

28 July 2022

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

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2022

Highlights

- On 28 July 2022 Michael Wall appointed as Chief Executive Officer.
- On 31 May 2022 the Company paid a special dividend of \$0.20 per share fully franked.
- Exploration drilling underway for gold and base metals on 100% owned Other Mineral Rights ground (RHIOJV tenements).
- Environmental surveys for transport corridor commenced for the Pannawonica Iron Ore Project.
- 5,426 line kilometre VTEM airborne geophysics survey to commence mid-September.

Corporate

On 28 July 2022 Michael Wall was appointed Chief Executive Officer of the Company. Michael joined the Company as Exploration Manager in January of this year. Michael has extensive industry experience and already established working relationships with the stakeholders in the Company's project areas. With a background in geology, he also has had a detailed involvement in and knowledge of the Company's project geology and exploration opportunities.

On 31 May 2022 the Company paid a special dividend of \$0.20 per share fully franked. The decision to pay this dividend 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 \$69 million after paying instalments of income tax totalling \$39 million.

Address

Level 2, 9 Havelock Street
West Perth WA 6005

Postal Address

PO Box 689
West Perth WA 6872

P (08) 9481 8627**E** info@redhilliron.com.au**W** www.redhilliron.com.au**ABN** 44 114 553 392

RHIOJV Update

The final \$200 million payment from Mineral Resources Limited (MinRes) for the sale of our RHIOJV interest is due when the first commercial shipment of iron ore extracted from the RHIOJV tenements departs port. From that time, Red Hill Iron will begin to receive 0.75% FOB royalty streams from the project. These royalty streams will be sourced from: i) production from the RHIOJV tenements, ii) production during the first 10 years only from the APIJV owned Upper Red Hill Creek tenement and iii) production from the MinRes owned Bungaroo South tenement.

MinRes, the interim manager of the RHIOJV, reported in their Quarterly released to the ASX on 28 July 2022 that development activities at the Ashburton Iron Ore Project continued to progress through the quarter. A total of 177 reverse circulation (RC) holes for 9114m and 16 diamond core holes for 872m were drilled. Unseasonal wet weather impacted drilling and construction activities in June but all activities have since recommenced. (1) (ASX: MIN).

Exploration Activities

The Company has increased its exploration activity for gold and base metals across the 1,600 square kilometre contiguous RHIOJV tenements over which it holds 100% of all precious and base metal rights (Figure 1). RHI holds all mineral rights other than for iron ore for these tenements. The tenements cover a region adjacent to the western margin of the Hamersley Basin that is under-explored for both gold and base metals. The south-west boundary is approximately 8km from Black Cat Syndicate's (ASX: BC8) million-ounce Paulsens gold mine recently acquired from Northern Star (ASX: NST)⁽²⁾.

During the Quarter a Reverse Cycle (RC) drill programme was carried out for Red Hill Iron on selected targets including Dereks Bore (gold), Urandy (gold) and S-Bend (base metals). Seven RC holes were completed on these targets for a total of 1,536m.

Dereks Bore (Gold): Results are awaited from one RC hole drilled for 348m (Figures 2 and 3). Dereks Bore is a structurally controlled hydrothermal vein and replacement gold target that is hosted within the Duck Creek Dolomite. The drilling was designed to test a regional gold bearing structure at depth, adjacent previously reported anomalous gold drillhole intercepts (>4m @ 0.5g/t Au) including:

- 8m at 1.07 g/t Au from surface in WPRC17-022⁽³⁾, and
- 4m at 0.52 g/t Au from 20m in WPRC17-029⁽³⁾.

Urandy (Gold): Three RC holes were drilled for Red Hill Iron for 498m (Figure 4) with assay results pending. Holes were designed to test continuity of a structurally related gold trend adjacent a major regional fault. Infill drilling occurred on existing drill lines to assist with building an initial 3D target model to enable future drillhole planning and understanding intense silica flooding and brecciation at depth that is interpreted to be associated with hydrothermal fluids. Previously reported anomalous gold drillhole intercepts (>2m @ 1.0g/t Au) at this target include:

- 7m at 2.29 g/t Au from 1m in BCW0010 (RAB)⁽⁴⁾,
- 2m at 1.15 g/t Au from 36m in BCW0013 (RAB)⁽⁴⁾,
- 9m at 1.79 g/t Au from 14m in RCW006 (RC)⁽⁵⁾, and
- 9m at 4.52 g/t Au from 46m in RCW007 (RC)⁽⁵⁾.

S-Bend (Base Metals): Three RC holes for 690m were drilled for the Company to test a previously identified zinc anomaly with assay results pending (Figure 5). Previous anomalous zinc intercepts have been encountered within this fault bounded wedge of Mount McGrath and Wooly Formation stratigraphy. Previously reported anomalous drillhole intercepts include:

- 20m at 0.15% Cu, 0.63% Pb and 0.24% Zn from 40m in SBRC001⁽⁶⁾.

The Company is currently waiting for the final assay results from a \$300,000 core cutting and gold/base metal assaying campaign on selected portions of approx. 1,788 metres of diamond drill core collected in 2020 and 2021 (Figure 1). Results are expected in the next Quarter.

Initial 3D modelling was completed on selected prospect areas to assist the drilling being carried out this year. Preliminary geology interpretations were completed where possible using historic assay and downhole logging data and provided to the rig geologists. Regional scale modelling covering the entire tenement package based on the integration and consolidation of datasets commenced and this work will be on-going. The regional modelling will bring together large-scale open file and company data and will be used to assist with target ranking to help identify prospective geological settings.

A 5,426 line kilometre VTEM airborne survey using 200 metre line spacing (Figure 1) is due to commence in the upcoming quarter. The data set will complete the full coverage of the project area when merged with data from a previous EM survey flown over the southern portion of the tenements and assist with target generation and prioritisation.

Heritage surveys are scheduled to commence from September and to be completed by the end of 2022 in preparation for the 2023 drill programmes.

PANNAWONICA IRON ORE PROJECT

Red Hill Iron owns 100% of this project and is appraising the various development options. During the Quarter the Company continued work on remodelling the Redgate and Whitegate Deposits and this work is continuing.

Environmental surveys (short range endemic, flora and fauna) covering the non-processing infrastructure (mine access, camp, bore fields, comms, etc) and haul routes commenced during the Quarter. An airborne lidar survey also commenced to assist with future engineering studies.

The current Ore Reserve Statement⁽⁷⁾ is 4.68 million tonnes (Mt) at 56% iron at a 54.5% iron cut-off grade within a total project Mineral Resource⁽⁸⁾ of 62.5 million tonnes at 53.4% Iron.

Red Hill Iron is not aware of any new information or data that materially affects the information included in the relevant market announcement and in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

PAYMENTS TO RELATED PARTIES

The \$104,000 cash outflow reported under Section 6.1 of the Appendix 5B Quarterly Cash Flow Report relates to director fees and superannuation, 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

⁽¹⁾ Refer ASX: Mineral Resources Ltd (MIN) Quarterly Report dated 28 July 2022

⁽²⁾ Refer Black Cat Syndicate Limited ASX “Funded Acquisition of Coyote & Paulsens Gold Operations” Announcement Dated 19 April 2022

⁽³⁾ Refer WAMEX A115918. CGM (WA) Pty Ltd (Chalice Gold) Co-Funded Drilling Report. West Pilbara EIS. 20 February 2018

⁽⁴⁾ Refer Red Hill Iron ASX “Quarterly Activities Report” Announcement Dated 30 April 2009

⁽⁵⁾ Refer Red Hill Iron ASX “Quarterly Activities Report” Announcement Dated 29 July 2009

⁽⁶⁾ Refer Red Hill Iron ASX “Quarterly Activities Report” Announcement Dated 31 October 2018

⁽⁷⁾ Refer Red Hill Iron ASX “Pannawonica Iron Ore Project – Ore Reserve Statement Update” Announcement Dated 23 July 2021

⁽⁸⁾ Refer Red Hill Iron ASX “Pannawonica Iron Ore Project: Pre-Feasibility Study Completed With Maiden Ore Reserves” Announcement Dated 14 April 2014.

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

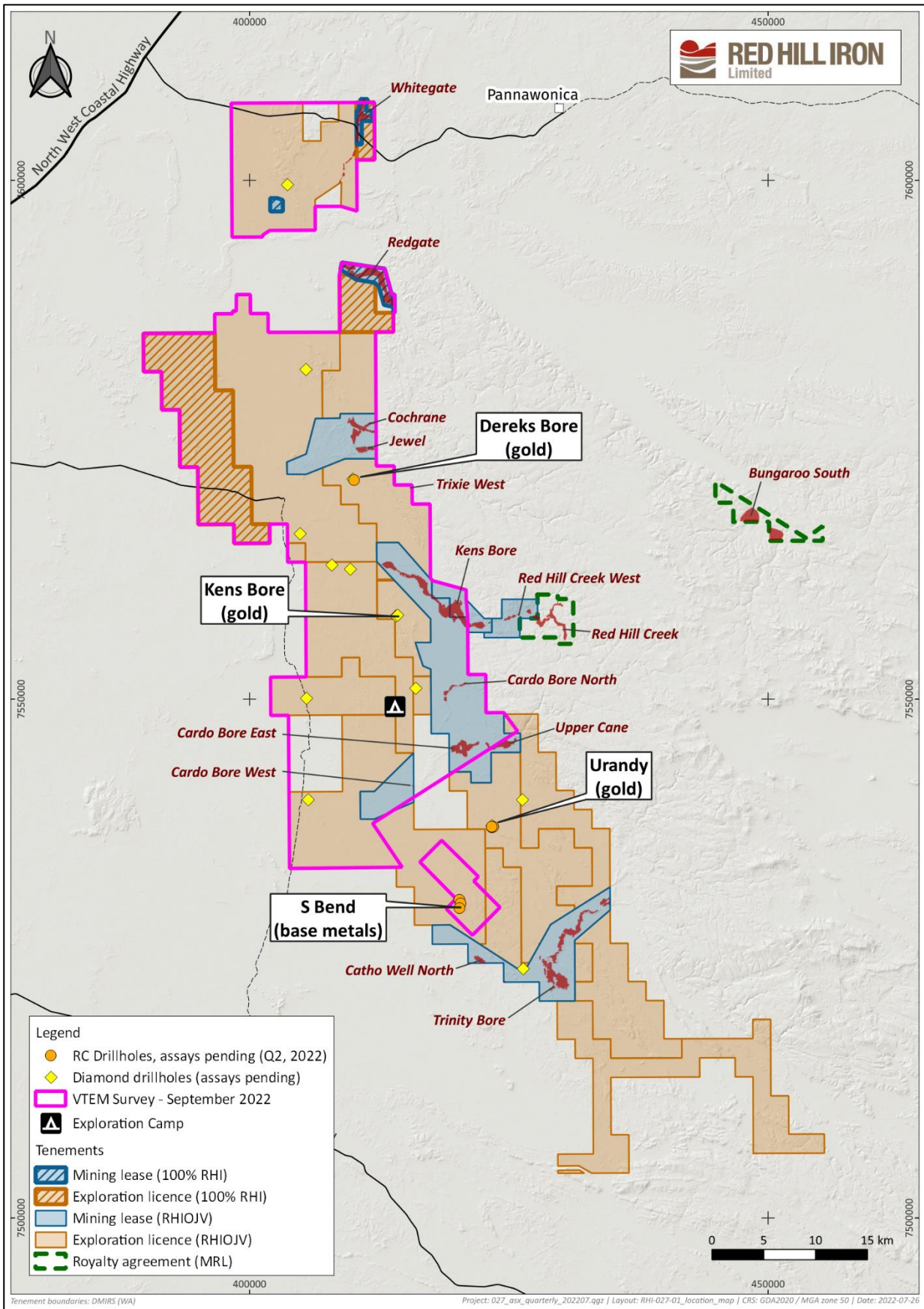


Figure 2 - RC Drilling for Red Hill at the Dereks Bore Gold Target. DKRC0001 was drilled at 60° angled to the east (90° azimuth). EOH 348m BGL.



Figure 3: RC Drilling Locations at Dereks Bore (Gold). The background image is aeromagnetic data (TMI 1VD over 2VD AGC filter). Assay results are pending.

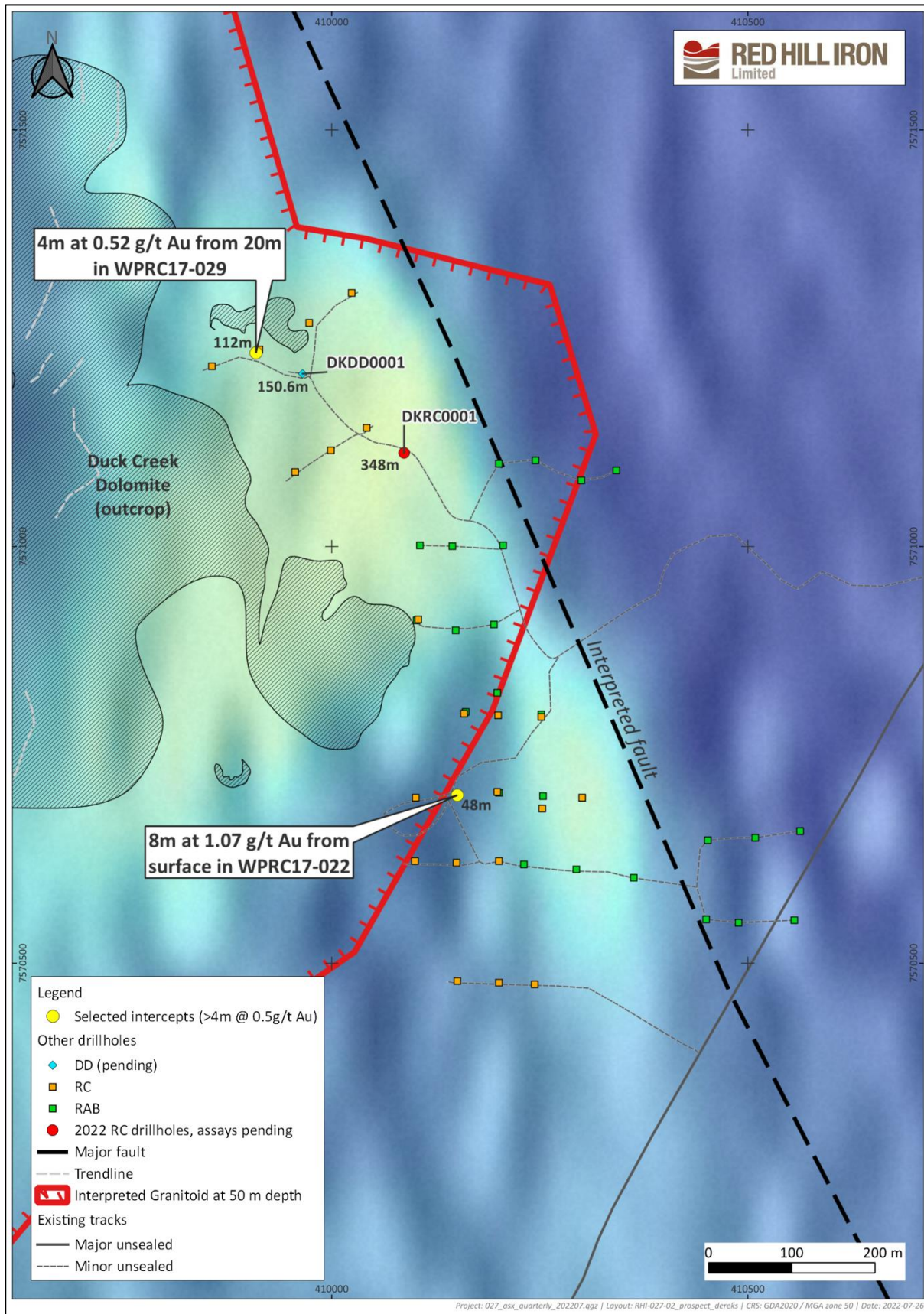


Figure 4: RC Drilling Locations at Urandy (Gold). Assay results are pending.

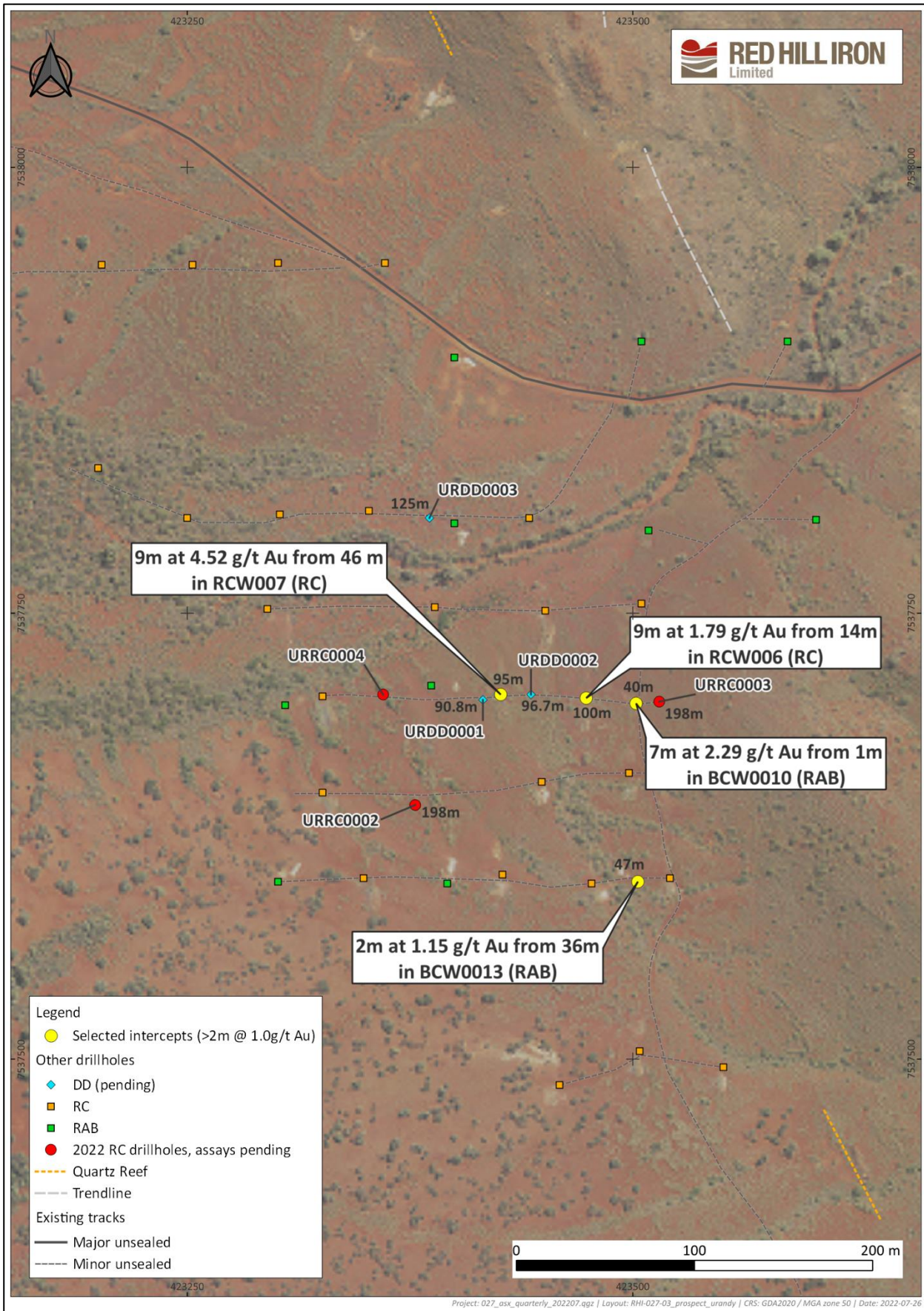
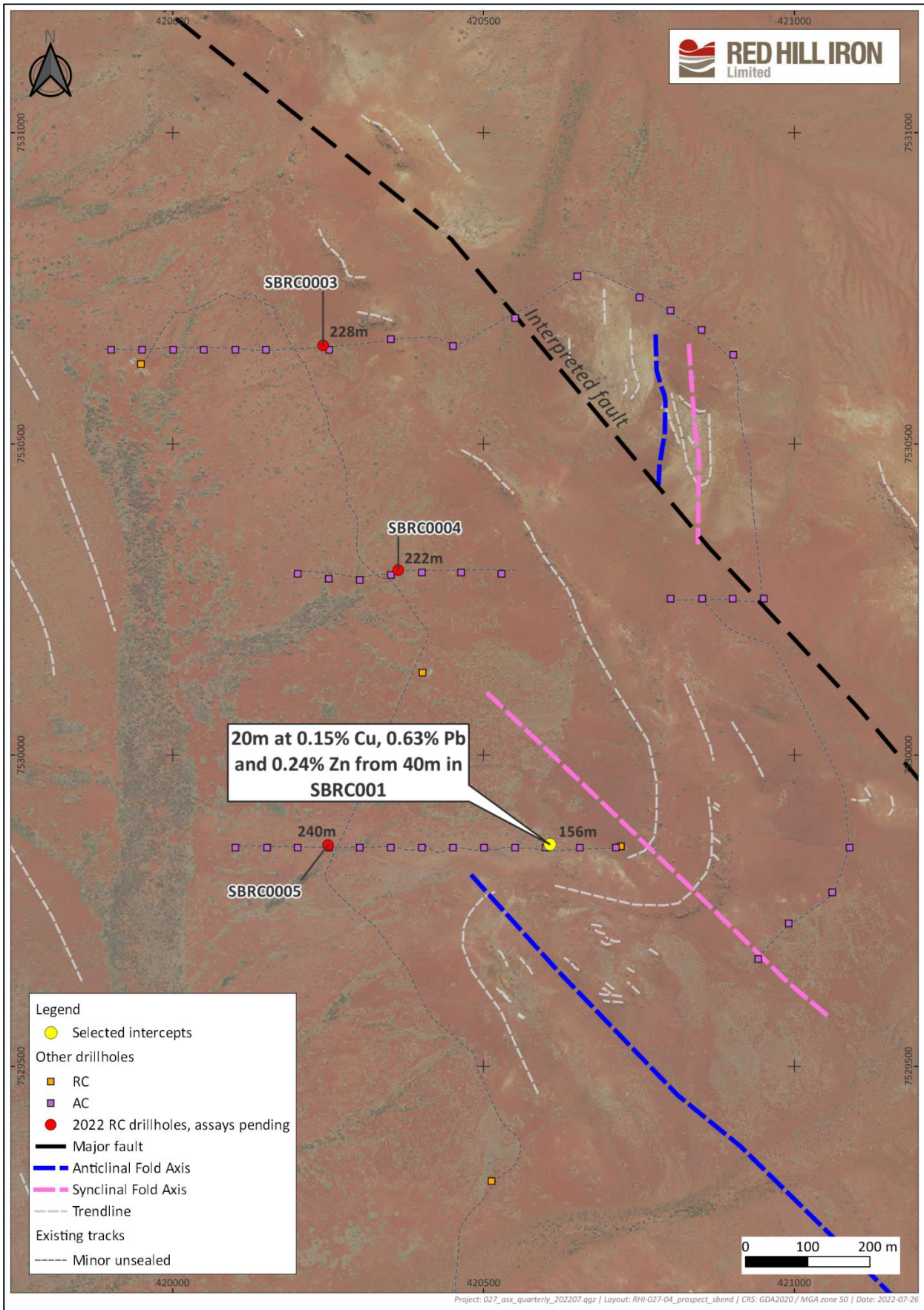


Figure 5: RC Drilling Locations at S-Bend (Base Metals). Assay results are pending.



Competent Person Statement

The information in this report that relates to exploration activities is based on information compiled by Mr Michael Wall, Chief Executive Officer, Red Hill Iron Limited who is a Member of the Australian Institute of Mining and Metallurgy. Mr Wall is a full-time employee of Red Hill Iron Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Wall consents to the report being issued in the form and context in which it appears.

Information in this report may also reflect past exploration results, and Red Hill Iron's assessment of exploration completed by past explorers, which have not been updated to comply with the JORC 2012 Code. The Company confirms it is not aware of any new information or data which materially affects the information in this announcement. The company has included JORC (2012) Table 1 to cover the reporting of previous RHI Exploration Results.

Forward Looking Statements

This document may contain certain forward-looking statements which have not been based solely on historical facts but rather on Red Hill Iron's expectations about future events and on a number of assumptions which are subject to significant risks, uncertainties and contingencies many of which are outside the control of Red Hill Iron and its directors, officers and advisers. Forward-looking statements include, but are not necessarily limited to, statements concerning Red Hill Iron's planned exploration programme, strategies and objectives of management, anticipated dates and expected costs or outputs. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Due care and attention has been taken in the preparation of this document and although Red Hill Iron believes that its expectations reflected in any forward looking statements made in this document are reasonable, no assurance can be given that actual results will be consistent with these forward-looking statements. This document should not be relied upon as providing any recommendation or forecast by Red Hill Iron or its directors, officers or advisers. To the fullest extent permitted by law, no liability, however arising, will be accepted by Red Hill Iron or its directors, officers or advisers, as a result of any reliance upon any forward looking statement contained in this document.

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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(689)	(1,401)
(b) development	-	-
(c) production	-	-
(d) staff costs	(4)	(15)
(e) administration and corporate costs	(312)	(3,160)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	48	130
1.5 Interest and other costs of finance paid	(2)	(4)
1.6 Income taxes paid	(17,000)	(39,000)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(17,959)	(43,450)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(230)	(310)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) 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) 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	(230)	199,690

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	-	(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	(12,765)	(89,359)
3.9 Other (provide details if material)	(16)	(31)
3.10 Net cash from / (used in) financing activities	(12,781)	(87,287)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	100,015	92
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(17,959)	(43,450)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(230)	199,690
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12,781)	(87,287)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	69,045	69,045

5.	Reconciliation of cash and cash equivalents 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	5,045	19,962
5.2	Call deposits	-	50,053
5.3	Bank overdrafts	-	-
5.4	Other: Term deposits	64,000	30,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	69,045	100,015

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	104
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.</i>		
<i>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)	(17,959)
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)	(17,959)
8.4 Cash and cash equivalents at quarter end (item 4.6)	69,045
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	69,045
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.8
<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: 28 July 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 30 June 2022

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-I	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%	
M08/512-I	West Pilbara, WA	0%	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%	
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 in September 2021.

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