

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

FREEHILL MINING LIMITED

ABN

27 091 608 025

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | (a) Fully paid ordinary shares (Shares).
(b) Replacement Series 1 Convertible Notes (Notes). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 10,347,058 Shares.
(b) 80 Notes |

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Appendix 3B
New issue announcement

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

- (a) Shares are on the same terms as the existing fully paid ordinary shares on issue.
- (b) Key terms of Notes:
 - i. Duration: term ending 30 April 2019.
 - ii. Conversion: Notes are convertible at any time within the term into fully paid ordinary shares in the Company, at a price which is 85% of the 7-trading day volume weighted average price of the Company's shares prior to the date of notice of conversion, excluding trades made by the converting noteholder.
 - iii. Redemption: Notes may be redeemed at the end of the term if not previously converted.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) Shares rank equally with existing fully paid ordinary shares in the Company.</p> <p>(b) Shares issued on conversion of Notes will rank equally with existing fully paid ordinary shares in the Company.</p>
<p>5 Issue price or consideration</p>	<p>(a) 4,980,984 Shares issued at a price of \$0.015 per Share.</p> <p>(b) 5,366,074 Shares issued at a price of \$0.0106 per Share.</p> <p>(c) The Company will receive no further funds for the issue of the Notes, as the Notes replace expired notes previously issued for cash funding at \$2,500 per note (effecting an extension of the expired notes).</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) 3,200,000 Shares are issued to a professional and sophisticated investor under a placement of the shortfall under the non-renounceable rights issue announced on 22 October 2018 which closed on 29 November 2018, in respect of an investment of \$48,000.</p> <p>(b) 5,366,074 Shares issued on conversion of Replacement Series 1 Convertible Notes issued on 21 December 2018, and interest accrued on those notes up to the date of conversion and capitalised.</p> <p>(c) 1,780,984 Shares issued on conversion of interest accrued on Series 1 Convertible Notes up to 30 November 2018.</p>

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Appendix 3B
New issue announcement

<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil.</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil.</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>80 Notes (approved for issue at the Company's Annual General Meeting on 30 November 2018).</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>10,347,058 Shares.</p>
<p>6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>N/A</p>
<p>6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>N/A</p>
<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p>	<p>7.1 Capacity: 27,660,847 7.1A Capacity: N/A</p>

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7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	28 February 2019
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8	<p>Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in section 2 if applicable)</p>	Number	+Class
		658,915,410	Fully Paid Ordinary Shares

9	<p>Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)</p>	Number	+Class
		1,250,000	Performance rights issued on 6 February 2017 to the Company COO.
		449,763	Convertible Notes issued on 21 December 2018, convertible at the lesser of \$0.095 and the lowest trading price (in relation to arm's length transactions only) during the 15 days immediately prior to the conversion notice date, per share.

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Appendix 3B
New issue announcement

471	Convertible Notes issued on 21 December 2018, convertible at \$0.015 per share if converted before 15 February 2019, or at a price which is 85% of the 7-trading day volume weighted average price of the Company's shares prior to the date of notice of conversion, excluding trades made by the converting noteholder.
80	Convertible Notes issued on 28 February 2019, convertible at a price which is 85% of the 7-trading day volume weighted average price of the Company's shares prior to the date of notice of conversion, excluding trades made by the converting noteholder.
1,984,725	Options exercisable at \$0.1425 vesting 16 May 2018 and expiring on 16 May 2023.

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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

- (a) The Board of the Company may from time to time determine to distribute the profits of the Company by way of dividend amongst the Shareholders in proportion to the amounts paid up on the Shares held by them.
- (b) 12% per annum interest rate on Notes, payable every 6 months in arrears and in cash or shares, which may be capitalised at the Company's election.

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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A

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23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	[†] Issue date	N/A

[†] See chapter 19 for defined terms.

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Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1 (Shares only)

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

39 ⁺Class of ⁺securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

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Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 28 February 2019
(Director)

Print name: Paul Davies
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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	360,694,208
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>1,523,684 fully paid ordinary shares (Issued 5 March 2018, Rule 7.4)</p> <p>1,097,542 fully paid ordinary shares (Issued 14 March 2018, Rule 7.2, Exception 4)</p> <p>1,244,078 fully paid ordinary shares (Issued 13 April 2018, Rule 7.2, Exception 4)</p> <p>2,381,214 fully paid ordinary shares (Issued 5 July 2018, Rule 7.2, Exception 4)</p> <p>35,383,952 fully paid ordinary shares (Issued 5 July 2018, Rule 7.4)</p> <p>353,847 fully paid ordinary shares (Issued 13 July 2018, Rule 7.4)</p> <p>3,087,509 fully paid ordinary shares (Issued 5 October 2018, Rule 7.2, Exception 4)</p> <p>53,031,164 fully paid ordinary shares (Issued 6 December 2018, Rule 7.2, Exception 1)</p> <p>12,251,111 fully paid ordinary shares (Issued 14 December 2018, Rule 7.2, Exception 14)</p> <p>8,079,105 fully paid ordinary shares (Issued 24 December 2018, Rule 7.3)</p> <p>28,333,331 fully paid ordinary shares (Issued 24 December 2018, Rule 7.2, Exception 3)</p> <p>13,333,334 fully paid ordinary shares (Issued 31 December 2018, Rule 7.2, Exception 3)</p>

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Appendix 3B
New issue announcement

	<p>61,727,746 fully paid ordinary shares (Issued 31 December 2018, Rule 7.2, Exception 14)</p> <p>727,481 fully paid ordinary shares (Issued 7 January 2019, Rule 7.3)</p> <p>2,784,291 fully paid ordinary shares (Issued 7 January 2019, Rule 7.2, Exception 4)</p> <p>7,147,058 fully paid ordinary shares (Issued 28 February 2019, Rule 7.2, Exception 4)</p> <p>3,200,000 fully paid ordinary shares (Issued 28 February 2019, Rule 7.2, Exception 3)</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil.
“A”	597,022,833

Step 2: Calculate 15% of “A”

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	89,553,424

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used

<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>19,041,952 fully paid ordinary shares (29 November 2018)</p> <p>9,845,709 fully paid ordinary shares (14 December 2018)</p> <p>29,345,968 fully paid ordinary shares (24 December 2018)</p> <p>3,658,948 fully paid ordinary shares (31 December 2018)</p>
“C”	61,892,577

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Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>89,553,424</p>
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>61,892,577</p>
<p>Total ["A" x 0.15] – "C"</p>	<p style="text-align: center;">27,660,847</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	N/A
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	N/A
<p>Total [“A” x 0.10] – “E”</p>	<p>N/A</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

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