



July 31, 2018

Quarterly Report June 2018

Highlights

- Funding package concluded to initiate new exploration program
- Freehill to commence drilling program at Yervas Buenas project
- JORC Exploration Target released by Geos Mining
- Revenues from the sale of magnetite for the quarter were US\$483,374
- Acting CEO appointed

Yervas Buenas In Summary

Freehill Mining Limited (“Freehill” or “the Company”, ASX:FHS) continued to sell its magnetite production to the Compañía Minera del Pacifico S.A (“CMP”) Romeral pellet feed plant under normal commercial terms. Revenues from the sale of magnetite concentrate for the quarter were US\$483,374 inclusive of IVA tax. The Platts 62% Fines CFR China iron ore benchmark price traded in the US\$65-68/tonne range earlier in the quarter, but then softened in June to a US\$63-64/tonne range. Technical personnel from the CMP Romeral plant visited site several times to provide ongoing technical production advice and guidance on various geological issues associated with the planned drilling campaign. Senior CMP management also indicated their ongoing willingness to receive increased supplies of product from Yervas Buenas to supplement their own internal magnetite concentrates.

A strategic review of the continued operation of the trial mining and processing plant continued to assess the merits of whether the demonstration plant should continue to be operated or its operation outsourced with the objective being that both capital and management focus be directed to completing the exploration objectives in the near term. The Company remains in discussion with various groups interested in becoming involved in the trial mining activity in order to potentially maintain the supply of material to the CMP Romeral pellet feed plant.

The demonstration processing plant has provided invaluable technical data that will provide

baseline information for the completion of a scoping study once the geological resource has been established.

Exploration activities are scheduled to commence in the September quarter at the Yervas Buenas Project in Chile, subject to sufficient funding being obtained. The initial exploration program is the first step towards defining the maiden JORC Resource on the project and will focus on defining the size, extent and quality of several of the projects magnetite structures.

Finance

During the quarter, convertible notes worth approximately \$77,000, as well loan debt in excess of \$1.4 million, were converted into shares in the Company demonstrating ongoing investor support. In addition, the Company received \$250,000 in cash for shares issued under a placement.

The company is continuing its discussions with its New York based investor to secure the second tranche of its convertible note facility following the results of the strategic review announced on 10 July 2018.

In addition, since June 30 the Company has raised a further \$197,000 via debt and is in active discussion with investors on three specific financing transactions to support the ongoing capital needs and development of the Company to deliver value to our shareholders.

Shareholders will be advised accordingly once the results of these discussions are formalised.

Corporate

Freehill continues to review and assess the expertise and composition of the Board and Senior Management and as announced in June, Mr Peter Hinner has assumed the role of Acting CEO of Freehill, with specific oversight of coordinating the initial exploration program and preparing the initial scoping study parameters. Peter has been the Chief Operating Officer of Freehill since February 2017 and has an in-depth understanding of the project. As announced on 10 July, Mr Hinner will be appointed as a Director of the Company, effective 31 July 2018.

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 during April, 2018.

Exploration Program

Freehill has now commenced the process of designing an exploration program and identifying specific drilling targets, with a view to establishing a maiden JORC-compliant Mineral Resource

Estimate at Yerbas Buenas, subject to sufficient funding being obtained. 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 magnetite and IOCG resources in the region. A number of quotations from drilling groups have already been received in preparation for the commencement of drilling activities.

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 Yerbas 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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