



31 October 2019

Quarterly Report September 2019

Highlights

- **\$2.6 million fundraising via Placement**
- **Adjoining tenement to south acquired which now trebles size of identified magnetite structure**
- **Phase 2 magnetite drilling program commenced in October**
- **Copper and gold targets are being tested**

Capital Raising

During the quarter, the Company announced a fundraising via a \$2.6 million Placement subject to Shareholder approval. As of the current date, Shareholders have approved all matters relating to this placement.

Under the terms of the Placement, Freehill will issue up to 236,363,637 fully paid ordinary shares at a price of \$0.011 (1.1 cents) per share (**Placement Shares**) with up to 118,181,818 options to acquire fully paid ordinary shares with an exercise price of \$0.025 (2.5 cents) and expiring two years from the date of issue as attaching options on the basis of one option for every two Placement Shares (**Attaching Options**) to sophisticated and professional investors.

The Placement will progress the Yerbas Buenas Project (YB) to a near term high grade magnetite producer and be used for:

- **Planned drilling program of several thousand metres to target high grade magnetite at YB;**
- **Confirmation of potentially significant copper mineralisation at YB through diamond drilling;**
- **Major expansion of the current magnetite Mineral Resource Estimate;**
- **Acquire further highly complementary surrounding tenements;**
- **Provide funding for the PFS and environmental approvals for 1Mt per annum production facility at YB;**
- **Additional working capital.**

Yerbas Buenas Magnetite Project In Summary

The Company (ASX:FHS; “Freehill” or “the Company”) announced a \$2.6 million capital raise which will allow the work program and next phase of drilling to proceed at the Yerbas Buenas project. Drilling was commenced following the end of the quarter, with 4,500 metres planned.

The acquisition of the Arenas XI tenement adjoining the Company’s southern tenement boundary and completion of a Ground Magnetics geophysical survey show that the YB6 structure continues into the new

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tenement. The magnetic footprint has now trebled in size from 9.6 hectares to 29 hectares and could provide mineralised material for a 15-20 year bulk mining operation.

Diamond drilling will build upon a series of high grade RC holes that were completed during the maiden program in the northern end of the YB6 structure and to test the 3D inversion model that indicates it thickens and widens southward into the new tenement. Five holes drilled in 2018 along a north-south line showed increasingly higher iron grades and thickening of the structure. The most southern RC hole drilled (YB016) showed 120m of 30% Fe grade with a continuous 16m section near surface grading 61% Fe.

Previous mapping for copper mineralisation and two Induced Polarisation surveys identified two large anomalies and those targets will be tested during this program to establish the level of copper and gold mineralisation in the anomalies. A 400 metre diamond hole will be initially drilled at each site.

The potential presence of copper and gold is consistent with the area's regional geology. The high level of mineralisation in the area is demonstrated by numerous artisanal copper and gold tunnels and diggings within several hundred metres of the IP anomaly that is to be tested by drilling.

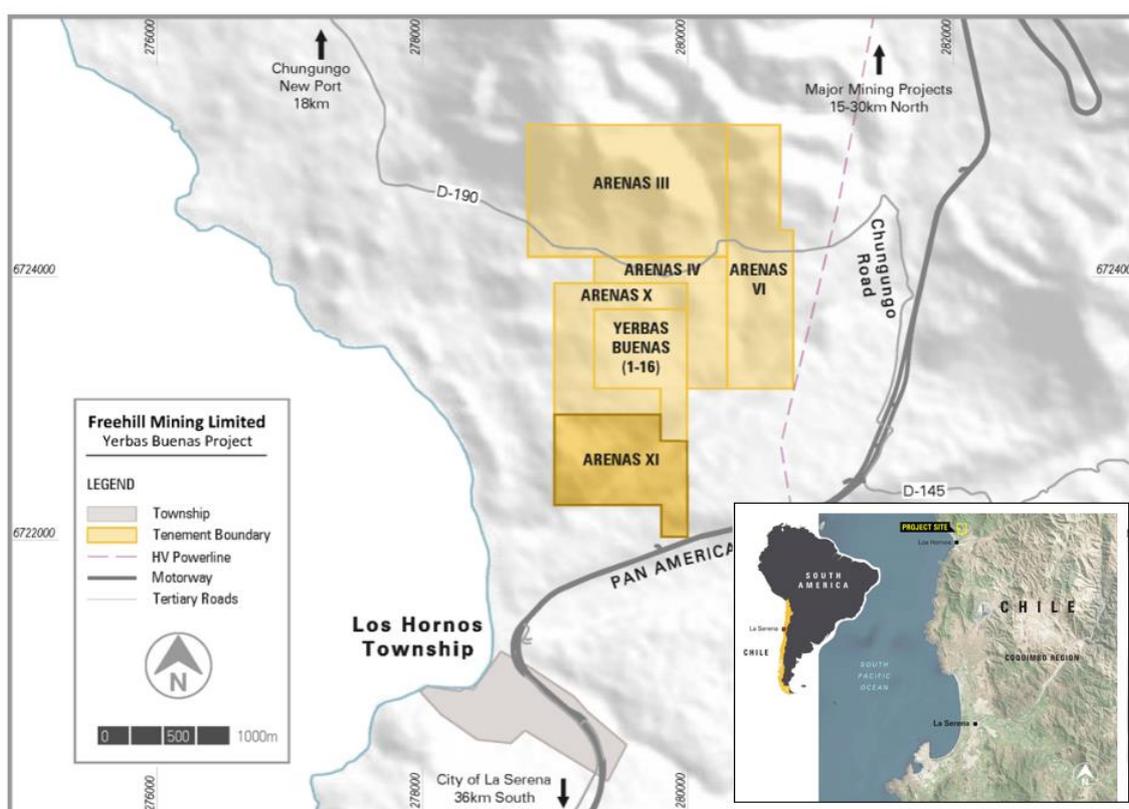


Figure 1 – Yervas Buenas project location and tenements showing newly acquired tenement.

About the Yervas Buenas Project

The Yervas Buenas project has proven magnetite mineralisation as well as being prospective for both gold and copper mineralisation.

Drilling results from the Company's maiden drilling campaign clearly demonstrate that magnetite mineralisation extends along a 2.3 km contiguous corridor from the northern boundary to southern boundary of the property.

Results of the recent Induced Polarisation (IP) survey have now identified two large structures that appear to be a mineralised band or fault structure running north-south down the eastern side of the property with both structures currently open to the east and north.

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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 at a later date.

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