

27 October 2022

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

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

Highlights

- Mineral Resources Limited (MinRes) announced unconditional Final Investment Decision to develop the Red Hill Iron Ore Joint Venture (RHIOJV) targeting first ore on ship in December 2023.
- Recruitment and commencement of highly experienced Chief Geologist, Glenn Martin.
- An extensive 5,426 line km Helicopter-borne VTEM MAX survey commenced over the Company's gold and base metal targets. 39% complete to date (Figure 1).
- Assay results received from RC and diamond drilling from gold and base metal prospects⁽¹⁾. Best results include:
 - 5.4m at 4.37 g/t Au from 42m in **URDD0002** at the Urandy Gold prospect,
 - 2m at 1.95 g/t Au from 58m, 4m at 0.78 g/t Au from 74m and 2m at 1.29 g/t Au from 82m in **DKRC0001** from the Dereks Bore Gold prospect, and
 - 10m at 1.32% Zn from 50m in **SBRC0004** from the S-Bend base metal prospect.
- Assay results to be integrated into regional geological models to assist in updating target rankings and drill planning for 2023.
- Three RC holes were completed for 702m drilled at the Three Peaks Skarn gold and base metal prospect with assays pending.
- Baseline environmental and LiDAR surveys completed for the Pannawonica Iron Ore Project transport corridor.

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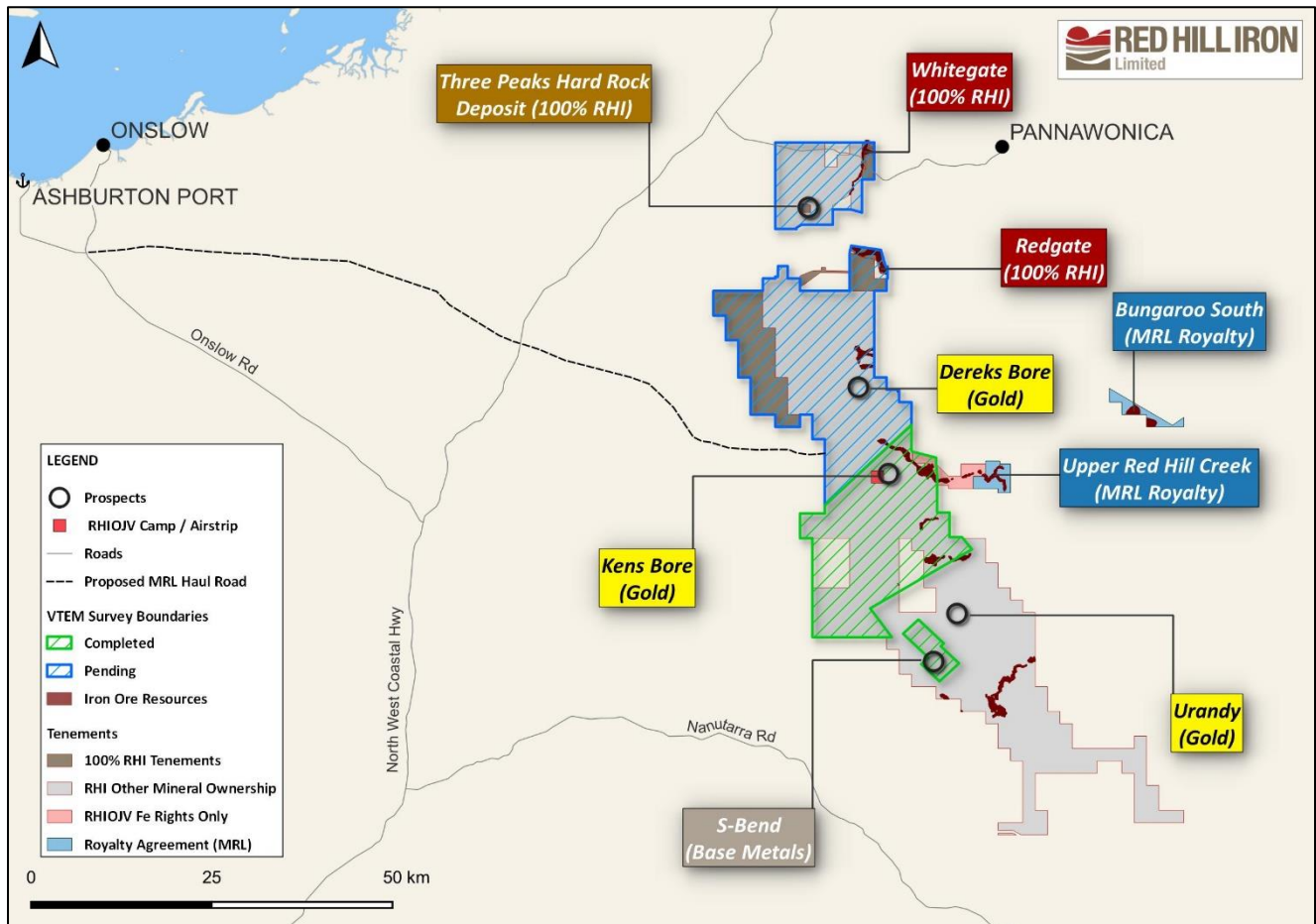
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Corporate

Red Hill Iron Limited (Red Hill Iron) held funds of \$55 million at end of the quarter.

During the period Glenn Martin commenced as Chief Geologist. Glenn has over 30 years' experience in exploration, project generation, evaluation, and mining throughout Australia, Asia, the Pacific and South America. Glenn was Chief Geologist for Musgrave Minerals for 6 years and led the geological team that discovered significant high-grade resources at their Cue Project.

Figure 1: Location Plan showing Prospects and Progress of the VTEM Survey.



RHIOJV Update

MinRes (ASX:MIN) announced on 29 August 2022 that the Red Hill Iron Ore Joint Venture (RHIOJV) had reached an unconditional Final Investment Decision to develop the RHIOJV Assets⁽²⁾. MinRes announced they are targeting first ore on ship in December 2023.

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.

Development and construction activity by the RHIOJV has increased onsite with construction of the airstrip and accommodation facilities and 50 x 50m drill outs of the Kens Bore Channel Iron Deposit (Figure 2).

Figure 2 – Construction of the RHIOJV Airstrip and Camp.



Exploration Activities

During the Quarter a 5,426 line kilometre VTEM MAX airborne survey, using 200 metre line spacing, commenced over the RHIOJV northern tenements (Figure 1 and 3). Working from the south to the north, the survey has already completed 2,183 line kilometres (39% of the survey area). The survey is scheduled to be completed in early November, with preliminary results expected mid-December. The dataset will provide full airborne EM coverage of gold and base metal targets when merged with data from a previous airborne EM survey flown over the southern portion of the tenements, and assist with target generation and prioritization, and refining proposed heritage survey areas.

Results were received from RC and diamond drilling including anomalous gold results for Dereks Bore, Urandy and Kens Bore Gold. Broad anomalous base metal results were identified at the S-Bend prospect area.

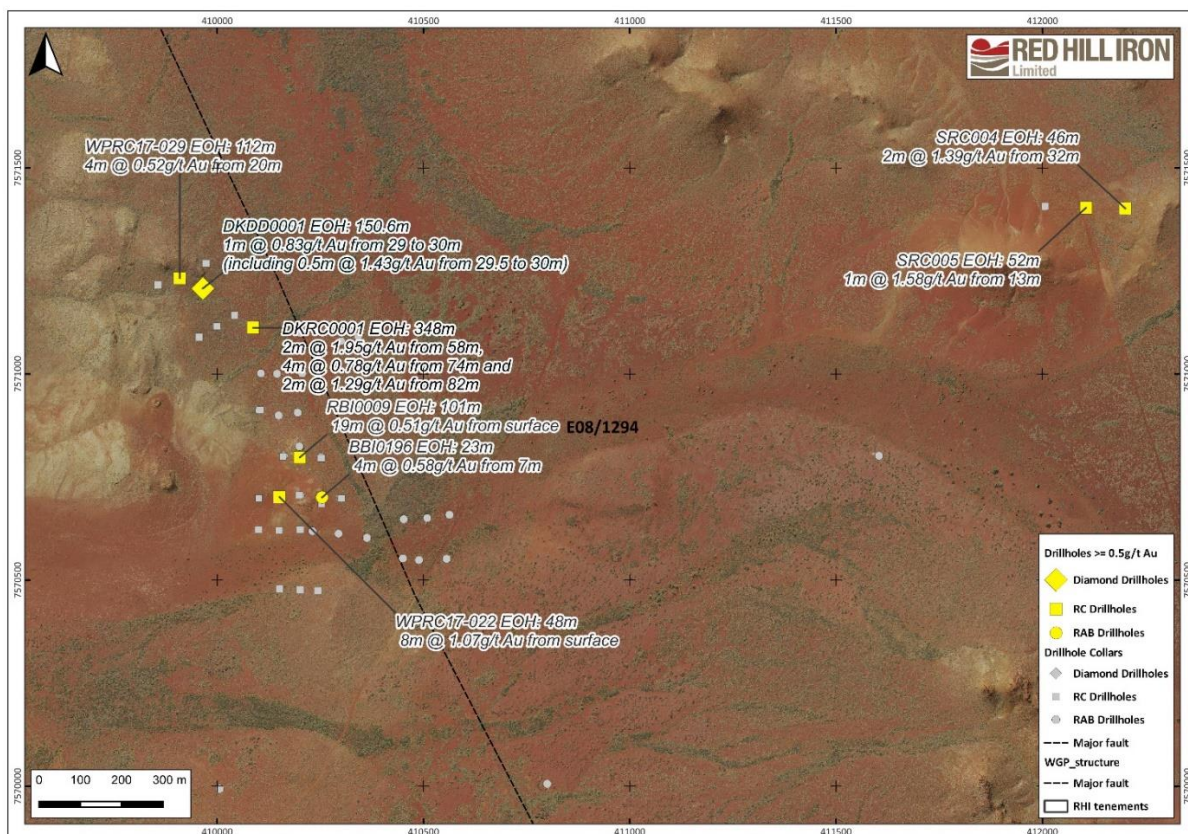
Figure 3 – Helicopter Assisted VTEM MAX Survey



Dereks Bore (Gold): The Dereks Bore Prospect (Figure 4) extends for an approximate strike length of 975m and is defined by a series of >10ppb Au in soil anomalies, at or near the contact between the Duck Creek Dolomite and the Mt McGrath Formation. Drilling by the RHIOJV in 2021 and 2022 (**DKDD0001** and **DKRC0001** respectively) was designed to test a regional gold bearing structure at depth, adjacent to previously intercepted anomalous gold intercepts (>1m thick @ 0.5g/t Au) including⁽¹⁾:

- 8m at 1.07 g/t Au from surface in WPRC17-022,
- 4m at 0.52 g/t Au from 20m in WPRC17-029,
- 19m at 0.51 g/t Au from surface in RHI0009,
- 4m at 0.58 g/t Au from 7m in BBI0196,
- 2m at 1.39 g/t Au from 31m in SRC004,
- 1m at 1.58 g/t Au from 13m in SRC005, and
- 1m at 0.83 g/t Au from 29m in **DKDD0001** including 0.5m at 1.43g/t Au from 29.5m,
- 2m at 1.95 g/t Au from 58m, 4m at 0.78 g/t Au from 74m and 2m at 1.29 g/t Au from 82m in **DKRC0001**.

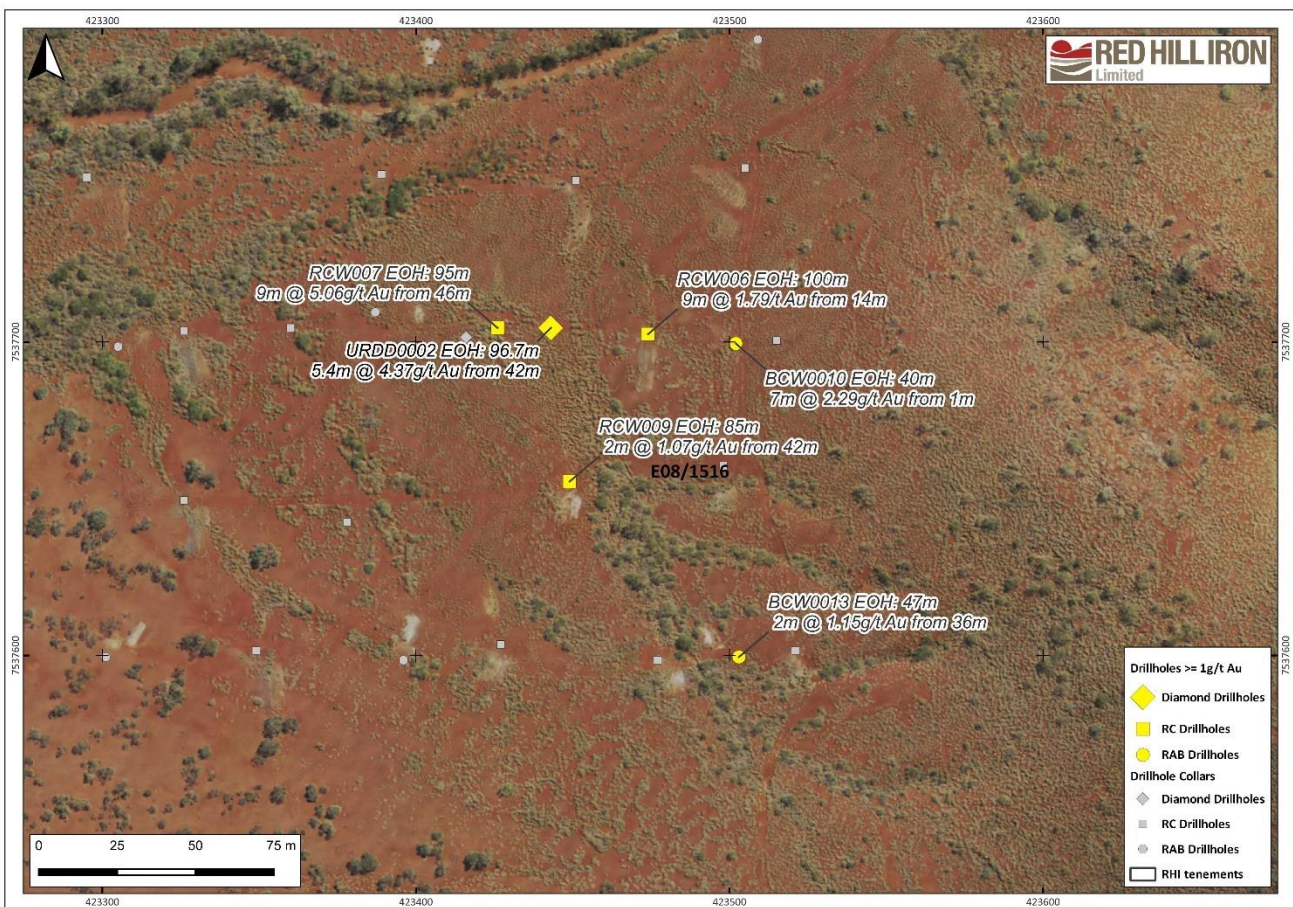
Figure 4 - Drillhole Locations at Dereks Bore (Gold).



Urandy (Gold): The Urandy Gold Prospect (Figure 5) is defined along a 1.25km strike length by a series of >10ppb Au gold in soil anomalies that appear related to the unconformity between the Woolly Dolomite and the Mt McGrath Formation. Infill drilling by the RHIOJV identified anomalous gold mineralisation associated with the targeted zone of brecciation and silicification of the unconformity. Anomalous gold drillhole intercepts (>2m thick @ 1.0g/t Au) at this target include⁽¹⁾:

- 7m at 2.29 g/t Au from 1m in BCW0010,
- 2m at 1.15 g/t Au from 36m in BCW0013,
- 9m at 1.79 g/t Au from 14m in RCW006,
- 2m at 1.07 g/t Au from 42m in RCW009,
- 9m at 5.06 g/t Au from 46m in RCW007, and
- 5.4m at 4.37 g/t Au from 42m in **URDD0002** (testing up dip continuity of RCW007).

Figure 5 - Drillhole Locations at Urandy (Gold).

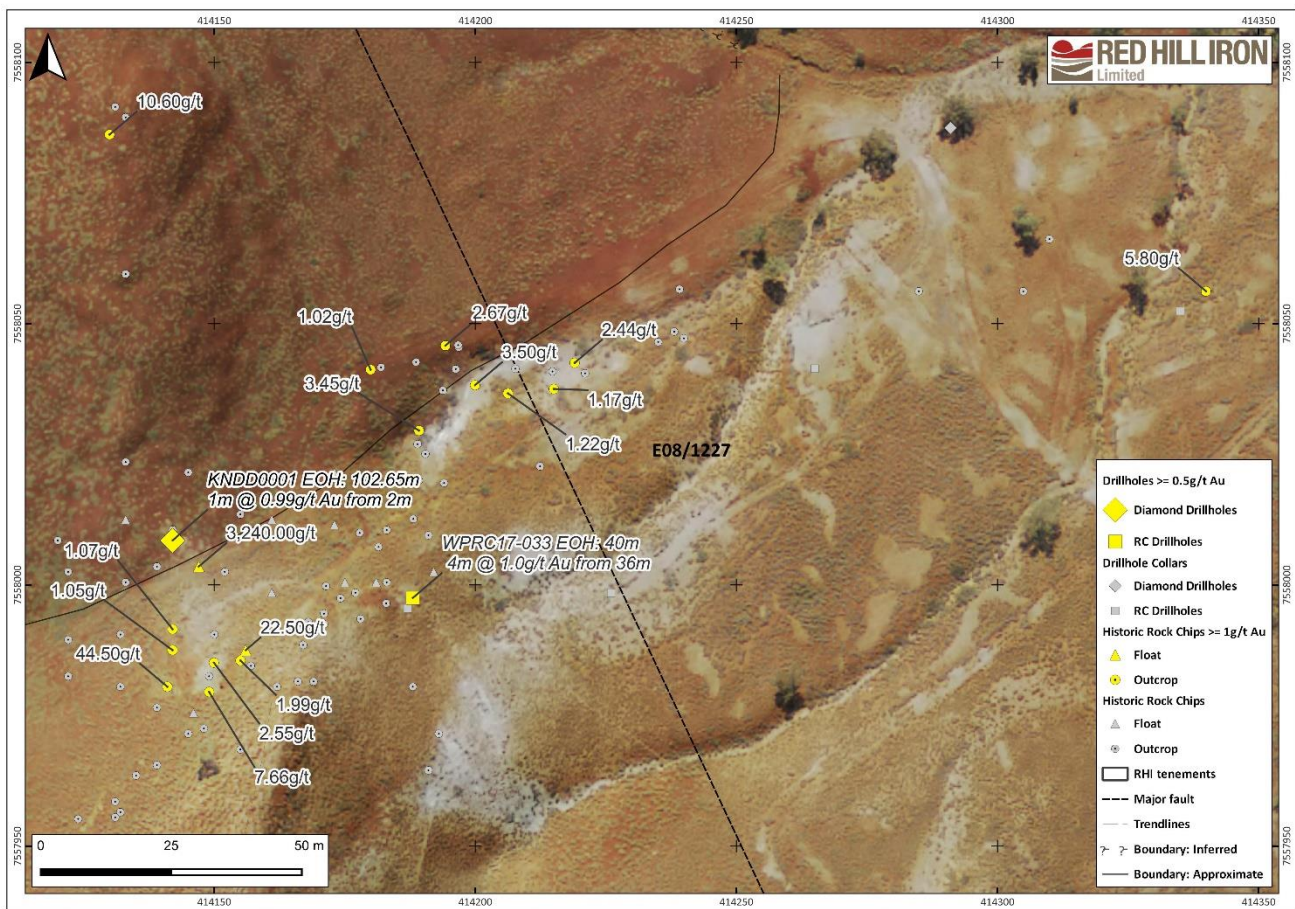


Kens Bore (Gold): The Kens Bore Prospect (Figure 6) is defined by two East- West oriented >10ppb Au in soil anomalies associated with the unconformity between the Cheela Springs Basalt, Wooly Dolomite and the overlying Mt McGrath Formation. Historic rock chip sampling in the area returned up to 3,240g/t Au in float, and previous drilling has not effectively tested the prospective target. Best results⁽¹⁾ from the prospect include (>1m thick @ 0.5g/t):

- 4m at 1.03g/t Au from 36m in WPRC17-033 (BOH), and
- 1m at 0.99 g/t Au from 2m in **KNDD0001**.

Mineralisation appears to be related to silica-sericite-clay veining and alteration within brecciation developed on the unconformity of the Mt McGrath Formation. RC drilling is planned at the prospect in the final quarter of this year with heritage surveys (for 2023 drilling) planned to commence in November.

Figure 6 - Drillhole and Rock Chip Locations at Kens Bore Gold (Gold).



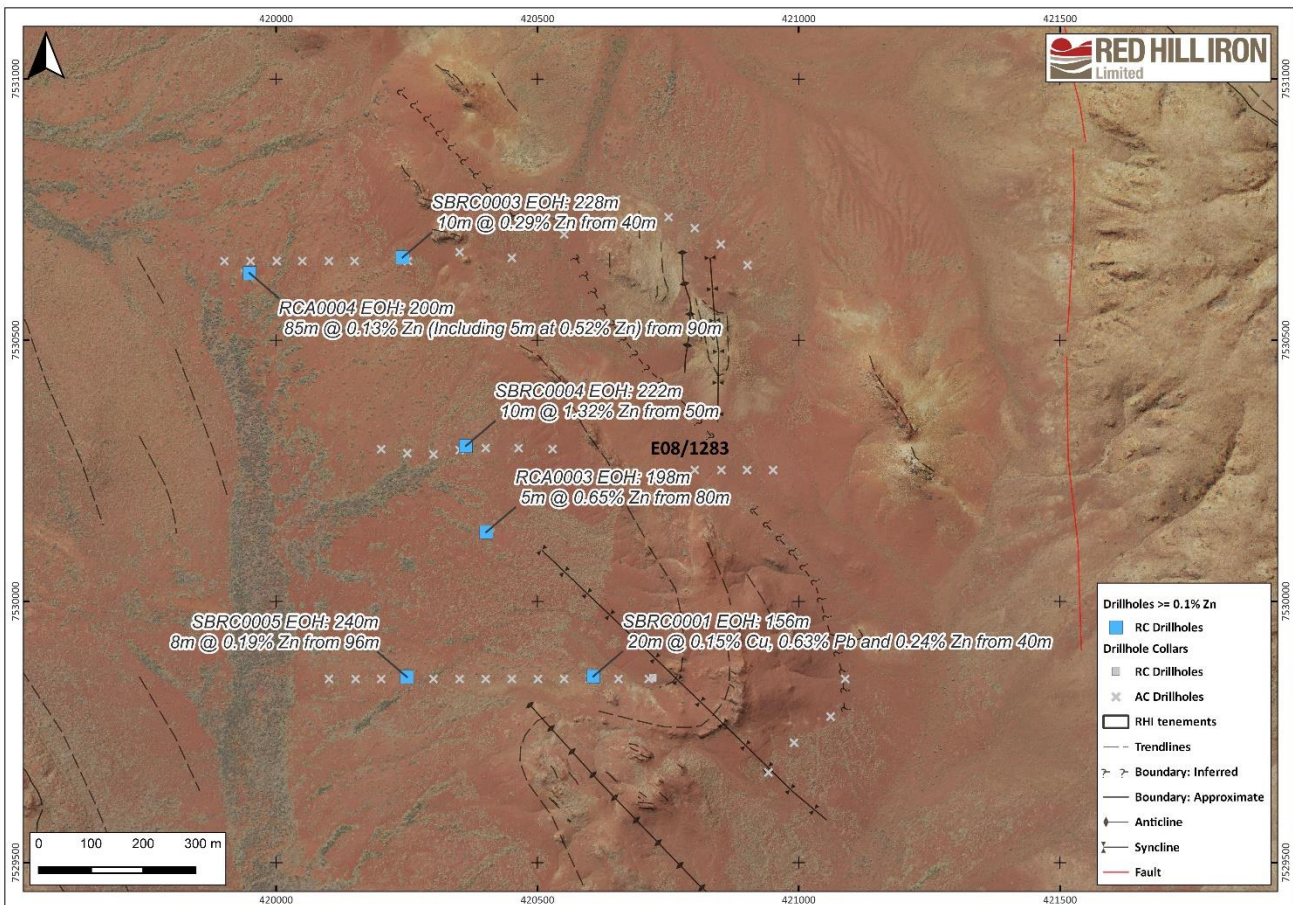
S-Bend (Base Metals): The S Bend Prospect (Figure 7) is defined by a historic zinc in soil anomaly and previous drilling, and appears to be related to anomalous zinc mineralisation developed in a fault bound wedge of the Mt McGrath Formation and the Woolly Dolomite.

Previously reported anomalous drillhole intercepts (>5m thick @ 0.1% Zn) include⁽¹⁾:

- 20m at 0.15% Cu, 0.63% Pb and 0.24% Zn from 40m in SBRC001,
- 5m at 0.65% Zn from 80m in RCA0003,
- 85m at 0.13% Zn (including 5m at 0.52% Zn) from 90m in RCA0004,
- 10m at 0.29% Zn from 40m in **SBRC0003**,
- 10m at 1.32% Zn from 50m in **SBRC0004**, and
- 8m at 0.19% Zn from 96m in **SBRC0005**.

The majority of the previous air core holes are too shallow and deeper holes are required to follow up the anomalism.

Figure 7 - Drillhole Locations at S-Bend (Base Metals).



Three Peaks (Gold and Base Metals): A 3 hole (702m) RC drill program was completed at the Three Peaks prospect targeting skarn mineralisation within dolomite (Figure 8). Due to high water flows target depths were not reached in all holes and further drilling will be required to fully test the skarn targets. Assay results for the completed holes are pending.

Figure 8 – Drilling the TPRC0003 Skarn Target with the Three Peaks Hard Rock Deposit Outcrop in the Background.



Pannawonica Iron Ore Project

Red Hill Iron has been working in conjunction with CZR Resources Limited⁽³⁾ to complete baseline environmental surveys covering the non-processing infrastructure and potential haul routes for the Pannawonica Iron Ore Project (Redgate and Whitegate Channel Iron Deposits (CID)). An airborne LiDAR survey was completed to assist with engineering studies and haul road design. Joint cost saving approval activities and development opportunities continue to be reviewed.

The current Ore Reserve Statement⁽⁴⁾ is 4.68 million tonnes (Mt) at 56% iron at a 54.5% iron cut-off grade within a total project Mineral Resource⁽⁵⁾ 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.

Three Peak Hard Rock Deposit

The Company has commenced a review of its 100% owned Three Peaks hard rock deposit (Figure 8). Previous petrographic reports and trial crushing of the porphyry rock material show that the unweathered rock is of high quality, high strength and durability and would be suitable for use as concrete aggregates, asphalt aggregates, high quality road bases, unbound pavement material and rail ballast. Red Hill Iron has identified potential commercial opportunities for a proposed quarry.

Upcoming

Assay results reported in this release along with final VTEM data products will be integrated into regional geological models to assist in updating target rankings to prioritise drill planning for 2023.

Payments to Related Parties

The \$63,000 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 Limited.

Authorised by the Board.

Mike Wall
CHIEF EXECUTIVE OFFICER

(1) Refer Red Hill Iron ASX Release “Base and Precious Metals Exploration Drilling Results” announcement dated 20 October 2022

(2) Refer Mineral Resources ASX Release “Onslow Iron Project Binding Term Sheet” announcement dated 29 August 2022

(3) Refer Red Hill Iron ASX Release “CZR-RHI to Cooperate on Haul Road and Port Infrastructure” announcement dated 1 August 2022.

(4) Refer Red Hill Iron ASX Release “Pannawonica Iron Ore Project – Ore Reserve Statement Update” announcement dated 23 July 2021

(5) Refer Red Hill Iron ASX Release “Pannawonica Iron Ore Project: Pre-Feasibility Study completed with Maiden Ore Reserves” announcement dated 14 April 2014.

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.

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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(672)	(672)
(b) development	-	-
(c) production	-	-
(d) staff costs	(19)	(19)
(e) administration and corporate costs	(343)	(343)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	195	195
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	(13,000)	(13,000)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(13,843)	(13,843)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(69)	(69)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	-	-
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	(69)	(69)
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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	(41)	(41)
3.10	Net cash from / (used in) financing activities	(41)	(41)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	69,046	69,046
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(13,843)	(13,843)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(69)	(69)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(41)	(41)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	55,093	55,093

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	4,093	5,046
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other: Term deposits	51,000	64,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	55,093	69,046

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	63
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)	(13,843)
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)	(13,843)
8.4 Cash and cash equivalents at quarter end (item 4.6)	55,093
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	55,093
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.0
<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: 27 October 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.

MINERAL TENEMENT INFORMATION AS AT 30 SEPTEMBER 2022

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

Tenement	Location	Registered Holding	Beneficial Interest
E08/1227-I	West Pilbara, WA	0%	Note 1
E08/1283-I	West Pilbara, WA	0%	Note 1
E08/1289-I	West Pilbara, WA	0%	Note 1
E08/1293-I	West Pilbara, WA	0%	Note 1
E08/1294-I	West Pilbara, WA	0%	Note 1
E08/1295-I	West Pilbara, WA	0%	Note 1
E08/1430-I	West Pilbara, WA	0%	Note 1
E08/1516-I	West Pilbara, WA	0%	Note 1
E08/1537-I	West Pilbara, WA	0%	Note 1
E47/1141-I	West Pilbara, WA	0%	Note 1
E47/1693-I	West Pilbara, WA	0%	Note 1
M47/1472-I	West Pilbara, WA	0%	Note 1
M08/483-I	West Pilbara, WA	0%	Note 1
M08/484-I	West Pilbara, WA	0%	Note 1
M08/485-I	West Pilbara, WA	0%	Note 1
M08/480-I	West Pilbara, WA	0%	Note 2
M08/512-I	West Pilbara, WA	0%	Note 2
M47/1504-I	West Pilbara, WA	0%	Note 2
M47/1464-I	West Pilbara, WA	0%	Note 2
M08/499-I	West Pilbara, WA	100%	Note 3
M08/500-I	West Pilbara, WA	100%	Note 3
M08/501	West Pilbara, WA	100%	Note 3
M08/505-I	West Pilbara, WA	100%	Note 3
E08/2730	West Pilbara, WA	100%	Note 3
E08/2729	West Pilbara, WA	100%	Note 3
ELA08/3382	West Pilbara, WA	100%	Note 3
ELA08/3540	West Pilbara, WA	100%	Note 3
L08/0305	West Pilbara, WA	100%	Note 3

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: Red Hill Iron Limited has a 100% interest in all minerals other than iron ore pursuant to the RHIOJV Agreement.

Note 2: Iron Ore Production Royalty Agreement with Mineral Resources Limited.

Note 3: 100%

Key:

E: Exploration Licence

ELA: Exploration Licence Application

M: Mining Lease

L: Miscellaneous Licence