



CHAIRMAN'S ADDRESS

**BY MR STEPHEN CHAPLIN AT THE ANNUAL GENERAL MEETING OF
FREEHILL MINING LIMITED
HELD AT THE KELVIN CLUB, 14-30 MELBOURNE PLACE, MELBOURNE
AT 2.00 PM ON THURSDAY 23 NOVEMBER 2017**

It has been a very busy 11 months since the Company's admission to ASX. Since the listing in January and the acquisition of Freehill Investments Pty Ltd and its associated mining assets in Chile. "The Yervas Buenas Project", the Freehill Board and its management has been active in relation to both exploration activity and development of the site and infrastructure of our assets.

There have been some significant highlights since January 2017:

- Acquisition of Freehill Investments Pty Ltd and IPO of Freehill Mining Limited in January
- Appointment of Chief Operating Officer, Mr Peter Hinner in February
- Re-affirmation of ongoing commitment by Compañía Minera del Pacifico S.A ("CAPS") to take product from the Yervas Buenas Project
- Completion of Ground Magnetics and Passive Seismic geophysical survey of the project with the view to identifying significant anomalies within our current project area.
- Purchase, Construction & Commissioning of the processing and treatment plant for the crushing and production of hard rock magnetite to commence the delivering of commercial quantities of product
- Growing commercial sales to CAP have commenced
- Review and development of a mine plan for exploration of the hard rock resource and submission to governmental authorities, as we are seeking approval to increase production to 40,000 t/month
- The Company has also had to raise further capital to upgrade the site and plant infrastructure which includes crushing lines

Freehill Mining Limited Level 1, 61 Spring Street , Melbourne, Victoria, Australia
Telephone+61.(0)3 8602 1700 , ABN 27 091 608 025
www.freehillmining.com

Yerbas Buenas Project Operations

As reported in July, the Ground Magnetics and Passive Seismic geophysical survey of the project, identifying significant anomalies within the project area was completed. Data processed indicates a magnetite structure over 1.9km in length, as well as several large magnetic structures that conform well to the regional magnetite geology of several operating mines in the vicinity of the Yerbas Buenas Project. Detailed mapping of various magnetite outcrops and fault structures in the immediate area to the north have demonstrated that the geology of Yerbas Buenas has remarkable similarity to the Dominga, Santa Dominga and El Tofo projects which all lie within 15-20kms along the same El Tofo and Atacama fault structures.

Magnetite concentrates continue to be produced from the trial mining and demonstration process plant, and continue to be sold and delivered to Compania Minera Del Pacifico (the iron ore division of CAP, Chile's largest iron ore producer). Discussions with CAP management indicate a demand for significantly larger quantities of magnetite concentrates going forward.

Crushing operations

The Company has maintained steady increases in its crushing capacity throughout the year. 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.

Installation of a tertiary crushing circuit is currently underway, which will enhance product grade, and therefore product revenues, by producing a -10mm product at a nominal iron grade of 58%. A newly leased mobile crushing plant which has now been installed will deliver higher tonnages at significantly increased availabilities for the next phase of mine development.

Finalisation of Purchase of Yerbas Buenas Mining Concessions

During the year, the Company renegotiated the lease and purchase of the Yerbas Buenas mining concessions from A y F Muzard Limitada. The Company already owns the Arenas mining concessions outright, which comprise approximately 88% of the Yerbas Buenas Project by area. The Company will now complete the purchase of the Yerbas Buenas mining concessions in instalments. The Company has obtained debt funding for the purchase. The Company has also made an application to the Chilean governmental mining authority, to increase production levels on the Yerbas Buenas mining concessions to 40,000 tonnes per month.

When I first got involved in this company, it was apparent that there was production and sales of magnetite fines received through a sand mining extraction process.

Although this is rare in many start-up companies, we felt that this project had merit in that it was producing and selling the ore. Another feature was the size and potential of the tenement of approximately 1000 acres with hard rock mining potential for magnetite and other minerals such as gold and copper. After listing, the board made the decision to conduct a trial in a defined area for drilling, blasting and crushing the ore with a view that this could be commercially viable.



I want to highlight the great opportunity that exists with this Company, in that there is the benefit of an undefined resource of magnetite on the Yerbas Buenas Project. With the continuing good work from our mine manager Juan Dagach and COO Peter Hinner, I think that shareholders will be very happy with the Company's progress towards establishing a JORC compliant resource in the near term, the initial phases of which the Company expects to be reached in the first quarter of 2018.

We have also identified copper and gold, which at this stage is undefined, as we are working primarily to increase production and sales of our magnetite ore. With iron ore prices remaining in the low US\$60 range, with some forecasts that it will remain stable for 2018, we think that Freehill Mining Limited, in its infancy, can grow with increased production and grade to become profitable company.

The Company looks forward to continuing the development of the Yerbas Buenas Project in the coming year.

Finally, I would like to thank the Company's very supportive shareholders, my fellow directors, our expert consultants, and the hard-working management team for their very productive efforts throughout the year.

Stephen Chaplin

Chairman