

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

FREEHILL MINING LTD

ABN

27 091 608 025

Quarter ended ("current quarter")

SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	300	300
1.2 Payments for		
(a) exploration & evaluation		
(b) development	(908)	(908)
(c) production		
(d) staff costs		
(e) administration and corporate costs	(223)	(223)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(831)	(831)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(125)	(125)
(b) tenements (see item 10)		
(c) investments		

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(125)	(125)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,363	1,363
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(13)	(13)
3.5	Proceeds from borrowings	835	835
3.6	Repayment of borrowings	(1,201)	(1,201)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	984	984
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	40	40
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(831)	(831)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(125)	(125)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	984	984

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	68	68

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	68	68
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	68	68

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

11

6.1 Reimbursement and consulting fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	913	475
8.2 Credit standby arrangements		
8.3 Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The Company has arranged a back up finance facility for its purchase of the Yerbas Buenas tenements. The facility is for US\$474,000 to cover the Yerbas Buenas tenement acquisition payments and may be extended to meet further working capital needs of the Company. It is currently drawn to US\$359,000 and is committed for a further US\$330,000. The loan is to be secured over the Company's interest in the Yerbas Buenas Leases following their acquisition.

The Company is currently negotiating the issue of Convertible Notes with sophisticated and professional investors. It is anticipated that this issue will be secured over the Company's Arenas leases.

Since the end of the Quarter Company has raised a further \$700,500 in debt which it is in the process of renegotiating into the Convertible Note described above.


9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	150
9.2 Development	200
9.3 Production	300
9.4 Staff costs	
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	850

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Yerbas Buenas 1-16	Purchase Contract replacing lease	Lease Interest With 2 Months to run	Contract to Purchase One third of Purchase Price Paid
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director)

Date: 31 October 2017

Print name: Paul Davies

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.