

31 October 2009

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

Dear Sir/Madam

**AMENDMENT TO ACTIVITIES REPORT FOR THE QUARTER  
ENDED 30 SEPTEMBER 2009**

We attach an amended activities report for the quarter ended 30 September 2009 reflecting a minor amendment to the wording in the Corporate section.

The report released on 29 October referred to the fact that Red Hill Iron had the additional option of being able to convert its interest in the Red Hill Iron Ore Joint Venture project to a 2% FOB royalty at any time until first delivery of ore to customers. The amendment is simply to clarify that Red Hill Iron continues to have this additional option.

Yours faithfully

Peter Rutledge  
Company Secretary

29 October 2009

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

Dear Sir/Madam

**ACTIVITIES REPORT FOR THE QUARTER  
ENDED 30 SEPTEMBER 2009 (amended)**

**HIGHLIGHTS**

Steady progress continued through the quarter for the completion of a Definitive Feasibility Study during the first half of next calendar year.

Phase Two sinter testing was completed with very encouraging results

**CORPORATE**

The Red Hill Iron Ore Joint Venture (RHIOJV) is managed by API Management Pty Ltd (API), a company equally owned by Aquila Resources and AMCI Inc. API has other iron ore interests in the West Pilbara and is advancing these interests together with the RHIOJV as the West Pilbara Iron Ore Project (WPIOP). Currently the RHIOJV represents nearly 85% of the resources the subject of the current feasibility study managed by API and referred to as the West Pilbara Iron Ore Definitive Feasibility Study – Stage One.

Red Hill Iron Limited (RHI) holds a 40% interest in the RHIOJV which will reduce to 20% upon the project delivering first ore to customers. API is lending RHI all of its share of project costs repayable only out of future revenue surpluses. RHI has the additional option of being able to convert its project interest to a 2% FOB royalty at any time until first delivery of ore to customers.

## **RED HILL IRON ORE JOINT VENTURE**

The Red Hill Iron Ore Joint Venture (RHIOJV) is advancing towards the completion of a Definitive Feasibility Study which envisages the blending of project channel iron ores with those of the adjacent Mt Stuart Joint Venture in which Red Hill Iron has no ownership. The intention is to produce a sustainable even blended product so that customer requirement for continuity of quality can be maintained throughout Stage One of the West Pilbara Iron Ore Project. It is anticipated that the RHIOJV will provide some 80% of the annual production which translates to an expectation of some 4.5 million tonnes as RHI's share of production for at least 13 years. Intense marketing studies are being carried out to ensure that this blended product will receive ready customer acceptance. Negotiations with the other product owners (Aquila Resources Ltd. and AMCI Inc.) are in train with a view to the establishment of an overall marketing arrangement for all iron ore produced by the RHIOJV.

The integrated management team which is responsible for the engineering and mine processing components of the Study was expanded during the quarter. The project Environmental Scoping Document was approved by the State Environmental Protection Authority (EPA) and work continued with the preparation of the Public Environmental Review (PER) for the proposed mine in accordance with that approval. Consultations with the relevant government and community stakeholders regarding the project plans and its potential impacts continued.

Exploration will continue with the intention of identifying additional CID resources .A review of the Kens Bore CID was undertaken during the quarter and a further 70 reverse circulation holes are planned which will allow the upgrade of resource status and may expand tonnage.

Yours faithfully,

Joshua Pitt  
Director

