



Level 2, 9 Havelock Street, West Perth WA 6005
PO Box 689, West Perth WA 6872
Telephone: (61 8) 9481 8627

ABN: 44 114 553 392

E-mail: redhillinfo@redhilliron.com.au
Website: www.redhilliron.com.au

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

27 April 2018

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 March 2018

Red Hill Iron Limited (Red Hill or the Company), reports on activity during the quarter as follows:-

Red Hill's Planned 2018 Exploration Programme

Red Hill has carried out a full review of the non-ferrous exploration potential of the Mining Leases and Exploration Licences within the Red Hill Iron Ore Joint Venture (RHIOJV) tenement area (in which the mineral rights other than iron ore are retained by Red Hill) and adjacent areas that are not included in the RHIOJV.

Five targets have been outlined for Reverse Circulation (RC) drill testing during the coming quarter while several new targets are in the process of being evaluated. This drill program has been made much more efficient and cost effective as a result of close cooperation by the RHIOJV Manager, API Management Pty Ltd (APIM), with Red Hill relating to the timing of planned RHIOJV exploration activity in the area, the use of RHIOJV infrastructure in place and easy access to and joint use of earth moving equipment and drill rigs.

The coming RC program will involve some 900 metres of drilling. The first target is a large silica cap that possibly represents a leached zone over massive sulphides. Drilling at the second target will test below sub horizontal jaspilite beds at an interpreted anticline with associated base metal anomalism. The third and fourth targets are aerial electromagnetic anomalies with associated base metal geochemical anomalism while the drilling at the last target will test at greater depth a bottom-of-hole intersection of anomalous cobalt and silver made by Chalice Gold Mines in the course of their recently terminated joint venture with Red Hill.

Red Hill Iron Ore Joint Venture (Red Hill interest 40%)

APIM has supplied the following report on the project activity :-

Highlights

- *Heritage survey planning continued with a survey commencement due early next period.*
- *Earthworks commenced in preparation for 2018 RC and diamond drilling programmes.*
- *Total RHIOJV expenditure for the March 2018 quarter totalled \$0.42M compared to the budget of \$0.65M.*

1. Background

APIM is the manager of the RHIOJV between the APIJV (Aquila Steel Pty Ltd (Baosteel & Aurizon) and AMCI (IO) Pty Ltd (AMCI & Posco)) and Red Hill. This joint venture holds 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.

2. Exploration

No exploration activity occurred on RHIOJV tenements during the March Quarter.

Earthworks commenced in preparation for Reverse Circulation (RC) and diamond drilling scheduled to commence next quarter.

3. Tenure

Heritage survey planning continued with a survey commencement early next period.

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

Consultation with Red Hill during the quarter in respect to Red Hill's planned 2018 exploration programme covered various matters facilitating Red Hill activities, including the potential for co-funded drilling. APIM and Red Hill have executed a letter agreement to cover Red Hill and RHIOJV responsibilities for the co-funded drilling programme.

By notice of 10 July 2017 from APIM to Red Hill, E08/1473 was excluded from the RHIOJV. Assessment by OSR was completed and further documentation to support handback/transfer of APIM interest to Red Hill was progressed.

Part A of the Kuruma Marthudunera (KM) Native Title Claim has progressed with the State agreeing the basis for a consent Determination, which is to be formalised by Judgment delivered by the Federal Court on Country on 26 April 2018.

4. Environment

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

Further floristic gap surveys were completed as support information for environmental review documents in relation to the Cardo expanded mine footprint areas and Red Hill Creek West (RHIOJV), Red Hill Creek (APIJV).

Work to support on-ground activities for minimum expenditure on Mining Act tenure was undertaken including pre-disturbance floristic surveys to inform internal ground disturbance permitting.

5. RHIOJV Expenditure

Total RHIOJV expenditure for the March 2018 quarter totalled \$0.42M compared to the budget of \$0.65M reflecting timing of exploration work, Land Management matters and rates and rental payments.

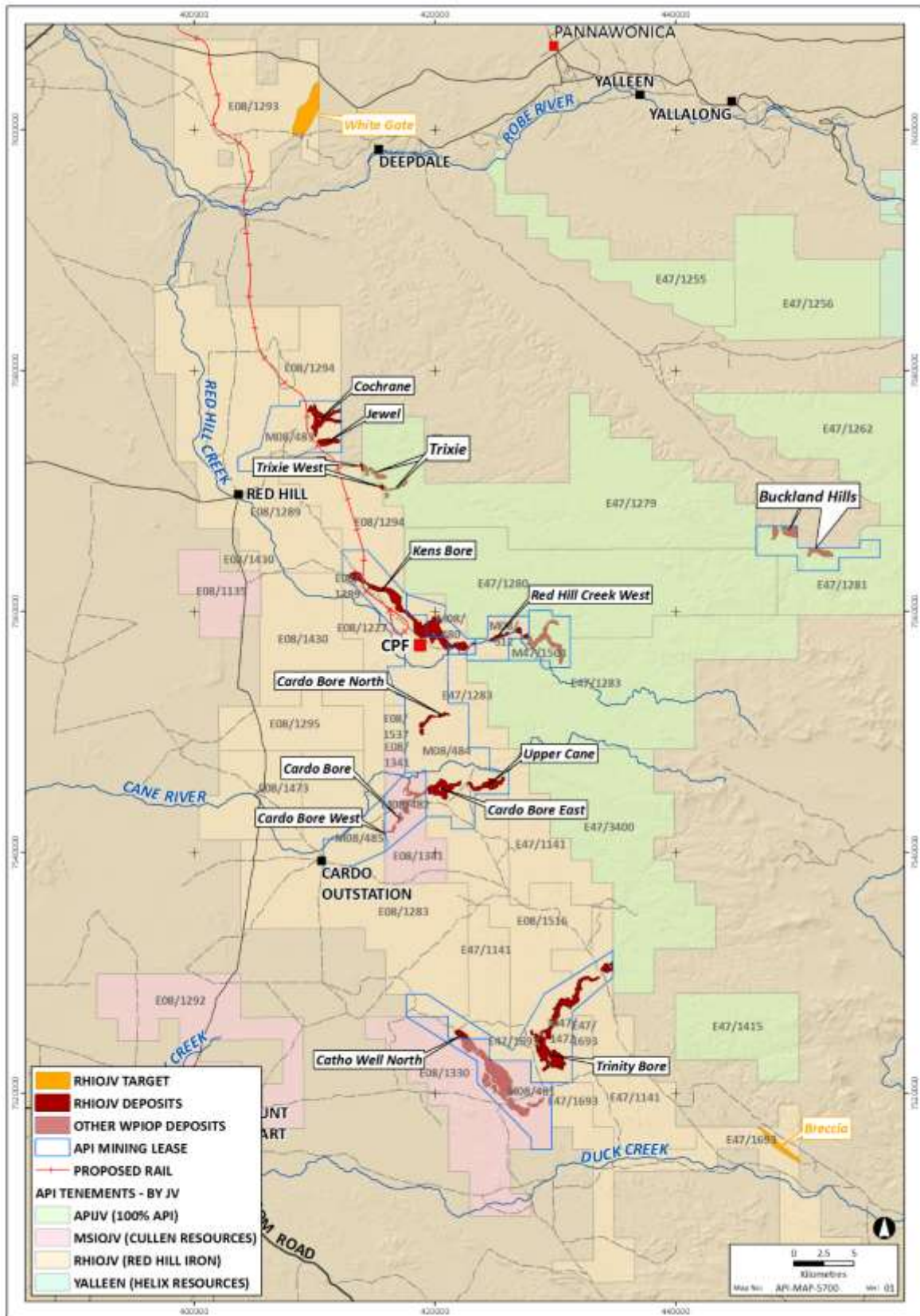
A breakdown of expenditure is set out in Table 1.

Table 1 – RHIOJV Expenditure

RHIOJV Expenditure Report
FY18 3 Monthly actual costs

RHIOJV	Jan-18	Feb-18	Mar-18	Q1	Q2	Q3	Q4	FY18	FY18	FY18
A\$	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Budget	Variance
RED HILL IRON ORE JOINT VENTURE										
Exploration	1,530	60,284	90,879	49,028	26,182	152,693	90,999	318,902	1,353,000	1,034,098
Rates and Rental	0	1,566	5,350	1,196,674	62,207	6,916	91,485	1,357,282	1,423,000	65,718
TOTAL EXPLORATION	1,530	61,850	96,229	1,245,702	88,389	159,609	182,484	1,676,184	2,776,000	1,099,816
PROJECT SUPPORT										
Study Management	-	-	-	-	-	-	-	-	-	-
Land Management	22,016	20,418	17,745	41,306	234,103	60,179	238,555	574,142	573,000	(1,142)
Environment	2,185	32,994	66,175	165,112	175,009	101,354	92,998	534,473	450,000	(84,473)
Site Support, mine planning & testwork	24,446	16,286	15,406	200,260	175,182	56,137	92,496	524,076	520,000	(4,076)
TOTAL PROJECT SUPPORT COSTS	48,648	69,698	99,325	406,677	584,294	217,670	424,049	1,632,691	1,543,000	(89,691)
TOTAL	50,178	131,548	195,554	1,652,379	672,683	377,279	606,533	3,308,875	4,319,000	1,010,125
JV administration percentage	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
TOTAL JV ADMINISTRATION CHARGE	5,018	13,155	19,555	165,238	67,288	37,728	60,653	330,887	431,900	101,013
TOTAL INCLUDING ADMIN	55,196	144,702	215,109	1,817,617	739,951	415,007	667,186	3,639,762	4,750,900	1,111,138

Figure 1 – Location Plan



Pannawonica Project (RHI 100%)

The development of this Project is contingent on the development of haulage and export facilities for the West Pilbara which could, (dependent on pricing of low grade iron ore at the time) allow the Company to contemplate the feasibility of mining and exporting ore with accompanying activity on the Company's hard rock resource at Three Peak Hill, which is postulated to be used by developers of haulage infrastructure in the area.

Neil Tomkinson
Chairman

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

RED HILL IRON LIMITED

ABN

44 114 553 392

Quarter ended ("current quarter")

31 March 2018

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	(24)	(76)
(b) development	-	-
(c) production	-	-
(d) staff costs	(2)	(4)
(e) administration and corporate costs	(94)	(330)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	22
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)	-	-
1.9 Net cash from / (used in) operating activities	(117)	(388)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other: Funds received from deposits > 3 months	150	1,000
Funds placed on deposits > 3 months	-	-
2.6 Net cash from / (used in) investing activities	150	1,000

3. Cash flows from financing activities		
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)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	807	228
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(117)	(388)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	150	1,000
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	840	840

Mining exploration entity and oil and gas exploration entity quarterly report

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	90	107
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details): Term Deposits	750	700
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	840	807

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	45
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	30
Rent and administration paid to listed director related entity	15

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

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	92
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	85
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	177

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

Compliance statement

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

Sign here:

Date: **27 April 2018**

(Company secretary)

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 31 March 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	40%	100%	2
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.

Note 2: Registered holding is in the process of being amended to 100%

Key:

E: Exploration Licence

ELA: Exploration Licence application

M: Mining Lease