



30 April 2020

## Quarterly Report March 2020

### Highlights

- Assaying of drill core continued to show significant high grade magnetite intersections at Yervas Buenas
- \$750,000 placement to sophisticated investor
- HOA signed for acquisition of highly prospective 750 HA El Dorado property north of Yervas Buenas

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this Activities report for the quarter ended 31 March 2020. Preparation of drill core pulps at the ALS laboratory in Chile were near completion with the remaining holes being dispatched at quarter's end.

### Magnetite Drilling Program

Significant intersections of magnetite assayed included:

- YB-025 86m @ 24.1% Fe (from 128 metres)
  - Including 18m @ 31.1% Fe (from 132 metres)
  - Including 20m @ 31.6% Fe (from 190 metres)
- YB-026 129.5m @ 31.9% Fe (from 22.5 metres)
  - Including 22m @ 47.8% Fe (from 80 metres)
  - Including 15.9m @ 41.6% Fe (from 22.5 metres)
- YB-031 202m @ 25.6% Fe (from 38 metres)
  - Including 56m @ 49.1% Fe (from 88 metres)
  - Including 14.6m @ 64.6% Fe (from 108 metres)
- YB-028 160m @ 22.1% Fe (from 82 metres)
  - Including 20m @ 42.1% Fe (from 181 metres)
  - Including 5.9m @ 63.7% Fe (from 188 metres)
- YB-033: 123m @ 33.0% Fe from 37 metres
  - Including 45m @ 42.9% Fe (from 37 metres)
  - Including 8m @ 35.8% Fe (from 137 metres)
  - Seven, 1-metre intervals greater than 67% Fe encountered (from 43 to 70 metres)

Due to the necessity to carry out the analysis of samples in Australia, the time taken to transfer samples to Perth and various international airfreighting delays caused by the COVID19 issue, the reporting of assay results took several weeks longer than expected.

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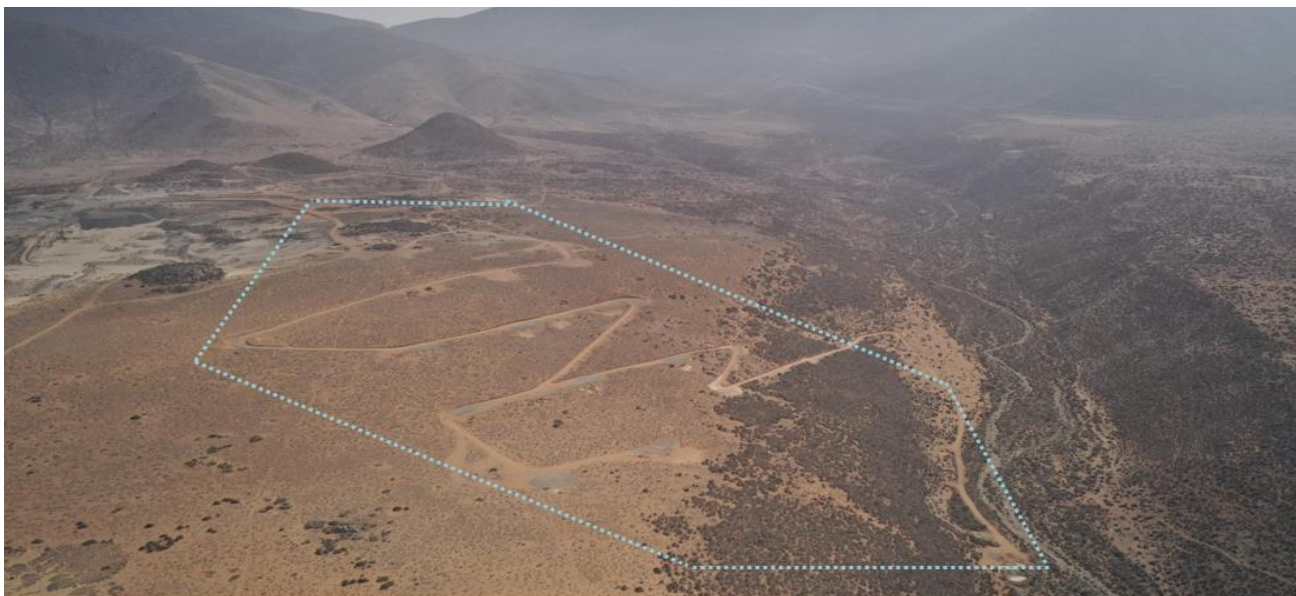
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Drilling of the YB6 magnetite structure continued to encounter thick (massive) intersections of high-grade magnetite and photographs of drill core from various holes is provided in Figures 2-5.



*Figure 1 – Aerial photograph looking NNE showing area drilled within the YB6 magnetite project area.*



*Figure 2 - Core tray 39 from diamond drill hole YB025 showing typical high grade magnetite mineralisation – interval 138.5m to 142.2m shown*



*Figure 3 – Core tray 30 from diamond drill hole YB031 showing typical high grade magnetite mineralisation – interval 117.06m to 120.75m shown*



Figure 4 - Core tray 52 from diamond drill hole YB028 showing typical high grade magnetite mineralisation – interval 190.3m to 193.8m shown



Figure 5 - Core tray 07 from diamond drill hole YB033 showing high grade magnetite mineralisation – interval 40.1m to 43.6m shown

Hole ID	Hole Type	Northing	Easting	RL collar	Azimuth	Dip	Depth
YB025	DDH	6,723,050	279,573	168.9	89.3°	-60°	250.25
YB026	DDH	6,722,900	279,497	168.8	89.2°	-60°	175.0
YB028	DDH	6,723,000	279,550	164	89°	-60°	300
YB031	DDH	6,722,900	279,497	149	89°	-59°	300.5
YB033	DDH	6,722,900	279,574	150.51	91.29°	-60°	225

Table 1 – Drill hole locations, depth and hole orientations



Hole ID	From (m)	To (m)	Interval (m)	% Fe	Mass % Recovery
YB025	128	214	86	24.1	30.1
<i>including</i>	132.0	150.0	18	31.1	38.3
	190.0	210.0	20	31.6	43.0
YB026	22.5	152.0	129.5	31.9	37.5
<i>including</i>	22.5	39.0	15.9	41.6	45.3
	80.0	102.0	22.0	47.8	55.0
	140.0	152.0	12.0	38.3	47.4
YB028	82	242	160	22.1	27.3
<i>including</i>	108	112	4	36.8	49.7
	181	201	20	42.1	53.5
	214	218	4	50.1	62.3
	223	226	3	44.3	61.2
	2331	236	5	38.7	56.9
YB031	38	240	202	25.6	32.6
<i>including</i>	88	144	56	49.5	63.6
YB033	37	160	153	33.0	40.7
<i>including</i>	37	82	45	42.9	51.7
	86	123	37	24.6	32.1
	135	143	8	35.8	48.4
	156	160	4	46.6	61.6

Table 2 – significant grades and intervals

More assays from the recently completed diamond drill campaign are pending and Freehill is most encouraged by the results thus far.

### Acquisition of Tenement HOA

A Heads of Agreement (HOA) was signed for the acquisition of 750 Hectares of highly prospective exploration acreage that adjoins the northern boundary of the company's existing Yervas 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 iron oxide copper-gold (IOCG) belt near to Chile's La Higuera copper mining area.

The acquisition, which is subject to approval by Freehill's shareholders, would significantly increase Freehill's exploration and development area to almost 1,250 Hectares in Chile's IOCG belt.

Due diligence is in process including further geological assessment of the tenements and Freehill will provide further updates on the acquisition as it moves closer to finalisation. Under the HOA, the tenements will be acquired for ~75m fully paid ordinary shares in Freehill which will be subject to escrow for a period of six months from the date of their issue. The Company has an exclusivity arrangement with Minera El Dorado SCM with respect to dealings with the tenements for a period of six months. In conjunction with the due diligence investigation, the Company is progressing the preparation of formal documentation to effect the acquisition, as well as preparations for a general meeting of shareholders to approve the transaction in due course.

### Finance Commentary

During the quarter, Freehill raised A\$750,000 through the issue of 41,666,667 fully paid ordinary shares at A\$0.018 per share. The new shares were issued to professional and sophisticated investor Mr Gavin Ross, principal of portfolio manager Gavin Ross & Co. Pty Ltd. Mr Ross had visited the Yervas Buenas project and this investment reflects his commitment to the Company's growth strategy.

The Company also raised \$877,000 in debt through its standby facility and the debt provider has indicated a willingness to provide ongoing support to the Company.

During the period there was a significant reduction in debt levels with \$1.907 Million of debt converted to equity, demonstrating strong validation for the Company's direction.

The Company has been approached by multiple parties offering funding and maintains ongoing dialogue with them to ensure our access to capital.

Funds raised provide Freehill with further financial flexibility to advance key project development initiatives.

#### **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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