

25 March 2021

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

### **Notice of General Meeting**

Attached is the Notice of Meeting for a general meeting of shareholders of Red Hill Iron Limited to be held on 27 April 2021.

Authorised by the board.

P.C.Ruttledge  
Company Secretary

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**RED HILL IRON LIMITED**

**ACN 114 553 392**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11.00 am (WST)

**DATE:** Tuesday 27 April 2021

**PLACE:** Second Floor,  
9 Havelock Street, West Perth,  
Western Australia 6005

***This Notice of General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9481 8627.***

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

11.00 am (WST) on Tuesday 27 April 2021 at 2<sup>nd</sup> Floor, 9 Havelock Street, West Perth, WA 6005.

### YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

### VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11.00 am (WST) on 25 April 2021.

### VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

### VOTING BY PROXY

If you do not wish, or are unable, to attend the Meeting, you may appoint a proxy to attend and vote on your behalf by completing and signing the separately provided Proxy Form and returning it by the time and in accordance with the instructions set out below and on the Proxy Form. A body corporate may also appoint a proxy. A proxy need not be a Shareholder.

To vote by proxy, please complete and sign the enclosed Proxy Form and return (with any power of attorney or other authority pursuant to which the proxy has been signed) by any of the following means:

- Hand Delivery: Registered Office of Red Hill Iron Limited, Level 2, 9 Havelock Street, West Perth WA 6005
- By mail: Red Hill Iron Limited, PO Box 689, West Perth, WA 6872
- By fax: +61 8 9322 3456
- By email: redhillinfo@redhilliron.com.au

**Proxy Forms must be received by no later than 48 hours before the Meeting, being 11.00 am (WST) on 25 April 2021.**

You are entitled to appoint up to 2 proxies to attend the meeting and vote on your behalf and may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes that each proxy is entitled to exercise, each proxy may exercise half of the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

### VOTING BY POLL

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

Shareholders who wish to vote by appointing a proxy are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions are set out in the Proxy Form attached to the Notice of Meeting.

### VOTING EXCLUSIONS

In accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast on certain resolutions by certain persons who are prohibited from voting on those resolutions. Details of any voting exclusions applicable to a specific resolution are set out in this Notice.

### CORPORATE REPRESENTATIVES

Shareholders who are a body corporate may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority must be sent to the Company and/or registry in advance of the Meeting.

An appointment of corporate representative form is available from the website of the Company's share registry ([www.automicgroup.com.au](http://www.automicgroup.com.au)).

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of Red Hill Iron Limited will be held at 2<sup>nd</sup> Floor, 9 Havelock Street, West Perth, Western Australia on Tuesday 27 April 2021 at 11.00 am (WST).

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

## AGENDA

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### 1. RESOLUTION 1 – ISSUE OF OPTIONS TO NANETTE ALLEN

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and Listing Rule 10.11 of the Listing Rules of the ASX and for all other purposes, Shareholders approve and authorise the issue at no cost of 500,000 Options to Ms Nanette Allen (and/or her permitted nominee), to acquire fully paid ordinary shares in the capital of Red Hill Iron Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of Ms Allen and any other person that will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their associates (**Resolution 1 Excluded Party**). However, the Company need not disregard a vote if it is cast by

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, provided the Chair is not a Resolution 1 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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### 2. RESOLUTION 2 – ISSUE OF OPTIONS TO MARK OKEBY

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and Listing Rule 10.11 of the Listing Rules of the ASX and for all other purposes, Shareholders approve and authorise the issue at no cost of 500,000 Options to Mr Mark Okeby (and/or his permitted nominee), to acquire fully paid ordinary shares in the capital of Red Hill Iron Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Okeby and any other person that will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their associates (**Resolution 2 Excluded Party**). However, the Company need not disregard a vote if it is cast by

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, provided the Chair is not a Resolution 2 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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### 3. RESOLUTION 3 – ISSUE OF OPTIONS TO GARRY STRONG

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and Listing Rule 10.11 of the Listing Rules of the ASX and for all other purposes, Shareholders approve and authorise the issue at no cost of 500,000 Options to Mr Garry Strong (and/or his permitted nominee), to acquire fully paid ordinary shares in the capital of Red Hill Iron Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Strong and any other person that will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their associates (**Resolution 3 Excluded Party**). However, the Company need not disregard a vote if it is cast by

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

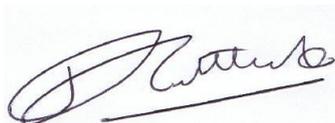
However, provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 10 MARCH 2021**

**BY ORDER OF THE BOARD**



**PETER RUTLEDGE  
COMPANY SECRETARY  
RED HILL IRON LIMITED**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 2<sup>nd</sup> Floor, 9 Havelock Street, West Perth, Western Australia on Tuesday 27 April 2021 at 11.00 am (WST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting. It should be read in conjunction with the Notice of Meeting.

Resolutions 1, 2 and 3 seek approval to issue 500,000 Director Options to each of the Company's three non-executive directors, Ms Nanette Allen, Mr Mark Okeby and Mr Garry Strong – a total of 1,500,000 Director Options.

The Director Options are exercisable on or before 7 March 2024 at an exercise price of \$1 each, which represents a premium of 150% to the last sale price of the Company's shares on the ASX prior to the Grant Date (subject to a condition subsequent that Shareholder approval for the issue is obtained under ASX Listing Rule 10.11).

These Director Options will vest immediately on issue and are not linked to the Company's performance.

### 1. Background

The broad remuneration policy of the Company, as set out in the Remuneration Report which forms part of the Directors' Report in the Company's 2020 Annual Report, is to ensure that the remuneration package of key management personnel reflects their duties and responsibilities and is competitive in attracting, retaining and motivating people of the highest quality.

The annual remuneration of the Company's three non-executive directors is currently set at \$25,000 plus statutory superannuation each. The Company has a very small management team headed by the only other director, Executive Chairman Mr Joshua Pitt.

The Executive Chairman refers regularly to the non-executive directors, calling on their individual and complementary skills to provide guidance in the management of the Company and its exploration activities. The Chairman considers it therefore important that the non-executive directors' skills and significant contribution be recognised through the issue of these Director Options thereby enabling them to share in any success that the Company may achieve from its business activities.

Ms Allen, BSc(Hons), MAICD, MAusIMM, joined the board on 1 February 2020 having had extensive experience as a director of mining and exploration companies. Ms Allen brings a wealth of corporate experience which has focussed on strategy implementation, mine development, joint venture management, capital raisings and asset divestments. The board expects to benefit considerably from her input.

Mr Okeby, LL.M., joined the Board as a non-executive director on 12 August 2015. Mr Okeby has considerable experience in the resources industry as a lawyer and as a director of listed companies. He has developed a detailed knowledge of the Company's principal joint venture agreements with other parties and has made a significant contribution to the Company's joint venture negotiations and dealings.

Mr Strong has a lifetime of experience in mineral exploration in Australia. He is a founding director of the Company. Mr Strong makes a significant contribution by providing guidance in respect of the Company's exploration activities and overseeing the essential administration of the exploration programs.

Taking into account

- (a) the high calibre of these non-executive directors, their high level of complementary skills that they bring to the board along with a capacity to allocate relatively significant amount of their time to their roles, should that be necessary,
- (b) the services provided to date,
- (c) the importance of providing an option-based incentive going forward,
- (d) the general level of remuneration provided as director fees,

the Chairman urges shareholders to support the proposed issue of Director Options to the non-executive directors.

## 2. Chapter 2E of the Corporations Act – Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Ms Allen, Mr Okeby and Mr Strong (collectively the “Non-executive Directors”) being directors of the Company, are each a related party of the Company and the issue of the Director Options to each director does not fall within one of the nominated exceptions to the provision.

In accordance with Section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of Director Options to the Non-executive Directors.

### 2.1 Terms and Conditions of the Director Options

The terms and conditions of the Director Options are set out in Schedule A to this Notice of Meeting.

### 2.2 Value attributed to the proposed issue of Director Options

The Company has used the Black Scholes option valuation model to calculate the value attributable to the proposed Director Options at Grant Date.

The value so calculated is 8.99 cents per Director Option, that is, \$44,950 for the 500,000 Director Options to be issued to each non-executive director or \$134,850 for the total 1,500,000 Director Options proposed.

The assumptions used in the valuation at Grant Date are set out below:

Closing market price of the Company’s shares on the ASX (cents per share)	40.00
Exercise price (cents per share)	100
Risk free rate - 3-year Commonwealth Bond rate	0.12%
Volatility - based on the historical volatility of the Company’s shares over the past year	70%
Term of Director Options	3 years

Following shareholder approval, the Company will recognise the value of these Director Options as an expense in the Statement of Profit or Loss and Other Comprehensive Income in accordance with Australian Accounting Standard AASB 2 “Share Based Payments”.

### 2.3 Total remuneration package of each Non-executive Director

The annual remuneration of the three Non-executive Directors, paid quarterly in arrears, is made up as follows:

	\$
Director fees	25,000
Statutory superannuation	2,375
<b>Total remuneration</b>	<u><u>27,375</u></u>

Non-executive Directors are entitled to be paid for duties in addition to their director duties. Mr Strong has been remunerated for occasionally carrying out such duties, for which he has been remunerated a further \$3,000 in the year ended 30 June 2020 and \$12,500 in the year ended 30 June 2019. There have been no other payments to the Non-executive Directors during the past two years.

Including the value of the Director Options the total remuneration package of each Non-executive Director, excluding any payment for additional duties, for the year ending 30 June 2021 is expected to be:

<b>Non-executive Director</b>	<b>Director Fees</b>	<b>Director Options</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
N Allen	11,406	44,950	56,356
M Okeby	27,375	44,950	72,325
G Strong	27,375	44,950	72,325

#### **2.4 Relevant interest of the Non-executive Directors in the securities of the Company**

The Non-executive Directors have the following relevant interests in the securities of the Company:

<b>Non-executive Director</b>	<b>Nature of interest</b>	<b>Registered holder</b>	<b>No of shares</b>
N Allen	None	N/A	None
M Okeby	Ordinary shares	Liberty Management Pty Ltd	857,142
G Strong	Ordinary shares	Garry Strong Strong Investments Pty Ltd	378,092 <u>1,195,047</u> <u>1,573,139</u>

#### **2.5 The effect of the issue on existing shareholders**

There are currently 59,878,149 Shares on issue in the Company. There are also 2,450,000 unlisted Options exercisable at 25 cents each on or before 30 June 2022. Assuming that the options are converted to Shares prior to their expiry date, the Shares on issue would increase to 62,328,149 Shares.

If the proposed 1,500,000 Director Options were to be exercised in full, the resulting Shares would dilute the interests of existing security holders in the Company by 2.4%

These Director Options represent a new category of unlisted Options and consequently there is no trading history. The Company's shares have a 12 month price range of a high of 45 cents and a low of 12 cents with the last sale price being 40 cents on 26 February 2021.

The estimated cost to the Company of the issue of the Director Options, based on the valuation set out in subsection 2.2, is \$134,850 or 0.23 cents per share on issue.

Except as disclosed in this Explanatory Statement, the Directors do not consider that, from an economic and commercial point of view, there are significant costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company by Shareholders approving the issue of the Director Options, pursuant to the resolutions in this Notice of Meeting.

Neither the Company nor the Directors are aware of any undisclosed information that would be reasonably required by Shareholders to make a decision in relation to the potential financial benefits contemplated by these resolutions.

#### **2.6 Directors' recommendation**

Approval of the proposed resolutions would have the effect of authorising the issue of 1,500,000 free Options over unissued shares in the Company, being 500,000 to each of the Non-executive Directors, Nanette Allen, Mark Okeby and Garry Strong.

The Executive Chairman, Joshua Pitt, does not have an interest in the outcome of the three resolutions to be put to shareholders and recommends that Shareholders approve the issue of the Options in each resolution for the following reasons:

- the Options are considered by the Directors to be a cost-effective and cash conserving means of providing an incentive to attract and ensure continuity of service of the Non-executive Directors who have appropriate knowledge and expertise to advance the Company's interests in accordance with the overall directions given from time to time by the entire board; and
- the number of Options to be issued to each of the Non-executive Directors has been based upon a consideration of the remuneration of the Non-executive Directors and current industry practice.

Non-executive Director, Ms Nanette Allen, who stands to gain personally from the issue of the Options in Resolution 1, declines to make any recommendation in relation to Shareholders' consideration of that resolution. She also declines to make any recommendation in relation to Shareholders' consideration of Resolutions 2 and 3 due to the possible perception of a conflict of interest.

Non-executive Director, Mr Mark Okeby, who stands to gain personally from the issue of the Options in Resolution 2, declines to make any recommendation in relation to Shareholders' consideration of that resolution. He also declines to make any recommendation in relation to Shareholders' consideration of Resolutions 1 and 3 due to the possible perception of a conflict of interest.

Non-executive Director, Mr Garry Strong, who stands to gain personally from the issue of the Options in Resolution 3, declines to make any recommendation in relation to Shareholders' consideration of that resolution. He also declines to make any recommendation in relation to Shareholders' consideration of Resolutions 1 and 2 due to the possible perception of a conflict of interest.

### **3. Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, shareholder approval must be obtained where an entity issues, or agrees to issue, equity securities to any of the following:

10.11.1: A related party.

10.11.2: A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company.

10.11.3: A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to sit on the board of the Company) pursuant to a relevant agreement which gives them a right or expectation to do so.

10.11.4 An associate of any of the above.

10.11.5 A person whose relationship with the Company or a person referred to above is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders.

The issue of Director Options falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 1, 2 and 3 seek the required Shareholder approval for the issue of the Director Options under and for the purpose of Listing Rule 10.11.

### **4. Listing Rule 10.13 – Technical information**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 1, 2 and 3:

- (a) the Director Options will be issued to Nanette Allen, Mark Okeby and Garry Strong (or their nominees), who fall within the category set out in Listing Rule 10.11.1 as they are Related Parties of the Company by virtue of being Directors. If the Director Options are issued to a nominee of Nanette Allen, Mark Okeby and Garry Strong, the nominee will be an Associate of the Director and fall under Listing Rule 10.11.4;
- (b) the maximum number of Director Options to be issued is 1,500,000, being 500,000 Director Options to each of Nanette Allen, Mark Okeby and Garry Strong (or their nominees);
- (c) the terms and conditions of the Director Options are set out in Schedule A;
- (d) the Director Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) the issue price of the Director Options is nil. The Company will not receive any other consideration in respect of the issue of the Director Options (other than in respect of funds received on exercise of the Director Options);
- (f) the purpose of the issue of the Director Options is to provide a performance linked incentive component in the remuneration package for the Non-executive Directors to motivate and reward their performance as directors by enabling them to share in any success that the Company may achieve from its business activities;
- (g) details of the current total remuneration package for each of the Non-executive Directors is set out in subsection 2.3 above;
- (h) the Director Options are to be issued in accordance with agreements with each of Nanette Allen, Mark Okeby and Garry Strong dated 9 March 2021. The agreements provide for the issue of Director Options on the terms set out in Schedule A subject to a condition subsequent that Shareholder approval is obtained under ASX Listing Rule 10.11 for the issue; and
- (i) a voting exclusion statement is included in each of Resolutions 1, 2 and 3 in this Notice of Meeting.

## **5. Listing Rule 14.1A – Technical information**

If Resolutions 1, 2 and 3 are passed, the Company will be able to proceed with the issue of Director Options to the Non-executive Directors (or their nominees) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Options (because approval is being obtained under Listing Rule 10.11), the issue of the Director Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 1, 2 and 3 are not passed, the Company will not be able to proceed with the issue of the Director Options.

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### **ENQUIRIES**

Shareholders are required to contact the Company Secretary on +61 8 9481 8627 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given in the ASX Listing Rules.

**ASX** means ASX Limited or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means Red Hill Iron Limited (ACN 114 553 392).

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Director Options** means Options granted to Non-Executive Directors Nanette Allen, Mark Okeby and Garry Strong (or their nominees), the terms of which are set out in Schedule A.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement to the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Grant Date** means 9 March 2021.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice of Meeting** means this notice of general meeting including the Explanatory Statement.

**Option** means an option which entitles the holder to subscribe for one Share.

**Option-holder(s)** means the person or entity to whom Options are issued in terms of this Notice of Meeting.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party** has the meaning given in the ASX Listing Rules.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid, ordinary share in the Company.

**Shareholder** means a shareholder in the Company.

**Substantial Holder** has the meaning given in the ASX Listing Rules.

**Trading Days** has the meaning given in the ASX Listing Rules.

**WST** means Australian Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE A – DIRECTOR OPTION TERMS

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- (a) Each Option entitles the Option-holder to subscribe for one fully paid ordinary share in the capital of Red Hill Iron Limited
- (b) Issue Price: Each Option is issued for nil consideration;
- (c) Exercise Price: The Exercise Price is \$1.00 per Option;
- (d) Expiry Date: The Options will expire at 5pm Western Standard Time (WST) on **7 March 2024** unless expiry occurs earlier under these terms and conditions;
- (e) Grant Date: 9 March 2021;
- (f) Vesting Date: The Options will vest upon issue following Shareholder approval;
- (g) Not transferable and not listed: The Options are not transferable and not listed;
- (h) Exercise: Subject to (i) below, the Options may be exercised by notice in writing to the Company (the Exercise Notice), delivery of the option certificate and payment of the Exercise Price to the Company at any time prior to 5.00 pm WST on the Expiry Date (the Exercise Period). The Options may be exercised in one or more lots on different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 50,000 options. Within 5 business days of receipt of the Exercise Notice and option certificate and payment of the Exercise Price, the Company will allot the corresponding number of fully paid ordinary shares to the Option-holder, procure the issue of a statement of holding for the shares and apply for the shares to be listed on the Australian Securities Exchange (ASX). The shares issued as a result of exercise of the Options shall rank equally in all respects with the other issued fully paid shares in the Company. In the event of an exercise of less than all of the Options held by the Option-holder a balance option certificate will also be issued.
- (i) Cessation of engagement:
  - (i) In the event that the Option-holder is deceased or otherwise ceases to be engaged as a director of the Company at any time prior to the Expiry Date, then, with effect from the date of ceasing to be engaged (the Cessation Date), the number of Options held by that Option-holder which can validly be exercised as at the Cessation Date may be exercised by or on behalf of the Option-holder, or the Option-holder's permitted nominee holder, within the lesser of 3 months from the Cessation Date and the term remaining to the Expiry Date of the Options, following which that Option-holder's Options shall forthwith lapse and have no further effect, unless otherwise determined by the directors of the Company;
  - (ii) In the event that the Option-holder's services to the Company are terminated by the Company following, or as a result of, the takeover of the Company, or following a change of control of the Company (being a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of Section 500A of the Corporations Act 2001 (Cth) gains such control over the Company), all the Options shall remain in full force and effect for the full term up until the Expiry Date;
- (j) New share issues: There are no participation rights or entitlements inherent in the Options and their holder will not be entitled to participate in new issues of capital offered to shareholders without exercising the options. The Company, however, will ensure that, for the purposes of determining entitlements to any such issue, the books closing date will be in accordance with the ASX Listing Rules. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Options are exercisable;
- (k) Reorganisations: In the event of any reorganisation of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in a manner which complies with the ASX Listing Rules in force at that time and in all other respects the terms for the exercise of the Options shall remain unchanged; and
- (l) Options not exercised by 5.00 pm WST on the Expiry Date will automatically expire.

# RED HILL IRON LIMITED

ACN 114 553 392

Level 2, 9 Havelock Street  
West Perth WA 6005  
**Mailing Address:**  
PO Box 689, West Perth WA 6872

**Telephone:** 61 8 9481 8627  
**Facsimile:** 61 8 9322 3456  
**Email:** redhillinfo@redhilliron.com.au  
**Web:** www.redhilliron.com.au

## Proxy Form

I/we.....(full name, block letters)

of.....  
being a member of **Red Hill Iron Limited** hereby appoint

.....  
or, failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at **11.00 am on Tuesday 27 April 2021**, and at any adjournment thereof in accordance with the directions indicated below.

### MY/OUR INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS

If two proxies are being appointed, the proportion of voting rights this proxy is appointed to represent is

 %

The proxy is directed to vote in relation to the resolutions referred to in the Notice as follows:

#### ORDINARY BUSINESS

**Resolution 1: Issue of options to Nanette Allen**

**FOR**

**AGAINST**

**ABSTAIN**

**Resolution 2: Issue of options to Mark Okeby**

**Resolution 3: Issue of options to Garry Strong**

#### Chairman's Voting Intentions:

I/we understand that the Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

#### Additional Instructions:

All three resolutions are subject to Voting Exclusion and Voting Prohibition restrictions set out for each resolution in the Notice of Meeting.

#### AUTHORISED SIGNATURE/S

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

This form is to be used in accordance with the instructions overleaf.

***Instructions for completing and lodging this Proxy Form***

1. In order to direct the proxy in relation to all votes covered by this instrument in a particular manner, place a tick or a cross in one of the boxes headed "For", "Against" or "Abstain". Where no mark is made in any of the boxes for a resolution (that is no direction is given to the proxy) the proxy may vote as he sees fit, subject to restrictions that may apply. Please note that, if you mark the "Abstain" box for a particular resolution, your votes will not be counted in computing the required majority on a poll.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in their stead.
3. Where just one proxy is appointed, that proxy may vote on a poll. Where two proxies are appointed, on a poll, the appointment shall be of no effect unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights, in which case the shareholder should indicate the proportion of voting rights this proxy represents in the box provided.
4. A proxy may, but need not, be a shareholder of the Company.
5. The Proxy Form must be signed by the shareholder or his attorney duly authorised in writing or, (if the holder is a corporation), pursuant to Section 127(1) of the Corporations Act.
6. The Proxy Form (and any power of attorney or other authority pursuant to which the Proxy Form has been signed) must:
  - either be deposited at the registered office of the Company, Level 2, 9 Havelock Street, West Perth, WA 6005,
  - or be sent by post to Red Hill Iron Limited, PO Box 689, West Perth, WA 6872,
  - or be sent by facsimile to Red Hill Iron Limited at (08) 9322 3456,
  - or be sent by email to [redhillinfo@redhilliron.com.au](mailto:redhillinfo@redhilliron.com.au)in time to be received not later than 48 hours before the time fixed for the holding of the meeting.