



# Quarterly Report March 2018

## Highlights

- Record iron ore production of 32,403 tonnes produced for the March 2018 quarter
- Revenues for the quarter were US\$833,323 inclusive of IVA Tax
- Average grade of iron ore concentrate delivered to Romeral pellet plant now exceeding 55% Fe
- Trial mining activities continued to exceed operational expectations
- Blasting trials by major Korean explosives group completed
- JORC-compliant Exploration Target released by Geos Mining

## Yerbas Buenas In Summary

Freehill Mining Limited (“Freehill” or “the company”, ASX:FHS) are pleased to announce that magnetite production from their Yerbas Buenas iron ore project in Chile for the March 2018 quarter was a record 32,403 tonnes. All product was delivered and sold to the Romeral pellet feed plant of Compañía Minera del Pacifico S.A (“CMP”). Revenue received from the sale of product was US\$833,323 inclusive of IVA tax.

The increase in production has occurred as a result of the successful commissioning of the first stage of the new tertiary crushing and screening circuit. The circuit is now in a position to be further enhanced and the operational team are actively looking at various areas of cost reduction, while the next phase of process plant improvements is planned.

The quality of Yerbas Buenas iron ore concentrates is demonstrated by the relatively high grade of 55% Fe magnetite that was delivered for sale to the CMP/CAP Romeral pellet feed plant during the quarter despite being only -10mm. Concentrates ranged in grade between 54.8% Fe to 56.0% Fe. Plans are now underway to reduce crushing size to -6mm which will allow an increase of iron product grade to approximately 62% Fe.

Senior management and technical staff from Compañía Minera Del Pacifico, a subsidiary of Chile's largest mining group, visited the Yervas Buenas mine site to view recent improvements in plant capacity and output and offer valuable technical advice on a number of issues including raising product iron grades to 62% Fe.

The Freehill project sells all of its magnetite concentrates to the CMP Romeral pellet feed plant under a long term sales agreements and have welcomed the assistance of CAP/CMP in improving the projects expansion capability.

Sernageomin, the Chilean Department of Mines, have now issued the formal approval documents allowing a production increase to 40,000 tonne/month and this significant milestone now opens the way for further expansions.

## **Finance**

The company is currently in discussions with its New York based investor to secure the second tranche of its A\$4.0 million convertible note facility that will allow the first phase of the scheduled exploration program to begin during Q2.

## **Corporate**

Freehill continues to review and assess the expertise and composition of the Board and Senior Management and will provide further updates in due course.

## **Exploration Target**

A conceptual Exploration Target for the Yervas Buenas project has been determined by Geos Mining from the historical exploration and current mining figures and was reported in a media release dated 12<sup>th</sup> April, 2018.

A JORC-compliant Exploration Target for iron ore was estimated to be in the range of between 36Mt and 51Mt at an average in-situ grade of between 25% and 35% Fe. The potential quantity and grade of the Exploration Target is conceptual in nature. The full report has been made available on Freehill's website

Freehill has now commenced the process of designing an exploration program and identifying specific drilling targets to establish a maiden JORC-compliant Mineral Resource estimate at Yervas Buenas, as well as seek to test a number of identified geological anomalies across its extensive tenement package. The company has engaged Geos Mining Minerals Consultants to assist with this planning process as well as having engaged a senior Chilean geologist who has managed the development of other major IOCG resources in the region.

## Blasting Trials

A series of trial blasts under the direction of Hanwha Mining Services were completed during March. Hanwha Corporation, one of South Korea's top 10 conglomerates with sales exceeding US\$41 billion and its subsidiary Hanwha Mining Services that specialise in explosives manufacturing, approached Freehill in February to carry out a series of trial blasts with the objective of developing magnetite specific blasting formulae for the Chilean iron ore mining industry.

### **Competent Persons Statement:**

*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 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' (the JORC Code 2012). 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.*

## About Freehill Mining Limited

Freehill Mining Limited (ASX:FHS) 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 plans to undertake further mineral exploration programs on these.

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