

9 September 2024

FIRST ROYALTY PAYMENT RECEIVED

Red Hill Minerals Limited (**ASX: RHI**) (**Red Hill or the Company**) is pleased to report that it has received its first royalty payment from Mineral Resources Limited (**MinRes**) following the commencement of mining and commercial production at the Onslow Iron Project. This first payment covers ore shipped during the quarter ended 30 June 2024.

Royalty revenue	A\$282,654
Onslow Iron (RHIOJV area) shipped tonnes (dmt)	296,165

The first ore on ship was announced ahead of schedule in late May 2024¹. As anticipated, the project is ramping up and is expected to reach nameplate capacity of 35 million tonnes per annum by June 2025.

The Onslow Iron Project has the great advantage of having the world’s largest steel company, Baowu as a joint venture participant and offtake partner who will take a large proportion of project product. At least 50% of the project ore will be directed to Baowu for life of mine, supported by the offtake arrangements between them and MinRes. This ore is earmarked to be blended with the Baowu proportion of the high grade ore sourced from Simandou, a major African iron ore mine currently in development, and once in production will be one of the largest and highest grade iron ore mines in the world. Baowu has recently purchased large stockyards in China for blending purposes².

Executive Chairman, Joshua Pitt, said:

“Royalty payments commencing is very good news for Red Hill and the payments will continue over the life of the Onslow Iron Project. The option for Baowu to blend Onslow ore with high grade ore from Simandou has the potential to deliver an enhanced sinter feed. The offtake agreement should ultimately benefit Red Hill shareholders by sustaining offtake through the cycles and underline our ongoing ability to provide dividends”.

Baowu’s first capesize bulk carrier, Dongshan, that will be deployed to transport iron ore from the Onslow Iron Project in Australia and the Simandou Project in Guinea³.


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Authorised by the Board.

Michael Wall
CHIEF EXECUTIVE OFFICER

¹ Mineral Resources announcement dated 21 May 2024 – Onslow Iron delivers first ore on ship ahead of schedule.

² Mineral Resources announcement dated 29 August 2024 – MinRes FY24 Full Year Results Presentation Transcription.

³ Baowu Group announcement dated 4 May 2024 - Baosteel Shipping's First Capesize Bulk Carrier Dongshan Delivered and Put into Operation.