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Market Announcements Office
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Drilling to commence at the West Pilbara Gold and Base Metal Project

This project is in joint venture with Chalice Gold Mines Limited, which acts as manager. Under the joint venture terms, Red Hill Iron Limited is free carried for the first \$1million after which it can elect to contribute at the 49% level or be carried for a further \$2 million diluting to 30%.

A new RC and Aircore drill program is due to commence in early October which will entail up to 6,500 metres of drilling. The program will provide an initial test of a series of potential gold and base metal targets where promising rock chip sampling results have been returned.

The drill programs have been planned following a review of encouraging gold and copper rock chip results previously reported (*ASX Quarterly Activities Report dated 31 July 2017*) and the completion of Gradient Array Induced Polarisation (IP) geophysical surveys totalling 25.8 line kms which have been completed across copper targets at Red Hill and Wyloo West, and a gold target at Derek's Bore, to follow up high grade surficial copper and gold results in rock chips. A total of up to 4,000 metres of Aircore and 2,500 metres of RC drilling will be completed.

Several priority IP chargeability anomalies (>25 v/mV) have been defined at the Red Hill prospect which will be the focus of systematic RC drilling. Several lower priority (<15 v/mV) IP chargeability targets have been identified at the Wyloo West prospect and will be the focus of Aircore drilling.

No significant chargeability targets were identified at Derek's Bore although the anomalous rock chip results are coincidental with a well-defined zone of low chargeability, the significance of which remains uncertain but may be caused by alteration. A small RC program is designed to further assess the anomaly.

First-pass RC drilling has also been planned at the Ken's Bore prospect, which hosts high-grade gold in limonitic rock chips within a well-defined 250 x 250 metre gold-in-soil anomaly.

In addition to the targeted RC drill programs described above, regional Aircore programs totalling 240 holes have been planned along the greater Wyloo West and Urandy gold trends and the B2 copper + zinc trend. These programs are regional in nature with the primary objective of geologically and geochemically vectoring into targets of potential interest.

N Tomkinson
Chairman