



29 September 2020

Extended Deadline for Lodgement of Annual Financial Report

This announcement is to notify the market that Freehill Mining Limited is relying on the relief provided by ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451 of 15 May 2020) to extend the lodgement date for its audited/reviewed accounts.

COVID-19 and its impacts both locally and in Chile have disrupted the Company's administrative and year end audit work.

Attached are the Company's unaudited financial statements for the year ended 30 June 2020. Any material difference between the unaudited and audited full year financial statements will be notified to the market immediately following the Company becoming aware of such differences.

Authorised for release by the Board of Freehill Mining Limited.

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.

For further information, please contact:

Peter Hinner	Paul Davies
Chief Executive Officer	Chief Financial Officer
Freehill Mining Limited	Freehill Mining Limited
+61 410569635	+61 419 363 630

Media & investor relations inquiries: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448



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Freehill Mining Limited

ACN 091 608 0025

Preliminary Unaudited Financial Statements - 30 June 2020

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Freehill Mining Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
Revenue		
Interest revenue calculated using the effective interest method	25	111
Other revenue	69	259
Expenses		
Corporate and administration expenses	(2,604,709)	(1,649,182)
Other expenses	(452,452)	(141,005)
Finance costs	(504,574)	(718,345)
Loss before income tax expense	(3,561,641)	(2,508,162)
Income tax expense	-	-
Loss after income tax expense for the year attributable to the owners of Freehill Mining Limited	(3,561,641)	(2,508,162)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	(2,667,173)	129,300
Other comprehensive income for the year, net of tax	(2,667,173)	129,300
Total comprehensive income for the year attributable to the owners of Freehill Mining Limited	(6,228,814)	(2,378,862)
	Cents	Cents
Basic earnings per share	(0.31)	(0.43)
Diluted earnings per share	(0.31)	(0.43)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Freehill Mining Limited
Statement of financial position
As at 30 June 2020

	Note	Consolidated 2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	1	917,111	62,480
Trade and other receivables	2	97,244	962,736
Other		2,487	41,326
Total current assets		<u>1,016,842</u>	<u>1,066,542</u>
Non-current assets			
Receivables	3	586,032	464,804
Property, plant and equipment		9,887	13,282
Exploration and evaluation asset	4	13,335,980	14,025,904
Total non-current assets		<u>13,931,899</u>	<u>14,503,990</u>
Total assets		<u>14,948,741</u>	<u>15,570,532</u>
Liabilities			
Current liabilities			
Trade and other payables	5	475,027	2,168,786
Borrowings	6	72,303	2,068,899
Employee benefits	7	10,216	-
Total current liabilities		<u>557,546</u>	<u>4,237,685</u>
Non-current liabilities			
Borrowings	8	432,839	-
Provisions		70,000	70,000
Total non-current liabilities		<u>502,839</u>	<u>70,000</u>
Total liabilities		<u>1,060,385</u>	<u>4,307,685</u>
Net assets		<u>13,888,356</u>	<u>11,262,847</u>
Equity			
Issued capital	9	27,402,465	20,106,620
Reserves	10	(85,986)	1,022,709
Accumulated losses		<u>(13,428,123)</u>	<u>(9,866,482)</u>
Total equity		<u>13,888,356</u>	<u>11,262,847</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Freehill Mining Limited
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	12,912,366	956,547	(7,358,320)	6,510,593
Loss after income tax expense for the year	-	-	(2,508,162)	(2,508,162)
Other comprehensive income for the year, net of tax	-	129,300	-	129,300
Total comprehensive income for the year	-	129,300	(2,508,162)	(2,378,862)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	7,105,116	-	-	7,105,116
Share-based payments	-	26,000	-	26,000
Transfers upon conversion of notes	89,138	(89,138)	-	-
Balance at 30 June 2019	<u>20,106,620</u>	<u>1,022,709</u>	<u>(9,866,482)</u>	<u>11,262,847</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	20,106,620	1,022,709	(9,866,482)	11,262,847
Loss after income tax expense for the year	-	-	(3,561,641)	(3,561,641)
Other comprehensive income for the year, net of tax	-	(2,667,173)	-	(2,667,173)
Total comprehensive income for the year	-	(2,667,173)	(3,561,641)	(6,228,814)
Share based payments	-	1,575,352	-	1,575,352
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	7,278,971	-	-	7,278,971
Transfers upon conversion of notes	16,874	(16,874)	-	-
Balance at 30 June 2020	<u>27,402,465</u>	<u>(85,986)</u>	<u>(13,428,123)</u>	<u>13,888,356</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Freehill Mining Limited
Statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 2020 \$	2019 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(3,056,435)	(823,694)
Interest received		25	111
Other revenue		69	259
Interest and other finance costs paid		<u>(396,004)</u>	<u>(319,061)</u>
Net cash used in operating activities		<u>(3,452,345)</u>	<u>(1,142,385)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(16,029)
Payments for exploration and evaluation		(1,933,203)	(1,215,139)
Amounts advanced to related party		-	<u>(912,091)</u>
Net cash used in investing activities		<u>(1,933,203)</u>	<u>(2,143,259)</u>
Cash flows from financing activities			
Proceeds from issue of shares		4,413,526	1,593,467
Proceeds from borrowings		3,007,437	1,275,841
Proceeds from convertible notes		-	1,200,000
Share issue transaction costs		(299,947)	(182,238)
Repayment of borrowings		<u>(880,837)</u>	<u>(704,792)</u>
Net cash from financing activities		<u>6,240,179</u>	<u>3,182,278</u>
Net increase/(decrease) in cash and cash equivalents		854,631	(103,366)
Cash and cash equivalents at the beginning of the financial year		<u>62,480</u>	<u>165,846</u>
Cash and cash equivalents at the end of the financial year	1	<u><u>917,111</u></u>	<u><u>62,480</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Freehill Mining Limited
Notes to the financial statements
30 June 2020

Note 1. Current assets - cash and cash equivalents

	Consolidated	
	2020	2019
	\$	\$
Cash on hand	1,780	10
Cash at bank	915,331	62,470
	<u>917,111</u>	<u>62,480</u>

Note 2. Current assets - trade and other receivables

	Consolidated	
	2020	2019
	\$	\$
Other receivables	15,542	18,656
Receivable from Lacerta Finance & Mining SpA	-	912,091
Indirect taxes receivable	81,702	31,989
	<u>97,244</u>	<u>962,736</u>

On 2 September 2019, the company completed the acquisition of an 80 hectare tenement known as Arenas XI 1/20, located directly to the south of the Yerbas Buenas project area. This receivable from Lacerta formed the consideration for this tenement acquisition.

Note 3. Non-current assets - receivables

	Consolidated	
	2020	2019
	\$	\$
Indirect taxes receivable	<u>586,032</u>	<u>464,804</u>

Note 4. Non-current assets - exploration and evaluation asset

	Consolidated	
	2020	2019
	\$	\$
Exploration and evaluation - at cost	<u>13,335,980</u>	<u>14,025,904</u>

Freehill Mining Limited
Notes to the financial statements
30 June 2020

Note 4. Non-current assets - exploration and evaluation asset (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & evaluation \$
Balance at 1 July 2018	12,666,803
Additions	1,237,305
Exchange differences	<u>121,796</u>
Balance at 30 June 2019	14,025,904
Additions	1,974,103
Exchange differences	<u>(2,664,027)</u>
Balance at 30 June 2020	<u><u>13,335,980</u></u>

Note 5. Current liabilities - trade and other payables

	Consolidated	
	2020	2019
	\$	\$
Trade payables	250,058	1,609,454
Interest payable	9,679	217,282
Other payables	<u>215,290</u>	<u>342,050</u>
	<u><u>475,027</u></u>	<u><u>2,168,786</u></u>

Note 6. Current liabilities - borrowings

	Consolidated	
	2020	2019
	\$	\$
Convertible notes payable	-	1,006,101
Short term loans	<u>72,303</u>	<u>1,062,798</u>
	<u><u>72,303</u></u>	<u><u>2,068,899</u></u>

Note 7. Current liabilities - employee benefits

	Consolidated	
	2020	2019
	\$	\$
Employee benefits	<u>10,216</u>	<u>-</u>

Note 8. Non-current liabilities - borrowings

	Consolidated	
	2020	2019
	\$	\$
Debt with conversion option	432,839	-

Note 9. Equity - issued capital

	2020	Consolidated		2019
	Shares	2019	2020	2019
		Shares	\$	\$
Ordinary shares - fully paid	1,450,183,53	816,273,950	27,402,465	20,106,620

Note 10. Equity - reserves

	Consolidated	
	2020	2019
	\$	\$
Foreign currency reserve	(1,727,838)	939,335
Share-based payments reserve	1,641,852	66,500
Convertible notes reserve	-	16,874
	<u>(85,986)</u>	<u>1,022,709</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note reserve

The reserve is used to recognise the value of the equity portion of convertible notes.

Freehill Mining Limited
Notes to the financial statements
30 June 2020

Note 10. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Convertible notes \$	Share based payments \$	Foreign currency \$
Balance at 1 July 2018	106,012	40,500	810,035
Foreign currency translation	-	-	129,300
Share based payments	-	26,000	-
Transfers to issued capital upon conversion of notes	(89,138)	-	-
Balance at 30 June 2019	16,874	66,500	939,335
Foreign currency translation	-	-	(2,667,173)
Share based payments	-	1,575,352	-
Transfers to issued capital upon conversion of notes	(16,874)	-	-
Balance at 30 June 2020	<u>-</u>	<u>1,641,852</u>	<u>(1,727,838)</u>