



Drilling Program & Rights Issue

Highlights:

- **DRILLING PROGRAM** – Based on extensive Geophysics work, Freehill signs with Major Drilling to begin 4,500 m RC drilling campaign
- **GEOPHYSICS PROGRAM** – A follow-up geophysics survey in northern area of tenements already commenced
- **RIGHTS ISSUE** – A Rights Issue to support completion of drilling program and development of feasibility study

Following trial mining, extensive geophysics and surface geological work, Freehill Mining Limited (“Freehill” or “the Company”, ASX:FHS) is pleased to announce that it has recently signed a drilling contract with Major Drilling Group International Inc. (“Major Drilling”) in Chile to undertake a 4500m Reverse Circulation drilling program at the Yervas Buenas magnetite project.

Results of Geophysics

- Tenement Contains 7 major magnetic structures.
- Geophysics survey comprising a close spaced high resolution ground magnetics and passive seismic survey successfully completed in mid-2017 and all data now processed indicating a magnetite structure that appears to be contiguous for over 2.6km.
- The 160 line kilometre, 25m and 10m spaced ground magnetics program has confirmed the existence of several large magnetic structures that conform well to the regional magnetite geology of several operating mines in the area.
- Exceptional level of resolution from the 10m spaced ground magnetics over the trial mining area allowing improved targeting of superficial mineralisation for bulk testing.
- Compania Minera del Pacifico S.A (“CAP”), Chiles largest iron ore producer drilled two RC holes to 110m & 150m in 2011 in the area of the trial mining pit (YB#1 structure) which confirmed these intrusive structures to contain magnetite.
- A passive seismic survey over the same area has provided a clear indication of tertiary cover thickness over the anomalies.
- Detailed mapping of various magnetite outcrops and fault structures in the immediate area to the north have demonstrated that the geology of Yervas Buenas has remarkable similarity to the magnetite, copper and gold mineralisation of the Dominga, Santa Dominga and El Tofo projects which all lie within 15-20kms along the same El Tofo and Atacama fault structures.
- A close spaced ground magnetics survey and Induced Polarisation survey is currently underway and expected to be completed by late October. The survey will allow better resolution of the large magnetic structure YB No.7 and also provide guidance on sulphide structure for exploration planning in 2019.

- Potential for IOCG/IOA with a subvertical structure consistent with other projects located in the El Tofo-Atacama belt

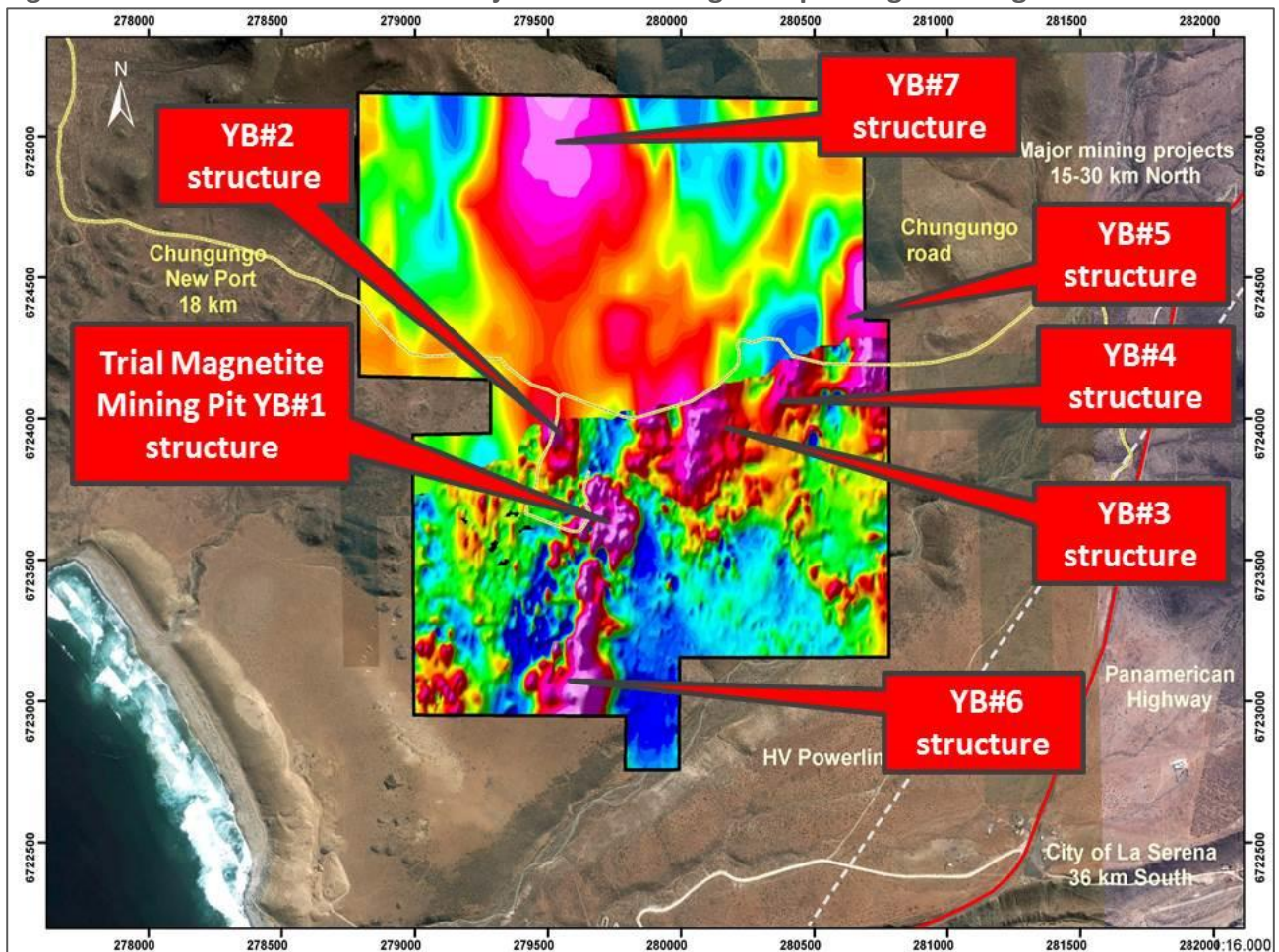
Drilling Campaign

Drilling is expected to start 6th of November.

The drilling campaign is planned to take 4-6 weeks and provide sufficient data for the company to complete and announce a maiden magnetite resource estimate.

Even though there are several large anomalies identified within close proximity to each other on the Company's leases, drilling will focus initially on the Yervas Buenas No.1, 3 & 6 magnetic structures. Yervas Buenas No. 1 has been the focus of the Company's trial mining operation while YB 6 and YB3 appear to be part of the same structure. See Figure 1.

Figure 1 – Freehill ‘Yervas Buenas Project area showing multiple magnetic targets



Major Drilling, who regularly drill for the larger global explorers, have their Chilean headquarters in the city of La Serena, just 30km by highway to the south of the Yervas Buenas project.

Geos Mining Minerals Consultants, a Sydney based geological and mining consultancy are providing technical assistance both at site and in Australia and will complete the geological modelling after the field campaign is completed.

Trial mining has been carried out over the Yervas Buenas No.1 structure since early 2017, based on two existing drill holes that were completed by Compania Minera Del Pacifico S.A. "CMP" in 2011 during one of their regional drilling programs.

Rights Issue

To fund ongoing exploration development of the Yervas Buenas project, the Company is inviting shareholders to participate in a pro rata, non-renounceable entitlement offer of 1 new fully paid ordinary share in FHS (**New Shares**) for every 2 shares currently held, at an issue price of \$0.015 (1.5 cents) per New Share (**Entitlement Offer**).

The Entitlement Offer is seeking to raise approximately \$3,075,000 before costs and expenses. The funds from the Entitlement Offer will strengthen FHS's balance sheet and provide increased working capital to support its forecast project expenditure and continuing growth.

The Entitlement Offer is being made to all shareholders (**Eligible Shareholders**) who are registered as a holder of FHS's Shares as at 7.00pm (Melbourne time) on 25 October 2018 (**Record Date**).

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 2 Shares of which they are the registered holder at 7.00pm (Melbourne time) on the Record Date at an issue price of \$0.015 (1.5 cents) per New Share. The Entitlement Offer is non-renounceable and is not underwritten.

The Entitlement Offer incorporates a shortfall facility under which Eligible Shareholders can apply to take up New Shares in excess of their pro rata entitlement.

Funding will support the planned drilling program, a magnetite scoping study and various engineering studies required for the scoping study and financial modelling.

Key Indicative Dates*

Announcement of Entitlement Offer and lodgement with ASX	22 October 2018
Ex-date from which Shares commence trading without entitlement to participate in the Rights Issue	24 October 2018
Record Date to determine entitlement to participate in the Entitlement Offer	25 October 2018
Dispatch Offer documents to Eligible Shareholders	30 October 2018
Entitlement Offer opens	30 October 2018
Entitlement Offer closes	8 November 2018
New Shares are quoted for ASX trading on a deferred settlement basis	9 November 2018
Company notifies ASX of under subscriptions	13 November 2018
Issue Date	15 November 2018
Expected date for commencement of normal trading of New Shares on ASX	16 November 2018

*These dates are indicative only and are subject to change. Subject to the ASX Listing Rules, the Directors of the Company reserve the right to vary these dates, including the closing date, without notice. The Directors may extend the period of the Entitlement Offer.

Offer Document

Further details about the Entitlement Offer, including how shareholders may apply for their entitlement, will be set out in the Offer Document to be sent to Eligible Shareholders on 30 October 2018.

Eligible Shareholders

The Entitlement Offer is being made to those Shareholders who are:

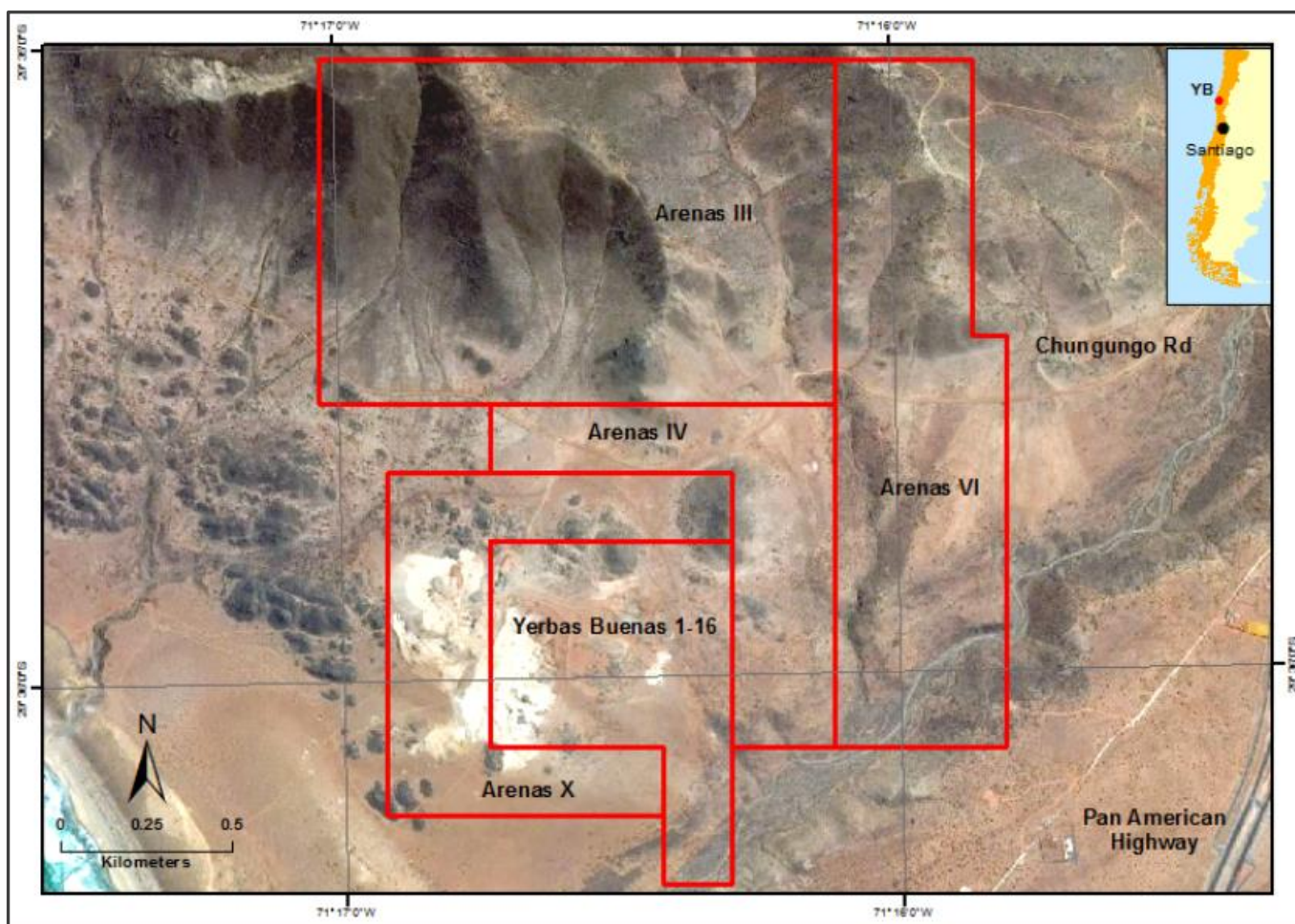
- (a) registered as a holder of FHS's Shares as at the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) not in the United States, are not a U.S. Person, and are not acting for the account or benefit of any person in the United States or any U.S. Person; and
- (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

FHS is of the view that it is unreasonable to make an offer under the Entitlement Offer to Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Shareholders outside of Australia and New Zealand as a proportion of total Shareholders in FHS;
- (b) the number and value of the New Shares to be offered to Shareholders outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, FHS is not required to make offers under the Entitlement Offer to Shareholders outside of Australia and New Zealand.

Figure 2 – Yerbos Buenas project tenement blocks.



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 Yerbos 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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