



Quarterly Report September 2017

Quarterly Highlights

- The Company successfully completed a \$1.363 Million share Placement during the Quarter.
- The arrangements regarding the purchase of the Yervas Buenas tenements (representing approximately 40 Hectares of our 398 Hectare holding) were renegotiated to extend the term under a contract to purchase, rather than the existing lease arrangements.
- A back up finance facility was established to ensure that the obligations under the Yervas Buenas tenement purchase can be met by the Company as they fall due.
- The Company is currently conducting negotiations regarding 2 financing facilities to support its current Production Developments and the establishment of a JORC compliant resource in the first half of 2018.
- Recommissioning of Line 2 of the main crushing plant successfully completed resulting in a significant increase in treated tonnes.
- Second bench of trial mining pit opened up marking another milestone in the development of the Yervas Buenas N° 1 structure.
- Rental of an alternative mobile crushing plant that can deliver higher tonnage and higher availabilities being considered.
- Copper mineralisation within magnetite zone identified in the mining pit with a grade of 1.2% Cu.

Yerbas Buenas in Summary

Magnetite concentrates produced from the trial mining and demonstration processing plant continue to be sold and delivered to the Compañía Minera Del Pacífico (the iron ore division of CAP) Romeral processing plant at their Romeral site just south of Freehill's operation. A number of discussions have been held with CAP management and they continue to express an interest in receiving significantly larger quantities of magnetite concentrates.

Figures 1, 2 and 3 show Yerbas Buenas magnetite concentrates being loaded at site and then delivered to the Romeral plant site last week.

The recommissioning and upgrading of the Line No. 2 crushing plant was successfully completed in early September to include a new cone crusher and belt magnet to produce -32mm pre-concentrates, increasing crushing capacity by over 200 tonnes per hour.

The crushing capacity of the project has been increased approximately 200% every two months since production first commenced in early March 2017 with site crushing capacity now at 440 tonnes per hour.

A tertiary crushing circuit is scheduled for installation during the next quarter to enhance product grade and therefore product revenues by producing a -10mm product at a nominal iron grade of 58%. The Company is currently in discussions with a group who can supply an alternative mobile crushing plant that will deliver higher tonnages at significantly increased availabilities for the next phase of mine development.

Copper mineralisation has recently become visible across the floor of the mining pit as it has been expanded and was reported in an ASX operational update dated 19th October 2017.

Chip sampling across the pit floor within the identifiable massive magnetite zones identified the presence of sulphides associated with the magnetite and a subsequent grab sample yielded assays of 67.95% Fe with 1.2% copper.

The occurrence of copper bearing material across large portions of the pit floor further support the Company's view that mineralisation at the Yerbas Buenas project is consistent with the intrusive genesis of these lower IOA structures and the IOCG geology that is common along the Chilean Iron Belt.



Figure 1 - Magnetite concentrates being loaded into trucks for delivery to CAP Romeral pellet plant 30km south of the mine site



Figure 2 – Freehill magnetite concentrate being delivered into CAP Romeral iron ore pellet feed plant



Figure 3 - CAP Romeral mine showing processing plant in background where Freehill product is delivered

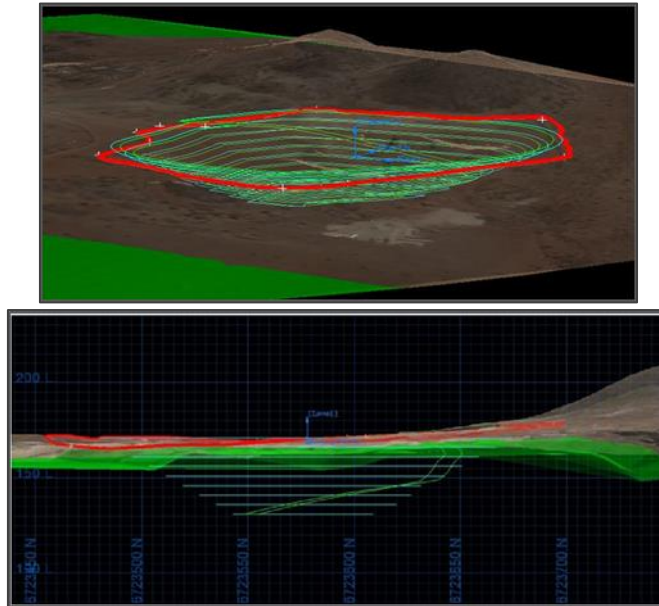


Figure 4 – Current pit design for the Yervas Buenas N°1 magnetite structure



Figure 5 – Trial mining pit looking southward along the line of strike of main magnetic structures\

About Freehill Mining Limited

Freehill Mining Limited is a mineral exploration company focused on creating shareholder wealth through the identification of mineral resources in Chile and development of its Yervas Buenas magnetite project. The company has also identified copper and gold mineralisation on its tenements and will further develop these.

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The information in this report that relates to Exploration results is based on information compiled by Mr Peter Hinner a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy'. Mr Hinner is a full-time employee of the Freehill Mining Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peter Hinner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.'