



Large Magnetic Anomaly Confirmed at Yervas Buenas

Highlights:

- **High Resolution Ground Magnetism survey confirms large magnetic anomaly in Northern portion of Project Area**
- **May host copper and gold mineralisation that is evident at surface at the project**
- **Demonstrates structural continuity over 2.3km open to south and north**
- **Assay results for magnetite mineralisation pending from recent drill campaign**

Freehill Mining Limited ("Freehill" or "the Company", ASX:FHS) has completed the first stage of new geophysics over the magnetite prospective northern portion of its Yervas Buenas project with data review work now completed.

During the latter part of the 2018, Freehill commissioned both ground magnetism and Induced Polarisation (IP) surveys at the Yervas Buenas Project in Region IV, Chile. The ground magnetism survey targeted magnetite structures whilst the IP survey targeted the source of potentially significant copper mineralisation which is common at surface in the area. Results of the IP survey will be released once full data review is completed.

The magnetic data confirms numerous moderate to strong anomalies. This validates the results of ground magnetism conducted in 2015 but current results have much higher resolutions. This has allowed Freehill's technical team to design a much more targeted drill program for the 2019 calendar year.

The 2018 50m line spaced ground magnetic survey, when combined with the 2017 25m survey, delivers a very high resolution on the full tenement area and clearly identifies good continuity of the magnetite structures in a band more than 2.3 km from the south to the north of the project area.

The new higher resolution ground magnetism survey has redefined the YB7 and YB3 structures, improving the confidence level and will allow the Conceptual Exploration Target tonnage to be upgraded. We believe the revised tonnage would be potentially sufficient for 10-15 years of mining activity in those two structures alone¹.

Yervas Buenas' geology shows a complex lithology consisting primarily of various types of andesites on the eastern portion of the grid and a mixture of andesites and diorites on the western portion of the grid.

Yervas Buenas is located just south of a number of large magnetite deposits, as well as some smaller copper-gold deposits, including El Tofo and Dominga (located between 15 and 20 km to the north).

A series of magnetite veins and deeper magnetic bodies (Caballo Blanco) is also located 7 to 10 km north of the project, while the larger magnetite concentrations of Higuera and Romeral are also located 15 km north and south of Yervas Buenas, respectively.

¹ The potential quantity and grade of the magnetite material 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.

Magnetite Target

The ground magnetic survey was conducted with continuous profiles along EW lines with a line spacing of 50m. Survey coverage totalled 59.3 km.

In general, there is good correlation between the current magnetic survey and previous magnetic surveys. Both the 25m and 50m surveys outline the main magnetic anomalies along the narrow zone of mutual overlap through the central portion of the grid. The location of the anomalies appears to be very similar, suggesting that all surveys were conducted with the same GPS datum and that no major positioning errors are present.

Figure 1 – New 50m line spaced Ground Magnetics survey for northern area integrated with 2017 southern area 25m line spaced work. Image is presented as a Total Magnetic Intensity Reduced to the Pole

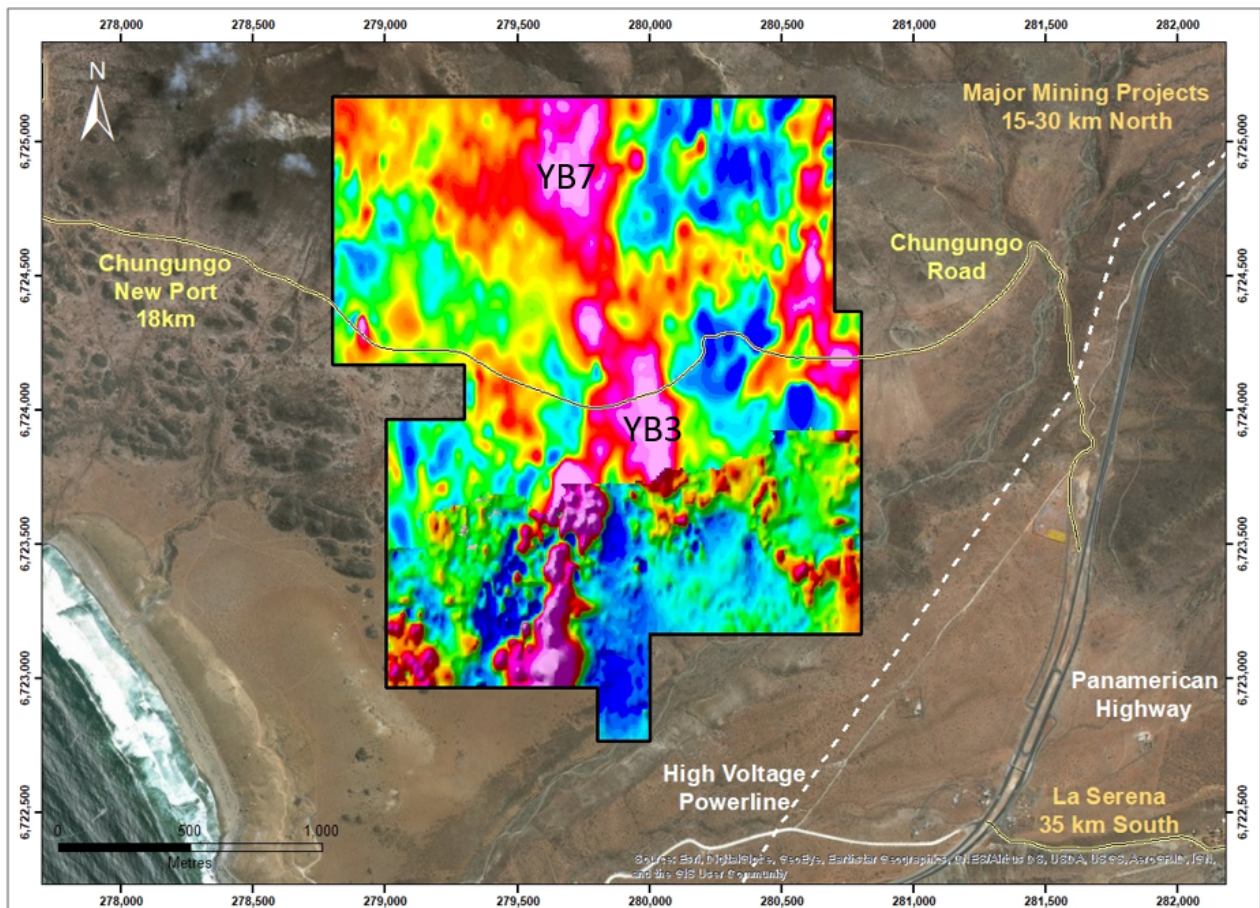


Figure 2 – New RTP grid with 50-m lines spacing (over the previous 200-m grid).

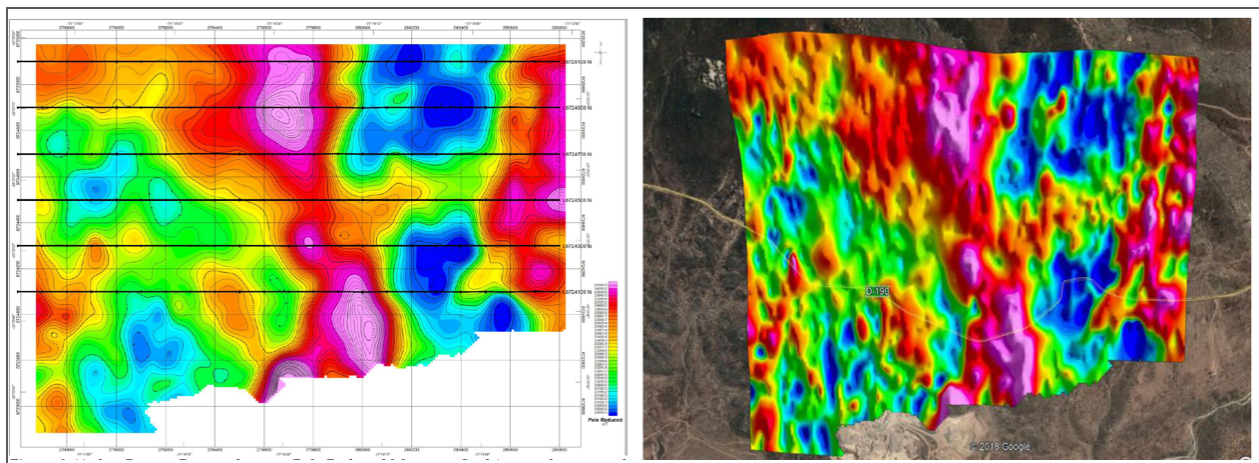


Figure 3 – Perspective view of the YB7 structure shown laid over the northern mountain structure which is situated 900m north of the trial mining pit.

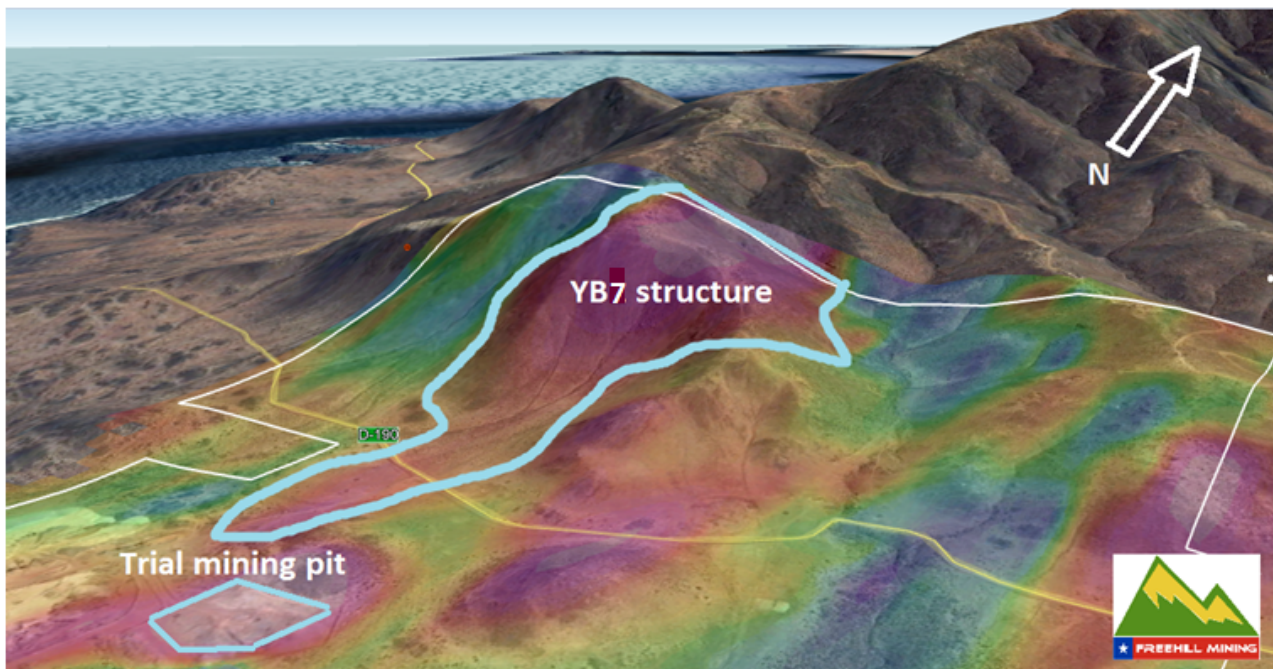


Figure 4 – View of YB7 location with photograph taken from northern edge of YB1 structure and trial mining pit



Yerbas Buenas Magnetite Pellet Feed Quality

Magnetite concentrate produced during 2018 from trial mining activities and sold to Compania Minera del Pacifico Romeral pellet feed plant demonstrates the high quality of pellet feed that can be derived from Yerbas Buenas magnetite concentrates. The analysis shown in Table 1 used a 61.5% Fe concentrate that was delivered to Romeral pellet feed plant. The sample was prepared and tested using a Davis Tube separator and the magnetic product assayed using XRF.

The analysis shows a very high Fe grade is achievable with low Silica, Alumina, Phosphorus and Sulphur at a grind size of only -75 micron compared to typical Australian magnetites which are ground to -45 microns.

Table 1 – Davis Tube concentrate analysis of Yervas Buenas magnetite delivered to Romeral pellet Feed Plant

%Fe DTT	%Al ₂ O ₃	%SiO ₂	%TiO ₂	%MnO	%CaO	%K ₂ O	%MgO	%P	%S
69.43	0.679	1.495	0.197	0.072	0.356	0.025	0.477	0.033	0.020

Magnetite quality for all of the seven primary magnetic structures identified within the Yervas Buenas project area are believed to have a similar potential iron ore and pellet feed quality.

Management Commentary

Freehill's Chief Executive Officer Peter Hinner commented: "Completion of the higher resolution magnetic survey provides a significantly increased confidence level in the predictive capability of our ground magnetics to identify magnetite structures and it is becoming clearer that Yervas Buenas hosts high quality magnetite and a magnetite structure in excess of 2.3 km in length. A drilling program is already being planned for the second quarter of this year that will target the anomaly.

"Yervas Buenas is shaping up as a significant Chilean magnetite project with established offtake agreements and third party processing operations available to us only 30 kilometres from site. We look forward to updating shareholders with results from the recent drill campaign. Uncovering this magnetic anomaly is a great development and shows the project could also be very prospective for copper and gold on top of the known magnetite deposits."

About Freehill Mining Limited

Freehill Mining Limited (ASX: FHS) is a mineral exploration company focused on creating shareholder wealth through the identification of mineral resources in Chile and development of its Yervas Buenas magnetite project. The company has also identified copper and gold mineralisation on its tenements and plans to undertake further mineral exploration programs on these at a later date.

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