

FREEHILL MINING LIMITED

ACN 091 608 025

OFFER BOOKLET

1 FOR 2 NON-RENOUNCEABLE PRO RATA ENTITLEMENT OFFER OF NEW SHARES AT AN ISSUE PRICE OF \$0.015 (1.5 CENTS) PER NEW SHARE

**The Entitlement Offer closes at 5.00pm (Melbourne time) on
8 November 2018**

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

**IF YOU ARE AN ELIGIBLE SHAREHOLDER YOU SHOULD READ THIS OFFER BOOKLET IN ITS
ENTIRETY BEFORE DECIDING WHETHER TO APPLY FOR NEW SHARES.**

**IF YOU DO NOT UNDERSTAND ANY PART OF THIS OFFER BOOKLET, OR ARE IN ANY DOUBT AS TO
HOW TO DEAL WITH IT OR YOUR ENTITLEMENT, YOU SHOULD CONSULT YOUR FINANCIAL OR
OTHER PROFESSIONAL ADVISER.**

Important Information

About this document

This Offer Booklet contains information relating to a proposed entitlement offer to be undertaken by Freehill Mining Limited ACN 091 608 025 (ASX Code: **FHS**). This Offer Booklet is important and requires your immediate attention.

The Entitlement Offer is being made in accordance with Section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35). Accordingly, this document is not a prospectus and does not contain all information which an investor may require to make an informed investment decision.

Forward-looking statements

This document contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of FHS, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Offer Booklet speak only at the date of this Offer Booklet. Subject to any continuing obligations under applicable law or the ASX Listing Rules, FHS does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

Foreign jurisdictions

The Entitlement Offer is not being extended to Shareholders in jurisdictions outside Australia and New Zealand, and no action has been taken to register, or otherwise permit, the offer of New Shares to be made under the laws of any jurisdiction outside of Australia and New Zealand. In particular, the New Shares offered under the Entitlement Offer have not been, and will not be registered under the U.S. Securities Act or the securities laws of any State or other jurisdiction in the United States. It is your responsibility to ensure that you comply with any laws of your jurisdiction which are applicable to you and which are relevant to your applying for New Shares under the Entitlement Offer.

The distribution by you of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. You should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities law.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet or the Associated Offer Announcements. Any information or representation that is not contained in this Offer Booklet or the Associated Offer Announcements may not be relied on as having been authorised by FHS in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of FHS, or any other person, warrants or guarantees the future performance of FHS or any return on any investment made pursuant to the Entitlement Offer.

No financial product advice

This Offer Booklet is not financial product advice, does not purport to contain all the information that you may require to make an investment decision, and has been prepared without taking into account your personal investment objectives, financial situation or needs.

Before deciding whether to apply for New Shares under the Entitlement Offer, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If after reading this booklet, you have any questions about the Entitlement Offer, you should contact your financial or other professional adviser.

Definitions and references to time

Capitalised words and expressions in this Offer Booklet have the meanings given in Section 5.

A reference to time in this Offer Booklet is to Melbourne time, unless otherwise stated.

All financial amounts in this Offer Booklet are references to Australian currency, unless otherwise stated.

Date of this document

This Offer Booklet is dated 22 October 2018.

Corporate Directory

DIRECTORS

Mr Raymond Mangion – Non-Executive Chairman
Mr Paul Davies – Finance Director
Mr Peter Hinner – Executive Director and Acting Chief Executive Officer
Mr Samuel Duddy – Non-Executive Director

COMPANY SECRETARY

Mr Frank Pirera

HEAD OFFICE

88 Miller Street
West Melbourne VIC 3003

SHARE REGISTRY

Automic Group
Level 29
201 Elizabeth Street
Sydney NSW 2000

LAWYERS

GrilloHiggins Lawyers
Level 4
114 William Street
MELBOURNE VIC 3000

Contents		
Corporate Directory		3
Chairman’s Letter		5
Key Dates		6
1	Overview of the Entitlement Offer	7
2	Choices available to Eligible Shareholders	14
3	Risk Factors	18
4	Further Information	21
5	Glossary and Interpretation	24
Annexure – Investor Presentation		26

Chairman's Letter

22 October 2018

Dear Fellow Shareholder

On behalf of the Board of Freehill Mining Limited (**FHS**), it is my pleasure to invite you to participate in a pro rata, non-renounceable entitlement offer of 1 new fully paid ordinary share in FHS (**New Shares**) for every 2 shares you currently hold, at an issue price of \$0.015 (1.5 cents) per New Share (**Entitlement Offer**).

The Entitlement Offer is expected to raise approximately \$3,075,000 before costs and expenses. The funds from the Entitlement Offer will strengthen FHS's balance sheet and provide increased working capital to support its forecast project expenditure and continuing growth.

Overview of Entitlement Offer

The Entitlement Offer is being made to all shareholders (**Eligible Shareholders**) who are registered as a holder of FHS's Shares as at 7.00pm (Melbourne time) on 25 October 2018 (**Record Date**).

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 2 Shares of which they are the registered holder at 7.00pm (Melbourne time) on the Record Date at an issue price of \$0.015 (1.5 cents) per New Share (**Issue Price**). The Entitlement Offer is non-renounceable.

The Entitlement Offer incorporates a shortfall facility under which Eligible Shareholders can apply to take up New Shares in excess of their pro rata entitlement (**Shortfall Facility**). Applications under the Shortfall Facility will only be considered to the extent there is a shortfall under the Entitlement Offer and will be subject to the terms set out in Section 1.4 of this Offer Booklet.

Shortfall Arrangements

The Entitlement Offer is not underwritten. If Eligible Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the Shortfall Shares will be allocated to Eligible Shareholders who apply to take up additional New Shares in accordance with the terms of the Shortfall Facility.

The Directors of the Company reserve the right to place the balance of the Shortfall Shares at their discretion. In accordance with ASX Listing Rule 7.2 (Exception 3), any Shortfall Shares will be issued within 3 months from the date the Entitlement Offer closed. The Directors may decide at their discretion to close the shortfall offer at any time.

Further details regarding how FHS will deal with a shortfall are set out in Section 1.4 of this Offer Booklet.

Action you should take

The Entitlement Offer is currently scheduled to close at 5.00pm (Melbourne time) on 8 November 2018. If you wish to subscribe for New Shares, you must ensure that your application and payment is received by this time in accordance with the instructions set out in Section 2.2.

This Offer Booklet contains important information regarding the Entitlement Offer, and I encourage you to read it carefully before making any investment decision. If you have any questions, you should consult your financial or other professional adviser.

Yours sincerely



Raymond Mangion

Non-Executive Director & Chairman

Key Dates

Event	Date
Announcement of Entitlement Offer and lodgement with ASX	22 October 2018
Ex-date from which Shares commence trading without entitlement to participate in the Rights Issue	24 October 2018
Record Date to determine entitlement to participate in the Entitlement Offer	25 October 2018
Dispatch Offer documents to Eligible Shareholders	30 October 2018
Entitlement Offer opens	30 October 2018
Entitlement Offer closes	8 November 2018
New Shares are quoted for ASX trading on a deferred settlement basis	9 November 2018
Company notifies ASX of under subscriptions	13 November 2018
Issue Date	15 November 2018
Expected date for commencement of normal trading of New Shares on ASX	16 November 2018

Dates and times in this Offer Booklet are indicative only and subject to change. All dates and times are references to Melbourne time.

FHS reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. In particular, FHS reserves the right to extend the Closing Date, to accept late Applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens.

FHS also reserves the right not to proceed with the whole or part of the Entitlement Offer at any time prior to the issue of the New Shares. In that event, application monies (without interest) would be returned to applicants.

1 Overview of the Entitlement Offer

1.1 Summary

The Entitlement Offer is a pro rata offer of a maximum of approximately 205,000,000 New Shares at \$0.015 (1.5 cents) per New Share to raise approximately \$3,075,000 before costs and expenses.

Eligible Shareholders are entitled to subscribe for 1 New Share for every 2 Shares held by them at 7.00pm (Melbourne time) on the Record Date.

The Entitlement Offer is non-renounceable, meaning Eligible Shareholders who do not wish to take up their Entitlements are not able to sell or otherwise transfer their Entitlement.

The Entitlement Offer also incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their pro-rata entitlement. Eligible Shareholders should refer to Section 1.4 for a description of the terms and conditions of the Shortfall Facility.

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in Section 2.

The Entitlement Offer opens at 9.00am (Melbourne time) on 30 October 2018 and is currently scheduled to close at 5.00pm (Melbourne time) on 8 November 2018.

1.2 Eligible Shareholders

The Entitlement Offer is being made to those Shareholders who are:

- (a) registered as a holder of FHS's Shares as at the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) not in the United States, are not a U.S. Person, and are not acting for the account or benefit of any person in the United States or any U.S. Person; and
- (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

FHS is of the view that it is unreasonable to make an offer under the Entitlement Offer to Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Shareholders outside of Australia and New Zealand as a proportion of total Shareholders in FHS;
- (b) the number and value of the New Shares to be offered to Shareholders outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, FHS is not required to make offers under the Entitlement Offer to Shareholders outside of Australia and New Zealand.

As a result, the actual number of New Shares to be issued under the Entitlement Offer, and therefore the actual amount to be raised by the Entitlement Offer, are not known as at the date of this Offer Booklet. The figures described in Section 1.14 are maximum figures only. To the extent that Shareholders on the Record Date are not Eligible Shareholders, the actual figures will be less.

1.3 What is the entitlement of an Eligible Shareholder?

The number of New Shares to which you are entitled under the Entitlement Offer is shown in the personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. In calculating each Eligible Shareholder's entitlement, fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. Eligible Shareholders can subscribe for all, or part, of their pro rata entitlement under the Entitlement Offer. Detailed instructions on how to accept all, or part of, your pro rata entitlement are set out in Section 2.

Please note that if you choose not to take up your pro rata entitlement, your percentage shareholding in FHS will be diluted to the extent that the Entitlement Offer is taken up by other persons.

FHS reserves the right to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims as to the extent of their entitlements prove to be overstated or they fail to provide information to substantiate their claims.

1.4 Shortfall Facility

The Entitlement Offer incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their pro rata entitlement (**Additional New Shares**). The issue of Additional New Shares under the Shortfall Facility will be dependent on there being a shortfall in the take up of pro rata entitlements under the Entitlement Offer.

Eligible Shareholders who wish to apply for Additional New Shares under the Shortfall Facility can do so by specifying the number of Additional New Shares they wish to apply for in the space provided on their Entitlement and Acceptance Form.

1.5.1 Allocation of shortfall amongst applicants under the Shortfall Facility

If Eligible Shareholders submit applications under the Shortfall Facility, any allocation of a shortfall under the Entitlement Offer amongst those applicants will be considered and determined by FHS's Board at its discretion.

1.5.2 No certainty regarding allocations

As a consequence of the arrangements described above, there can be no guarantee of the number of Additional New Shares available to Eligible Shareholders under the Shortfall Facility. Eligible Shareholders who apply for Additional New Shares under the Shortfall Facility will be bound to accept any lesser number of Additional New Shares allocated to them in accordance with the allocation procedure described above. If you do not receive all of the Additional New Shares you applied for, any excess application monies will be returned to you without interest.

1.5.3 Takeover law requirements

It is the responsibility of each Eligible Shareholder to ensure that it will not breach the takeovers provisions under the Corporations Act (the 20% threshold) by applying for Additional New Shares under the Shortfall Facility. These provisions are set out in section 606 of the Corporations Act. No Eligible Shareholder will be permitted to acquire New Shares under the Shortfall Facility to the extent FHS considers (acting reasonably) that doing so would result in a contravention of the takeovers limits in section 606 of the Corporations Act.

1.5.4 Placement of remaining shortfall

If there are further rights to New Shares remaining after all Additional New Shares have been subscribed for under the Shortfall Facility, in accordance with Exception 3 of ASX Listing Rule 7.2, FHS reserves its right to issue New Shares to make up the shortfall at the discretion of the Directors (**Placement**).

In accordance with Listing Rule 7.2, FHS will issue those New Shares within 3 months of the close of the Entitlement Offer for no less than the price at which New Shares were offered under the Entitlement Offer.

1.5 Allocation of any shortfall

As a result of the arrangements described above in Sections 1.4, if Eligible Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the resulting shortfall will be allocated:

- first, to Eligible Shareholders who apply to take up Additional New Shares subject to the discretion of the Board in accordance with the terms of the Shortfall Facility; and
- next, to new investors through a Placement conducted in accordance with Listing Rule 7.2, within 3 months of the close of the Entitlement Offer.

1.6 Issue of New Shares

FHS currently expects that New Shares will be issued by 15 November 2018. The issue of New Shares will only be made after permission for their quotation on ASX has been obtained.

The fact that New Shares have been admitted to quotation on ASX is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.7 Ranking of New Shares

When issued, the New Shares will be fully paid and will rank equally with existing Shares.

1.8 Withdrawal of the Entitlement Offer

FHS reserves the right to withdraw all or part of the Entitlement Offer, and this Offer Booklet, at any time, subject to applicable laws. In that case, FHS will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to FHS will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to FHS.

1.9 Speculative nature of Entitlement Offer and projects and relevant risk factors

In deciding whether to take up some or all of your entitlements under the Entitlement Offer, you should:

- have regard to the high risk, speculative nature of the Company's projects and exploration activities and to the risks discussed in Section 3;
- understand that exploration and mining where there are no proved reserves is both speculative and subject to a high level of risk and that of adverse exploration results; and
- read this Entitlement Offer carefully and in its entirety, with emphasis on the risk factors detailed in Section 3, have regard to your own investment parameters, and if required, obtain independent professional investment advice, before deciding to invest in the Company.

1.10 Purpose and use of funds

FHS is raising capital in order to strengthen its financial position and fund the initial drilling to establish a JORC Resource. The table below sets out how FHS use the proceeds of the Entitlement Offer of approximately \$3,075,000:

Primary Cost Centre	Estimated Cost	Inclusions
Exploration direct costs	\$849,000	Maiden drilling program to drill 3 magnetic structures out of 7 4750m Reverse Circulation & Diamond hole program, inclusive of geophysics and resource modelling and IP/ground magnetics in northern area with approximately 20-25 holes at YB1 x 150m, 8 holes at YB6 x 150m & 1 hole YB7 structure to nominally 400m. Senior contract geologist, samplers and assaying.
Scoping Study	\$280,000	Typical scoping study to +/- 35% accuracy. Includes metallurgical testing of core/RC sample to develop conceptual process flowsheets, environmental study, engineering design to determine capital cost, transport study, financial modelling. Uses some validated mining, capital cost and operating cost assumptions and information that could also be used as basis for future prefeasibility study. Requires outside consulting services such as metallurgical testing of drilling samples to determine conceptual flowsheet, engineering design to determine capital cost, hydro/geotechnical study, shipping study etc
Technical Support cost	\$213,000	Indirect costs to support exploration including travel, YB development technical support staff, marketing, Chilean investment advisory
	\$1,013,000	Working capital.

Corporate and operational costs	\$300,000	Short Term Loan Repayment and final payment of Yervas Buenas Leases
	\$420,000	Maintenance of Project and associated costs.
TOTAL	\$3,075,000	

1.11 Financial Impact

The proceeds from the Entitlement Offer, before allowing for costs and expenses, will amount to approximately \$3,075,000. Costs and expenses are estimated to be approximately \$75,000. The net effect of the Entitlement Offer on FHS's financial position will be to increase the cash held by FHS by approximately \$3,000,000.

1.12 Pro Forma Statement of Financial Position

The Offer will have the following effect on the Company's financial position.

	Pro Forma Adjustments			
	Audited 30-Jun-18	Shares Issued since 30 June 2018	Rights Issue	Pro Forma 30 June 2018
Assets				
Current assets				
Cash and cash equivalents	165,846		3,000,000	3,165,846
Trade and other receivables	999,015			999,015
Other	1,481			1,481
Total current assets	1,166,342	0	3,000,000	4,166,342
Non-current assets				
Exploration and evaluation asset	12,666,803			12,666,803
Mining	-			0
Total non-current assets	12,666,803	0	0	12,666,803
Total assets	13,833,145	0	3,000,000	16,833,145
Liabilities				
Current liabilities				
Trade and other payables	2,534,980	-133,695		2,401,285
Borrowings	2,690,072			2,690,072
Other	250,000	-250,000		0

Total current liabilities	5,475,052	-383,695	0	5,091,357
Non-current liabilities				
Borrowings	1,847,500	-1,275,000		572,500
Total non-current liabilities	1,847,500	-1,275,000	0	572,500
Total liabilities	7,322,552	-1,658,695	0	5,663,857
Net assets	6,510,593	1,658,695	3,000,000	11,169,288
Equity				
Issued capital	12,912,366	\$1,658,694.60	3,000,000	17,571,061
Reserves	956,547			956,547
Accumulated losses	-7,358,320			-7,358,320
Total equity	6,510,593	1,658,695	3,000,000	11,169,288

Notes to the pro-forma balance Sheet

1. Assumes estimated costs of the Rights Issue of \$75,000
2. Conversions and placement that have occurred since 30 June 2018 as advised in post balance date activity have been included

1.13 Effect on Capital Structure

The principal effect of the Entitlement Offer on FHS's issued share capital will be to increase the total number of issued Shares. The following table sets out the number of issued Shares on the Announcement Date and, subject to the rounding of fractional entitlements under the Entitlement Offer, the total number of issued Shares at the completion of the Entitlement Offer:

Shares	Number
Shares on issue at the Announcement Date	406,408,212
Options on issue at the Announcement Date	1,984,725
Convertible Notes on issue at the Announcement Date	481,453
Shares offered under the Entitlement Offer	205,000,000*
Total Shares on issue on completion of the Entitlement Offer	611,408,212*

*Assumes Entitlement Offer is fully subscribed. Does not include any shares which may be issued on conversion of convertible notes or exercise of options.

* The number of New Shares to be issued under the Entitlement Offer is subject to the rounding of fractional entitlements to New Shares.

1.14 Effect on shareholdings of Shareholders

The issue of New Shares under the Entitlement Offer will have the effect of diluting the percentage shareholdings of Shareholders in the Company who do not participate in the Entitlement Offer (including under the Shortfall Facility). In particular:

- Shareholders who do not take up their full pro rata entitlement under the Entitlement Offer will have their percentage shareholding in the Company further diluted following the issue of New Shares under the Entitlement Offer.
- Shareholders who take up their full pro rata entitlement under the Entitlement Offer will maintain their percentage shareholding.
- Shareholders who take up their full pro rata entitlement under the Entitlement Offer and receive New Shares under the Shortfall Facility, will increase their percentage shareholding in the Company to the extent they receive additional New Shares under the Shortfall Facility.
- The proportional shareholdings of Shareholders who are not resident in Australia or New Zealand (**Ineligible Shareholders**) may be diluted as those Shareholders are not entitled to participate in the Entitlement Offer.

1.15 Effect of the Offer on the Control of FHS

Based on the distribution of the Company's capital among other shareholders, FHS does not believe that any other shareholder will increase their percentage shareholding in FHS pursuant to the Entitlement Offer in a way which will have a material impact on the control of FHS.

The potential effect that the issue of the New Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand and the take up of the New Shares in the Entitlement Offer. However, given the structure of the Entitlement Offer as a pro-rata issue, the potential effect that the issue of the New Shares will have on the control of the Company can be summarised as follows:

- if all Eligible Shareholders take up their entitlement for the New Shares under the Entitlement Offer, the offer will have no material effect on the control of the Company;
- to the extent that any Eligible Shareholder does not take up their entitlement for the New Shares under the Entitlement Offer, that Eligible Shareholder's percentage holdings in the Company will be diluted by those other Eligible Shareholders who take up some or all of their entitlement and any Shortfall Shares; and
- the Company reserves its right to issue any New Shares not taken up under the Entitlement Offer, under a Placement conducted within three months of the close of the Entitlement Offer in accordance with the ASX Listing Rules. Though a Placement will increase the voting power of parties to whom the Board in its discretion resolves to place the New Shares, none of these parties will acquire more than 20% of the voting power in the Company through the Placement. As such, any Placement of New Shares that is conducted after the close of the Entitlement Offer is not anticipated to have a material effect on the control of the Company.

2 Choices available to Eligible Shareholders

2.1 Your choices

Before taking any action, you should read this Offer Booklet in its entirety and, if you have any questions, consult your financial or other professional adviser.

If you are an Eligible Shareholder, the following choices are available to you:

Option	See Section
Participate in the Entitlement Offer	2.2
Take no action	2.7

2.2 How to participate in the Entitlement Offer

(a) Taking up some or all of your pro rata allocation

To subscribe for New Shares offered to you under your pro rata allocation, please complete the accompanying Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your pro rata entitlement you wish to subscribe for.

(b) Applying for Additional New Shares under the Shortfall Facility

Please refer to Section 1.4 for details regarding the Shortfall Facility.

If you wish to apply for Additional New Shares under the Shortfall Facility, please insert the number of Additional New Shares you wish to apply for in the relevant box on the Entitlement and Acceptance Form.

(c) Payment

The Offer Price of \$0.015 (1.5 cents) per New Share is payable in full on application.

Payments must be received by 5.00pm (Melbourne time) on the Closing Date and must be in Australian currency and made by:

- (i) cheque drawn on and payable at any Australian bank;
- (ii) bank draft or money order drawn on and payable at any Australian bank; or
- (iii) BPAY®.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. You simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut-off times with regards to electronic payment, so please take this into consideration when making payment by BPAY®. It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5.00pm (Melbourne time) on the Closing Date.

FHS will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back FHS may implement in respect of Additional New Shares under the Shortfall Facility. Amounts received by FHS in excess of your pro rata entitlement (**Excess Amount**) may be treated as an application under the Shortfall Facility to apply for as many Additional New Shares as your Excess Amount will pay for in full.

Cheques, bank drafts and money orders must be made payable to “**Freehill Mining Limited**” and crossed ‘**Not Negotiable**’. Cash payments will not be accepted. Receipts for payment will not be provided.

FHS will not be responsible for any postal or delivery delays or delay in the receipt of your BPAY® payment.

Application monies will be held in trust in a subscription account until New Shares are issued. Any interest earned on application monies will be for the benefit of FHS and will be retained by FHS irrespective of whether any issue of New Shares takes place.

(d) **Return completed Entitlement and Acceptance Form and payment**

Unless you are paying by BPAY®, completed Entitlement and Acceptance Forms and payment of application money should be forwarded to the Share Registry by mail in the enclosed prepaid envelope or, if you are outside of Australia or do not use the prepaid envelope, by mail addressed to:

Automic Group
Level 29, 201 Elizabeth Street
Sydney NSW 2000
Australia

Completed Entitlement and Acceptance Forms and payments must be received by 5.00pm (Melbourne time) on the Closing Date.

Please note that all acceptances, once received, are irrevocable.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. Please see Section 2.2(c) above for details.

2.3 Representations you will be taken to make by acceptance

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have:

- (a) acknowledged that you have fully read and understood this Offer Booklet and the Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form;
- (b) agreed to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and FHS’s constitution;
- (c) authorised FHS to register you as the holder of the New Shares allotted to you;
- (d) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (e) acknowledged that once FHS receives your Entitlement and Acceptance Form or any payment of application monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- (f) agreed to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY®, at the Offer Price per New Share;

- (g) if you have applied for or are deemed to have applied for Additional New Shares under the Shortfall Facility, agreed to accept any lesser number of Additional New Shares allocated to you in accordance with the allocation procedure described in Section 1.5;
- (h) authorised FHS, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you;
- (i) declared that you were the registered holder at the Record Date of the Shares indicated in the Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledged that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledged that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in FHS and is given in the context of FHS's past and ongoing continuous disclosure announcements to the ASX;
- (l) acknowledged the statement of risks in the 'Risk Factors' Section of this Offer Booklet and that investments in FHS are subject to risk;
- (m) acknowledged that none of FHS or its related bodies corporate, affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of FHS, nor do they guarantee the repayment of capital;
- (n) agreed to provide any requested substantiation of your eligibility to participate in the Entitlement Offer and your holding of Shares on the Record Date; and
- (o) authorised FHS to correct any errors in your Entitlement and Acceptance Form.

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (p) you are not in the United States and are not a U.S. Person and are not acting for the account or benefit of, a person in the United States or a U.S. Person, and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (q) you acknowledge that the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, your pro rata entitlement may not be taken up, and the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and
- (r) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States, a U.S. Person, or a person acting for the account or benefit of a person in the United States or a U.S. Person.

2.4 No minimum subscription

There is no minimum subscription for the Entitlement Offer.

2.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

2.6 Refunds of excess application monies

Any application monies received for more than the number of New Shares issued to you (but only where the excess amount is A\$2.00 or greater) will be refunded as soon as reasonably practicable following the close of the Entitlement Offer. No interest will be paid on any application monies.

Payment of any refund will be made either by:

- cheque mailed to your address as last recorded in FHS's register of members; or
- direct credit, but only where you have previously nominated to receive payment of dividends by direct credit and have not withdrawn that nomination.

In all cases, the payment method will be at the election of FHS.

2.7 If you do nothing

If you do not apply for Shares pursuant to the Entitlement Offer, your entitlement under the Entitlement Offer will lapse.

If you do not apply for Shares pursuant to the Entitlement Offer, your percentage ownership in FHS will be diluted because the issue of New Shares under the Entitlement Offer will increase the total number of Shares on issue.

3 Risk Factors

3.1 General

The Company's activities are subject to a number of risks which may impact future financial performance and the market price at which New Shares trade. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside the Company's control and cannot be mitigated. Therefore, investors who acquire New Shares may be exposed to a number of risks. Broadly, these risks can be classified as risks that are general to investing in the share market and risks specific to an investment in Shares and the Company's underlying business.

This Section sets out the identified major risks associated with investing in New Shares. This list is not exhaustive and investors should read this Offer Document in its entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances, and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares.

3.2 Risks specific to an investment in the Company

Specific risks relating to the Company include, but are not limited to the following:

(a) *Additional Requirements for Capital*

The Company's capital requirements depend on numerous factors. If the Company is successful in identifying a new opportunity in which it wishes to invest, the Company is likely to have insufficient funds to pursue the acquisition of such an interest without the raising of further funds (either through equity or debt or a combination of both).

There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and its performance. Existing shareholders may be diluted if additional funds are raised by equity securities.

(b) *Operating Risks*

The nature of exploration, mining and mineral processing involves hazards which could result in the Company incurring uninsured losses and liabilities to third parties, for example arising from pollution, environmental damage or other damage, injury or death. These could include rock falls, flooding, unfavourable ground conditions or seismic activity. The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve resource estimates, predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(c) *Title of tenements*

The Company's activities are presently carried out in Chile. Interests in tenements in Chile are governed by legislation and are evidenced by the granting of concession licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. The Company may lose title to its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments or if it defaults in its obligations to third parties. It is also possible that, in relation to tenements which The Company has an interest in or will in the future acquire such an interest, there

may be areas over which legitimate native title rights exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(d) *Licences and permits*

The Company's exploration activities are dependent upon the maintenance of appropriate licences, concessions, leases, tenements, permits and regulatory consents which may be withdrawn or made subject to limitations. Maintaining tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(e) *Outsourced mining activities*

The Company outsources some of its mining, processing and product sales activities on the Yervas Buenas and Arenas mining leases to a third party operator through operational licences. The mining industry in Chile is subject to a significant number of laws and governmental regulations, compliance with which the Company must adhere, irrespective of whether a specific mining site is being operated by a licensee and is not in the Company's immediate control.

The Company may be liable for losses associated with environmental hazards and rehabilitation, have its licences and permits withdrawn or suspended, face negative reputational consequences or be forced to undertake extensive remedial clean-up action or to pay for government-ordered remedial clean-up actions, even in cases where such hazards have been caused by the licensee operating on the site.

There is an ongoing risk that the licensee who operates the mining site may fail to meet one or more of their obligations under the licensing agreements. If a licensee fails to discharge its obligations under the licensing agreement, the Company is entitled to terminate the licensing agreement it entered into with the licensee. Notwithstanding this, a licensee defaults on its obligations under the licensing agreement, this could have an adverse impact on the Company's operations and/or financial performance in the short to medium term.

In the event a licensee fails to discharge its obligations under the licensing agreement, the Company may also encounter difficulties regaining access to the sites that are the subject of the licence. This could have an adverse impact on the Company's ability to fund its operations, exploration, evaluation and development activities.

(f) *Discovery risk*

The business of mineral exploration, project development and production, by its nature contains elements of significant risk, with no guarantee of success.

Any discovery by the Company may not be commercially viable or recoverable: that is no resources within the meaning of the JORC Code may be able to be established and it may be that consequently no reserves can be established.

Feasibility studies are used to determine the commercial viability of a deposit and involve the consideration of many factors such as estimates of the resource yield, capital and operating costs and the future resource price. Capital and operating costs estimates are based upon many factors, including anticipated tonnage and yields to be

mined and processed, the configuration of resource body, ground and mining condition and environmental and compliance costs. Each of these factors involves uncertainties beyond the control of the Company.

(g) *Reliance on Key Management*

The responsibility of overseeing the day to day operations and strategic management of the Company depends substantially on its senior management and its key personnel. There may be a detrimental impact on the Company if one or more of the key employees cease their employment with it.

3.3 General investment and economic risks

A number of factors which are outside of the Company's control may significantly impact on the Company, its performance and the price of New Shares. These factors include:

(a) *Investment and Economic Risk*

Economic factors both in Australia and internationally beyond the control of the Company, such as changes in commodity prices, interest rates, inflation, exchange rates, taxation, changes in government policy and legislation, may negatively impact on the operational performance of the Company.

The Company's revenues, expenses and cash flows could be negatively affected by any of these factors, which in turn may affect the price of New Shares.

No assurances can be made that the Company's performance will not be adversely affected by any such market fluctuations or factors. None of the Company or its Directors or any other person guarantees the performance of the Company or the market price at which its shares trade.

The New Shares are to be quoted on ASX where their price may rise or fall.

The New Shares issued under the Entitlement Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The value of the New Shares will be determined by the share market and will be subject to a range of factors beyond the control of the Company and its Directors including the demand and availability of Shares.

There can be no guarantee that an active market in New Shares will develop or the market price of the shares will not decline. An investment in New Shares should be considered speculative.

(b) *Government policy*

The Company's capacity to conduct exploration and mining operations, as well as industry profitability generally, can be affected by changes in government policy which may be beyond the control of the Company.

(c) *Commodity price risk*

The demand for and price of commodities is highly dependent on a variety of factors, including, the level of forward selling by producers, costs of production, general economic conditions, inflation levels, interest rates and exchange rates.

These factors may adversely impact on the Company's ability to fund its operations, exploration, evaluation and development activities.

(d) *Future capital needs and additional funding*

The future capital requirements of the Company will depend on many factors. There can be no guarantee that the Company will be able to raise additional capital to meet future funding requirements.

Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

(e) *Taxation risk*

Variations in the taxation laws of Australia and other countries in which the Company operates could impact the Company's financial performance. Interpretation of taxation law could also change, leading to a change in taxation treatment of investments or activities.

(f) *Changes in regulatory environment*

Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact the operating and financial performance and cash flows of the Company.

4 Further Information

4.1 Taxation

Taxation implications of participating in the Entitlement Offer will vary depending on the particular circumstances of individual Eligible Shareholders. Eligible Shareholders are advised to obtain their own professional taxation advice before making a decision in relation to the Entitlement Offer.

4.2 This Offer Booklet is not a prospectus

The Entitlement Offer is being conducted in accordance with Section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). In general terms, Section 708AA relates to rights issues by certain companies that do not require the preparation of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is considerably less than the level of disclosure required in a prospectus.

As a result, in deciding whether or not to accept the Entitlement Offer, you should rely on your own knowledge of FHS, refer to disclosures made by FHS to the ASX (which are available for inspection on the ASX website at www.asx.com.au and on FHS's website at www.freehillmining.com and seek the advice of your professional adviser.

4.3 CHESS

The company participates in the Clearing House Electronic Sub-Register System ("CHESS"), in accordance with ASX Listing Rules and operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register. Consequently, the Company will not issue certificates to securityholders but they will be provided with a Transaction Confirmation Statement, similar to a holding statement, which will set out the number of Shares allotted to them under this Entitlement Offer.

At the end of the month of allotment, CHESS (acting on behalf of the Company) will provide securityholders with a holding statement that confirms the number of securities held. A holding statement or Transaction Confirmation Statement, whether issued by CHESS or the Company, will also provide details of a securityholder's Holder Identification Number (in the case of a holding on the CHESS sub-register) or Securityholder Reference Number (in the case of a holding on the issuer sponsored sub-register). Following distribution of these initial statements

to all securityholders, a holding statement will be provided to each securityholder at the end of any subsequent month during which the balance of that securityholder's holding of securities changes.

4.4 Foreign shareholders

(a) **General restrictions**

This booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares or to otherwise permit an offering of New Shares outside Australia and New Zealand.

Return of the Entitlement and Acceptance Form or your BPAY® payment will be taken by FHS as a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed.

(b) **New Zealand**

Shares are offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (NZ). This booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(c) **United States**

This is not an offer to sell or a solicitation of an offer to buy securities in the United States. New Shares may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons in the absence of registration or an exemption from registration.

The New Shares have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States and accordingly, the New Shares may only be offered and sold: (i) within the United States or to, or for the account or benefit of, any U.S. Person, to a limited number of approved institutional investors that are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; or (ii) outside the United States, to persons that are not U.S. Persons and are not acting for the account or benefit of U.S. Persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act.

The distribution of this Offer Booklet outside Australia and New Zealand may be restricted by law. In particular, this Offer Booklet or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any U.S. Person. Persons who come into possession of this Offer Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

4.5 Privacy

By submitting an Entitlement and Acceptance Form, you will be providing personal information to FHS (directly or through the Share Registry). FHS collects, holds and will use that information to assess and process your application, administer your shareholding in FHS and to provide related services to you. FHS may disclose your personal information for purposes related to your shareholding in FHS, including to the Share Registry, FHS's related bodies

corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies.

You can obtain access to personal information that FHS holds about you. To make a request for access to your personal information held by (or on behalf of) FHS, please contact FHS through the Share Registry.

4.6 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

5 Glossary and Interpretation

5.1 Definitions

In this Offer Booklet, the following words have the following meanings unless the context requires otherwise:

\$ or A\$	Australian dollars.
Additional New Shares	New Shares in excess of the pro rata entitlement of an Eligible Shareholder.
Announcement Date	22 October 2018
Applicant	a Shareholder as at the Record Date applying for New Shares under this Entitlement Offer.
ASIC	the Australian Securities and Investments Commission.
Associated Offer Announcements	the announcement released to the ASX by FHS on 22 October 2018.
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
ASX Listing Rules	the official listing rules of the ASX as amended or replaced from time to time.
Board	the board of directors of FHS.
FHS or Company	Freehill Mining Limited ACN 091 608 025.
Business Day	means a day which is not a Saturday, Sunday or a public holiday in Victoria.
Closing Date	the deadline for accepting the Entitlement Offer, being 5.00pm on 8 November 2018 (subject to change).
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of FHS.
Eligible Shareholder	has the meaning given in Section 1.2.
Entitlement Offer	the pro rata non-renounceable entitlement offer to Eligible Shareholders outlined in this Offer Booklet.
Entitlement and Acceptance Form	the personalised form accompanying this Offer Booklet which may be used to make an application for New Shares under the Entitlement Offer.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves contained in the JORC Code 2012 Edition.

JORC Resource	has the meaning given to that term in the JORC Code.
New Shares	the Shares offered pursuant to the Entitlement Offer.
Offer Booklet	this offer booklet dated 22 October 2018.
Offer Price	the price payable for each New Share under the Entitlement Offer, being \$0.015 (1.5 cents).
Record Date	7.00pm (Melbourne time) on 25 October 2018.
Share	a fully paid ordinary share in the capital of FHS.
Shareholder	a registered holder of Shares.
Share Registry	Automic Group, Level 29, 201 Elizabeth Street, Sydney NSW 2000
Shortfall Facility	the facility described in Section 1.4.
Subsidiary	a body corporate that is a subsidiary of FHS within the meaning of the Corporations Act.
United States	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
U.S. Person	has the meaning given in Regulation S under the U.S. Securities Act
U.S. Securities Act	the United States Securities Act of 1933, as amended.

5.2 Interpretation

In this Offer Booklet, unless the context otherwise requires:

- (a) the singular includes the plural, and vice versa;
- (b) words importing one gender include other genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this document have corresponding meanings;
- (d) terms used in this document and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- (e) other grammatical forms of a word or phrase defined in this document have a corresponding meaning; and
- (f) a reference to a Section is a reference to a Section of this Offer Booklet.

Annexure – Investor Presentation

Investor Presentation Rights Issue

22 October 2018



Freehill Mining Limited

Important Information & Disclaimer

IMPORTANT NOTICES

This Presentation and the upcoming offer

This presentation (**Presentation**) has been prepared by Freehill Mining Limited (ACN 091 608 025) (**Company**) in relation to a partially underwritten pro-rate renounceable entitlement offer of 1 new share in the Company (**New Share**) for every 2 shares held by eligible shareholders of the Company at an issue price of \$0.015 (1.5 cents) per New Share to raise approximately \$3,075,000 before costs and expenses (**Offer**), to be made under an Offer Booklet dated on or about 22 October 2018.

Neither the *Australian Securities and Investments Commission* (**ASIC**) nor the ASX (or their respective officers) take any responsibility for the contents of this Presentation, or the merits of the investment to which this Presentation relates.

Summary information only

This Presentation contains summary information only about the Company and its associated entities and their activities. The information is only current as at the date of this Presentation. The information contained in this Presentation is of a general nature and does not purport to include or summarise all information that an investor should consider when making an investment decision. The Presentation does not contain all the information which would be required in a product disclosure statement, prospectus or other disclosure document prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**). The information contained in this Presentation should where possible, be read in conjunction with other publicly available information which has been endorsed and approved by the Company. Where you are unable to obtain this other publicly available information, you should contact the Company.

Certain information in this Presentation has been sourced from publicly available information published by third parties. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Company nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Presentation is not an offer

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian law or any other law and will not be lodged with the *Australian Securities and Investments Commission* (**ASIC**). This Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other financial product and neither this presentation nor any of the

Important Information & Disclaimer (Cont.)



information contained herein shall form the basis of any contract or commitment. The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No investment or financial product advice

The information contained in this Presentation does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire New Shares and does not and will not form the basis of any contract or commitment for the acquisition of New Shares. This Presentation has been prepared without taking into account the investment objectives, financial position or needs of any particular individual.

Before making an investment decision, prospective investors should consider the appropriateness of the information (including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the values and the impact that different future outcomes may have on the Company) having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide investment or financial product advice in respect of the Company's shares.

Investment Risk

An investment in shares in the Company is subject to known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return, the performance of the Company, nor any particular tax treatment. Among other things, you should have regard to the risk factors outlined in this Presentation when making any investment decision.

Cooling off rights will not apply to the acquisition of New Shares pursuant to the Offer unless expressly provided for under the Corporations Act.

Future performance and forward-looking statements

This Presentation contains certain forward-looking statements and comments about future events, including the Company's expectations about the performance of its businesses, the effect of the funds raised under the Offer on those businesses, and the future performance of the Company. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions.

Indications of, and guidance or outlooks on, future earnings, financial position or performance are also forward-looking statements and include statements in this Presentation regarding the conduct and outcome of the Offer, the use of proceeds, the future performance of the Company and the Company's outstanding debt. In making the forward-looking information or statements contained in this Presentation, assumptions have been made regarding, among other things:

Important Information & Disclaimer (Cont.)



- general business, economic and mining industry conditions;
- interest rates and foreign exchange rates;
- the continuing accuracy of mineral resource and reserve estimates;
- geological and metallurgical conditions (including with respect to the size, grade and recoverability of mineral resources and reserves) and cost estimates on which the mineral resource and reserve estimates are based;
- the supply and demand for commodities and precious and base metals and the level and volatility of the prices of gold and zinc;
- market competition;
- the ability of the Company to raise sufficient funds from capital markets and/or debt to meet its future obligations and planned activities and that unforeseen events do not impact the ability of the Company to use existing funds to fund future plans and projects as currently contemplated;
- the stability and predictability of the political environments and legal and regulatory frameworks in the countries where the Company operates, including with respect to, among other things, the ability of the Company to obtain, maintain, renew and/or extend required permits, licences, authorisations and/or approvals from the appropriate regulatory authorities;
- that contractual counterparties perform as agreed; and
- the ability of the Company to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet its demand.

You are cautioned not to place undue reliance on any forward-looking statement. While due care and attention has been used in the preparation of forward looking statements, the forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company, its directors and management. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including, among other things, the risk factors described in this Presentation. The Company's actual results, performance and achievements may vary materially from any forward-looking statements and the assumptions on which those statements are based.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events, actual results or otherwise.

Past Performance

Past performance and pro-forma historical information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance including future share price information. Historical information in this Presentation relating to the Company is information that has previously been released to the public by the Company. For further information, please contact the Company.

Important Information & Disclaimer (Cont.)



Financial data

This Presentation includes certain pro forma historical financial information. The pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Company's views on its, nor anyone else's, future financial position and/or performance. The pro forma historical financial information has been prepared by the Company in accordance with the measurement and recognition principals, but not the disclosure requirements prescribed by Australian Accounting Standards.

In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US *Securities Exchange Commission*, and such information does not purport to comply with Article 3-05 of Regulation S-X.

In addition, the financial data in this Presentation may include "non-IFRS financial information" under ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* and "non-GAAP financial measures" within the meaning of Regulation G under the *U.S. Securities Exchange Act of 1934*, including NPATA, EBITDA, underlying EBITDA, net debt and gearing. Where the Company has included non-IFRS/non-GAAP financial information, it has carefully considered its inclusion in the Presentation and done so on the basis that it provides useful information to users in measuring the financial performance and conditions of the Company. Please note that non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with Australian accounting standards. Investors are therefore cautioned not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Presentation.

Many figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are also subject to the effect of rounding, meaning the actual calculation of these figures may differ from the figures set out in this Presentation.

Competent person's statement

Any reporting of exploration results, mineral resources or ore reserves contained in this Presentation has been based on and fairly reflects documentation prepared by a 'Competent Person', in accordance with the *Joint Ore Reserves Committee* Code. Where such information has been included, the Company has obtained the prior written consent of the Competent Person to the form and context in which the Company has reported the Competent Person's work in this Presentation.

For further information or enquiries, you should contact the Company.

Important Information & Disclaimer (Cont.)



Not for release or distribution in the United States

This Presentation is not an offering document and does not constitute an offer for sale of or a solicitation of an offer to buy securities in the United States of America or its territories or possessions (**United States**). Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (**Securities Act**), or the securities laws of any state of the United States, and unless so registered may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of securities in the United States.

Neither these slides nor any copy of them may be taken or transmitted into or distributed in Canada, the United Kingdom, Japan, South Africa or the Republic of Ireland, nor any other jurisdiction which prohibits such taking in, transmission or distribution, except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of United States or other national securities laws.

Competent Persons 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.



Freehill Overview

- ❑ Freehill Mining Limited “Freehill” an Australian Securities Exchange (“ASX”) public listed company, through its 100% owned subsidiary Freehill Investments and 100% owned Chilean subsidiaries Yervas Buenas SpA and San Patricio SpA is developing the Yervas Buenas Iron Ore Project (“Project”) in the world-class iron ore and copper belt of Chile.
- ❑ The project consists of :
 - A trial mining and demonstration processing plant producing magnetite concentrates which are being sold and generating revenues;
 - Sales agreement for the purchase of concentrates by Compania Minera Del Pacifico S.A, a subsidiary of Chile’s largest iron ore producer.
 - Concentrates currently being used to supplement feed in the Romeral Pellet Feed Plant.
 - Revenues from sale of magnetite concentrates to CMP are over US\$1.96 million
 - Ground magnetic geophysics indicating several large magnetic anomalies, one of which has had two drill holes completed by a previous explorer and confirms magnetite.
 - Strong surface evidence of copper and gold mineralisation in the northern portion of project area supported by old artisanal mine shafts and tunnels.
- ❑ Uniquely located and extremely close to major infrastructure including highways, cities and ports and high voltage power lines

Entitlement Offer

Entitlement Offer	<ul style="list-style-type: none"> ▪ Rights issue at 1.5 cents per share with 1 share on offer for every 2 shares held to raise \$3 million AUD.
Offer Price	<p>1.5 cents per new share which represents:</p> <ul style="list-style-type: none"> ▪ A discount of 16.67% to the closing price of 1.8 cents on 19 October 2018 ▪ A discount of 25.87% to the VWAP for the 10 trading days up to and including 19 October 2018
Shortfall facility	<ul style="list-style-type: none"> ▪ There is a shortfall facility under which eligible shareholders may apply for additional New Shares in excess of their pro rata entitlements
Underwriter	<ul style="list-style-type: none"> ▪ The offer is not underwritten

Rights Issue - Rationale for the Offer



Rationale for the Offer

- After its ASX listing, the Company took the view that commencing a small scale mining operation in the form of a trial mining pit and crushing plant was possible, with clear evidence of a magnetite structure and mineralisation.
- Magnetic processing equipment already existed from the previous iron sands mining and only needed to be supplemented with a primary and secondary crushing circuit.
- This allowed continued magnetite product supply and preservation of the relationship with Compania Minera Del Pacifico “CMP”, a subsidiary of Chile’s largest iron ore group.
- Trial mining has demonstrated the project’s capacity to produce a saleable product and provided some understanding of costs, however, due to volatility in iron ore prices and undercapitalisation of equipment, which diverted resources away from exploration, the board is now focusing on defining a JORC Resource to create shareholder value.
- Funds from the offer are proposed to be used to conduct exploration in the form of drilling and geophysics together with other project expenditure and corporate costs.
- Exploration in the southern portion of the project will aim to result in a maiden JORC Resource whilst exploration in the northern portion will aim to define the nature and extent of copper and gold mineralisation.
- The Company is undertaking the equity raising by way of a Rights Issue so as to provide all Eligible Shareholders with the opportunity to participate and retain exposure to the company’s cornerstone Yerbás Buenas project.

Rights Issue – Use of Funds



Use of Funds raised under the Offer

Exploration activities within Yervas Buenas project area will include:	A\$849,000
<ul style="list-style-type: none"> ▪ to define iron magnetite Resource in south structures using Reverse Circulation drill ▪ copper/gold mineralisation in north using geophysical techniques including ground magnetics and Induced Polarisation 	
<ul style="list-style-type: none"> ▪ Scoping study, engineering design , environmental, metallurgical testwork for process flowsheet development and other technical support costs 	A\$493,000
<ul style="list-style-type: none"> ▪ General corporate expenses, working capital and Offer costs 	A\$1,013,000
<ul style="list-style-type: none"> ▪ Short term loan repayments, final tenement purchase payment, maintenance of project and associated costs 	A\$720,000
<ul style="list-style-type: none"> ▪ Costs of the Offer 	A\$75,000

Rights Issue – Indicative Timetable



Event	Date
Announcement of Entitlement Offer and lodgement with ASX	22 October 2018
Ex-date from which Shares commence trading without entitlement to participate in the Rights Issue	24 October 2018
Record Date to determine entitlement to participate in the Entitlement Offer	25 October 2018
Dispatch Offer documents to Eligible Shareholders	30 October 2018
Entitlement Offer opens	30 October 2018
Rights trading ends	1 November 2018
Entitlement Offer closes	8 November 2018
New Shares are quoted for ASX trading on a deferred settlement basis	9 November 2018
Company notifies ASX of under subscriptions	13 November 2018
Issue Date	15 November 2018
Expected date for commencement of normal trading of New Shares on ASX	16 November 2018

Pro-forma Balance Sheet



Audited 30-Jun-18 Pro Forma 30 June 2018		
Current assets	1,166,342	4,166,342
Non-current assets	12,666,803	12,666,803
<u>TOTAL ASSETS</u>	13,833,145	16,833,145
Current liabilities	5,475,052	5,091,357
Non-current liabilities	1,847,500	572,500
<u>TOTAL LIABILITIES</u>	7,322,552	5,663,857
<u>NET ASSETS AND SHAREHOLDERS EQUITY</u>	<u>6,510,593</u>	<u>11,169,288</u>

Capital Structure post capital raise



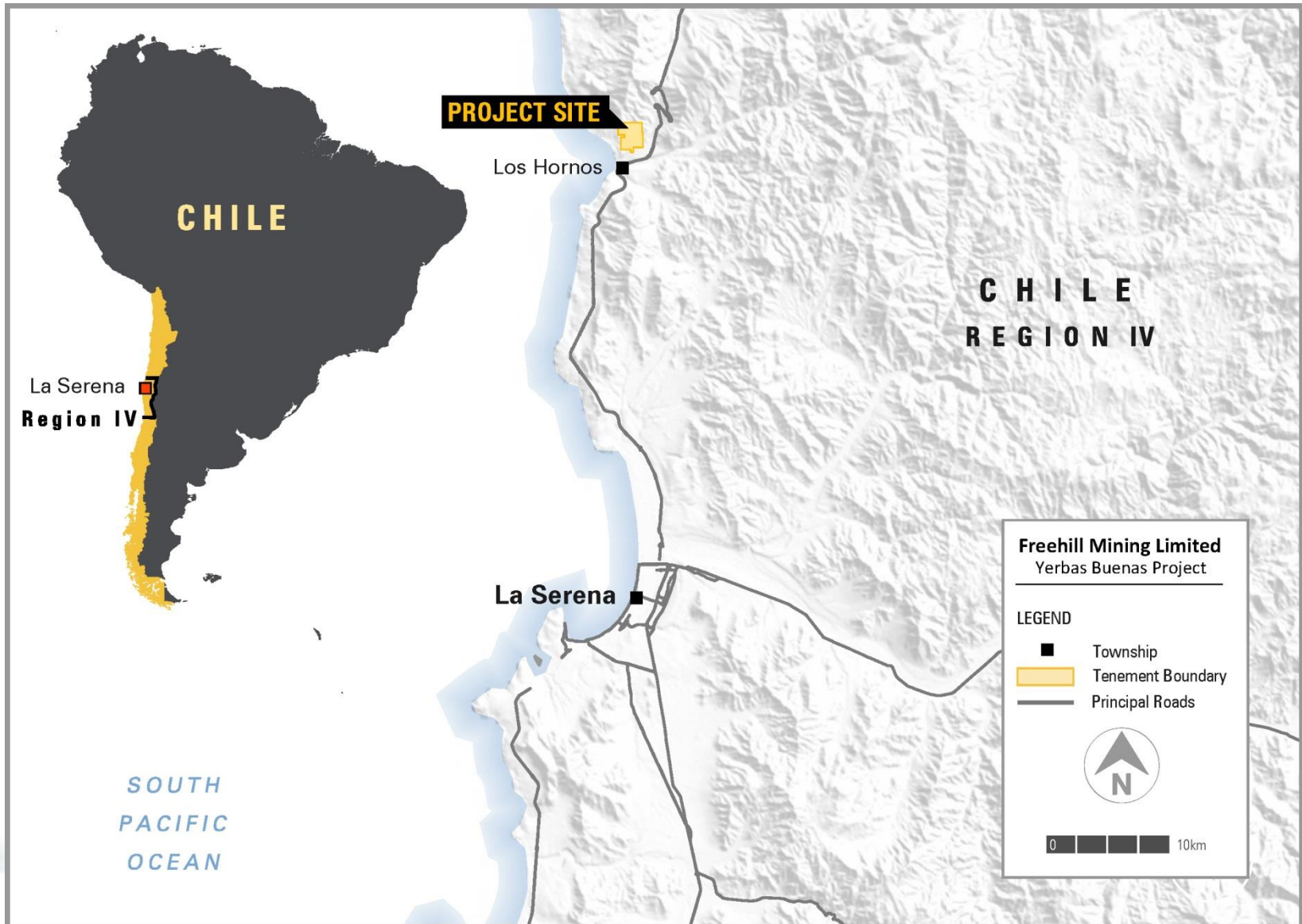
Shares	Number
Shares on issue at the Announcement Date	406,408,212
Options on issue at the Announcement Date	1,984,725
Convertible Notes on issue at the Announcement Date	481,453
Shares offered under the Entitlement Offer	205,000,000
Total Shares on issue on completion of the Entitlement Offer	611,408,212*

*Assumes Entitlement Offer is fully subscribed. Does not include any shares which may be issued on conversion of convertible notes or exercise of options.

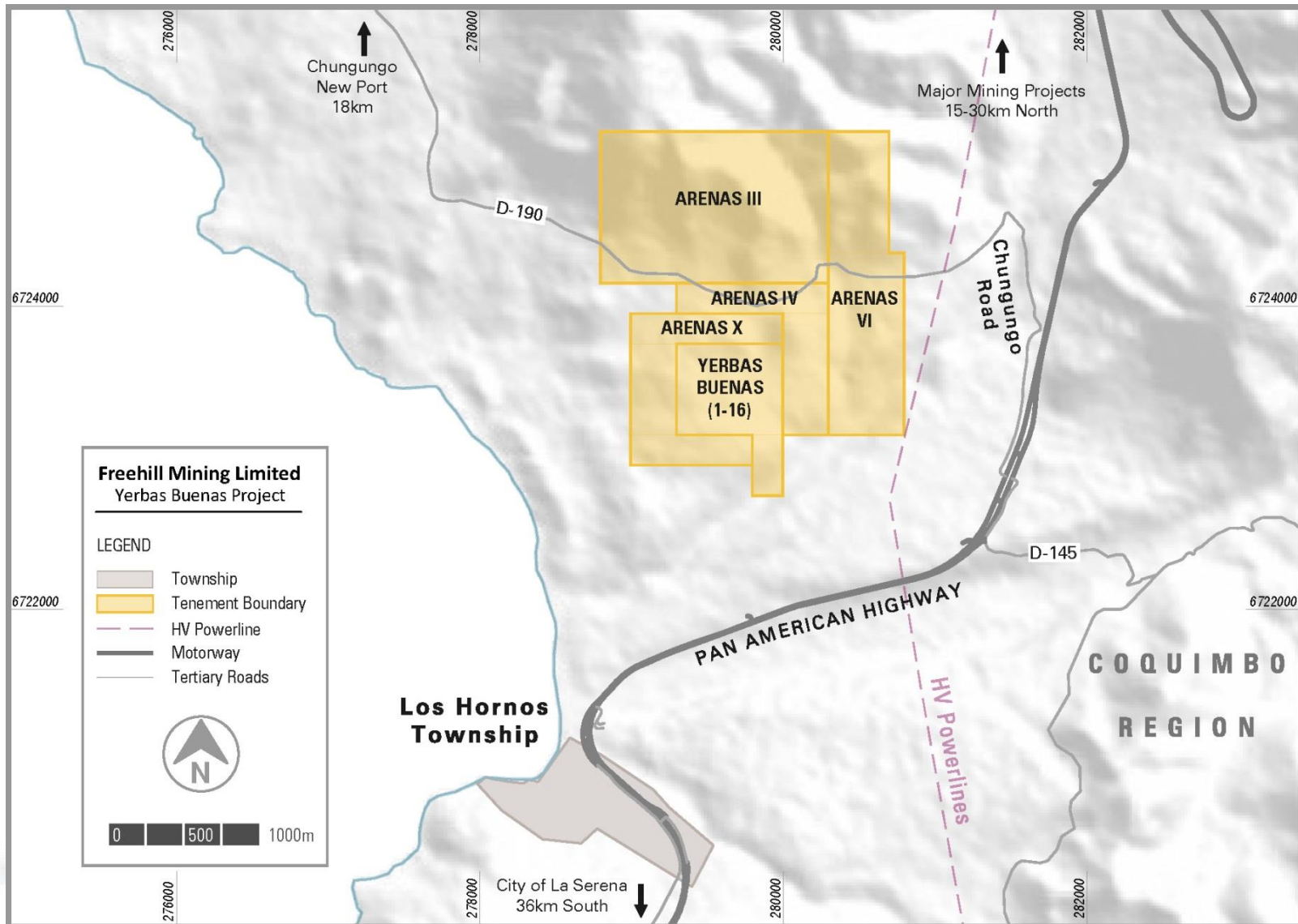
Project Background



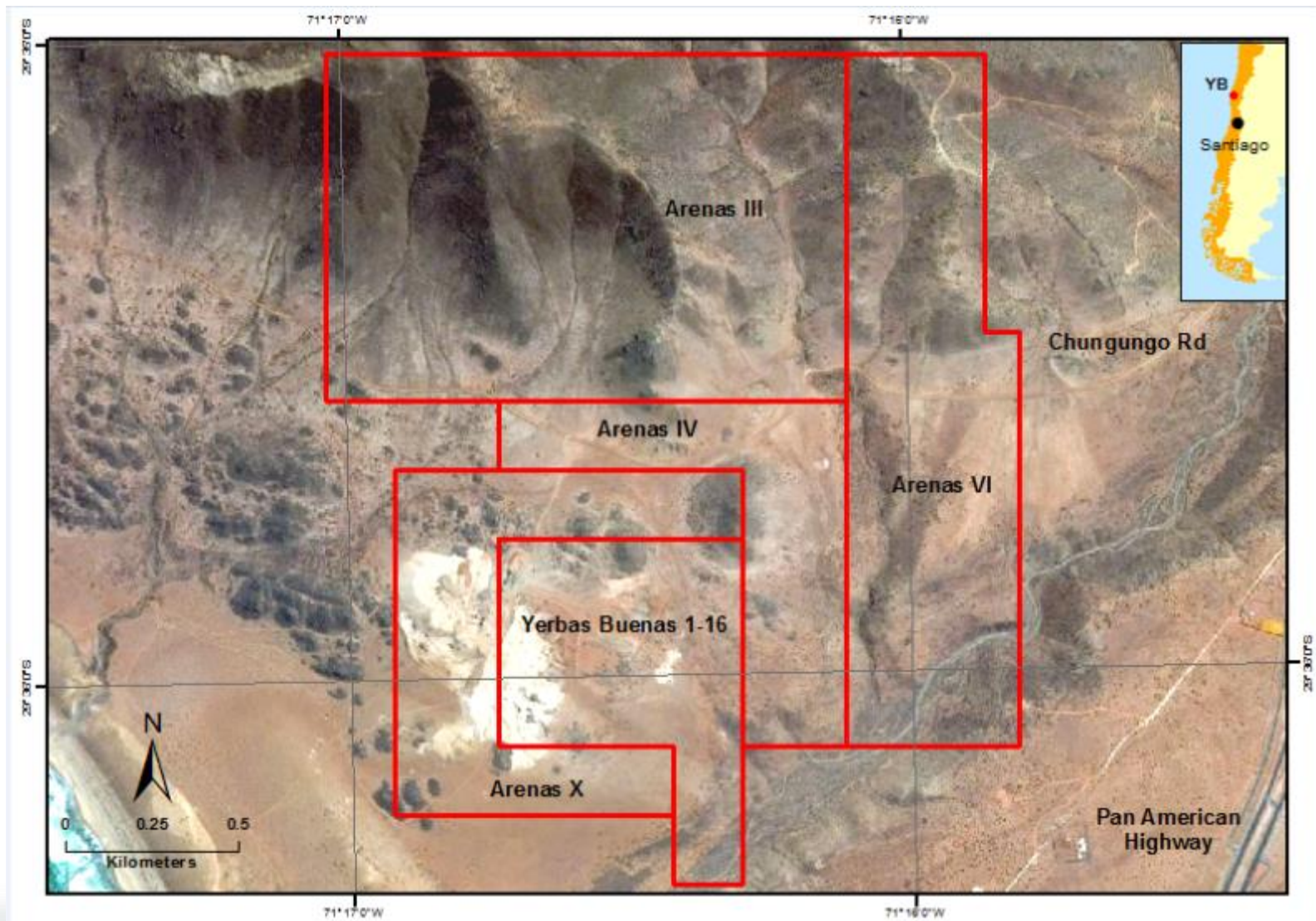
Project Location in South America



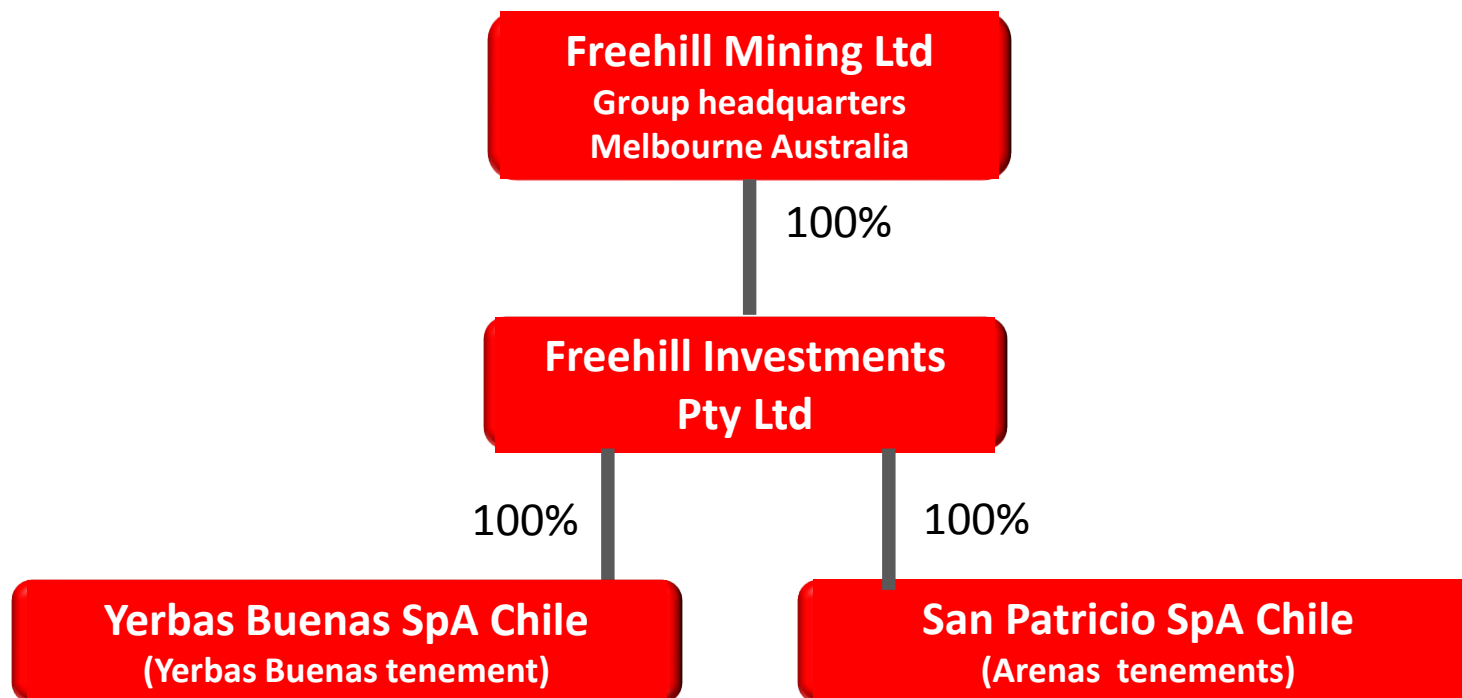
Local Features



Concessions Boundaries



Corporate Structure



Development Summary



- The company intends to prioritise and accelerate its maiden exploration activities over the next 6 months with the view to obtaining a JORC Resource Estimate.
- Development focus was initially on the operation of a bulk sampling-trial mining and demonstration processing plant to provide commercial quantities of magnetite product to the Romeral pellet feed plant for quality evaluation and revenue. The suitability and acceptance of the product for use in the Romeral pellet feed plant has now been adequately proven.
- Seven magnetic structures (YB1-YB7) have been identified by high resolution ground magnetic geophysics surveys carried out in 2015/2017 that form the basis for targeted drilling.
- Structures designated as YB6 and YB7 are the largest structures and are open to the south and north respectively.
- Structure YB1 is currently the focus of trial mining and contains two Reverse Circulation drill holes that were drilled by Chile's largest iron ore company Compania Del Pacifico "CAP" in 2011 during their regional drilling campaign. CAP have provided the assay results for those two holes which confirm that the magnetic signatures contain magnetite mineralisation and the presence of a magnetite structure is consistent with similar structures found in the southern portion of the El Tofo Fault.
- This first phase of drilling will focus on a drilling campaign at YB1, YB6 & YB7. Subject to drilling results, subsequent infill drilling campaigns will be scheduled to increase resource tonnage and Resource Estimate confidence and ultimately allow a prefeasibility study to be completed during Q2/Q3 2019.
- The structures that will be targeted in this first campaign are:
 - ❑ YB1 – this magnetic structure has had the highest resolution ground magnetics (25m line spacing) completed to date and also contains the two 2011 CAP RC drill holes to 110 & 150m depth
 - ❑ YB6 – this is the second largest magnetic structure and lies to the extreme south
 - ❑ YB7 - is the largest magnetic structure, lies to the extreme north, most likely complex in that it may contain an IOA "iron oxide Apatite" or IOCG "iron oxide copper gold" structure. It has numerous small artisanal gold and copper diggings and tunnels. A decision to drill this structure will depend on the outcome of the proposed geophysics

Company History Since Listing



- Freehill was listed on the ASX as FHS 12th January 2017
- At the time of listing, the total number of shares on issue was approximately 331 million. Currently, the total issued capital is 403 million shares.
- Prior to listing on the ASX the company mined and processed iron sands in the Yervas Buenas coastal area and sold a 60-64% Fe magnetite product to the CAP/CMP Romeral processing plant
- Detailed high resolution '25m line spaced' geophysics survey completed in May 2017 provided clarity on several significant magnetic structures and drilling targets
- Trial hard rock mining pit and small demonstration crushing plant operated from early 2017 generating magnetite product & technical data in preparation for future feasibility study work.
- All product currently being sold to the Compania Minera Del Pacifico S.A 'Romeral' pellet feed plant which is 30km south of the project by major highway – "CMP" are providing ongoing technical advice to Freehill to advance product supply to their Romeral plant. CMP are a division of CAP S.A., Chiles largest iron and steel group
- Magnetite pre-concentrates and concentrates have been sold to CMP , generating revenues of US\$2.33million inclusive of IVA
- Board restructuring commenced and project review undertaken by the incoming chairman
- Reconnaissance exploration and surface sampling commenced on northern areas to better define potential source areas of copper and gold
- JORC Exploration Target declared in early 2018 based on CMP drill holes and most recent geophysics

Project Features



Freehill's Yervas Buenas project is uniquely situated in an area with all the infrastructure to potentially support a large mining operation from equipment supply through to product sale and export. The key to further development will be the definition of a resource through a series of phased drilling programs.

- Yervas Buenas is located in the unique position both geographically and commercially to have an iron ore buyer and pellet feed processing plant in the form of Chile's largest iron ore group on its doorstep 13km to the south east;
- Freehill have had an ongoing product supply agreement with Compania Minera del Pacifico S.A. "CMP", a division of CAP, since 2015 and in the unique position of having Chile's only external off-take agreement with Compania Minera Del Pacifico S.A.;
- 398 hectares land holdings, including surface rights;
- Minimal overburden which is atypical plus treatable grade ores from surface;
- Several magnetite structures within a relatively small area;
- Situated on the El Tofo & Atacama Faults which host multiple iron ore resources and operating mines;
- Latin America's oldest iron ore mine only 15km north along same fault structure as Chile's newest and largest copper/gold/magnetite project, Santa Dominga (Andes Iron) which lies only 23km north on same fault structure;
- Mine situated 30 mins drive on the 4 lane sealed PanAmerican highway north of a major city of 400,000 population;
- Chile's newest and potentially largest new mining port, Cruz Grande, to be built in next 2 years only 18km north of Yervas Buenas with 30% capacity allocated to third parties.

Significant 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 with 30% capacity allocated to third parties
- 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
- 30km 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 power lines 500m from mine



Trial Mining & Processing

November 2016



In only 12 months

March 2017



February 2018



Sale of Magnetite from Trial Mining



- Freehill's subsidiary, Yervas Buenas SpA has an offtake agreement with a CMP processing plant for the supply of magnetite concentrates
- Compania Minera del Pacifico "CMP" is a division of CAP S.A., Chile's largest iron ore and steel producer. Freehill, trading as Yervas Buenas SpA have had offtake agreements since 2015.
- All trial mining product is currently being sold to the Romeral pellet feed plant which is 30km south of the project by major highway – CMP are providing ongoing technical support to Freehill



Magnetite also sold under a supply agreement to Melon, one of Chile's largest cement manufacturers.

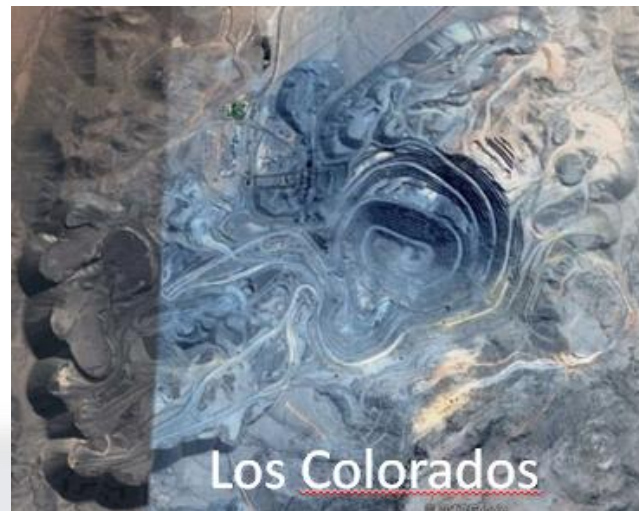
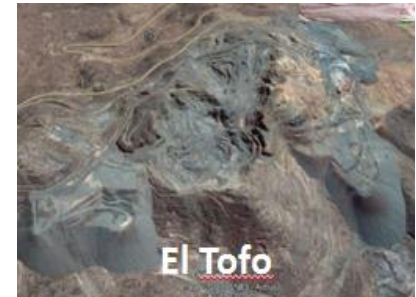


The Chilean Iron & Copper Belt

“Yerbas Buenas is in the company of good neighbours”

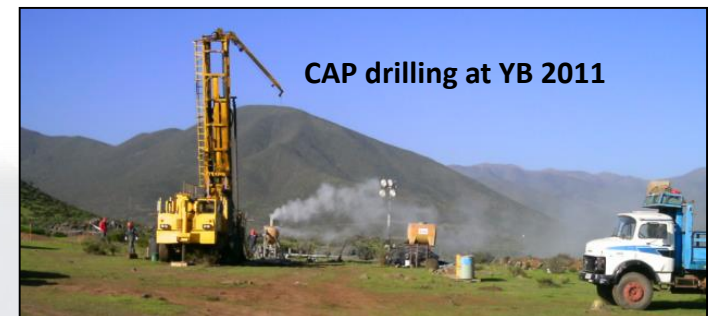
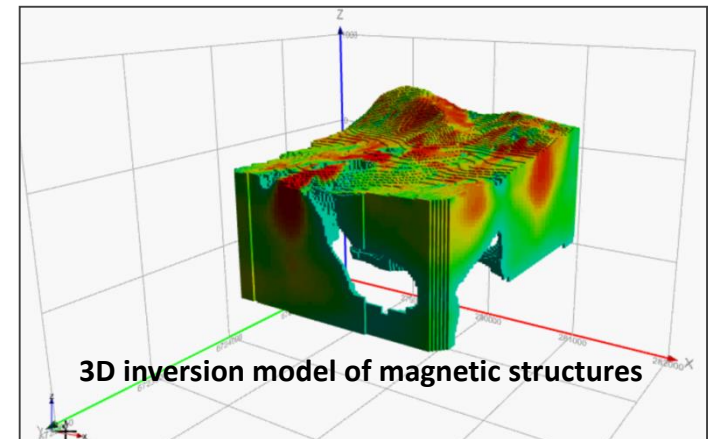
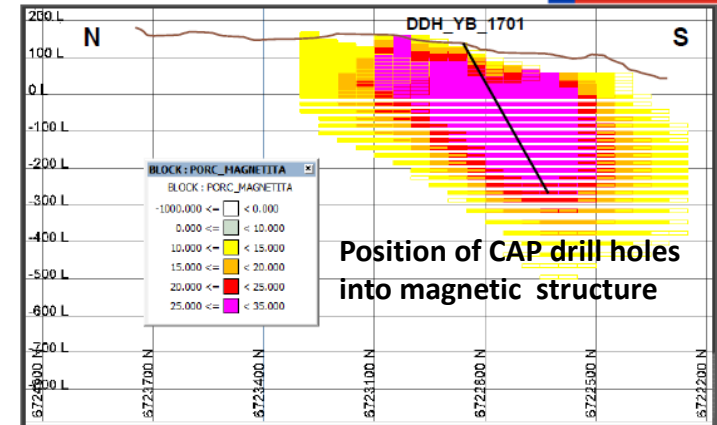
The Chilean iron & copper belt has literally dozens of operating iron ore & copper mines and numerous identified world class resources

- 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
- Several other operating copper and magnetite mines within 30-250km and a further 10-15 major resources being developed



Geology

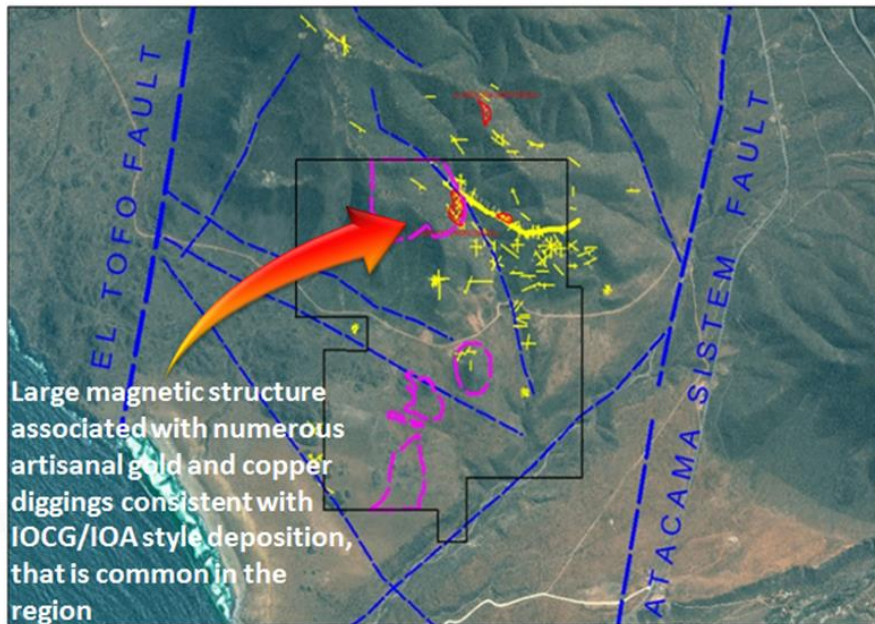
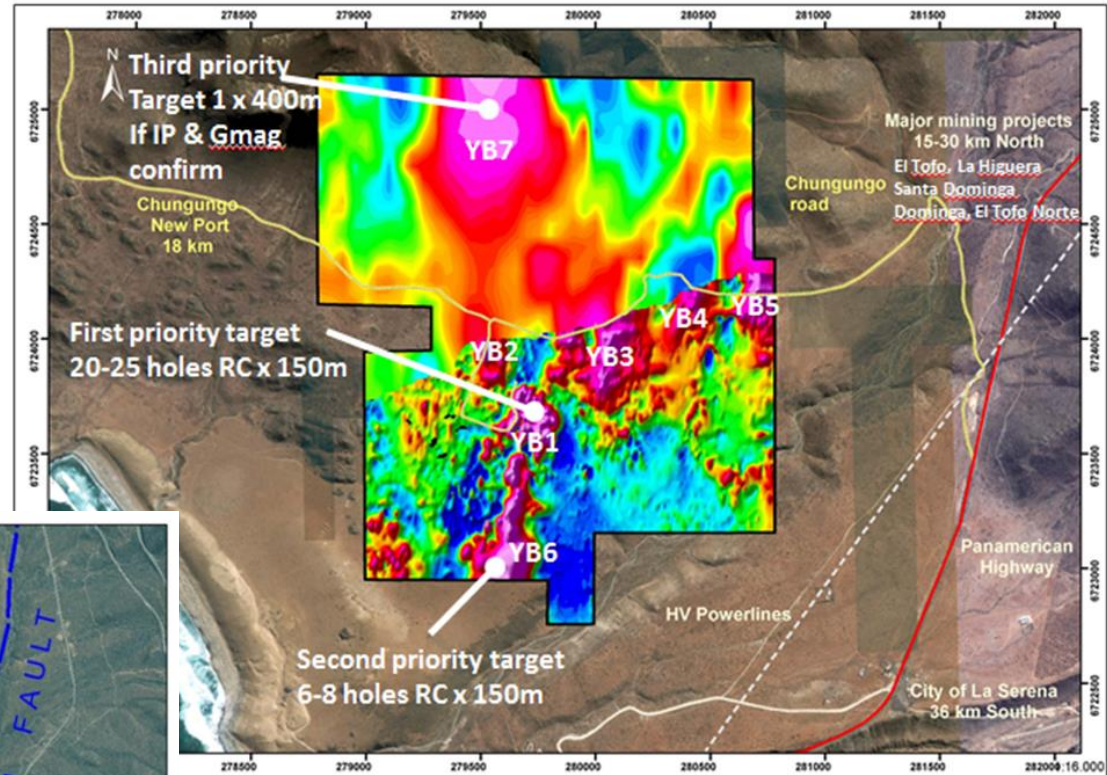
- Project is situated on the confluence of the Atacama and El Tofo structural faults which are significant features of the 'Iron Belt' in Chile
- Tenement contains 7 major magnetic structures
- CAP's historical drilling in southern portion suggests that these are magnetite based anomalies as well as very strong copper and gold mineralisation in northern structure
- Geology of northern portion is consistent with an IOCG/IOA project 'Santa Dominga' within 25km of us and numerous others similar resources
- 2 x 130m Reverse Circulation drill holes drilled by CAP in area of current pit (YB1 structure) in 2011 – CAP supplied all data. Drill holes confirmed that magnetic structure is magnetite
- 50m spaced ground magnetics by CAP in 2011 over small section of YB1 structure followed by a 200m ground magnetics survey in 2015
- 'high resolution' 25m and 10m ground magnetic and passive seismic survey over southern portion of tenement in 2017 by respected Australian geophysics experts
- JORC Exploration Target confirmed by 'Geos Mining' in 2018



Exploration Targets – Maiden Campaign

This image shows the magnetic structures identified by the Company's most recent ground magnetic surveys. The 200m line spaced survey completed over the northern half of the tenement in 2015 and the 25m line spaced survey completed in 2017.

Seven main magnetic structures are identified. The trial mine sits within the YB1 structure.



The image to the left shows the Yerbas Buenas tenement relative to the El Tofo fault which hosts primarily iron ore mineralisation and the Atacama fault which typically host copper. Yerbas Buenas lies at the confluence of the two faults.

Magnetic structures shown as pink dotted lines whilst gold and copper surface mineralisation, visible structures and artisanal mining pits and shafts shown by yellow marks

Major Regional Fault System

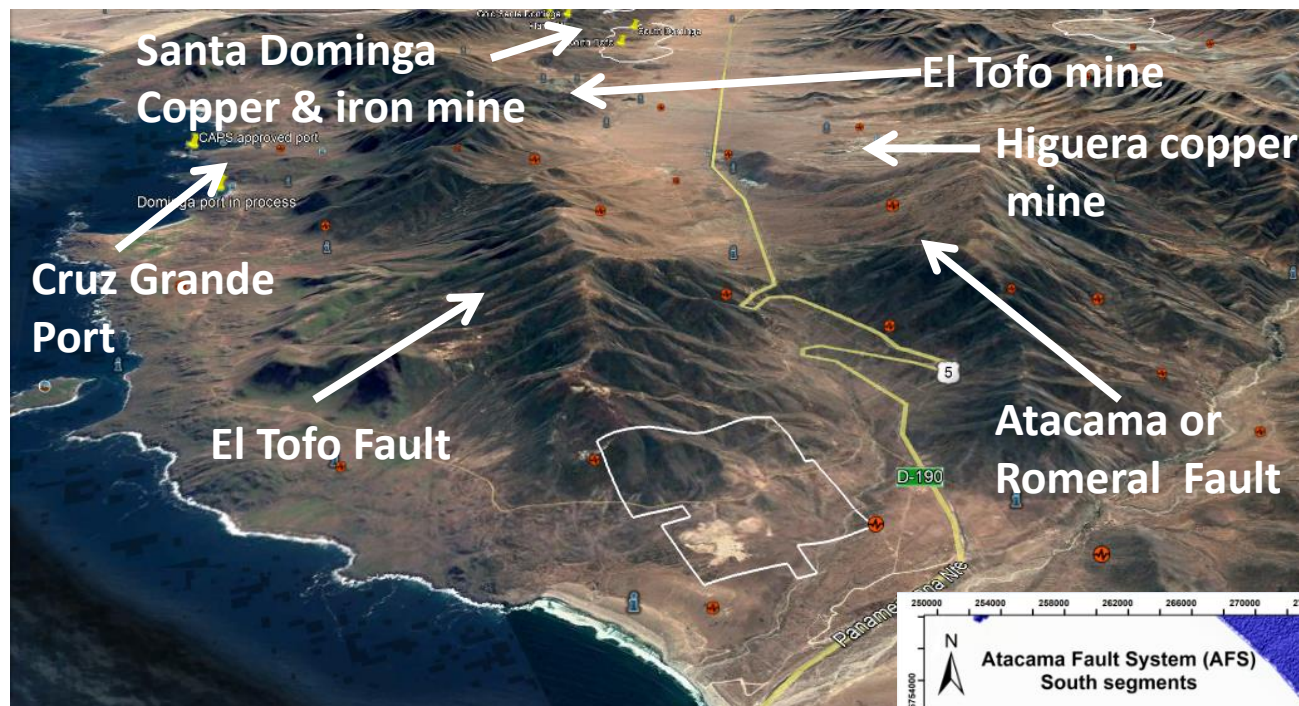
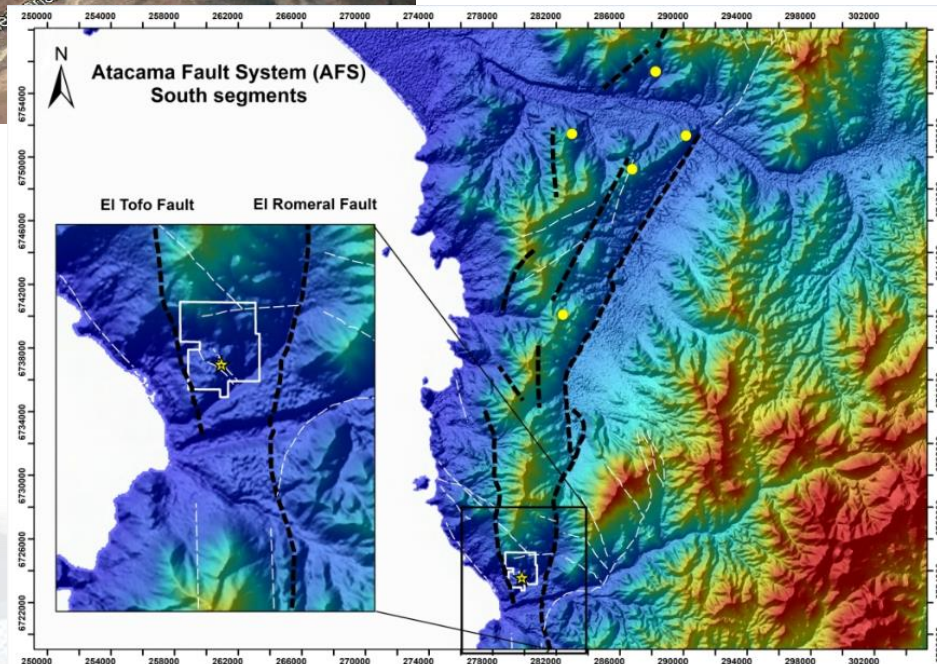
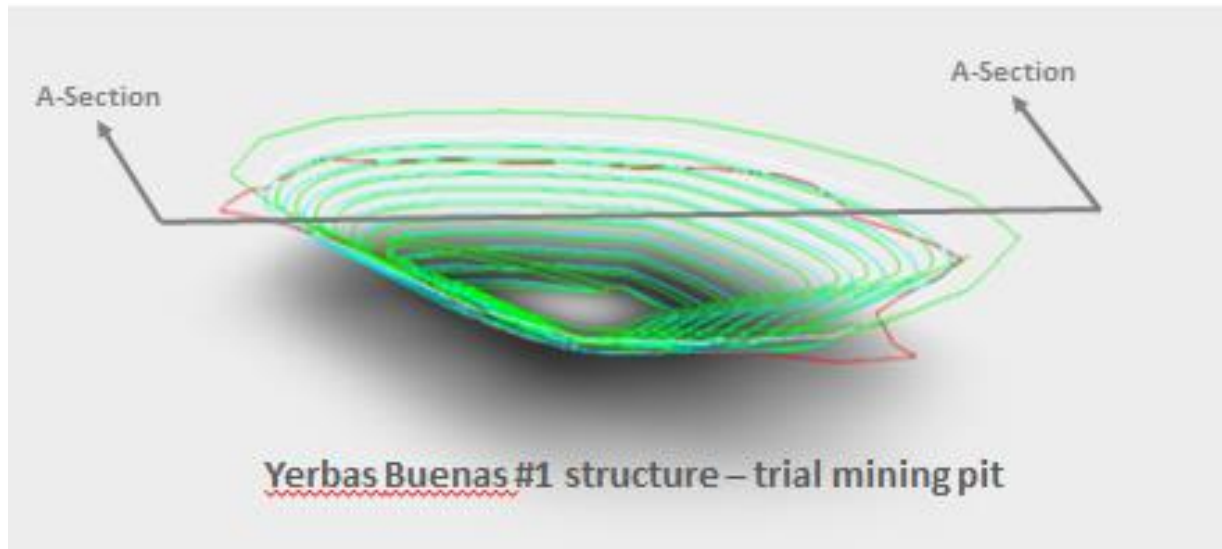


Image below is a Shuttle Radar Topography Mission 'SRTM' image of the El Tofo and Atacama Faults regions showing Yerbas Buenas at a confluence of the structures



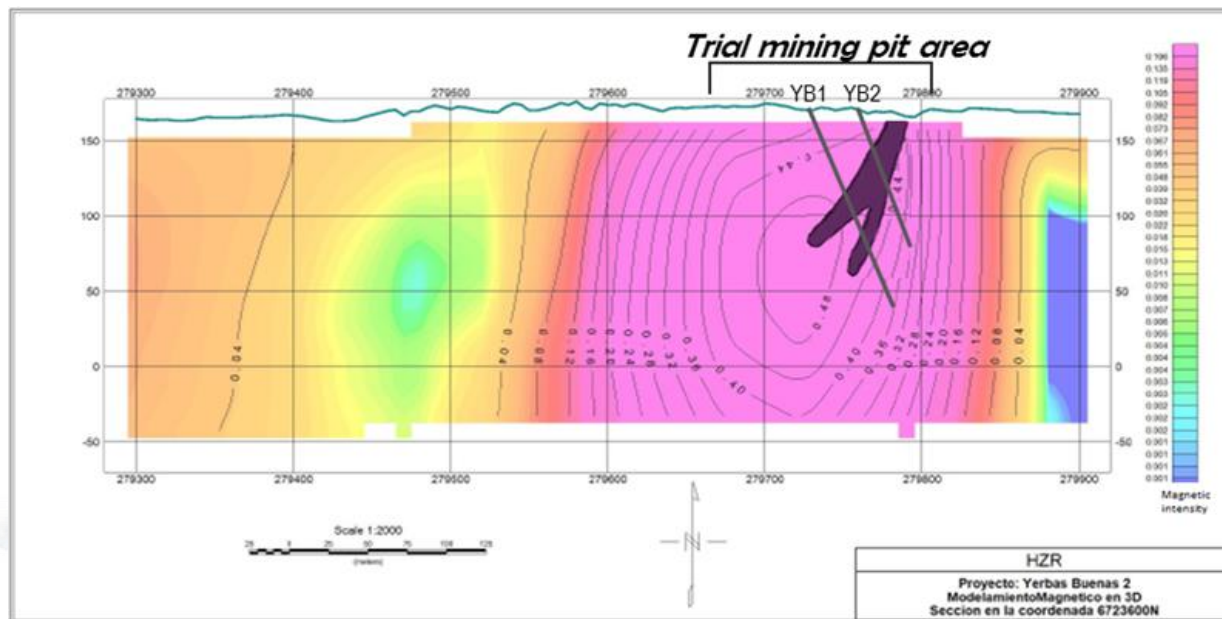
Mineralised Structure Modelling



Yerbass Buenas #1 structure – trial mining pit

3D Inversion Modelling

The adjoining two images show the current trial mining pit design which has benches planned to 150m below collar. The section arrows relate to the 3D inversion section depicted below.



The 3D inversion section through trial mining pit showing the two CAP Reverse Circulation drill holes completed in 2011 relative to the isoshells depicting the magnetic structure identified by three ground magnetics surveys

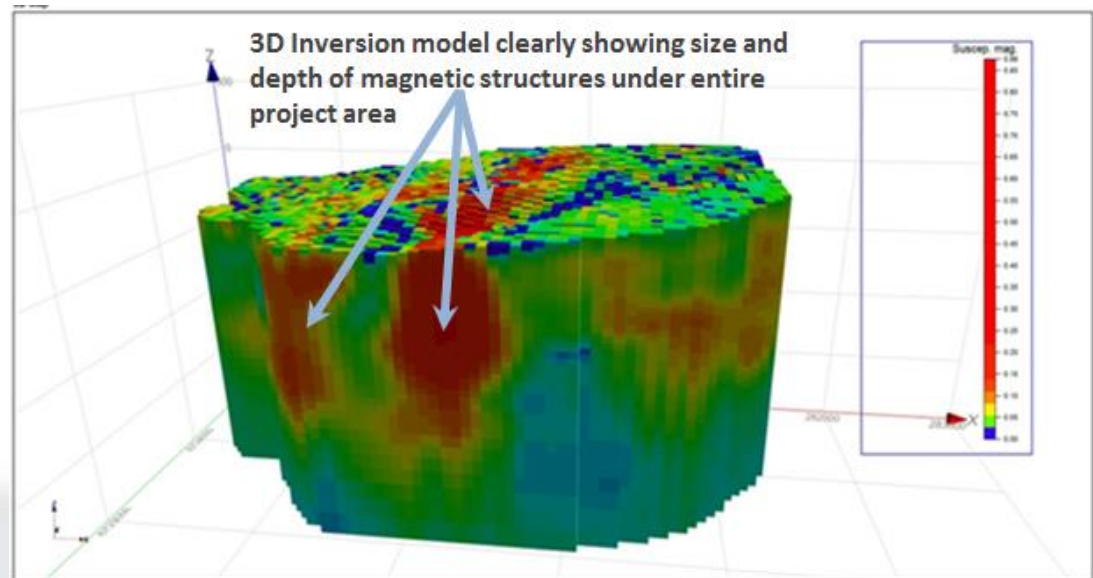
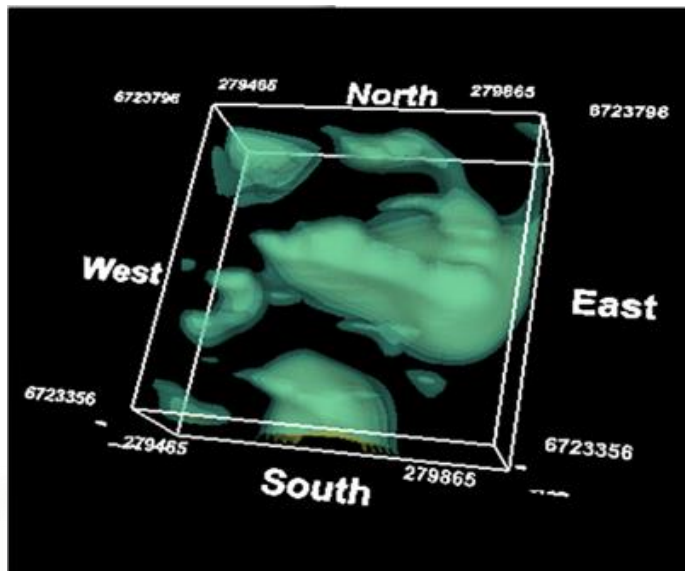
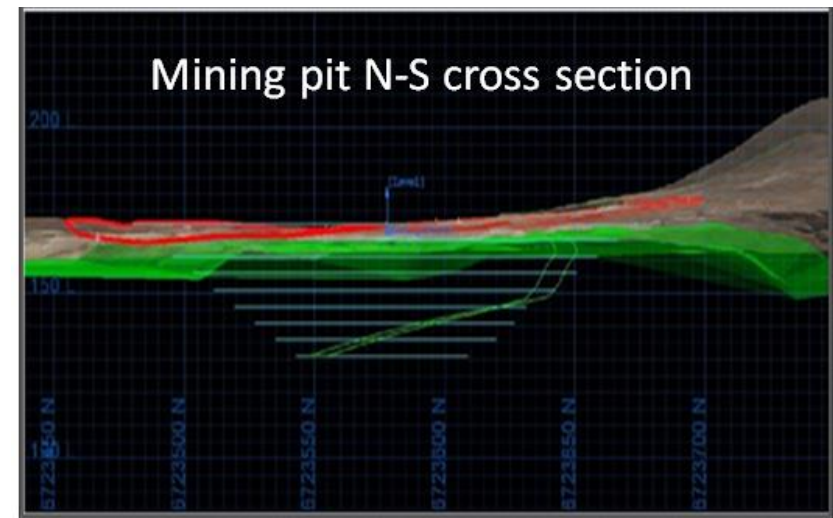
Mineralised Structure Modelling (cont.)



3D Inversion Modelling (cont.)

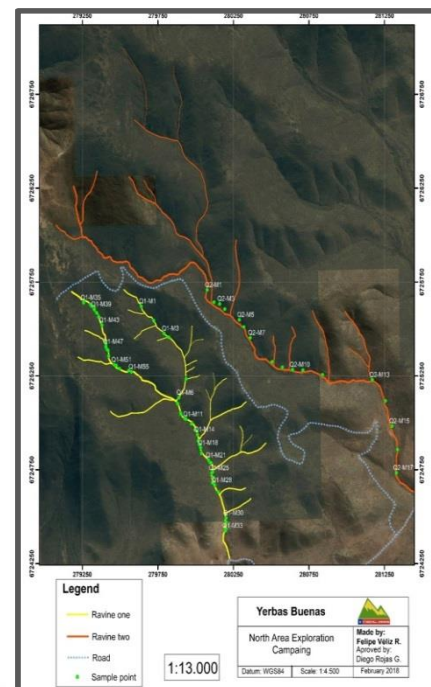
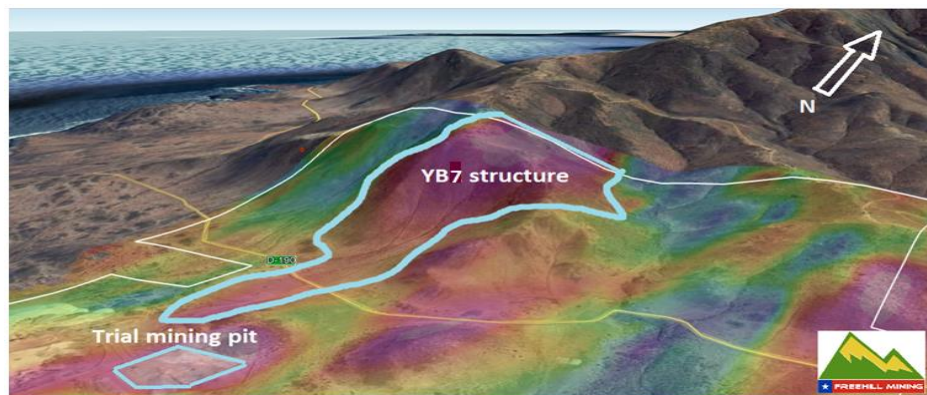
The image bottom right shows the depth and extent of the large magnetic structures under the Yerbass Buenas project area which are associated with magnetite mineralisation

The two darker images show a north-south cross section of the current mining model to -150m RL whilst the lower left image shows a rotated 3D Inversion model of the magnetic structure under the pit. This area has two Reverse Circulation drill holes to 150m and 111m that were drilled by Compnia Minera Del Pacifico in 2011. CMP have provide the drilling data for those two holes

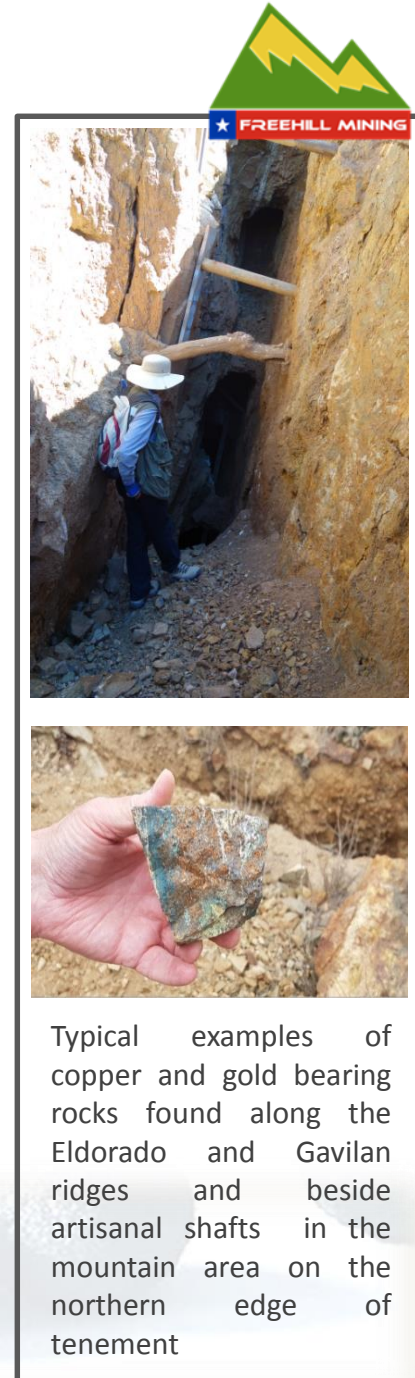


Gold and Copper Potential

- Numerous artisanal gold and copper tunnels and shafts
- Very clear vein structures visible in El Dorado and Gavilan fault areas
- Gold mineralisation only 1500m from current mining pit
- Respected Chilean geologist has looked over the area and confirmed that its geology is consistent with an IOCG (iron oxide copper gold) or IOA structure similar to Santa Dominga
- Similar to Andes Iron's huge Santa Dominga project 25km north along same fault structure



Recent Stream sediment surface mapping of gold and copper mineralisation shown above



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



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