



22 October 2018

NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001

On 22 October 2018, Freehill Mining Limited (*Company*) announced that it will undertake a non-renounceable rights issue to all eligible shareholders (*Rights Issue*) of up to 205,000,000 fully paid ordinary shares in the Company on the basis of an entitlement to subscribe for 1 ordinary share (*New Share*) for every 2 existing shares held at the record date (being 25 October 2018) at an issue price of \$0.015 per New Share to raise up to \$3,075,000.

This notice is given by the Company under paragraph 708AA(2)(f) of the *Corporations Act 2001* (Cth) (*Act*), as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (*ASIC Instrument*).

For the purposes of subsection 708AA(7) of the Act, the Company hereby gives notice that:

1. the New Shares are offered for issue without a disclosure document under Part 6D.2 of the Act, as notionally modified by the ASIC Instrument;
2. this notice has been given under paragraph 708AA(2)(f) of the Act, as notionally modified by the ASIC Instrument;
3. as at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act;
4. as at the date of this notice, there is no information that is 'excluded information' as defined in subsections 708AA(8) and 708AA(9) of the Act which is required to be disclosed under this notice; and
5. the potential effect that the issue of New Shares under the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including eligible shareholders' interest in taking up their entitlements as well as the level of participation of eligible shareholders in taking up additional shares under the shortfall facility.

While it is not possible for the directors to predict the outcome of all of these factors, a non-exhaustive list setting out the likely effect on control of the Company and the consequences of that control impact, is as follows:

- a. if all eligible shareholders take up their entitlements under the Rights Issue, the issue of New Shares under the Rights Issue will have no effect

- on the control of the Company and all eligible shareholders will hold the same percentage interest in the Company that they held prior to the Rights Issue, subject only to changes resulting from ineligible shareholders being unable to participate in the Rights Issue;
- b. the percentage interests of:
 - i. shareholders who are not eligible shareholders; and
 - ii. eligible shareholders who do not take up their full entitlement, will be diluted;
 - c. in the event that there is a shortfall to the Rights Issue, shareholders who do not subscribe for their full entitlement of Shares under the Rights Issue will be diluted relative to those shareholders who subscribe for some or all of their entitlement of Shares;
 - d. at this time, the issue of New Shares under the Rights Issue is not expected to have a material effect or consequence on the control of the Company given:
 - i. the Rights Issue is structured as a pro-rata issue; and
 - ii. the current level of holdings of substantial holders (based on substantial holding notices that have been given to the Company and lodged with ASX on or before the date of this notice).

An Appendix 3B reflecting the revised capital structure of the Company following the Rights Issue has been released in conjunction with this notice.

In accordance with ASX Listing Rule 7, the Company reserves its right to place any shortfall that is not taken up by eligible shareholders, to other investors within 3 months of the close of the Rights Issue, at a price that is equal to or greater than the issue price under the Rights Issue.

Yours sincerely,



Frank Pirera
Company Secretary