activities	(78)	199,922

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	2,113
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9)	(10)
3.5	Proceeds from borrowings	-	220
3.6	Repayment of borrowings	-	(220)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	(76,594)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(9)	(74,491)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	111,602	92
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(11,500)	(25,508)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(78)	199,922
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	(74,491)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	100,015	100,015

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	19,962	20,579
5.2 Call deposits	50,053	50,023
5.3 Bank overdrafts	-	-
5.4 Other: Term deposits	30,000	41,000
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	100,015	111,602

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	107
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(11,500)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(11,500)
8.4 Cash and cash equivalents at quarter end (item 4.6)	100,015
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	100,015
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	N/A
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	N/A
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	N/A
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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.

Date: 29 April 2022.....

Authorised by: The Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

RED HILL IRON LIMITED

MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3) For the quarter ended 31 March 2021

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	0%	100%	1
E08/1283-I	West Pilbara, WA	0%	100%	1
E08/1289-I	West Pilbara, WA	0%	100%	1
E08/1293-I	West Pilbara, WA	0%	100%	1
E08/1294-I	West Pilbara, WA	0%	100%	1
E08/1295-I	West Pilbara, WA	0%	100%	1
E08/1430-I	West Pilbara, WA	0%	100%	1
E08/1516-I	West Pilbara, WA	0%	100%	1
E08/1537-I	West Pilbara, WA	0%	100%	1
E47/1141-I	West Pilbara, WA	0%	100%	1
E47/1693-I	West Pilbara, WA	0%	100%	1
M47/1472	West Pilbara, WA	0%	100%	1
M08/483-I	West Pilbara, WA	0%	100%	1
M08/484-I	West Pilbara, WA	0%	100%	1
M08/485-I	West Pilbara, WA	0%	100%	1
M08/480-I	West Pilbara, WA	0%	100%	1
M08/512-I	West Pilbara, WA	0%	100%	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%	
E08/2730	West Pilbara, WA	100%	100%	
E08/2729	West Pilbara, WA	100%	100%	
ELA08/3382	West Pilbara, WA	100%	100%	
L08/0248	West Pilbara, WA	100%	100%	
L08/0252	West Pilbara, WA	100%	100%	

Note 1: Red Hill Iron has a beneficial interest of 100% in all minerals other than iron ore. The Company sold it's 40% interest in the iron ore rights during the prior quarter.

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

None

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

None

Key:

- E: Exploration Licence
- ELA: Exploration Licence application
- M: Mining Lease
- L: Miscellaneous Licence application