

23 July 2021

 Company Announcements Office
 ASX Limited
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 SYDNEY NSW 2000

Pannawonica Iron Ore Project - Ore Reserve Statement Update

Red Hill Iron Limited (Red Hill or the Company) (ASX: RHI) is pleased to report an updated Ore Reserve statement for its 100% owned Pannawonica Project. Encouraged by the continued improved iron ore prices, Red Hill is moving rapidly to update its existing Prefeasibility Study to establish whether the project can be advanced towards development.

The Company has completed a study on selectively mining near-surface higher grade ore. This study included pit optimisation, mine design and mine scheduling work (see Appendix 1).

As part of the Prefeasibility Study completed in 2014, Ore Reserves were estimated at 29.3 million tonnes at 54% Iron. These were derived from a Mineral Resource estimate of 62.5 million tonnes at 53.4% Iron above a cut-off of 52% Iron (Refer ASX announcement 14 April 2014 - Pannawonica Iron Ore Project: Pre-Feasibility Study completed).

Current estimates indicate that higher-grade ore comprising 4.68 million tonnes at 56% Iron can be selectively open pit mined from near surface applying a cut-off grade of 54.5% Iron (Refer Table 1). These Ore Reserves are contained within the Mineral Resource estimate previously announced to the ASX on 14 April 2014.

Deposit	Classification	Tonnes (Mt)	Fe (%)	Al ₂ O ₃ (%)	P (%)	SiO ₂ (%)	LOI (%)	Strip Ratio W:O
Redgate	Probable	2.33	56.0	4.7	0.05	7.3	7.4	
	Sub Total Ore	2.33	56.0	4.7	0.05	7.3	7.4	0.98
Whitegate	Proved	0.63	55.7	3.8	0.03	6.2	8.9	
	Probable	1.72	56.0	4.1	0.03	5.8	8.9	
	Sub Total Ore	2.35	55.9	4	0.03	5.9	8.9	0.32
Total	Proved	0.63	55.7	3.8	0.03	6.2	8.9	
	Probable	4.05	56.0	4.4	0.05	6.7	8	
	Total Ore	4.68	56.0	4.3	0.04	6.6	8.2	0.64

Table 1: 2021 Pit Optimised Ore Reserves: Pannawonica Project

Red Hill has completed a number of key milestones required to de-risk project development, including Mining Leases being granted, a Heritage Agreement having been executed and a Memorandum of Understanding entered into with Onslow Marine Support Base Pty Ltd, the owners of Onslow Port. Work is underway to obtain remaining approvals, including additional environmental surveys, and engagement with contractors has commenced.

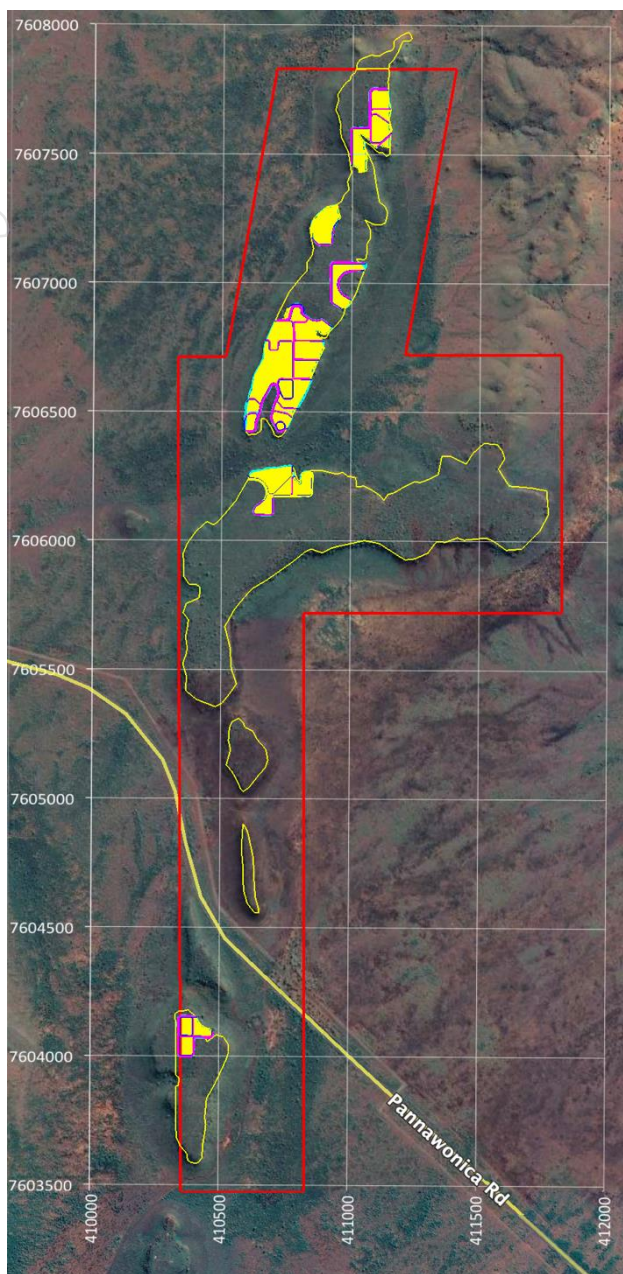


Figure 1: Whitegate High Grade Pit Locations

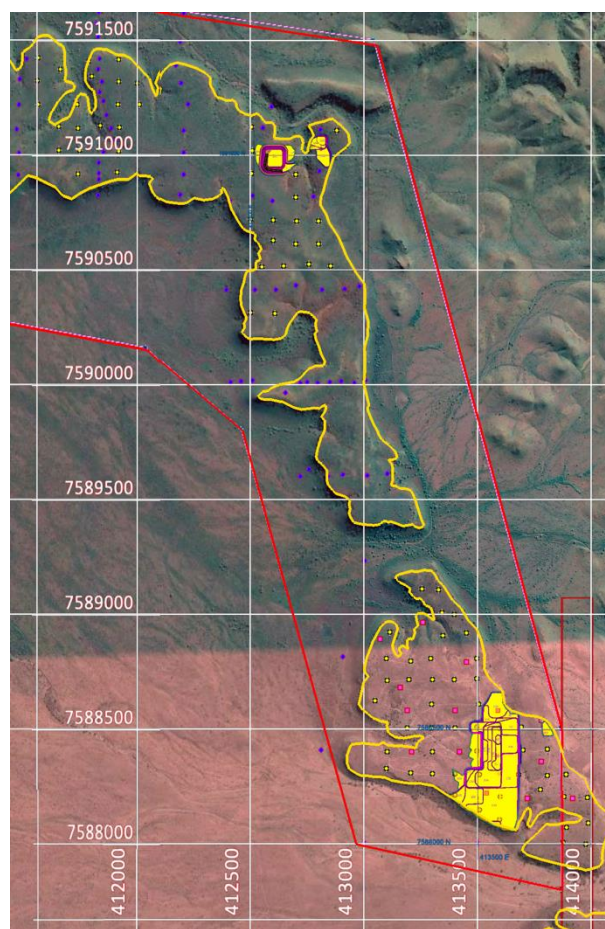


Figure 2: Redgate High Grade Pit Locations

Appendix 1: Key Modifying Factors June 2021

Item		Unit	Value
Mining and Processing			
Processing Throughput Rates	Mining Capacity	tpa	1,800,000
Cut-off Grade	Undiluted	%	54.5%
Commodity/Product	Primary Product Grade	DSO	56.0%
Price Assumptions			
Long-run FX		USD/AUD	0.75
Benchmark 58.0% CFR Price		US\$/dmt	\$100.00
Net FOB Price	Grade Discount	% of CFR price	15.00%
Net FOB Price	Grade Adjusted Price (FOB)	US\$/dmt	\$85.00
Shipping			
	Base Cost	US\$/wmt	\$22.00
	Moisture Content	Moisture (%)	8.0%
	Net Cost	US\$/dmt	\$23.91
58.0% Fe Base Price (FOB)		US\$/dmt	\$61.09
58.0% Fe Base Price (FOB)		AUD / dmt	\$81.45
Royalties			
	WA Government Royalty	%	7.5%
	Native Title	%	0.5%
	Disc. Price (FOB) incl. Royalties	AUD / dmt	\$74.93
Processing Costs			
	Total Processing & Ore costs	AUD / dmt	\$44.05
Recovery			
Processing Recovery		%	99%
Mining Recovery	Allowed in wireframing	%	In model
Dilution	Allowed in compositing	%	In model
Mining Costs		Unit	
	Load & Haul	AUD / dmt	\$3.10
	Incremental with depth	AUD/dmt/10m	\$0.05
	Drill & Blast	AUD / dmt	\$1.05
	Total Mining Cost	AUD / dmt	\$4.15

Appendix 2: Mineral Resource estimate and Prefeasibility Study

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<ul style="list-style-type: none"> Mineral Resources estimated from 455 RC holes and 11 diamond core holes. Ordinary kriging was used to estimate grades in predefined mineralised envelopes. Mineral Resources are inclusive of the Ore Reserves. See ASX announcement RHI 14 April 2014
Study status	A PFS which meets the definition in JORC Code 2012 has been conducted. The project is based on a JORC 2012 Mineral Resource estimate of the Redgate and Whitegate deposits. The updated study referred to here includes further pit optimisation, mine design and schedule, revised operating costs and an updated iron ore price.
Cut-off parameters 2021 study	A cut-off grade of 54.5% has been used.

Competent Persons Statement

This Ore Reserve estimate is based on a revised pit optimisation and a review of Modifying Factors and assumptions of profitability has been carried out by Douglas Stewart BSc., FAusIMM.

The information in this report that relates to the Mineral Reserves for the Pannawonica Project is based on, and fairly represents, information compiled by Douglas Stewart, who is an employee of Red Hill Iron Limited.

Mr Stewart is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Stewart has had sufficient experience that is relevant to the style of mineralisation, 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' (JORC Code 2012). Mr Stewart consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Issued with the authority of the Board

Joshua Pitt
Chairman