



30 April 2019

Quarterly Report March 2019

Highlights

- Assaying of Drilling samples completed and JORC resource modelling finalised
- Discovery of an area with 18m of near pure magnetite at >63% Fe within 50m of Surface at Yervas Buenas
- Second significant potential copper sulphide structure identified by Induced Polarisation survey only 800m south of the one discovered in 2018

Yervas Buenas In Summary

The March quarter represented another period of significant activity for the Company, consistent with Freehill Mining Limited's (ASX:FHS; "Freehill" or "the Company") execution of revised strategic plans announced in early 2018.

Assaying of drilling samples was completed toward the end of the quarter and modelling of the drill results commenced with the objective of determining the company's maiden JORC Mineral Resource Estimate "MRE".

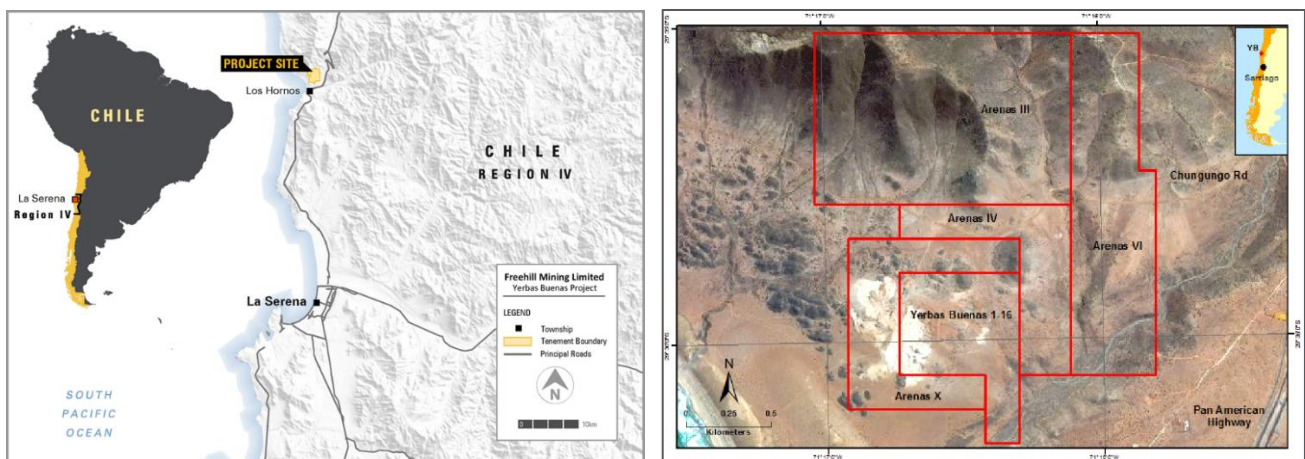


Figure 1 – Yervas Buenas project location

Drilling and modelling for the JORC MRE has focussed on the YB1 structure within which trial mining has occurred to date. This YB1 structure was chosen for the maiden MRE because the majority of technical, operating cost knowledge and product sales has been derived from this area.

Exploration Program - Magnetite

Drill sample assaying from the Company's maiden drilling campaign at its flagship Yervas Buenas project was successfully completed during the quarter.

A total of 24 holes for 4,300 metres of Reverse Circulation ("RC") drilling was completed in mid-December 2018 with hole depths varying from 150m to 250m.

All drilling was carried out by Major Drilling Group International Inc. ("Major Drilling") who have their Chilean headquarters in the city of La Serena, just 30km by highway to the south of the Yervas Buenas project.

The drilling campaign provided a sound basis for further exploration activities and validated ground magnetic survey accuracy in terms of mineralised structure depths and positioning.

Drilling of the southern-most structures showed those areas to generally have only thin sand cover, followed in some cases by up to 170 metres of effectively continuous high grade magnetite material. Mineralisation remains open to the south. Indicative iron grade estimation was done during the program using magnetic susceptibility meters.¹

Drilling was carried out primarily on three of seven magnetic structures identified during a ground magnetic geophysics survey completed in mid-2017. The majority of drilling was completed in and around the trial mining pit (designated YB#1), to allow the estimation of a mineral resource. Additional drilling on the YB#3 & YB#6 magnetic structures to the immediate north and south of the mining pit was also carried out to 'ground truth' magnetite mineralisation and depth (see Figure 3).

Planning for a second phase of drilling during the second quarter 2019 has commenced and will focus on the northern YB7 magnetic anomaly and high grade YB6 structure in the south.



Figure 2 - Drone image of trial mining pit looking NE. Eighteen RC drill holes drilled in and around pit area.

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, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Hole ID	Interval	Intersection	Significant High Grade intersections
Hole YB013	12m	32m-44m	37.1% Fe
Hole YB014	14m	6m-20m	19.8%Fe
Hole YB015	8m	10m-18m	27.2%Fe
Including	28m	34m-62m	37.4% Fe
including	56m	8m-64m	25.2% Fe
Hole YB016	172m	14m-186m	24.4%Fe
including	38m	14m-52m	41.7%Fe
including	16m	20m-36m	61.0 %Fe
including	16m	36m-52m	29.4%Fe
Hole YB022	38m	12m-50m	19.9% Fe

Table 1 – Summary of RC hole drilled into the YB6 Structure on the southern end of the project area

Exploration was confined to the southern half of the project area with drilling focusing in and around the trial mining pit area and confirming magnetite mineralisation within several identified magnetic structures to the immediate north and south of the pit that form part of a contiguous elongated magnetic structure 2.3km long. The structure is open at both the northern and southern boundaries of the project tenement. Drilling covered some 1.1km of strike along the southern portion of the main 2.3km structure.

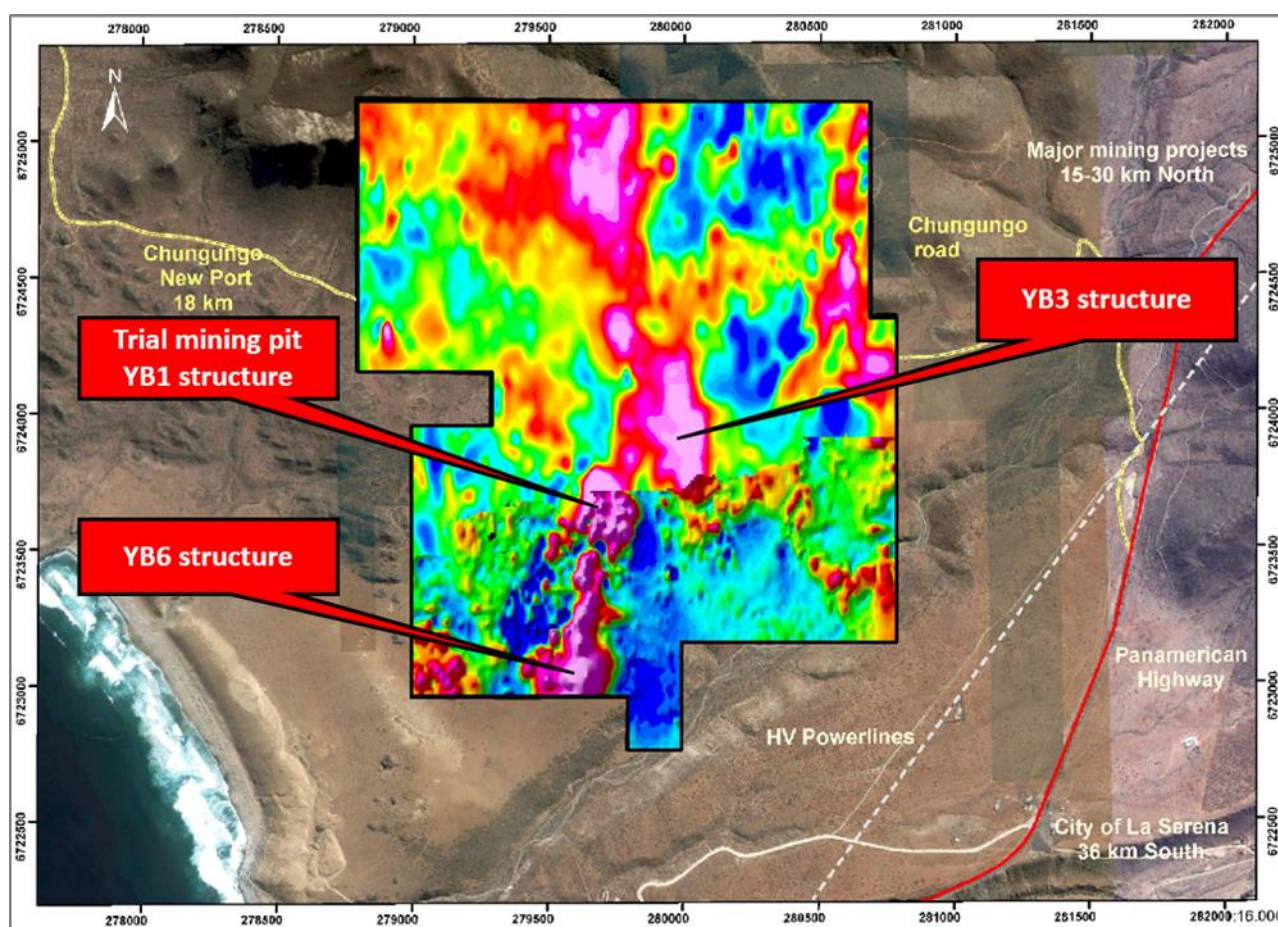


Figure 3 - Yervas Buenas project area showing the three main southern magnetite structures that have been drilled.

Figure 3 shows the campaign drilling targets of YB1, YB3 and YB6. Figure 4 is a north-south cross section of downhole iron grades along a north-south transect in the YB structure.

Drilling of the YB6 structure:

- ❖ Shows it contains substantial sections of almost pure magnetite.
- ❖ Confirms that the structure is mineralised with magnetite iron ore.
- ❖ Shows the structure appears to thicken and widen in a southward direction.
- ❖ The magnetite is of a high quality, low impurity suitable for pellet feed production.
- ❖ The structure has very little overburden.

Hole YB016 contains 22 intervals of lower grade intersections and if these are classified as an inter-burden and removed from the downhole average then the average grade of the remaining 142m from 14m-186m becomes 30.5% Fe.

Detailed test work carried out by Freehill at Intertek laboratory has shown that a total iron content of 30.5% Fe would provide a 38% Mass Recovery using the standard Davis Tube Recovery ("DTR") method commonly used for magnetite assessment.

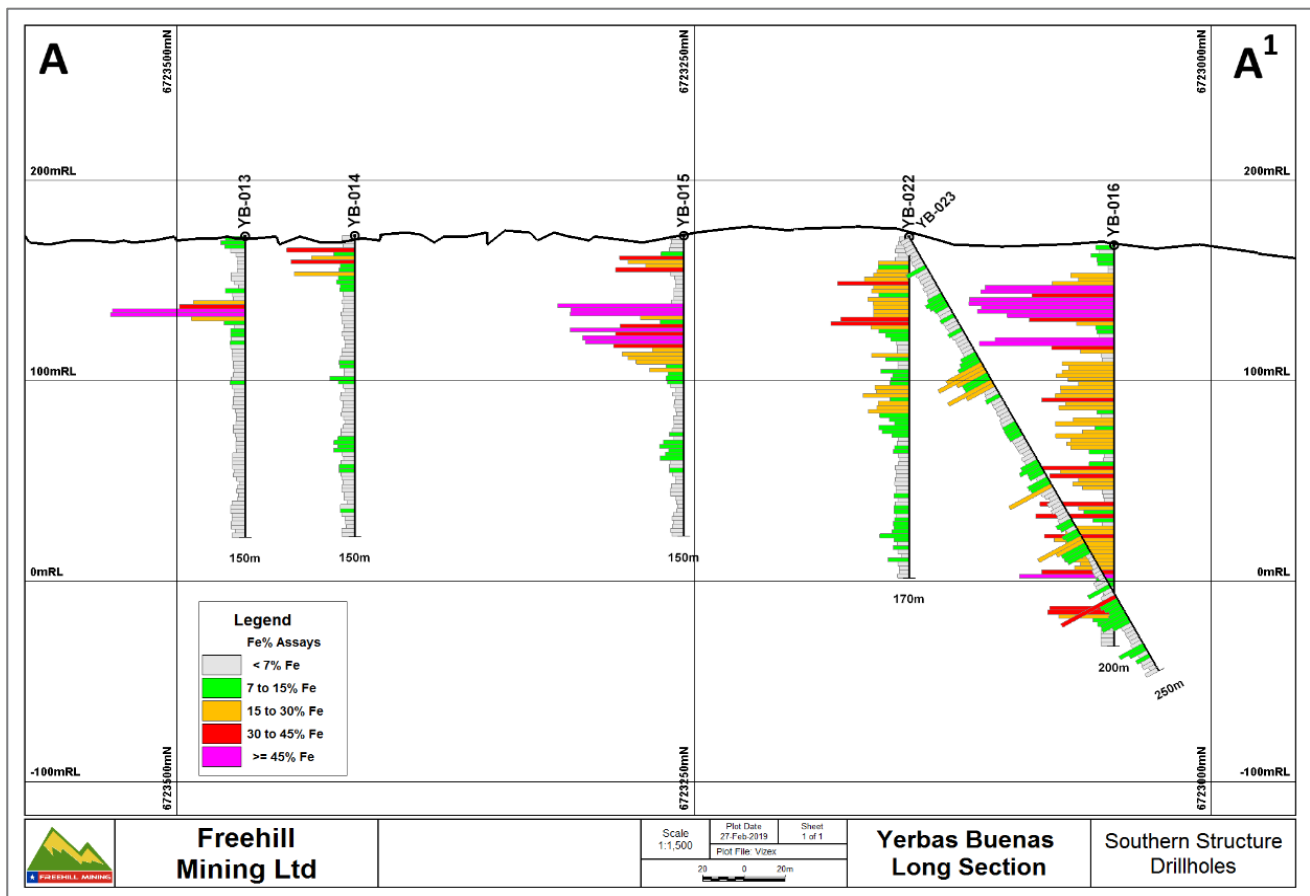


Figure 4 - Long section approximately N-S showing thickening trend of iron grade toward Hole YB016 in the south



Figure 5 - Example of typical massive magnetite found within the Yervas Buenas structures (ex trial mining pit)

Exploration Program – Copper & Gold

During late 2018 Freehill commissioned ground magnetics and an Induced Polarisation (IP) survey at the Yervas Buenas Project in Region IV, Chile. The IP survey targeted a potential source of significant copper mineralisation which is common at surface in the area which contains numerous artisanal copper and gold workings (see ASX announcement *Large Anomaly at Yervas Buenas Identified*, 22 February 2019).

This initial survey identified a large structure in the north-east corner of the project area that extends from surface to over 400m in depth and is open to the east, south & north.

A segment of an additional structure to the south appeared at 200m depth and was the focus of a second IP survey during the quarter to assess its size and geometry (see Figure 6).

The chargeability inversion plot is shown in plan in Figure 6 and in section in Figure 7 and clearly show a structure that widens out to the east and extends to the north as it deepens. It is open to both the north and east. The structure is located only 600m east of the trial mining pit and less than 1km west of the PanAmerican Highway (Figure 3).

A follow-up IP survey to the one done in late 2018 revealed another large structure which potentially also contains copper sulphide mineralisation.

The Company's next drilling program is currently being planned and will incorporate a diamond drilling component to drill both the northern and southern IP structures to confirm the mineralisation.

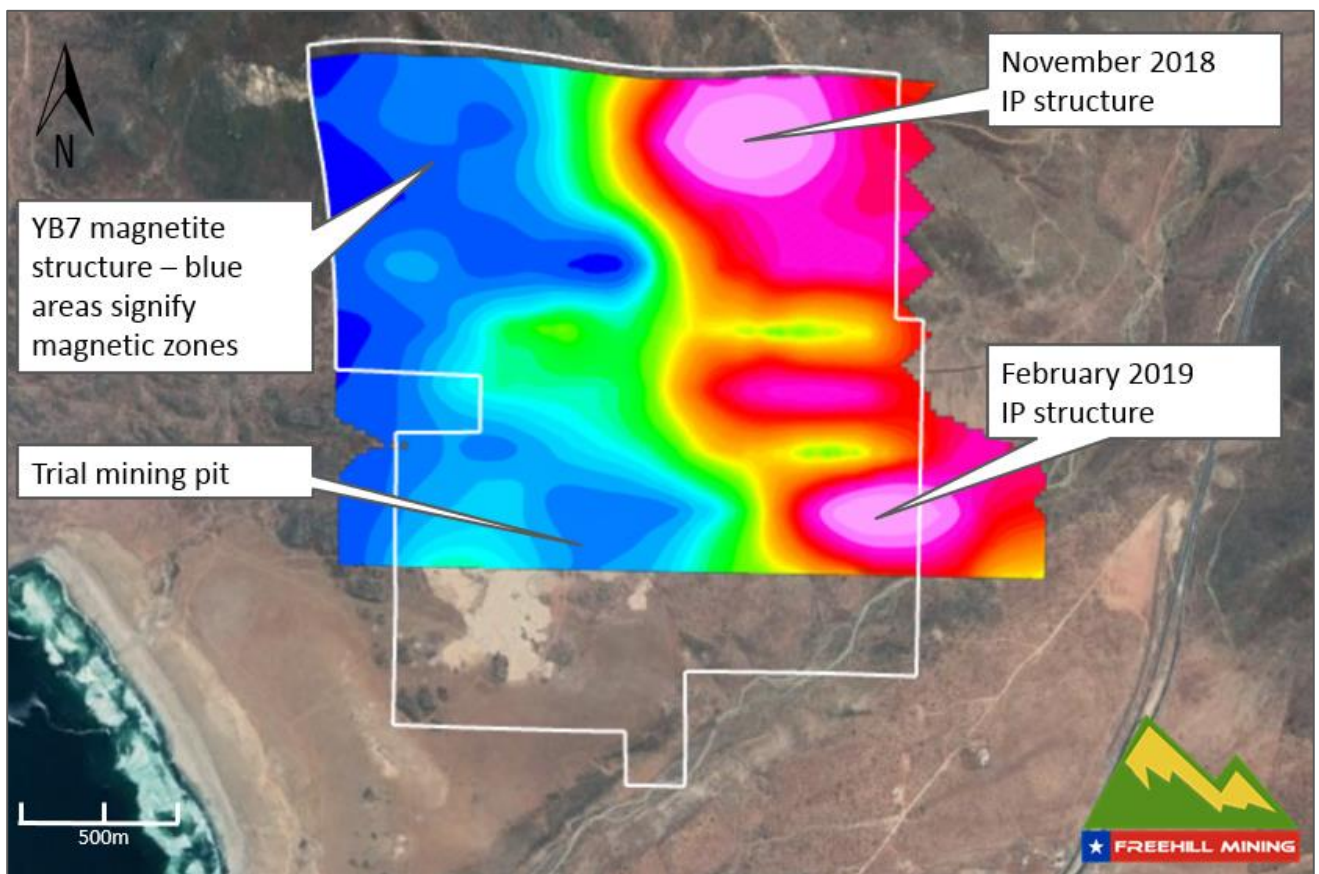


Figure 6 – Induced Polarisation survey showing 2018 north eastern structure and most recent survey that revealed new structure in south east

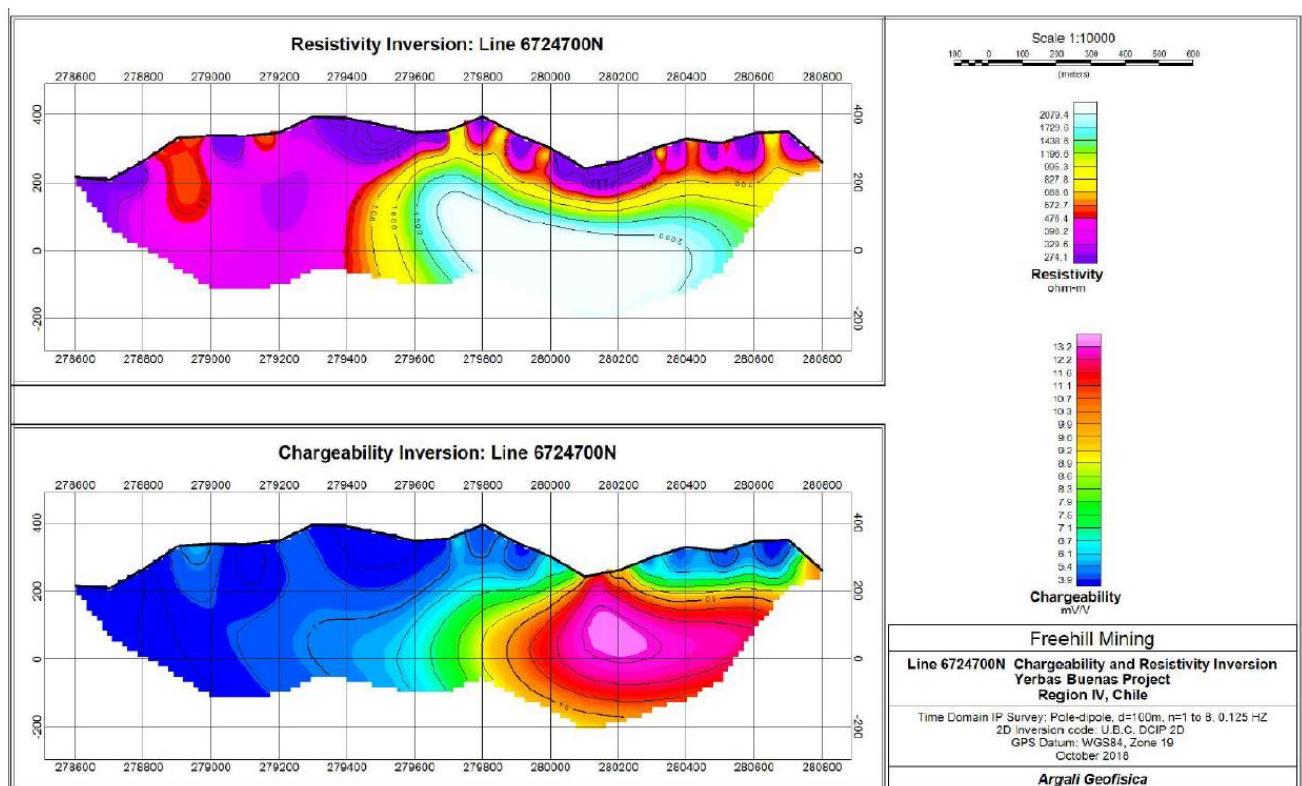


Figure 7 – Chargeability and resistivity inversion plot of northern IP anomaly showing structure reaching surface

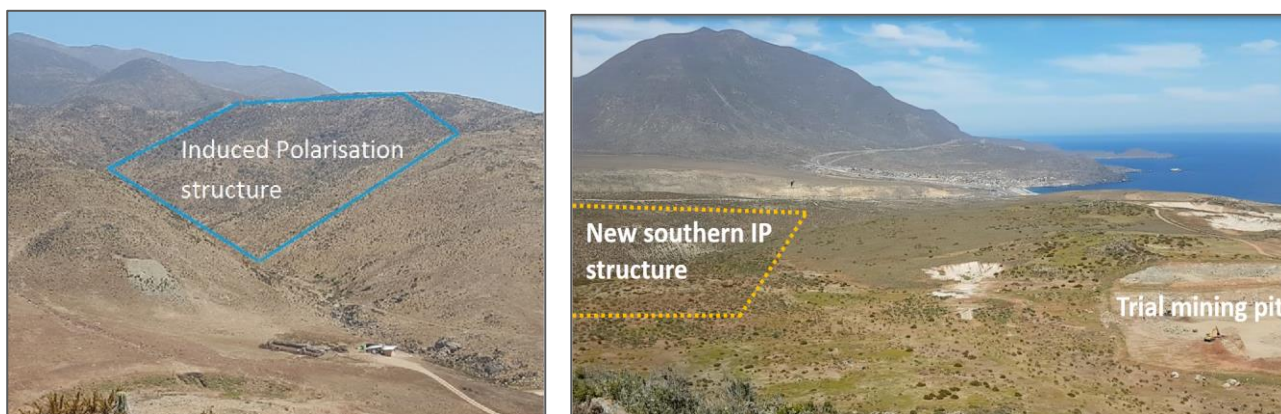


Figure 8: Left image taken to NNE showing 2018 IP structure and right image taken looking SW with new 2019 IP structure shown on left side of image with trial mining pit on right side of image

The Company's next drilling program is currently being planned and will incorporate a diamond drilling component to drill both the northern and southern IP structures to confirm the mineralisation.

Finance

Given the outcomes from the Company's drilling program the Company is considering its financing options and is in active discussion with a number of parties regarding future financing needs to fund the next stages of the Company's development. The market will be advised as soon as these matters are finalised.

Since the end of the Quarter the Company has raised \$205,000 in short term debt.

During the Quarter \$1.516 million of Convertible Debt was converted into shares in the Company.

About the Yerbas Buenas Project

The Yerbas Buenas project has proven magnetite mineralisation as well as being prospective for both gold and copper mineralisation.

Drilling results from the company's maiden drilling campaign clearly demonstrate that magnetite mineralisation extends along a 2.3 km contiguous corridor from the northern boundary to southern boundary of the property.

Results of the recent Induced Polarisation (IP) survey have now identified two large structures that appear to be a mineralised band or fault structure running north-south down the eastern side of the property and both structures are open to the east and north

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 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.

For further information, please contact:

Peter Hinner	Paul Davies
Chief Executive Officer	Chief Financial Officer
Freehill Mining Limited	Freehill Mining Limited
+61 410569635	+61 419 363 630

Media & investor relations inquiries: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448



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