

**NOTICE OF INITIAL SUBSTANTIAL HOLDER**

To: Company Name/Scheme RHI - Red Hill Iron Limited  
ACN/ARSN 44114553392

**1. Details of Substantial Holder(1)**

Name Acorn Capital Limited  
ACN/ARSN (if applicable) 082 694 531  
The holder became a substantial holder on 8/12/2011

**2. Details of Voting Power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Ordinary	3,171,212	3,171,212	7.22%

**3. Details of Relevant Interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest (7)	Class and Number of Securities
Acorn Capital Limited	Power to (or to control) exercise vote and/or dispose of the shares as discretionary investment managers or advisers to superannuation funds, pooled superannuation trusts, managed investment schemes and investment management	3,171,212

**4. Details of Present Registered Holders**

The persons registered as holders of the securities referred to in Paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person Entitled to be Registered as Holder (8)	Class and Number of Securities
Catholic Superannuation Fund	National Nominees		120,467
Military Superannuation & Benefits Board	National Nominees		155,852
LUCRF Acorn Micro-Cap Equities	JP Morgan Chase Nominees		165,361
Auscoal Superannuation Fund	JP Morgan Chase Nominees		178,611
Queensland Local Government Superannuation	JP Morgan Chase Nominees		194,626
Commonwealth Bank Officers' Superannuation Fund	Citicorp Nominees		306,189
Health Super	JP Morgan Chase Nominees		342,252
Sunsuper Fund	National Nominees		463,225
Acorn Capital Microcap Trust	National Nominees		528,532
UniSuper	National Nominees		716,097

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration (9)		Class and Number of Securities
		Cash	Non-Cash	
Acorn Capital Limited	07-Dec-2011 to 08-Dec-2011	\$7,046,924.61		3,171,212

**6. Associates**

The reasons the persons named in Paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Name of Association

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
All Relevant Holders	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000

Print Name PAUL PALUMBO

Capacity Portfolio Manager

Sign Here

Date 8/12/2011