News Release

2 June 2020

Yerbas Buenas Magnetite Mineral Resource Estimate Grows fourfold to 67Mt

- **JORC Mineral Resource for YB6 magnetite of 49 Mt @ 20.4% Fe – adds to the ~18mt JORC Mineral Resource for the nearby YB1 structure**
- **Total Inferred & Indicated Mineral Resource based on drilling of YB1 and YB6 structures now 67 Mt @ 19.1% Fe for project area**
- **Yerbas Buenas remains vastly under-explored – five more identified structures are yet to be drilled**
- **Davis Tube Recovery tests indicate that a high-quality, low impurity pellet feed can be produced – some tests exceeded 70% Fe**
- **Feasibility study underway. Sufficient magnetite tonnage identified in first two structures to support a commercial mining operation**

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to announce the completion of a JORC Mineral Resource Estimate 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). This now increases 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[1]. 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 YB 1 Structure just over 12 months ago (See ASX release: 6 May 2019).

Structure	Category	Tonnes Mt	Mass %Recovery[1]	%Fe Head Grade	Concentrate Grades[2]				
					%Fe	$\%Al_2O_3$	$\%SiO_2$	%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 P_{95} -75µm and represents an expected pellet feed product

This is without doubt an outstanding result for Freehill's shareholders and confirms that there is a significant magnetite resource in just two of the seven Yerbas Buenas structures identified (*see Figure 3*). The Company is in the enviable position of having defined an initial resource that can support commercial mining operations as well as having massive exploration upside from five more structures yet to be drilled.

Davis Tube Recovery test work confirms potential for premium high quality Pellet Feed concentrates

Davis Tube Recovery tests are typically used as a predictor of potential pellet feed concentrate quality. Initial indications from 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.

%Fe	$\%Al_2O_3$	$\%SiO_2$	%P	%S
67-69	0.5-0.8	1.2-2.0	0.02-0.04	0.007-0.010

Table 2: Indicative pellet feed product produced from DTR testing

In addition, concentrates produced from Davis Tube testing from the higher grade regions of YB6 appear to have lower impurity levels and thus be a better-quality material than the YB1 resource that was the focus of the maiden mineral resource estimate in 2019. Further testing over the next few months during the metallurgical testing phase will provide more information on this aspect.

Structure	Category	Tonnes Mt	Mass %Recovery[1]	%Fe Head Grade	Concentrate Grades[2]				
					%Fe	$\%Al_2O_3$	$\%SiO_2$	%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 3: 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 P_{95} -75µm and represents an expected pellet feed product

Comment

Chief Executive Officer Peter Hinner said: *"We are pleased to report the updated Mineral Resource Estimate for Yerbas Buenas which is superior in terms of grade and scale. It should also not be lost on shareholders that the Mineral Resource Estimate is based on drilling of only two of the seven structures identified by geophysics across the project. There's still massive upside to the potential size of this resource, but it is commercially prudent to now deploy shareholders' funds to commence the feasibility study on a first stage mining operation. The current resource we have defined thus far supports a commercial mining operation.*

"This Mineral Resource Estimate is a critical body of work that will help us advance negotiations with potential off-takers to a point where we can sign binding agreements. At the same time, we are focused on immediately advancing the feasibility study, wrapping up the El Dorado transaction and commencing work there too. Freehill has multiple near-term future value catalysts beyond today's very promising development."

Yerbas Buenas Project Overview

The Yerbas Buenas project contains several magnetite structures identified by geophysics (figure 3), 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 which is the subject of this media release.

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.

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 are:

- 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.

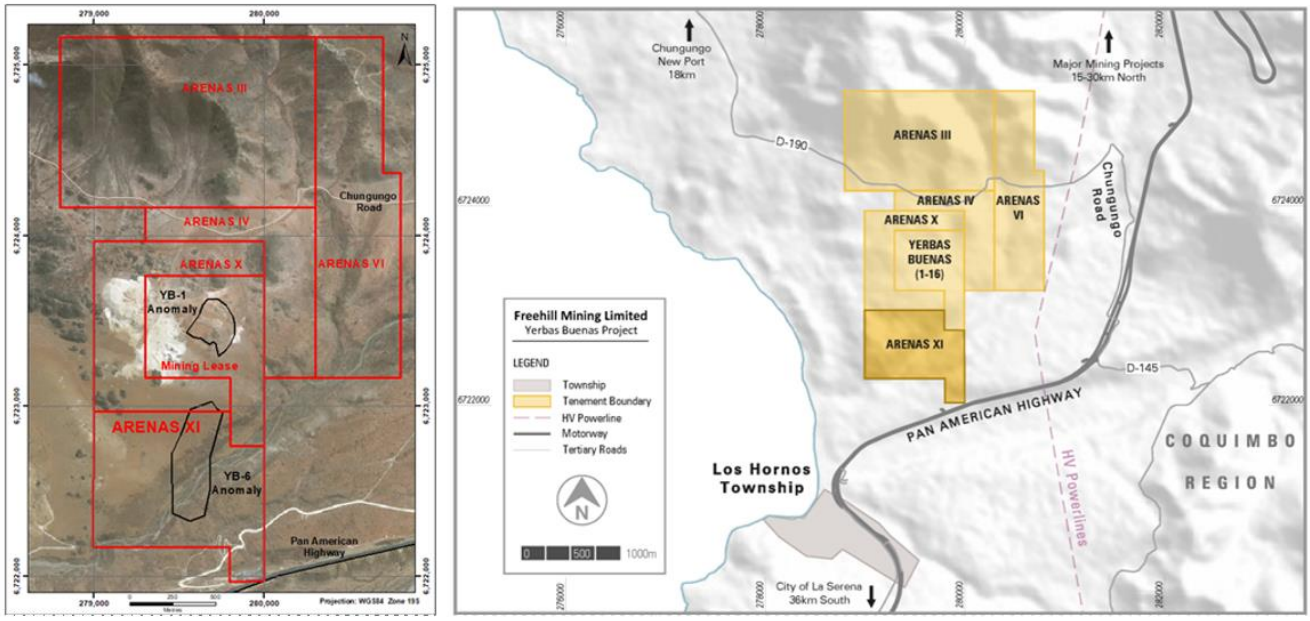

Figure 1– Project tenements and YB1-YB6 magnetite structure position within tenements

Further Resource Tonnes Potential

The Company's maiden drilling program at the YB1 structure in 2018 resulted in a resource tonnage of 18 Mt which aligned very well to the potential and undiscounted **'Total Tonnage**' of 20.7 Mt estimated in the company's Conceptual Exploration Target (see Freehill website, ASX announcement *Operations Update*, 12 April 2018 and ASX announcement *Yerbas Buenas Maiden JORC Mineral Resource Estimate for YB1 Structure*, 6 May 2019).

Following the acquisition of the Arenas XI tenement and drilling of the YB6 structure, a **JORC Resource Estimate of over 49 Mt** has now been determined that compares very favourably with the predicted or potential 'Total Tonnage' of 33.4 Mt estimated in the Conceptual Exploration Target for YB6.

It is important to note that 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 Exploration Target for the project.[1]

The potential quantity and grade of the magnetite material as described in the Conceptual Exploration Target is conceptual in nature; there has been insufficient exploration to estimate a JORC Code-compliant Mineral Resource other than an Exploration Target, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

[1] See ASX announcement Operations Update, 12 April 2018 and ASX announcement Yerbas Buenas Maiden JORC Mineral Resource Estimate for YB1 Structure, 6 May 2019 for details of the Conceptual Exploration Target. The complete Conceptual Exploration Target report prepared by Geos Mining Mineral Consultants is available for reference at https://freehillmining.com/wp-content/uploads/2018/10/5652918-2741_01_YB_Conceptual_Exploration_Target.pdf

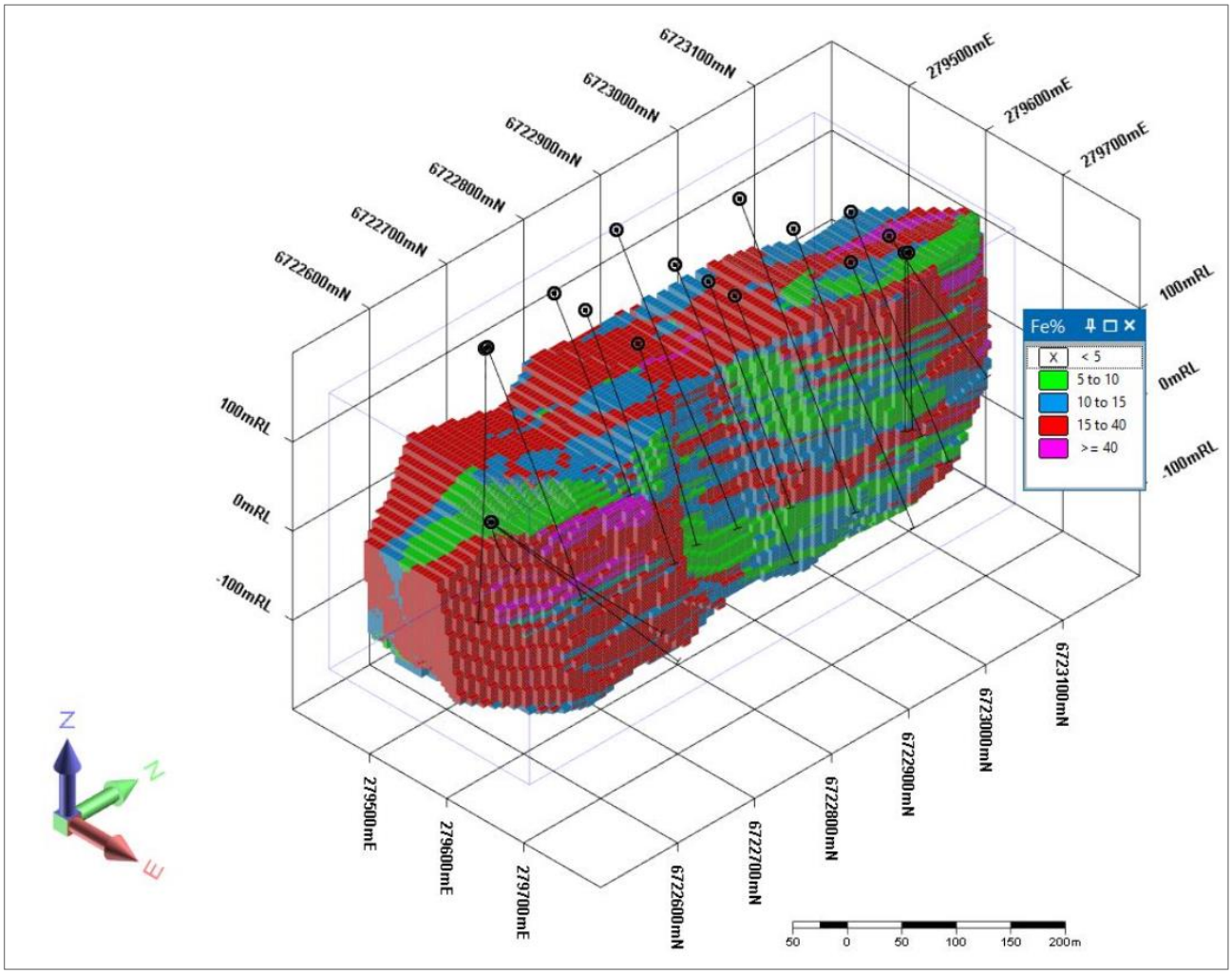

Figure 2 – YB6 3D resource block model used for mineral resource estimation

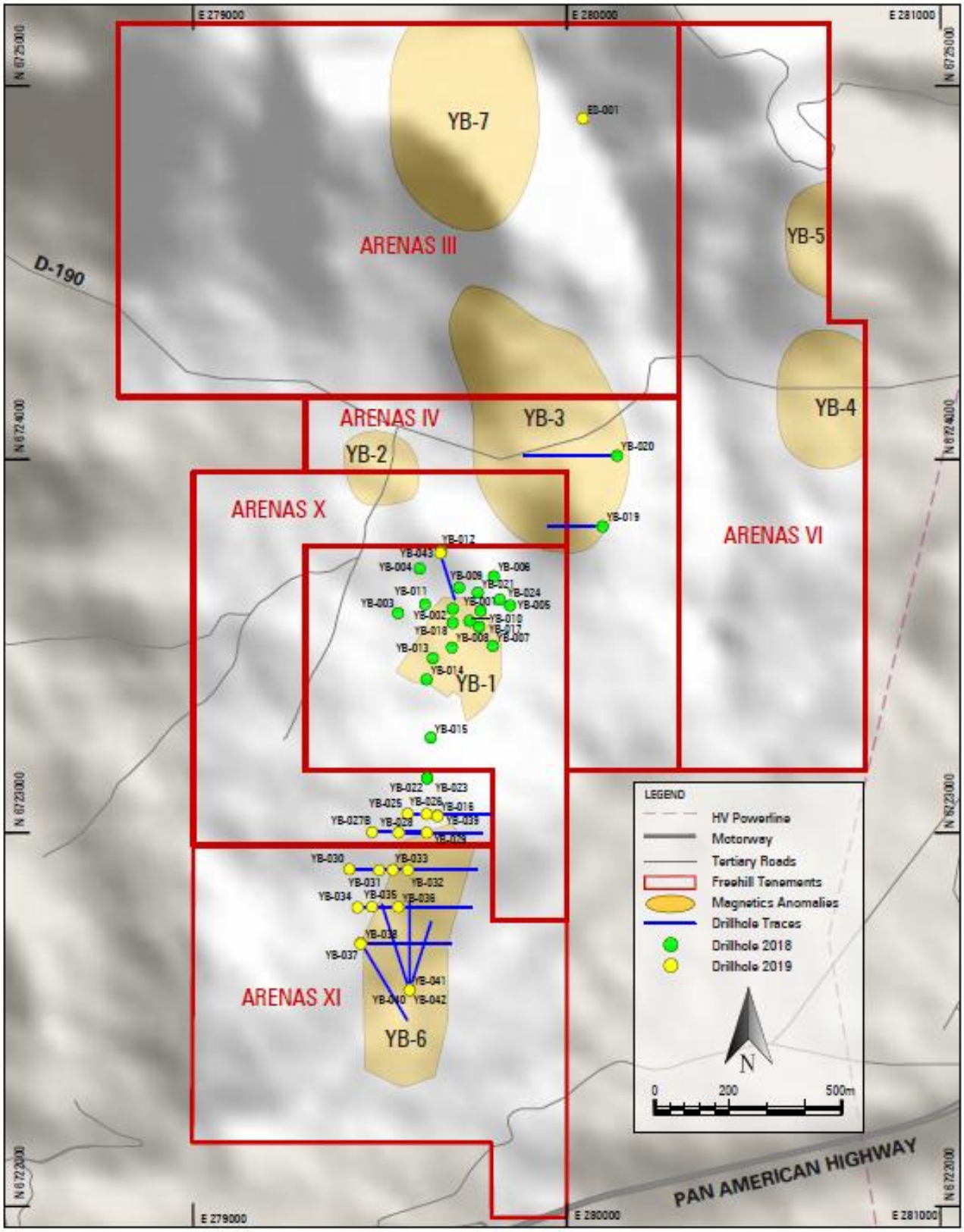

Figure 3 – Magnetite structures identified by geophysics shown together with the drilling programs completed at YB1 and YB6 over the past 18 months

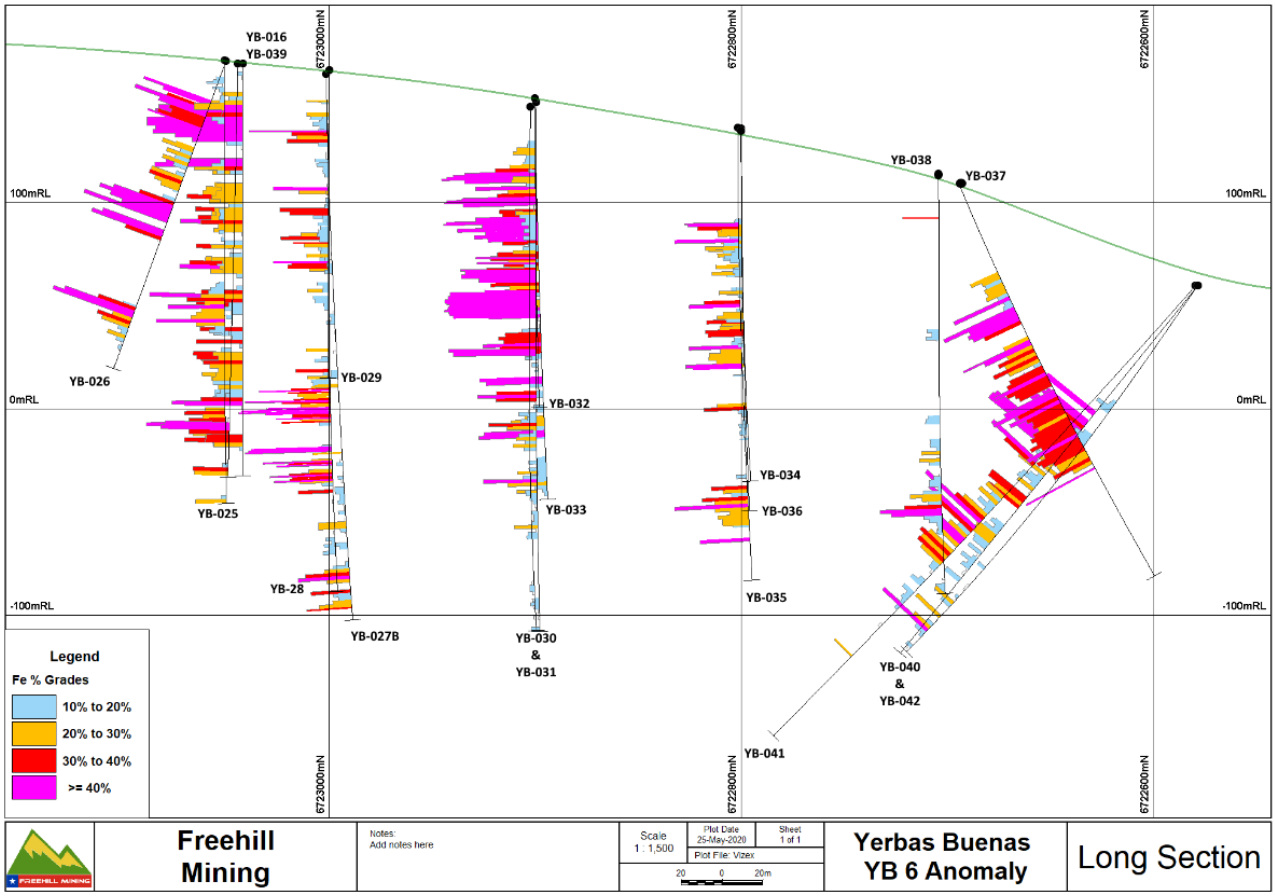

Figure 4 – Simplified North-South Long Section looking to the East through YB6 drilling area

Ports & Local Sales

Magnetite concentrates and pre-concentrates were sold to Compania Minera De Pacifico S.A Romeral pellet feed plant under formal sales agreement for over three years and this sales model may be available in the future however because of the projects close proximity to the port city of Coquimbo a number of alternatives are also possible. Identified sales options are:

- Sale of product directly to CMP/CAP Romeral pellet feed plant 34km south by highway
- Export of product via:
  - *-Coquimbo public port 49km by highway*
  - *-Guyacan iron ore port 51km by highway*
  - *-Cruz Grande 18km by unsealed public road (port development approved)*

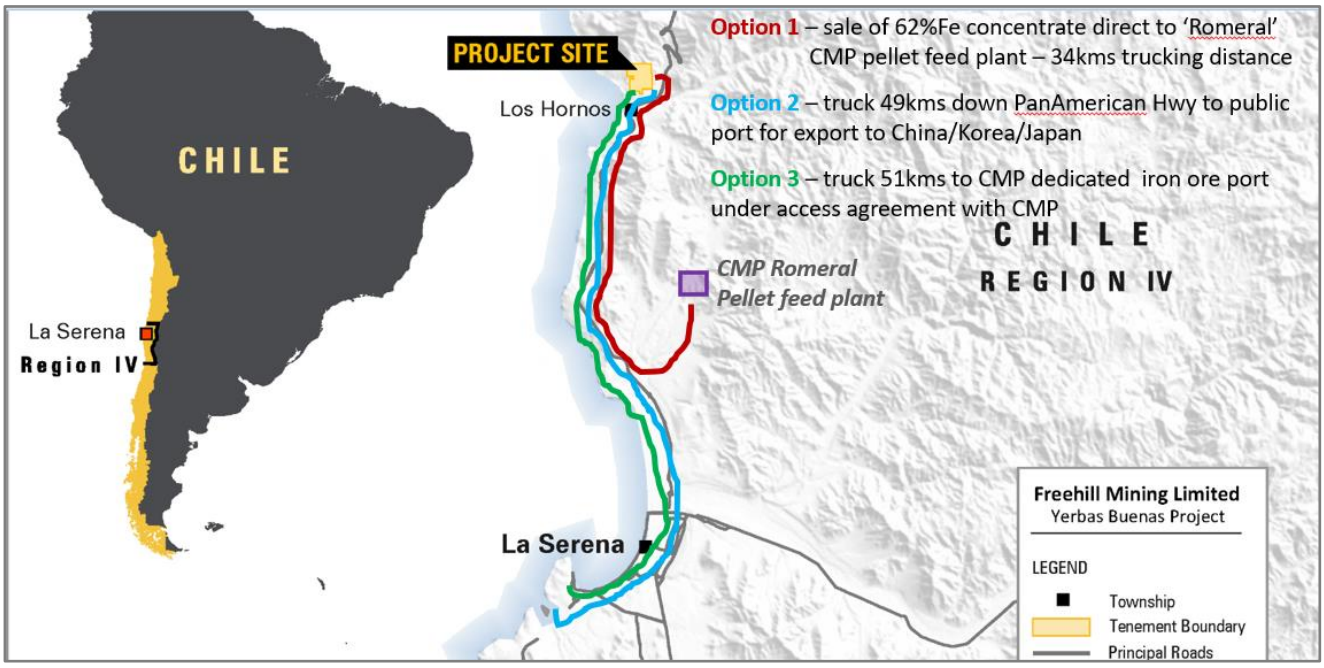

Figure 5 – Transport routes and distances to nearest local buyer and export ports

Project Development Plan

Based on the Company's previous experience operating a trial mining and processing operation at the YB1 mineral resource during the period 2017-2019 it is confident that there is sufficient knowledge of local sales markets and various local service providers to commence a prefeasibility study to demonstrate the economic viability of a magnetite mining operation based on the mineral resource already identified within the YB1 and YB6 resources.

Broad development steps over the next several months are:

- Metallurgical testing of drill core at major laboratory in Santiago to determine energy and liberation characteristics of ore to produce sinter feed
- Develop project specific process flowsheet and commence capital costing of plant and operational cost per tonne of product
- Conceptual mine planning
- Submit environmental impact assessment document (DIA Declaracion de Impacto Ambiental) to government to begin mining licence application process;
- Commence Pre-feasibility study and financial modelling

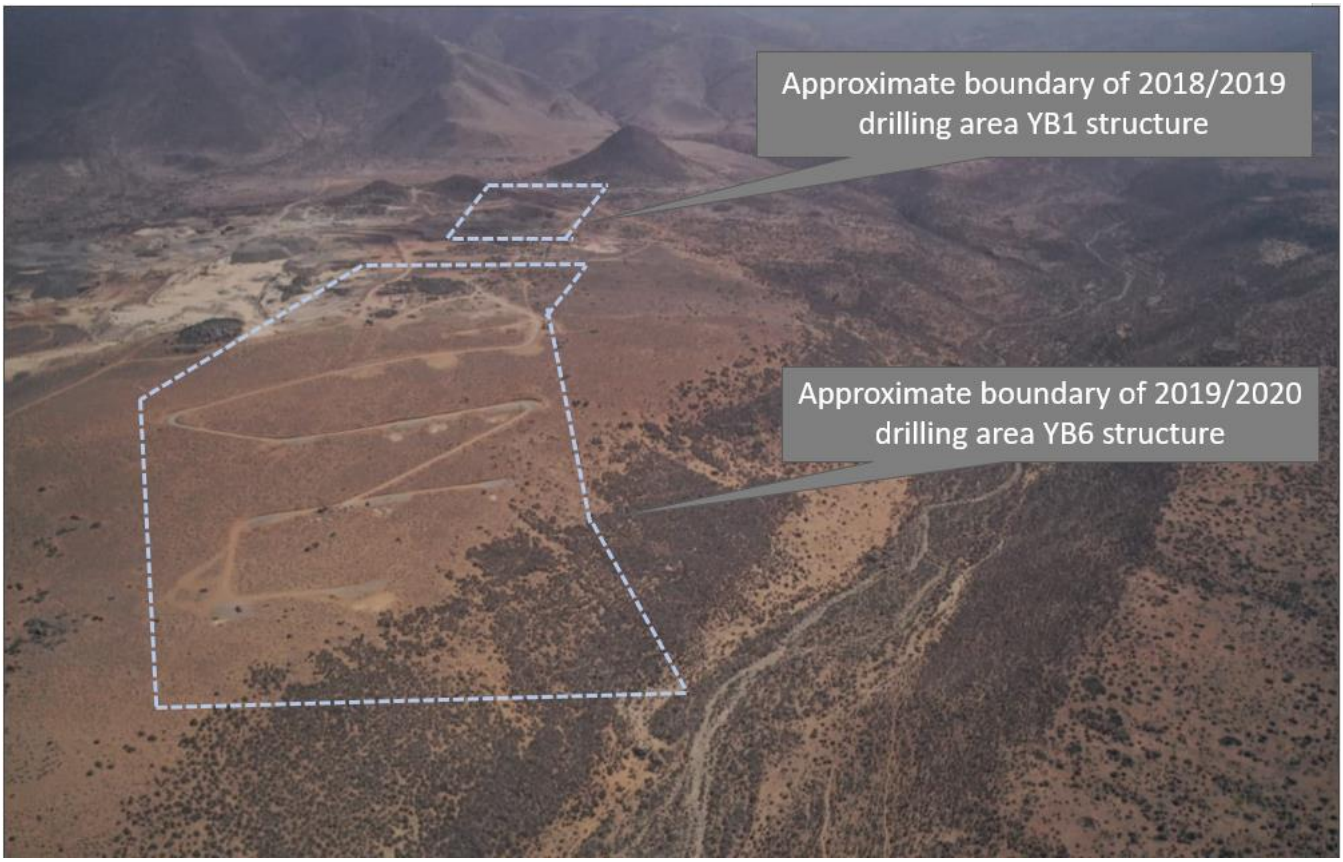

Figure 6 – 2019/2020 drilling program area showing YB6 drilling area

Competent Persons Statement

The information in this report that relates to Exploration Results, is based on information evaluated by Mr Peter Hinner, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Peter Hinner 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and or Reserves'. Mr Hinner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to, Exploration Targets and Mineral Resources is based on information evaluated by Mr Greg Curnow, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Curnow is a full-time employee of Geos Mining Mineral Consultants 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). Greg Curnow 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 Yerbas Buenas magnetite project in Chile. Yerbas 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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Freehill Mining Ltd - YB-6 Anomaly – May 2020

JORC Code, 2012 Edition – Table 1

Section 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Diamond drilling (both HQ & NQ core size) carried out by DV Drilling to obtain samples. Samples sawn into half core & accurately weighed by electronic platform balance and the assay portion bagged immediately. Sample length was modified to keep samples at a nominal 5kg weight with most samples being 2 metres in length. Magnetic susceptibility measurements taken on all samples and recorded. Instrument calibrated against a magnetic standard regularly. Raw drill samples delivered to laboratory, total sample dried, crushed to ¼", then Boyd crusher to 10# and then 800g subsample pulverized to 200# (75 microns). Assaying done by Lithium Borate Fusion XRF. Samples also analysed by Davis Tube Recovery (DTR), LOI and Magnasat.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond drilling was the method chosen for all holes drilled. Core diameter was HQ diameter in weathered rock and surficial sands, and NQ diameter in competent rock. Coretech CSD 1300G drill rig used.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse*	Core recoveries were observed during the drilling and any core loss was noted in the geological logs. Samples were checked by for volume, moisture content, possible contamination and recovery. Some core loss was apparent and noted (generally <5%) in the weathered portion of the holes, however this was generally minor.

Criteria	JORC Code explanation	Commentary
	material.	
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	All sample intervals logged by a qualified geologist with experience in magnetite deposits in Chile to a level appropriate with the style of mineralization. Logging was both qualitative and quantitative Core orientation, lithology, alteration, mineralization level, weathering, magnetic susceptibility and sample length were all logged & transferred to an Excel spreadsheet. All core was photographed both wet & dry prior to cutting.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	All core cut using a standard electric diamond saw to half core. The preparation of samples followed industry practice. Assay sample intervals were then marked by the geologist and ½ core samples bagged into plastic bags and dispatched to ALS Coquimbo, Chile for ore preparation. Ore preparation was a standard PREP-31 method which involved oven drying, crushing to -2mm and a 250g sub-sampled pulverized of 85% passing 75 micron using LM5 mills. QA/QC sampling involved blank material certified standard pulps & duplicates. ALS laboratory also carried out internal standard QA/QC procedures. Sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	All assaying of sample pulps conducted at ALS Iron ore Technical Centre Perth which is an accredited assay laboratory. Assays on pulps include XRF of all samples, Magnasat testing of all samples and DTR testing of a subset of samples Laboratory QA/QC samples involving the use of blanks, duplicates, standards (certified reference materials), replicates as part of in-house procedures. Both ALS laboratories are ISO 9001 accredited.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	All drill hole data was logged on paper and then digitally entered into Excel by Freehill geologists at the site office. All digital data was verified and validated by Freehill's consultant before loading into the drillhole database. Significant intersections were verified by magnetic susceptibility meter and visual colour assessment. One twinned hole was done, which compared YB-016 with YB-039.

Criteria	JORC Code explanation	Commentary
		Both analogue and digital versions of all drilling logs, geological logs etc stored in multiple backup locations. No adjustments were made to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Drill hole locations were located by V60 Trimble 220 system DGPS (20 holes). Topographic LIDAR drone survey carried out over the MRE area All holes were 'downhole' surveyed using a Reflex Ezy-Gyro instrument to confirm drillhole deviation. All digital data, maps and data products reporting are provided in coordinate system: datum WGS84 and projection UTM zone 19S.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Drillhole line spacing is a nominal 100 metre with holes spaced along the line between 50 & 75 metres. Drillhole spacing is considered appropriate for the level of confidence quoted. MRE assay samples were composited to 2 metre intervals.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drillholes were oriented between -50° & -65° (though 1 hole was drilled vertically) to the east which was considered to be perpendicular to the YB-6 mineralisation. Hole positions are not considered to have introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	Chain of custody was strictly controlled, with all samples in the possession of drilling contractor or company staff at all times until delivered to ALS Coquimbo. Samples were transported to the ALS Coquimbo by Freehill staff where they were bar coded upon receival.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audit of data has been completed to date.

Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Yerbas Buenas Project is located on 6 licences held through Chilean subsidiaries of which Freehill Investments Pty Ltd currently has a 100% interest. Licences are numbers 04102-2723-1, 04102-2714-2, 04102-2715-0, 04102-2755-K, 04102-2937-4 & 04102-3522-6 for a total of 478 hectares.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Two RC drillholes, SDHYB1101 & 1102, completed by previous tenement holder Compania Mineria del Pacifico (CMP) in 2011. Complete drillhole logs and assays provided by CMP. Samples assayed for Total %Fe and % magnetics by Davis Tube. 50m line spaced ground magnetics survey completed over 800m x 800m by Geoexploraciones in 2010. 200m line spaced ground magnetics survey completed over 4.8km^2 by Ingeglobal in 2014.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The deposit occurs within the El Tofo and Atacama Fault region with those projects lying along the El Tofo Fault being primarily iron bearing whilst those along the Atacama Fault tending to be predominantly copper bearing. The central area is characterised by three dominant intrusive structures. The structural setting is one of NE-SW trending subvertical tabular bodies with apatite the primary gangue. The primary intrusive unit is a diorite with veins of quartz-magnetite and disseminated magnetite. Andesitic porphyry occurs with abundant biotite, quartz with magnetite as well as hydrothermal breccia with magnetite. Yerbas Buenas shows some evidence of IOCG mineralisation.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *total drillhole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	See Table 4 YB-6 Drillhole Collar Data of the report for details.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Exploration results are not being reported. No aggregate intercepts were used in the estimation. No metal equivalents are being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Exploration intercepts are not being reported. Where possible drill holes are oriented to cut at right angles across the mineralisation. Down hole widths are considered as true widths.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate maps and sections are available in the body of the Mineral Resource Estimate.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The reporting of results in this report is considered balanced. No other exploration data, that is considered meaningful and material, has been omitted from this report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Exploration results are not being reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further infill drilling is recommended to overcome limitations incurred during the current drilling of YB-6. Further drilling to the south to test the extent of mineralisation Follow up RC 'in-fill' drilling of the YB6 magnetic structure is planned for Q2 2020 to upgrade the resource category

Section 3- Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Data stored in Micromine 2018 database. Data provided in a consistent format & imported using a software importer to minimise human errors. Minimal human handling of assay data. Data validation occurred via several stages initially via excel spreadsheets followed by Micromine's internal database validation program which prevents the duplication of data, typographical errors and maintain coding consistency between geologists. The data then underwent database validation and QA/QC procedures prior to database generation. Assay values have been subjected to random reconciliation with laboratory certified values to ensure agreement.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	The Competent Person was onsite between Oct 2019 & Dec 2019 as most of the drilling was undertaken. Drill sites were inspected & locations verified. Local geology witnessed at multiple locations. Drilling &sampling procedures were witnessed. Discussions were held with field geologists about mineralisation structure, local & regional geology. Advice provided on improvements to logging & sampling procedures to increase confidence.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	The geological model confidence is moderate. Geological logging & surface mapping allow extrapolation of drill intersections between drillholes. Current data spacing & quality is sufficient to imply, but not verify, grade continuity. Logged lithologies were used alongside assay results to establish & constrain mineralisation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper*	The YB-6 anomaly block model extends approximately 630 metres in length by 250 metres in width.

Criteria	JORC Code explanation	Commentary
	and lower limits of the Mineral Resource.	The depth extent is from natural surface to -130 mRL & this is approximately 250 metres.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Micromine 2018 was used to create a geological model & define the anomalous mineralisation envelope through a combination of geological model & assay interpolations. The mineralisation envelope was statistically interrogated using variography to define parameters for the estimation. Block estimation was undertaken using Ordinary Kriging (OK) in Micromine. Kriging parameters were defined using %Fe as the primary variable. Estimation has been carried out for %Fe & $\%Fe_3O_4$. Drill hole spacing is variable, & the block sizes were chosen to reflect the best compromise between spacing & the necessity to define the geological detail of the deposit. Block sizes are 10m along strike, 5m across strike & 2m vertically. As there are no extreme values, no top-cut has been applied. Block model validation has been carried out by several methods, including: Drill Hole Plan and Section Review OK Model versus ID^2 Model All validation methods have produced acceptable results.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages reported are on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource has been reported at a range of cut-offs from 0% Fe to 40^{+}% Fe. An economic cut-off of 10% Fe is recommended.
Mining factors or	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is*	Mining methods would be via an open pit combined with an onsite processing plant suitable to the deposit scale and geometry. Mining factors such as dilution and ore loss have not been applied.

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assumptions	*always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Metallurgical test-work as undertaken during a trial mining operation confirms DTR analyses via lab-scale test-work. The use of conventional magnetite processing during trial mining operation with crushing to -6mm and can produce an Fe concentrate with low deleterious elements (SiO_2, P, S, Al_2O_3, TiO_2 & V). Delivery and sale to a local pellet feed plant over 24 months has confirmed the suitability of concentrate as a pellet feed.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Tailings – Based on a 15% Mass recovery, ~85% mass will be deported to the tailings fraction. Crushing to -6mm is an entirely dry process. No water used Given the lack of toxicity, negligible prospectivity for acid mine drainage, availability of low-density land area and bulk handling methods, it is envisaged that waste will be adequately handled should mining occur. There are no other known significant environmental impediments to the project's viability from the currently available information.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and*	Bulk density was based on an algorithm developed from Freehill's relative density measurements on drill core that were matched to known assay grades. The algorithm was compared to similar algorithms developed at similar magnetite deposits & found to be consistent with them. No voids were encountered in the drilling

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	differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Mineral Resource comprises Inferred Resources classification only, reflecting the confidence in the deposit. Geological modelling, data density, data geometry and variography form the basis for the classification. The classification of the Mineral Resource considered qualitative and quantitative criteria. The criteria considered included the geological model, logging data, sampling techniques, data quality, data distribution, variography, deleterious materials with consideration of factors such as induration and overburden. The result reflects the Competent Persons view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	The current Mineral Resource estimation has been internally peer reviewed by Geos Mining and found to meet the criteria for eventual economic extraction.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The relative accuracy of the resource estimate is reflected in the JORC resource category. The Inferred Resources are considered global in nature.