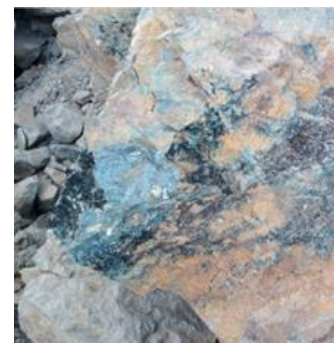


# Freehill Mining Ltd

AGM Nov 2017



*CHILES NEWEST IRON ORE PRODUCER*



## **Competent Person's Statement**

The information contained in the report that relates to Mineral Resources, Exploration Targets and Exploration Results is based on information compiled or reviewed by Peter Hinner, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hinner is a consultant of the company 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'. 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.

## Disclaimer

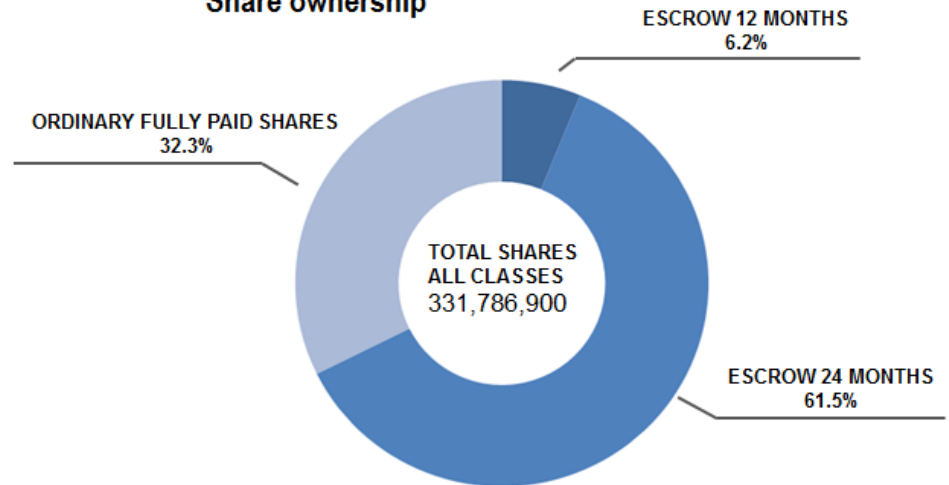
The material in this presentation has been prepared by Freehill Mining Limited ABN 091 608 025 “Freehill” or “The Company” and is general background information about Freehill activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

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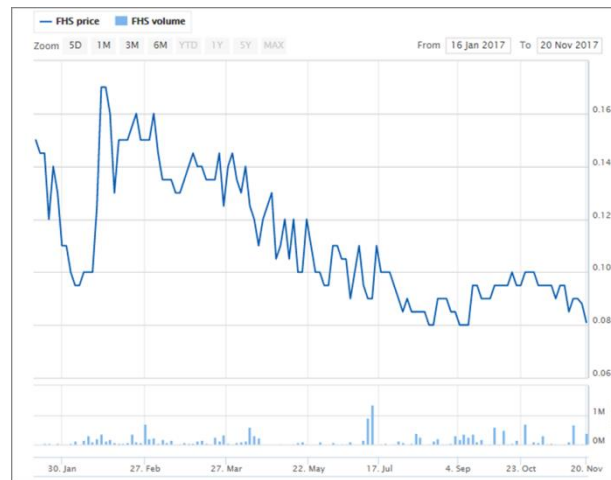
# Freehill Mining – Corporate Snapshot

- ASX code – FHS
- Listed 12<sup>th</sup> January 2017
- Shares on issue 331 million
- Market capitalisation A\$27 million
- 61% of shares escrowed for 2 years
- Simple corporate structure
- Secure tenement holdings
- 398 hectares land holdings
- Surface rights also held

Share ownership



Position	Holding	% IC
1	94,500,000	28.48%
2	12,667,000	3.82%
3	10,166,000	3.06%
4	8,923,000	2.69%
5	6,057,135	1.83%
6	5,875,000	1.77%
7	5,205,000	1.57%
8	4,800,000	1.45%
9	4,567,500	1.38%
10	4,063,333	1.22%
<b>TOTAL</b>	<b>156,823,968</b>	<b>47.27%</b>



From listing to June 30<sup>th</sup> 2017

# Main Activities

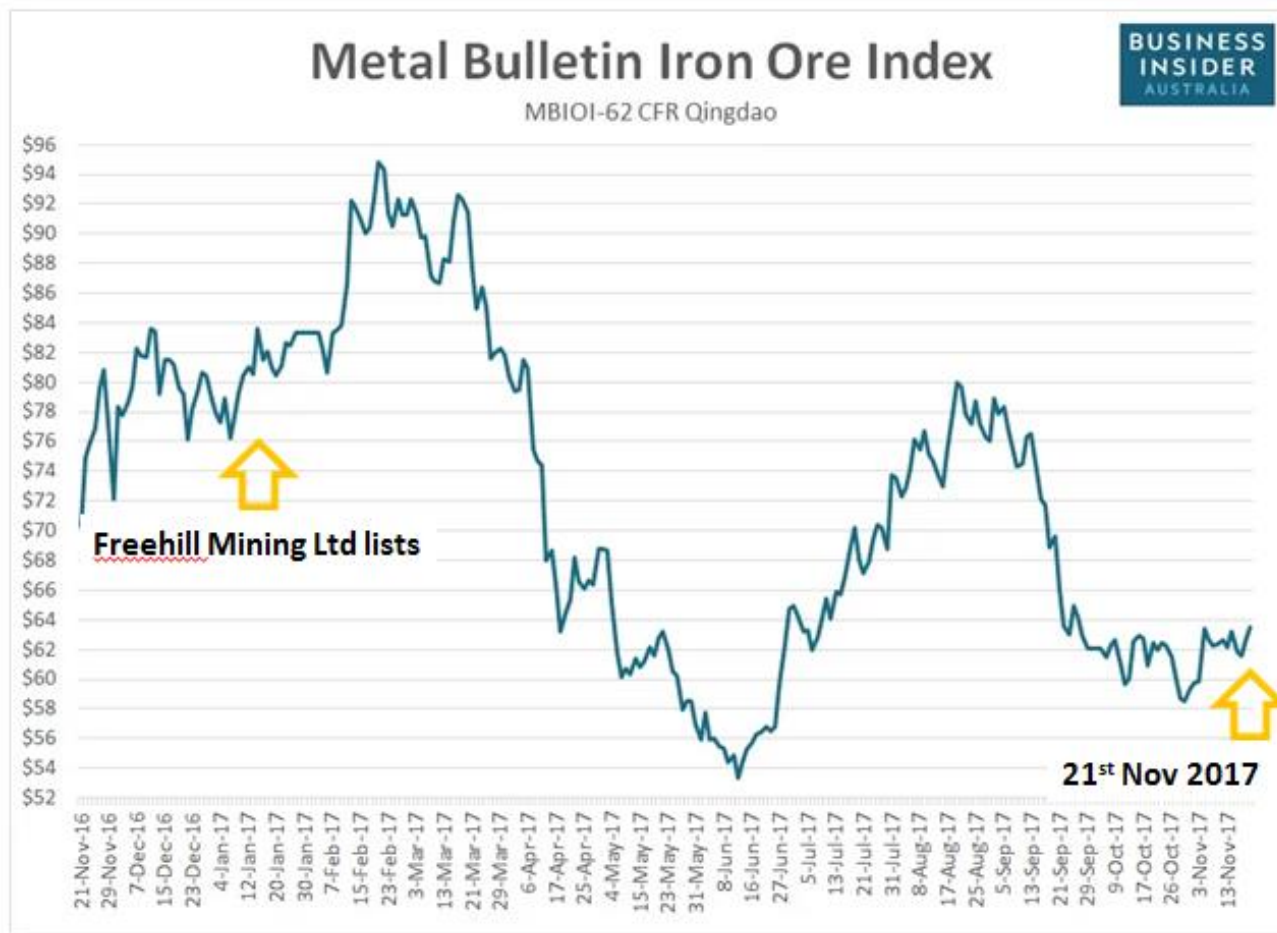
## What's Been Achieved

- Completed a high resolution geophysics program that confirmed 6 major magnetic structures - magnetic signature suggests all are magnetite mineralisation;
- Opened up a trial mining pit on the Yervas Buenas #1 magnetite structure;
- Continued to sell both magnetite pre-concentrates and magnetite concentrates to Compania Minería Del Pacífico (a division of CAP) at their Romeral processing plant;
- Continued to sell medium grade magnetite concentrates to one of Chile's largest cement groups;
- Incrementally increased the throughput of main crushing plant by 500% ;
- Demonstrated that crushing to 6mm allows us to produce a magnetite concentrate with 59-64% Fe grade.



# The Iron Ore price

- Iron ore was trading at US\$80-94/t CFR China in the months immediately after listing
- Fell below US\$50/t mid year and rose again to \$70-78/t range in Q3 and then plummeted \$12 during last week of September
- Recently steadied in a \$59-62 trading range consistent with futures pricing

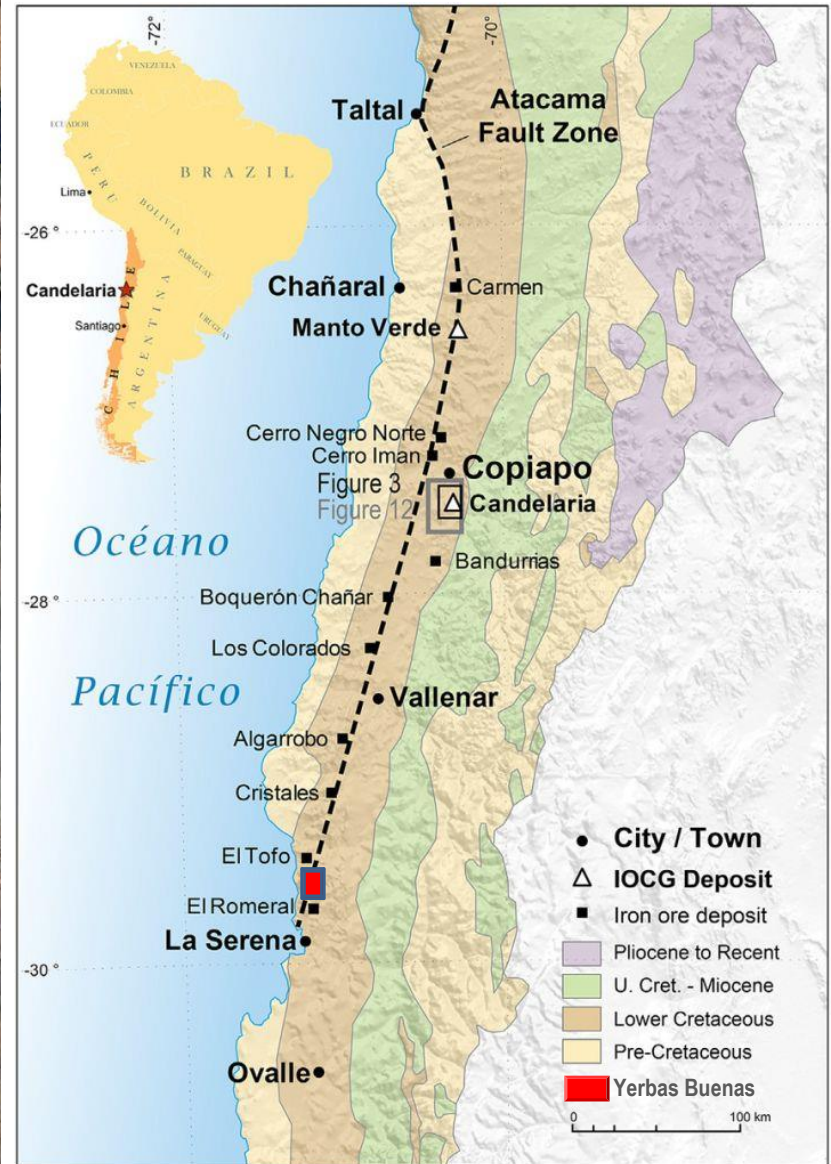


# Freehills Status Today

- Listed on the ASX January 12<sup>th</sup> 2017
- Trial magnetite mining pit operating continuously on day shift 7 days/week
- Demonstration processing plant operating day shift 7 days/week
- Became cash generating by March by selling magnetite concentrates to Chiles largest iron ore processor
- Scalable plant
- 3 phase strategic development plan:
  - demonstration magnetite plant 2017-18
  - then full scale magnetite plant 2019
  - copper exploration
- Aim to be in the lowest quartile of operating cost globally by Q2 2018
- Strategic objective is to eventually construct a plant capable of producing 2.1mtpa of magnetite per year by Q4 2019 and become a player in the Chilean iron ore market.
- Mining friendly jurisdiction
- Application submitted to Mines Department for 40,000 tonnes/month production level

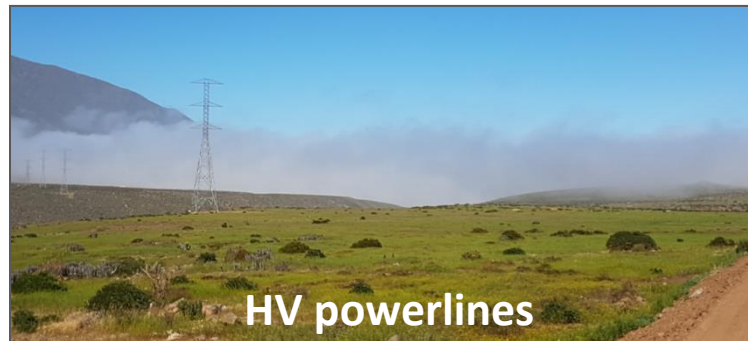


# Project Location



# Infrastructure

- 2km from the PanAmerican Highway
- 32km north of a well serviced city of 400,000 population
- Coquimbo-La Serena provides support services to the southern Atacama mining industry
- 18km from Chile's next major export port, Cruz Grande at Chungungo that will be built by 2020 to provide iron ore exports
- Public road to Chungungo goes past mine gate and will be sealed during 2018/19
- 40km north of 2 large port facilities including the iron ore export port of Guayacan
- 36km by road north of a CAP pellet feed plant
- Commercial airport with several flights per day to Santiago which is only 50 minutes flying time south
- HV powerlines 500m from mine



# A very simple process

- Blast ore in the pit , load with excavator and truck to crushing plant
- Primary and secondary crushing to -32mm
- Tertiary crushing to -10mm or -6mm
- Magnetic separation using 2-3 stages of drum magnets
- Crushing size determines product grade & quality
- All dry processing and no water required
- Scheduled to crush to -10mm by Q4 2017 to produce +58% Fe magnetite product
- Preparing to crush to -6mm by Q1 2018 which will produce a +60% Fe magnetite for sale
- Crushing trials during April 2017 verified a 61% Fe product was achievable at -6mm as shown by the month's average in the table below



Ore		Final product	
%Fe total	%DTT	%Fe total	%DTT
26.3	26.4	61.2	68.7

April ore and product grades

Drum magnet treating crushed ore



# Magnetite Sales

- Product purchase agreement with largest iron ore producer in Chile Compania Minera del Pacifico “CMP” a division of CAP since 2015
- All product currently being sold to CMP Romeral pellet feed plant which is 30km south of the project by major highway



We are working very closely with CMP and currently producing & supplying a pre-concentrates of nominally 40% Fe

With plant improvements, we expect to be producing and supplying final concentrates of +58% Fe by the end of 2017

Product also sold under contract to one of Chiles largest cement manufacturers



# Development Objectives

## Objective 1- Current Magnetite Activities

- Low cost leased crushing plant to produce nominally 58% Fe concentrate for sale to CMP pellet feed plant 30km away
- Establish mining , mineralogical and metallurgical knowledge from operating demonstration plant
- Produce 25,000 tonnes per month of magnetite concentrates for sale to Romeral (subject to permit approval)
- Continue to generate revenues & complete feasibility study for fixed plant

## Objective 2-Next Stage Magnetite Activities

- Use operating data from phase 1 to design 1200 t/h magnetite plant
- Construct a plant capable of producing 2.1 mtpa magnetite at 60% Fe for sale to CAP or overseas buyers
- Plant would be engineered for a 20 year mine life

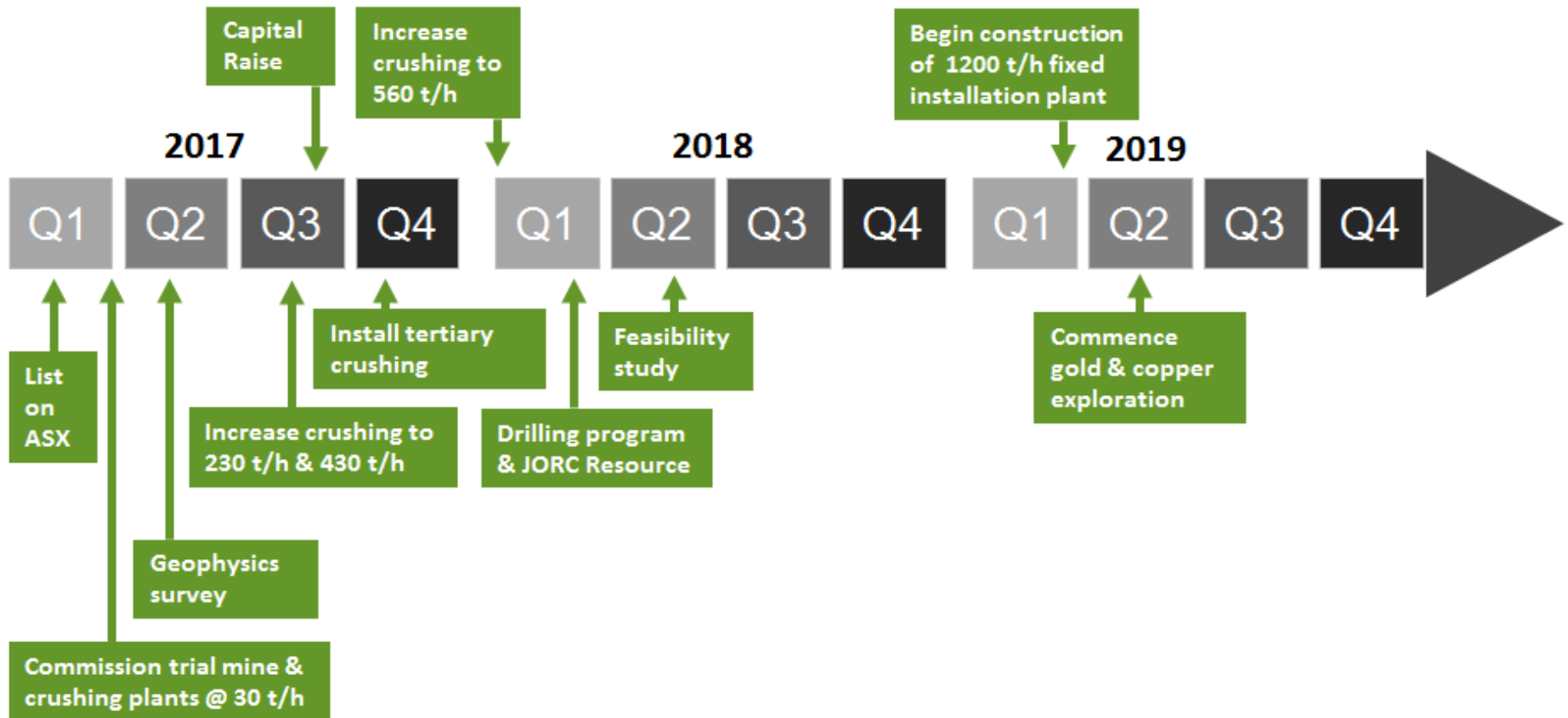
## Objective 3 – Copper & Gold Activities

- Significant copper & gold surface mineralisation in north section of tenement evidenced by several small artisanal mines
- Geophysics shows a very large magnetic anomaly of approximately +200mt
- \$1Billion Santa Dominga IOCG project only 25km to north along same fault



# Development Timeline

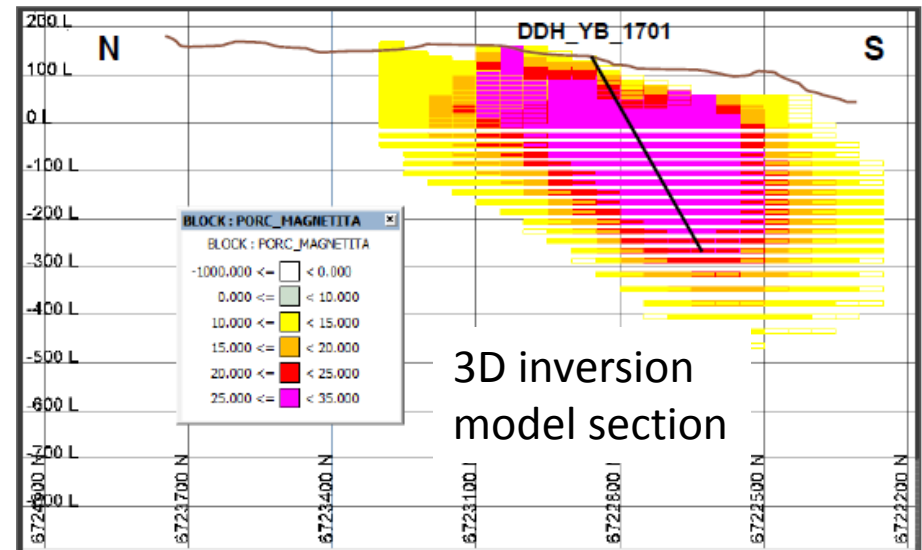
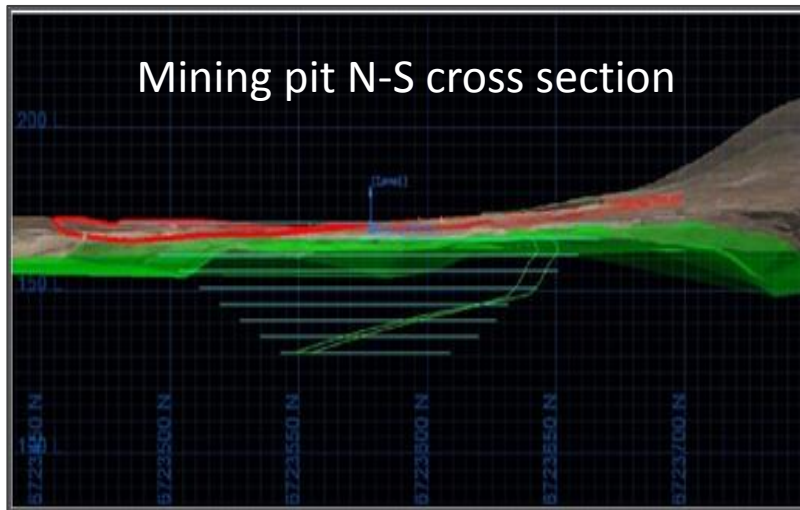
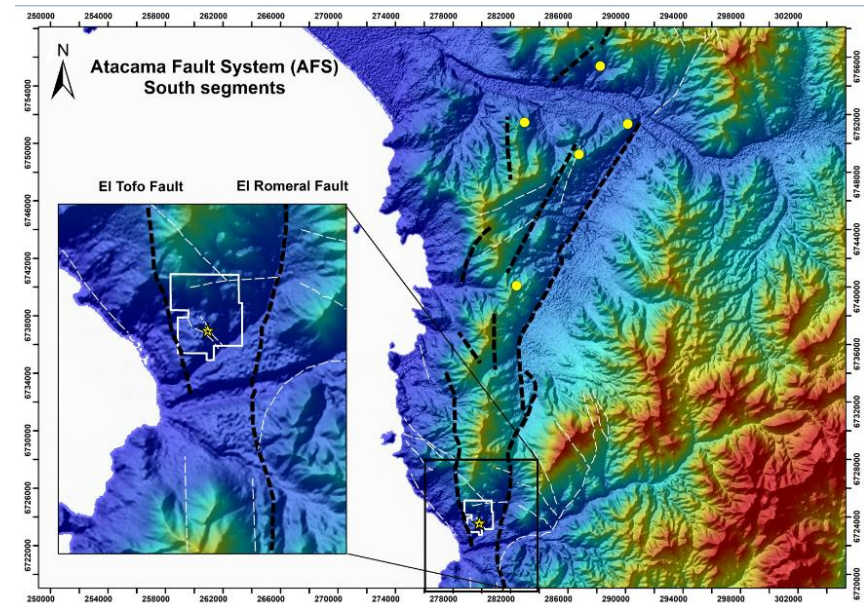
*On track with all major development objectives*





# Geology

- We are situated on the confluence of the Atacama and El Tofo structural faults
- Tenement contains 7 major magnetic structures – drilling proves that these are magnetite based anomalies as well as very strong copper and gold mineralisation in northern structure
- Our geology is consistent with IOCG project within 25km of us and numerous
- Objective will be to prove an economic resource

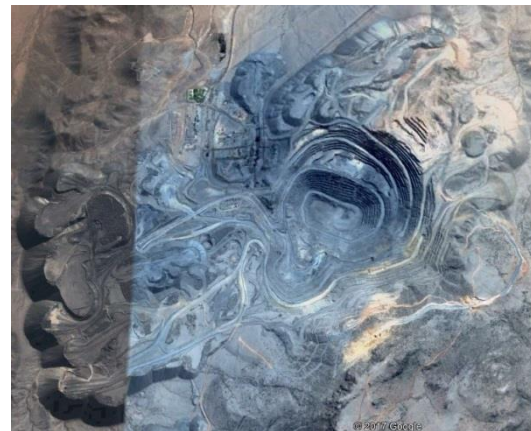
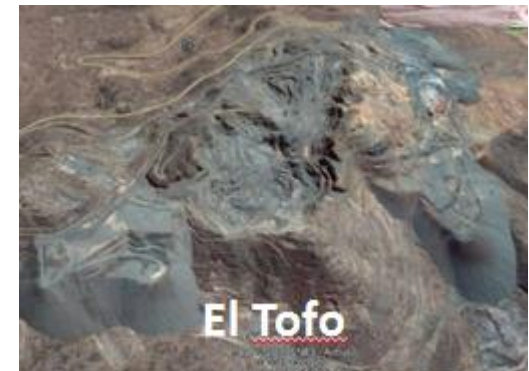


# The Chilean Iron & Copper Belt

“We are in the company of good neighbours”

The Chilean iron & copper belt has numerous operating mines and dozens of identified resources

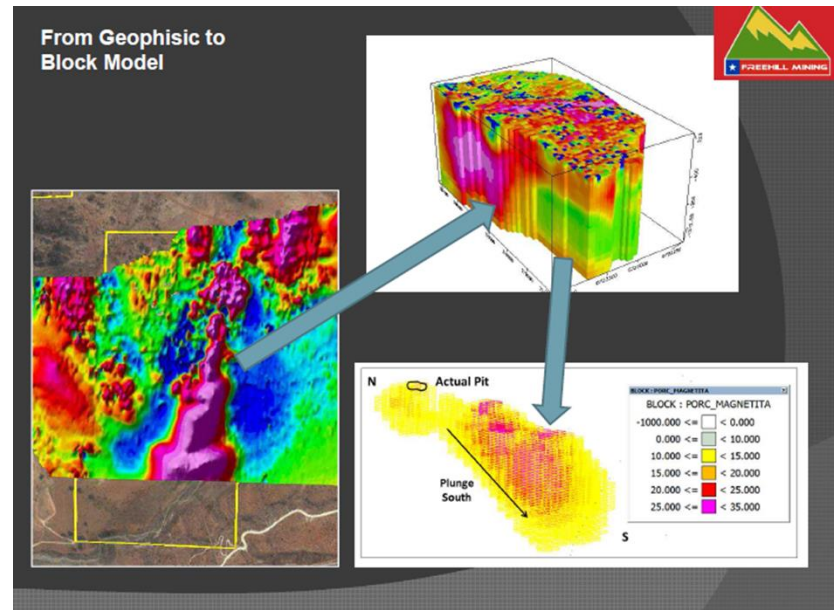
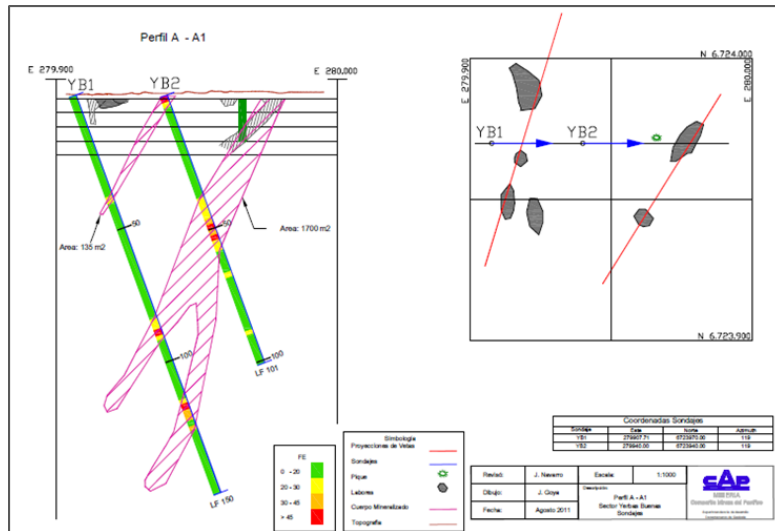
- Latin America's oldest iron ore mine 'El Tofo' just 15km to the north along same fault
- CAP Romeral magnetite mine and plant 13km to the south east
- New CAP El Tofo Norte mine 18km north
- Santa Dominga copper & gold project 23km north
- Lundin Minings Candelaria copper /gold mine 220km north along the same belt
- At least a dozen other operating copper and magnetite mines within 30-250km and a further 10-15 major resources being developed



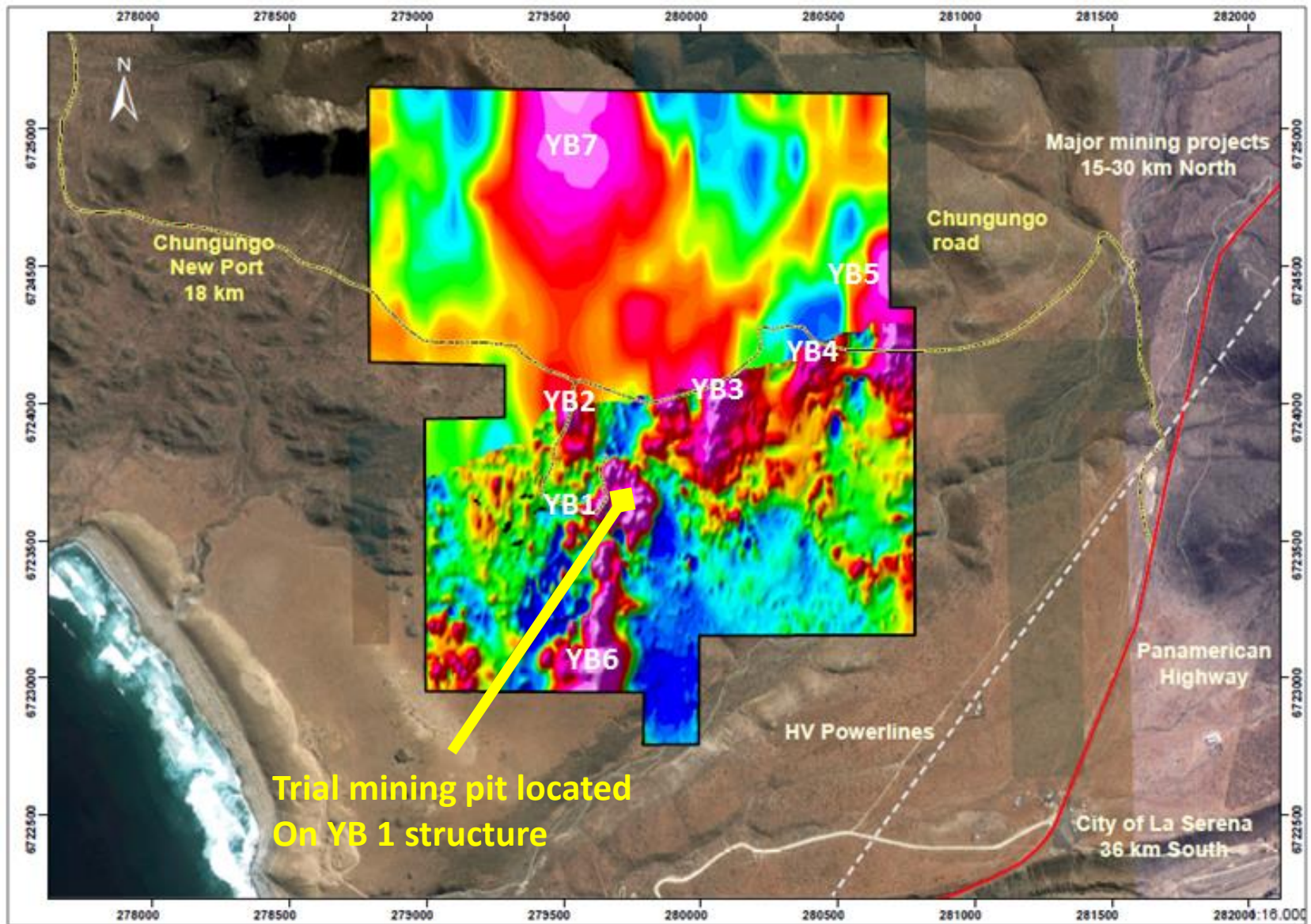


# Previous Exploration

- CAP drilled 2 RC holes in 2011 and have provided Freehill with all the exploration data
- Their drilling was done with only very limited geophysics and thus did not identify the size and extent of the magnetite structure at YB1



# Current Exploration



Remodelled geophysics image showing the 7 major structures based on TMIRTP

The year ahead

# Activities

## What's Planned for 2017/18

- Introduce the Tertiary crushing circuit that will crush ore finer, improving product Fe grade to +58% Fe and allowing an increase in revenues
- Improvements to main crushing plant already underway combined with a newly leased 100-150 t/h mobile crushing plant and iron grades experienced in the pit to date will provide concentrate production of +25,000 tonnes per month at nominally 58% Fe grade
- Planning a maiden RC drilling program in Q1/Q2 2018 with the objective of defining a JORC magnetite Resource.
- Planning to drill at least 2 deep holes into the northern copper/gold anomaly
- New semi fixed crushing plant being considered for Q1 2018 that will reduce unit operating costs



# Plant Upgrades



Tertiary circuit vibrating screen  
being installed mid November

New tertiary  
cone crusher



New mobile  
crushing plant







**New mobile crushing plant**



**New mobile screening plant**



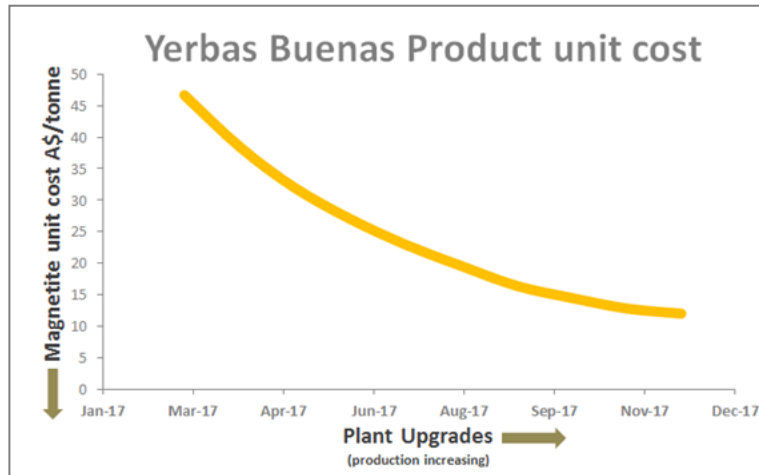
Image taken 3/10/2017



**Trial mining pit looking south**

# Operations Optimisation

- ✓ Reduce operating costs through contract negotiation with crushing plant lessors, haulage & blasting contractors – target is US\$15/tonne product cost
- ✓ Increase crushing rates with up-scaled equipment to reduce unit costs
- ✓ Maximise revenues by increasing product iron grade through finer crushing
- ✓ Renegotiate magnetite sales agreement once we pass the 25,000 tonne/month threshold



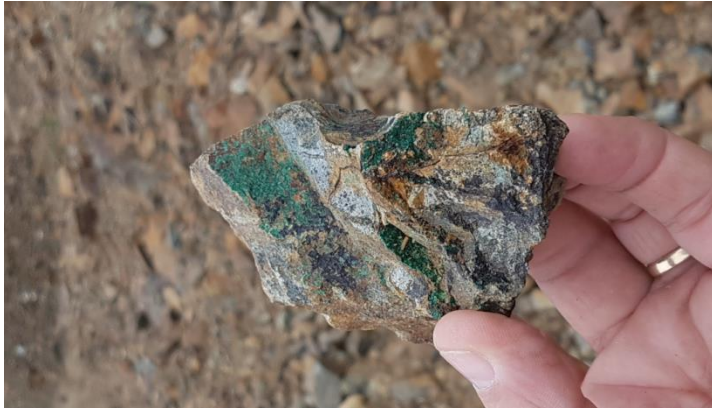
Reduction of unit product cost to US\$15/tonne



Loading of magnetite for delivery to Romeral



# Copper & Gold



**Typical examples of copper and gold bearing rocks found along the Eldorado and Gavilan ridges and beside artisanal shafts in the mountain area on the northern edge of tenement**





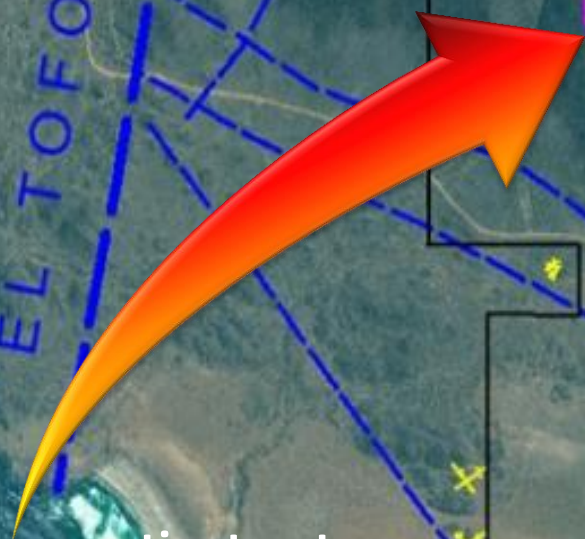
**Copper & gold mineralised areas with artisanal mining only 1200m from current magnetite trial mining pit. Magnetic structure is open to the north.**



EL TOFO FAULT

ATACAMA SYSTEM FAULT

Large magnetic structure associated with numerous artisanal gold and copper diggings – potentially IOCG type deposit consistent with the region



# Thankyou

## **Board of Directors:**

Steve Chaplin ( Chairman )  
Paul Davies ( Chief Financial Officer )  
Joe Fekete ( Company Secretary )  
Nicholas Kapes ( Non-executive Director )  
Ray Mangion ( Non-executive Director )

## **Operations Management:**

Peter Hinner ( Chief Operating Officer )  
Juan Dagach ( General Manager Chile )

## **Address:**

88 Miller Street,  
West Melbourne,  
Vic 3003  
Australia

## **Contact Details:**

email: [info@freehillmining.com](mailto:info@freehillmining.com)  
ACN 091 608 025  
Tel: +61 03 86021700