



21 October 2021

Underwriting of Option Exercise by Existing Shareholder

Freehill Mining Limited (ASX: FHS) ('Freehill' or 'the Company') is pleased to report that, in accordance with ASX Listing Rule 3.11.3, existing Freehill shareholder Mr Gavin Ross has agreed to partially underwrite the exercise of the Company's FHSO options which are set to expire on 12 November 2021. The FHSO options have an exercise price of 2.5 cents (\$0.025) each.

The Company and Mr Ross have entered into an underwriting agreement (**Agreement**) where he has agreed to partially underwrite any shortfall of the exercise of the FHSO options by subscribing for share entitlements attached to unexercised options up to a maximum amount of \$800,000 (amounting to 32,000,000 FHSO options). As at the date of this announcement, there are 80,078,205 FHSO options on issue.

In a strong show of ongoing support for Freehill and its growth strategy, no fee, commission or other consideration is payable by the Company to Mr Ross under the Agreement. Mr Ross, who is a sophisticated investor and has an existing substantial holding in the Company, has visited the Company's Yervas Buenas site and participated in significant placements by the Company in February and June of 2020. Mr Ross is not a related party of the Company.

The termination provisions of the Agreement are set out in Annexure A.

Comment:

Chief Executive Officer Paul Davies said: *"Gavin Ross has been a long term and committed shareholder of Freehill and we are grateful for his ongoing support with this Agreement. It underpins our cash position and provides us with added financial flexibility as we ramp up Phase 1 mining operations at Yervas Buenas, which will shortly bring a much valued revenue stream to the Company and where start-up operations are advancing to plan."*

This announcement has been authorised by the Board of Freehill Mining Limited.

-END-

About Freehill Mining Limited

Freehill Mining Limited (ASX: FHS) is a mining and exploration company currently focused on the development of its 100%-owned, 478 hectare Yervas Buenas magnetite project in Chile. Mobilisation for Phase 1 mining operations at the Yervas Buenas magnetite mine is now underway and the Company continues to advance the development of the larger scale magnetite resource.

For further information, please contact:

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ANNEXURE A

KEY TERMINATION PROVISIONS IN UNDERWRITING AGREEMENT

1 Termination

(a) Notice of termination

The Underwriter may terminate the Agreement by giving notice in writing to the Company at any time before the Issue Date, without cost or liability to itself, if a representation or warranty given by the Company under clause 2 is shown to be untrue or incorrect.

(b) Material Adverse Effect

Despite clause 1(a), the Underwriter may only exercise its termination rights under the Agreement if, in the reasonable opinion of the Underwriter reached in good faith, the circumstances giving rise to such termination have or are likely to have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

(c) No prejudice

The exercise by the Underwriter of any of its rights under clause 1 does not prejudice any rights the Underwriter may have to seek damages for loss caused to the Underwriter as a result of a breach of the Agreement by the Company.

(d) Termination by the Company

The Company may, without cost or liability to itself and without prejudice to any rights for damages arising out of any breach by the Underwriter of its representations, warranties or obligations under the Agreement, by notice in writing given upon or at any time prior to the allotment of all Underwritten Shares, terminate its obligations under the Agreement if the Underwriter defaults under the Agreement or any representation, warranty or undertaking given by the Underwriter in the Agreement is or becomes untrue or incorrect.

2 Company's Representations and Warranties

As an inducement for the Underwriter to enter into the Agreement, the Company represents, warrants and undertakes to the Underwriter that now and at all times up until and as at the close of business on the day of issue of the Underwritten Shares:

- (a) **(Continuous Quotation)**: the Shares have been “continuously quoted securities” at all times in the 12 months prior to the date of the Agreement;
- (b) **(Recitals correct)**: the Recitals to the Agreement are true and correct;
- (c) **(Corporate authority)**: all necessary corporate action and authorisations to permit the Company to enter into the Agreement have been obtained and are and will be in full force and effect;
- (d) **(Binding obligations)**: the Agreement constitutes a legal, valid and binding obligation on the Company and subject to any necessary stamping is enforceable in accordance with its terms;
- (e) **(No Event of Insolvency)**: no Event of Insolvency has occurred in relation to any Relevant Company nor is there any act which has occurred or any omission made which may result in an Event of Insolvency occurring in respect of a Relevant Company;

- (f) **(Certificate correct)**: the Certificate will be true and correct;
- (g) **(Compliance with laws)**: each Relevant Company has complied with the Corporations Act and all applicable laws that relate in any way to them in all material respects;
- (h) **(Accounts)**: the Accounts present a true and fair view of the financial position of the Relevant Companies as at and for the period ending on the last balance date of the Accounts and there has been no material adverse change since that date in the trading results or financial position of any of the Relevant Companies;
- (i) **(Public Company)**: the Company is a public company limited by shares;
- (j) **(Constitution)**: the Company's Constitution complies with the Listing Rules and the requirements of ASX for the purpose of it being admitted to the Official List of ASX;
- (k) **(no inside information)**: it is not aware of any information that is not generally available at the date of the Agreement which, if made generally available, would be likely to have a material effect upon the price or value of the Shares; and
- (l) **(Information)**: all information provided to the Underwriter by or on behalf of the Company is materially true and correct.

3 Material Adverse Effect

For the purposes of the Agreement, 'Material Adverse Effect' means a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.