



30 July 2020

Quarterly Report June 2020

Operational Highlights:

- Transformational quarter highlighted by fourfold increase to Yervas Buenas magnetite resource and binding agreement to acquire highly prospective and adjoining El Dorado tenements
- Total Inferred & Indicated Mineral Resource based on drilling of YB1 and YB6 structures now stands at 67 Mt @ 19.1% Fe for Yervas Buenas project area
- JORC Mineral Resource for YB6 magnetite structure of 49 Mt @ 20.4% Fe reported in June
- Yervas Buenas remains vastly under-explored – five more identified structures are yet to be drilled
- El Dorado comprises 8 contiguous tenements totalling ~750 hectares – increasing Freehill's total project area to over 1,250 hectares in Chile's iron ore-copper-gold belt
- Feasibility study underway at Yervas Buenas - sufficient magnetite tonnage identified in first two structures to support a commercial mining operation

Corporate Summary:

- A\$700,000 placement to existing shareholder and sophisticated investor Gavin Ross
- Notice of General Meeting issued for acquisition of El Dorado tenements

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this activity report for the quarter ended 30 June 2020.

June Quarter Summary:

The June quarter was highlighted by the delivery of the second JORC Mineral Resource Estimate ('MRE') for the Company's flagship Yervas Buenas magnetite project in Chile. As reported in June, completion of a JORC MRE for the new YB6 magnetite structure in the Arenas XI concession of **49 million tonnes at a grade of 20.4% Fe** (see Table 1) has increased the Company's total resource almost fourfold to over **67 million tonnes at an average grade of 19.1% Fe and 24.2% mass recovery** (see Table 2).

This is a significant increase in terms of both grade and tonnage from the 18.4 Mt @15.1% Fe (Inferred plus Indicated) Mineral Resource Estimate reported on the nearby YB 1 structure just over 12 months ago (See ASX release: 6 May 2019).

The material expansion to the Company's MRE base was supported by the strategic move to acquire the highly prospective El Dorado Project tenements, which adjoin the northern boundary of Yervas Buenas. Once completed, this acquisition will provide Freehill with a significantly expanded footprint in the Chile's premier iron ore-copper-gold address.

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Freehill’s Chief Executive Officer, Peter Hinner, commented on the quarter: “A tremendous quarter for the Company, which saw significant value added to our flagship Yerbas Buenas Project through the delivery of an impressive resource for the YB6 structure. We still believe Yerbas Buenas has a very long way to go in terms of potential resource expansion, however, the fourfold increase achieved this quarter has given us the scale to confidently push forward with the feasibility study into the commercial start-up of our first stage mining operation.

“We have also kept an eye to future expansion, and we are excited by the pending acquisition of the adjoining El Dorado tenements. We are confident these tenements will provide a considerable boost to both our grade and scale in what is Chile’s premier iron ore-copper-gold address.

“The Company also finalised a strategic A\$700k placement to existing shareholder Gavin Ross. With Gavin having travelled to site earlier this year and subsequently invested in the company, this additional investment speaks to the quality and potential upside Yerbas Buenas offers to investors and we thank him for his ongoing support.

“Looking ahead, we have entered this quarter with good momentum and with several more important milestones marked for the second half of the calendar year and strengthening market dynamics, I look forward to providing shareholders with regular updates on progress.”

Yerbas Buenas Updated JORC MRE Summary

Structure	Category	Tonnes Mt	Mass %Recovery ¹	%Fe Head Grade	Concentrate Grades ²				
					%Fe	%Al ₂ O ₃	%SiO ₂	%P	%S
TOTAL	Inferred	49.3	27.7	20.6	68.4	0.74	2.45	0.024	0.007

Table 1 – JORC Mineral Resource Estimate YB6 orebody, Yerbas Buenas

Notes: 1 – Mass %Recovery determined by Magnasat assay and is equivalent to Davis Tube Recovery (“DTR”)

2 – Concentrate grade determined using Davis Tube on material P₉₅ -75µm and represents an expected pellet feed product

Davis Tube Recovery test work conducted to date suggests that the YB6 structure contains a magnetite resource that is potentially capable of producing, over many years, a premium high-quality pellet feed of 67-69% Fe with low impurities. Davis Tube concentrates in excess of 70% Fe with ultra-low impurities have also been produced multiple times during testing.

The Company first reported the acquisition of the Arenas XI tenement 2 September 2019, commenced a diamond drilling program 22 October 2019 and was able to announce its second JORC Mineral Resource Estimate on 2 June 2020, only nine months after property acquisition.

Structure	Category	Tonnes Mt	Mass %Recovery ¹	%Fe Head Grade	Concentrate Grades ²				
					%Fe	%Al ₂ O ₃	%SiO ₂	%P	%S
YB1	Inferred	13.4	14.7	14.8	68.1	0.67	1.47	0.023	0.026
	Indicated	5.0	15.8	15.9	69.1	0.69	1.36	0.018	0.022
	Total	18.4	15	15.1	68.4	0.68	1.44	0.020	0.025
YB6	Inferred	49.3	27.7	20.6	68.4	0.74	2.45	0.024	0.007
Project	Inferred	62.7	24.9	19.4	68.3	0.73	2.24	0.024	0.011
	Indicated	5.0	15.8	15.9	69.1	0.69	1.36	0.018	0.022
TOTAL RESOURCE		67.7	24.2	19.1	68.4	0.7	2.2	0.023	0.012

Table 2 - shows the combined resource tonnes for both the YB1 and YB6 structures

Notes: 1 – Mass %Recovery determined by Magnasat assay and is equivalent to Davis Tube Recovery (“DTR”)

2 – Concentrate grade determined using Davis Tube on material P₉₅ -75µm and represents an expected pellet feed product

Yerbas Buenas Project Overview

The Yerbas Buenas project contains several magnetite structures identified by geophysics (figure 2), two of which have now been drilled. The YB1 structure which was the focus of a trial mining and demonstration processing plant was drilled as the Company's maiden resource in 2018/19. Following the acquisition of the Arenas XI tenement in early 2019 a significant extension of the YB6 magnetite structure within the newly acquired ground was then drilled 2019/20 resulting in a new resource.

The Company believes that a 67Mt magnetite resource situated close to significant infrastructure can be developed into an operating mine in a relatively short period of time, given the unique close proximity to major ports, large city and highways.

Five of the seven magnetite structures identified by geophysics within the current Yerbas Buenas project area remain untested as yet. Should the comparable mineralisation be identified by drilling within the remaining five structures, the Company anticipates being able to achieve a mineral resource estimate in line with the conceptual resource estimate. The YB6 and YB1 resources are located only 200-500m apart and are potentially joined by surficial mineralisation which would allow the opening of a larger elongated mining pit.

Project features include:

- experience gained from operating a trial mining and demonstration plant
- extremely easy access to transport corridors
- close to High Voltage transmission lines
- low impurity good quality pellet feed ability
- proven offtake to nearby pellet feed plant
- multiple port options for export
- large modern city 30kms away with all mining support facilities
- large modern airport nearby
- Skilled workforce available
- Pro-mining province

The Company's demonstrated ability to operate a trial mining and demonstration production plant for more than two years whilst supplying magnetite concentrates to Chile's largest iron ore miner and producer of pellet feed and pellets should provide confidence that the Yerbas Buenas project has the potential to become a low cost mine within the lower quartile of sinter feed magnetite producers.

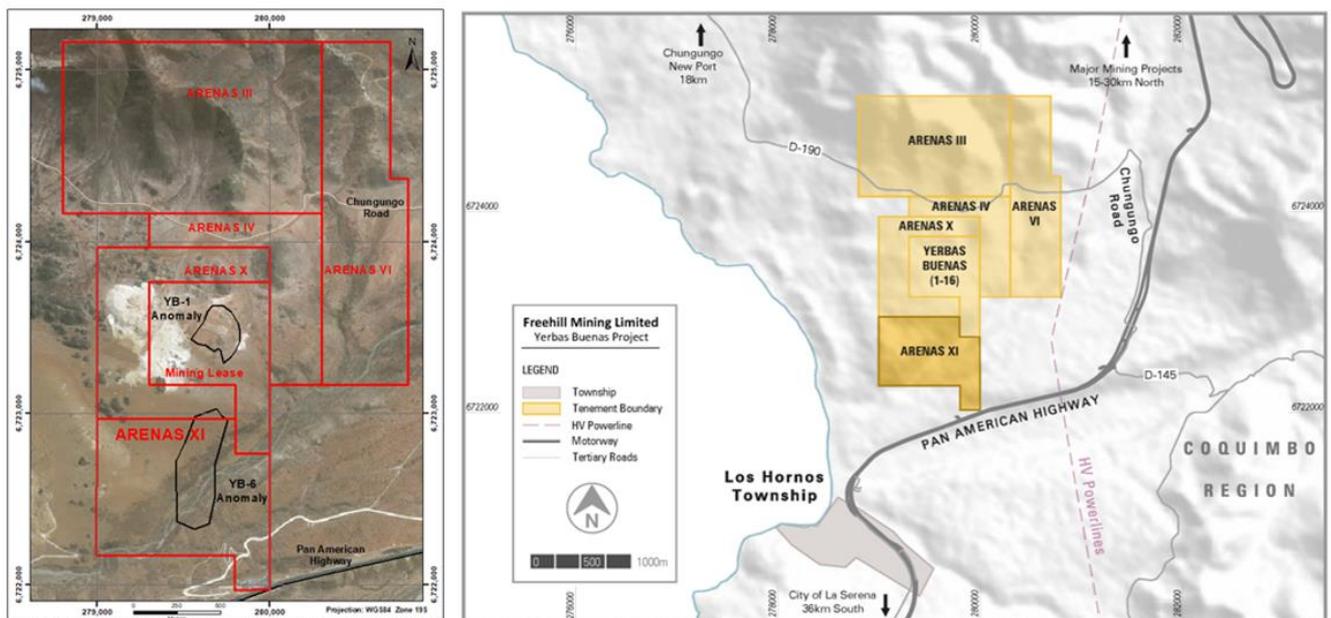


Figure 1 – Project tenements and YB1-YB6 magnetite structure position within tenements

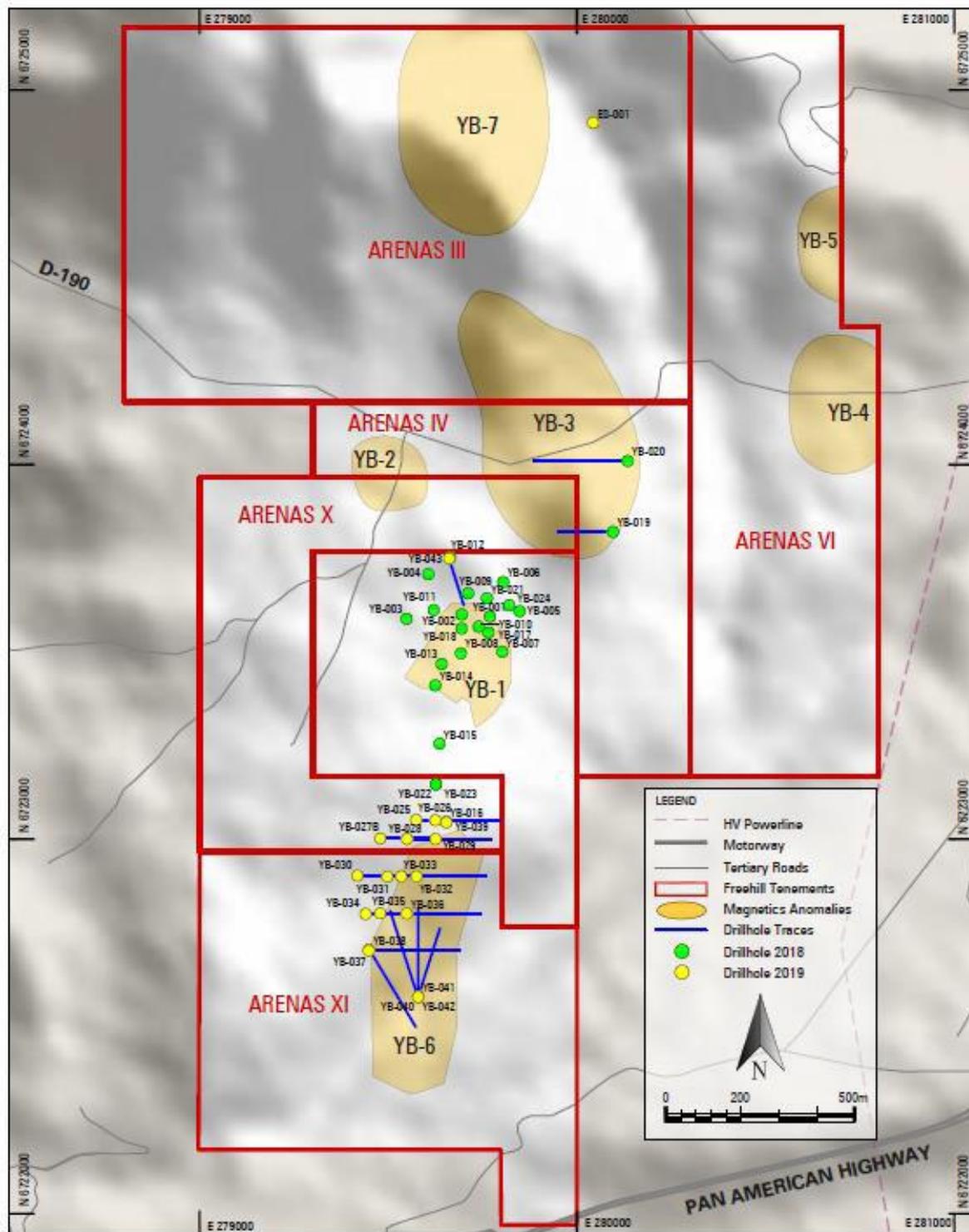


Figure 2 – Ground magnetic targets YB1-YB7 with 2018/19 (green drill holes) and 2019/20 yellow drill holes) currently defined resource areas

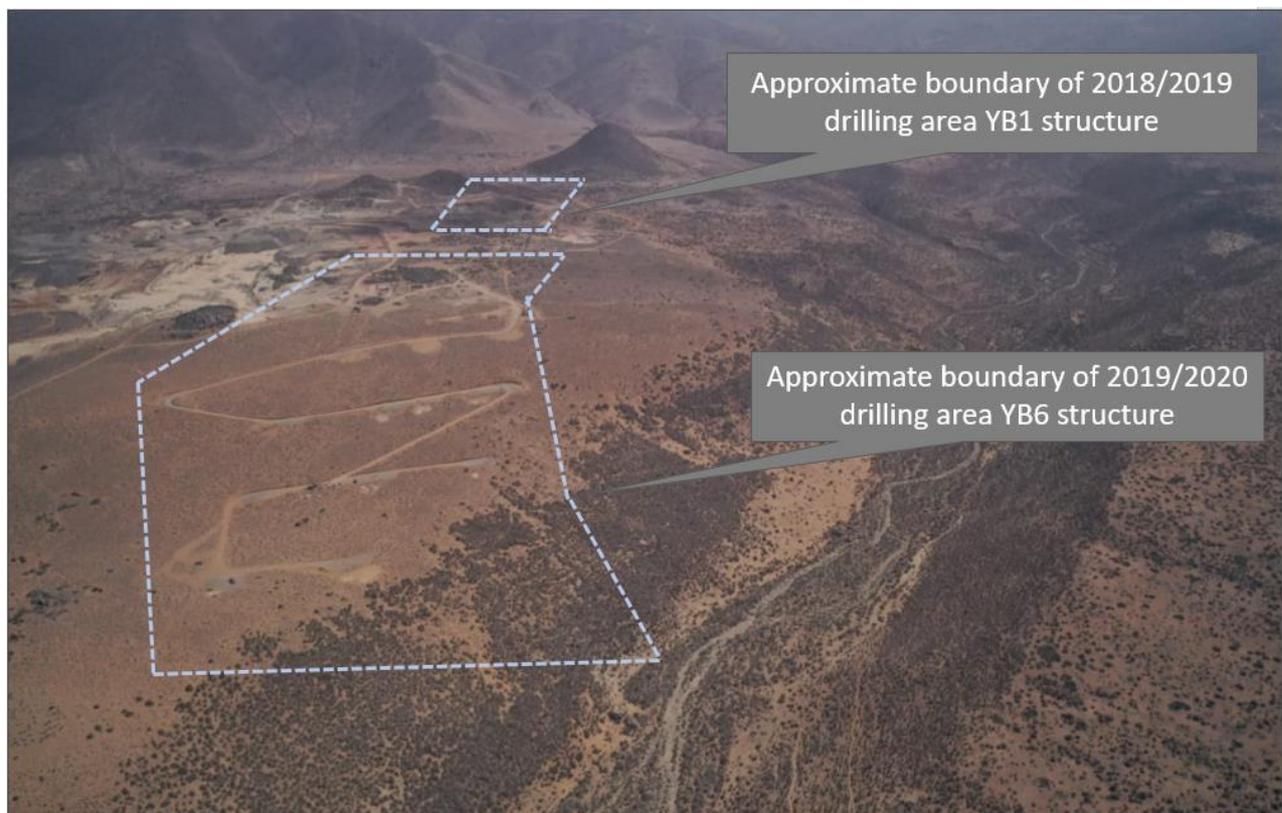


Figure 3 – Aerial photograph looking NNE showing area drilled within the YB6 magnetite project area relative to the maiden drilling program area YB1.

El Dorado Acquisition

A Binding Agreement was signed during the quarter for the acquisition of 750 Hectares of highly prospective exploration acreage that adjoins the northern boundary of the Company's existing Yerbas Buenas project area.

The tenements are being acquired from local company Minera El Dorado SCM and are situated in the southern end of the Chilean IOCG belt near to Chiles La Higuera copper mining area.

The acquisition, which received shareholder approval after the end of the quarter, would significantly increase Freehill's exploration and development area to almost 1,250 Hectares in Chile's iron ore-copper-gold belt.

El Dorado Reconnaissance Sampling

As part of the due diligence process, Freehill's geological personnel have carried out preliminary surface sampling on the southern portion of the El Dorado tenements, focussing on the artisanal mining areas that have demonstrated encouraging gold mineralisation at surface.

Results of that survey were reported to the ASX on 27 April and included multiple +45% Fe samples as well as gold grades up to 22.8 g/t Au and 4.85% Cu.

Additional detailed surface sampling is scheduled to be carried out as soon as the transfer of the concessions is completed.

Corporate Activities

During the quarter two investment briefings were held by Webinar where the CEO presented an update on the Company's latest developments. These presentations were lodged on the ASX platform on the 28th April and 3rd June respectively.

Finance Commentary

During the quarter the financial position of the Company was strengthened considerably.

This was achieved through the following:

- \$700,000 Share Placement
- \$665,000 of Debt Conversion
- \$281,000 raised from exercise of options

This puts the Company in the strongest financial position in its history and positions us to execute on our future development. Until such time as the Company is achieving operating revenues it is incumbent on the Board to be continually seeking appropriate sources of capital to enable the creation of value for all shareholders. The Board is grateful for the support and implicit validation it has received from the financial backing provided to the Company.

-ENDS-

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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 the development of its 100%-owned Yervas Buenas magnetite project in Chile. Yervas Buenas has proven magnetite mineralisation as well as being prospective for both gold and copper mineralisation. Drilling results to date have so far demonstrated that magnetite mineralisation extends along at least a 2km contiguous corridor of what is shown by geophysics to be a 3km long structure extending from the northern boundary to southern boundary of the property. The company has also identified copper and gold mineralisation testing has commenced with diamond drilling on two IP anomalies highlighted in earlier exploration.

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