6 May 2019

Yerbas Buenas Maiden JORC Mineral Resource Estimate for YB1 Structure

- **Mineral Resource Estimate for the YB 1 Structure totals 18.4 Mt @15.1% Fe (Inferred plus Indicated).**
- **First pass Mineral Resource Estimate based on exploration of only 9% of total Yerbas Buenas project area – six remaining larger structures to drill.**
- **This Resource Estimate is substantially greater than previously estimated Exploration Target for YB1.**
- **Large high grade YB6 magnetite structure to be drilled Q3 2019.**
- **Recently identified second potential copper/gold structure to be also drilled during Q3.**
- **Revised Exploration Target for magnetite resource of Yerbas Buenas to be reported shortly.**

Freehill Mining Limited ("Freehill" or "the Company", ASX: FHS) is pleased to report that Geos Mining Minerals Consultants has now completed the modelling of the December 2018 drilling campaign data and issued the Company's maiden JORC Mineral Resource Estimate (MRE), shown in Table 1, for the YB1 structure within the Company's 100%-owned Yerbas Buenas magnetite project.

Category	Mt	Mass %Recovery[1]	%Fe Head Grade	Concentrate Grades[2]				
				%Fe	$\%Al_2O_3$	$\%SiO_2$	%P	%S
Inferred	13.4	14.7	14.8	68.4	0.67	1.47	0.023	0.026
Indicated	5.0	15.8	15.9	69.1	0.69	1.36	0.018	0.022
Total	**18.4**	**15.0**	**15.1**	**68.4**	**0.68**	**1.44**	**0.022**	**0.025**

Table 1 – JORC Mineral Resource Estimate YB1 orebody, Yerbas Buenas

Notes: 1 – Mass %Recovery determined by Magnasat assay and is equivalent to Davis Tube Recovery ("DTR")

2 – Concentrate grade determined using Davis Tube on material P_{95} -75µm and represents an expected pellet feed product

The declaration of a maiden Mineral Resource Estimate is a significant milestone for the Company and is based on the drilling of only one of seven magnetite exploration target structures within the Yerbas Buenas Project area.

The results are particularly significant because the total Resource far exceeds the 3.1-6.2 Mt estimated for YB1 contained in the Exploration Target[1] (see ASX announcement *Operations Report*, 12 April, 2018). The YB1 structures magnetic footprint represents only 9% of the project's mineralised area.

This provides added confidence that the drilling of the remaining six target structures, YB2-YB7, could yield an aggregate MRE equal to, or well above the reported Exploration Target total of 35.7-50.9 Mt should similar results to those for YB1 be replicated.[2]

Although the YB1 structure represents one of the smaller geophysical footprints, it was initially selected, in preference to the other six structures, because it contains the trial mining pit. As such, it coincides with where the majority of the Company's technical knowledge stems from, including mining and sales of magnetite concentrates, and thus this maiden Resource Estimate will prove pivotal to planning the ramping up future commercial operations.

Completion of a Feasibility Study during this year will augment the Company's application to the Chilean authorities to substantially increase permitted mining and production levels in readiness for construction of a new purpose built processing plant. Additional drilling on the YB1 structure is also expected to enable elevation of both the tonnes and grade of the iron mineralisation to higher confidence levels.

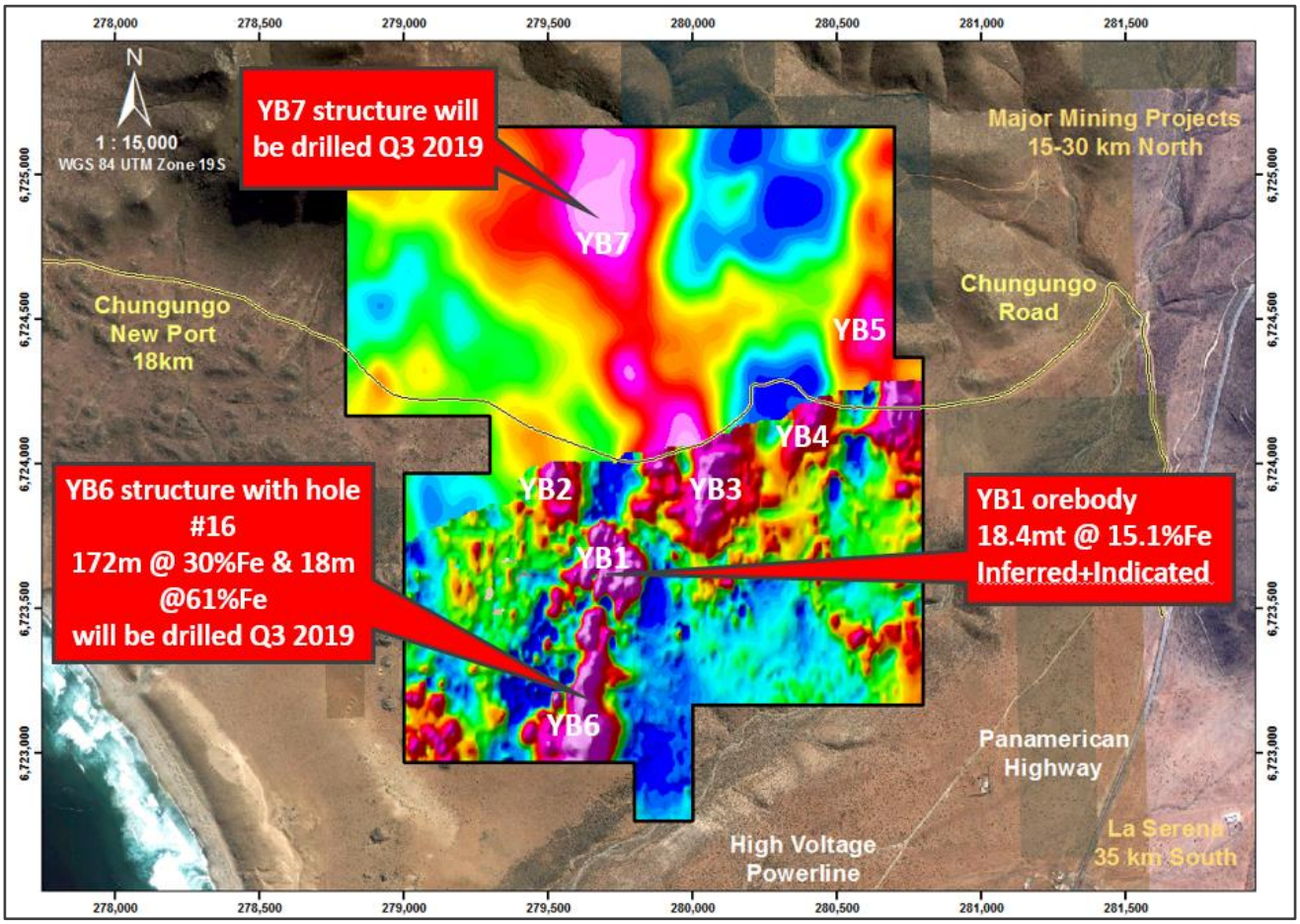

Figure 1 – Map of major magnetite structures identified by Ground Magnetic Geophysics (YB1-YB7) and those structures scheduled to be drilled during 2019.

[1] An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

[2] The potential quantity and grade of the magnetite material is conceptual in nature; there has been insufficient exploration to estimate a JORC code compliant Mineral Resource other than an Exploration Target, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Project highlights:

- The declaration of a JORC Mineral Resource, coupled with data collected during the trial mining, processing and sale of magnetite undertaken during the past two years now places the Company in a solid position to expedite a Feasibility Study.
- Material mined and processed from the trial mining pit over the past two years has averaged a grade of 27%Fe which is significantly higher than that estimated by the MRE.
- Over 168,000 tonnes of quality magnetite concentrate has been produced at the Yerbas Buenas Project, from the YB1 pit, and sold in Chile.
- The trial mine has mineralisation starting at surface, no pre-stripping and minimal rejection of material to waste compared to many other magnetite projects.
- Quality of iron concentrates produced from Yerbas Buenas have been proven to be acceptable through continued sales to Chile's largest iron ore pellet feed producer, Compañía Minera del Pacifico S.A. (CAP/CMP).

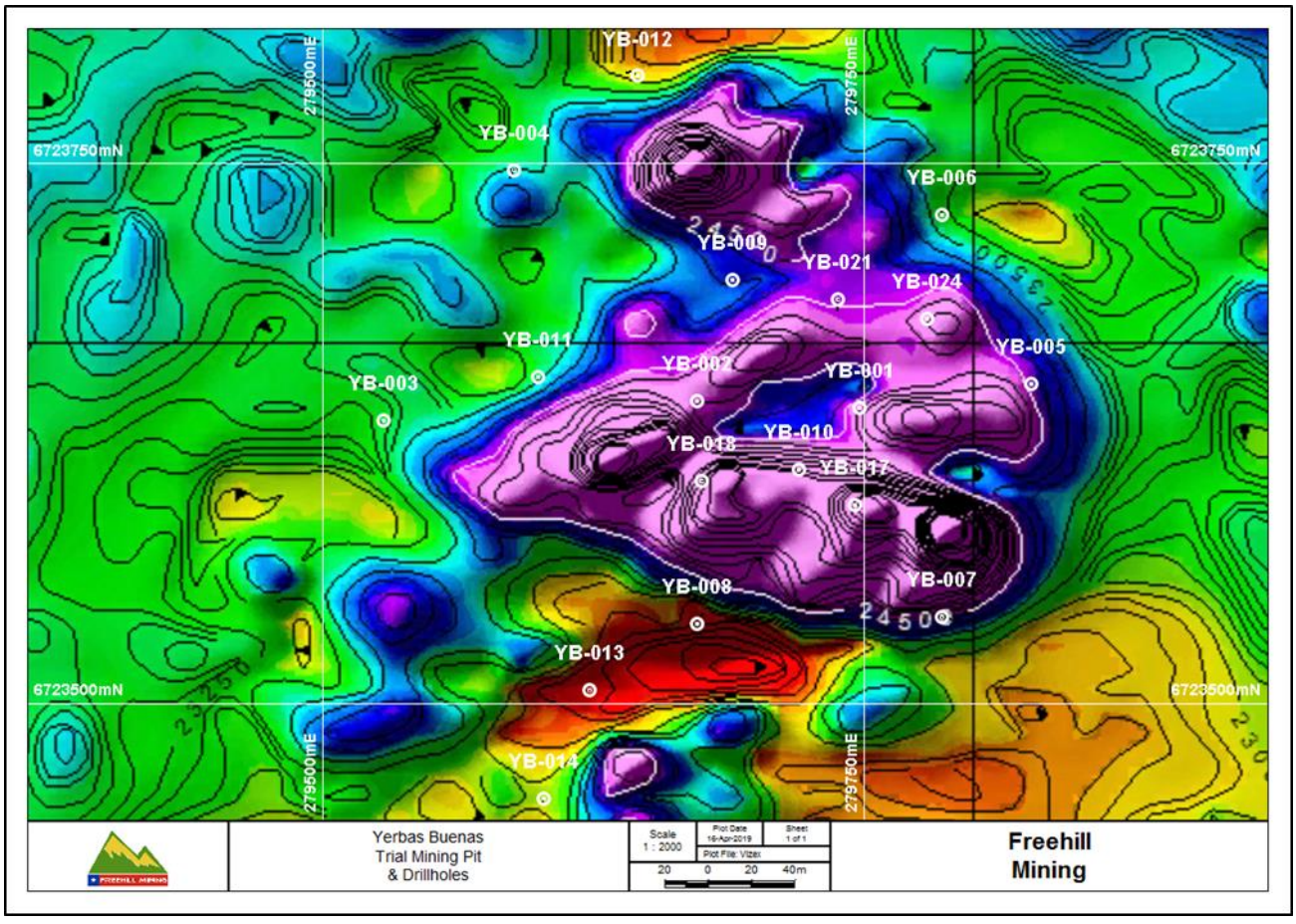

Figure 2 – Trial mining pit area (YB1 structure) upon which the JORC Mineral Resource Estimate has been based

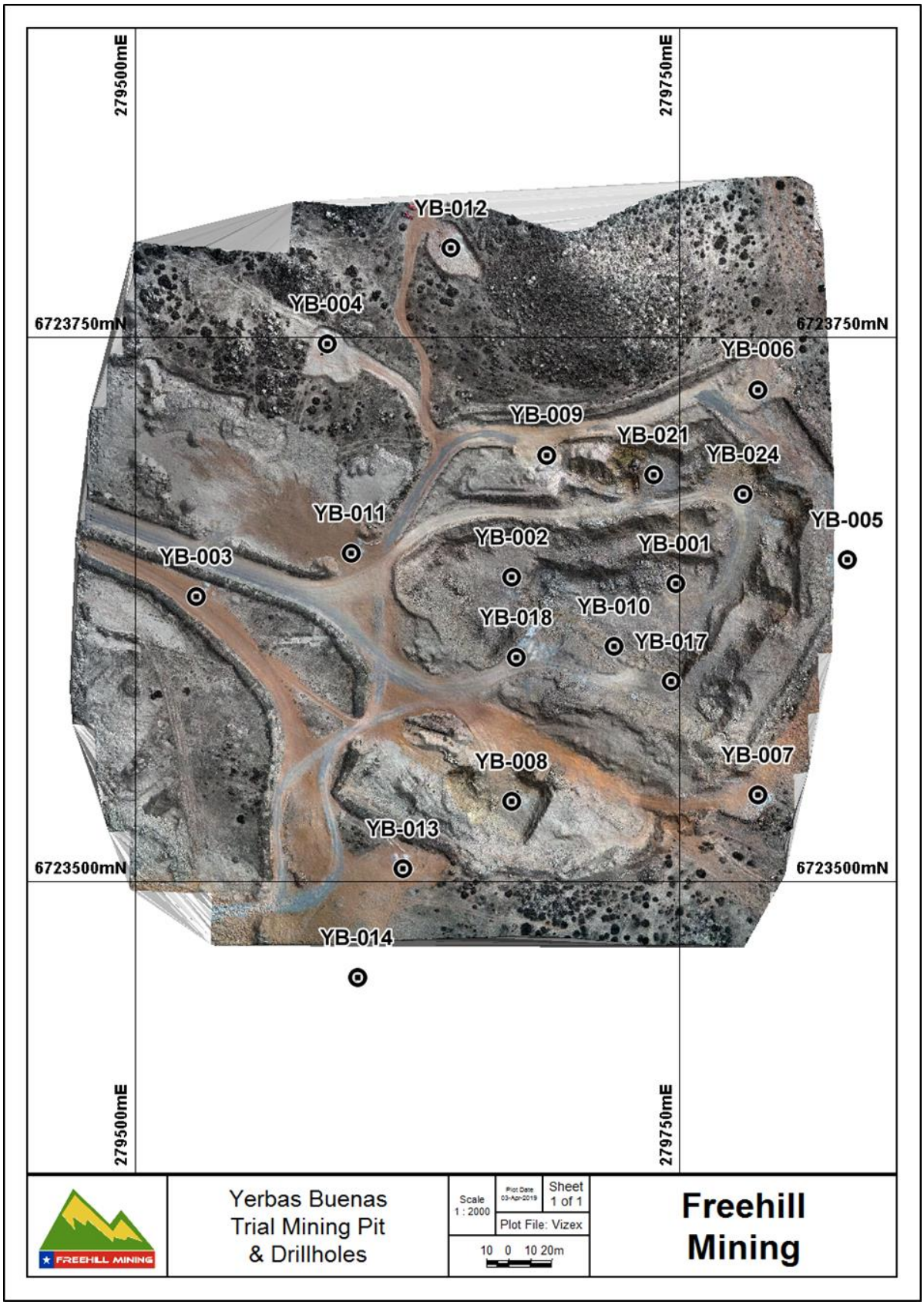

Figure 3 – Yerbas Buenas trial mining pit showing drill hole locations used for the YB1 MRE

Drilling of Other Magnetite Structures

During the November 2018 drilling campaign, several reverse circulation (RC) holes were drilled into the southern-most magnetic structure YB6 (see Figure 1). Two of those holes revealed exceptional iron grades and, in particular, hole YB016. Its results were previously reported by the Company in an ASX announcement dated 5 March 2019 and are summarised as follows:

The hole intersected magnetite down to 186m as well as:

- 120m of high grade magnetite averaging 30% Fe.
- 18m of near pure magnetite at >63% Fe within 50m of surface.
- Only 12-14m of sand cover over structure, which allows for very simple pre-stripping.
- Structure open to the south and widening/thickening in that direction.

Detailed test work carried out on behalf of the Company at the Intertek laboratory has shown that a total iron content of 30.5% Fe would provide a 38% Mass Recovery using the standard Davis Tube Recovery method, a method commonly used for magnetite assessment.

Hole ID	Interval	Intersection	Significant High Grade intersections
Hole YB015	8m	10m-18m	**27.2%Fe**
Including	28m	34m-62m	**37.4% Fe**
including	56m	8m-64m	**25.2% Fe**
Hole YB016	172m	14m-186m	**24.4%Fe**
including	38m	14m-52m	**41.7%Fe**
including	16m	20m-36m	**61.0 %Fe**
including	16m	36m-52m	**29.4%Fe**

Table 2 – RC holes YB015 and YB016 in the YB6 structure showing exceptional grades and structure thickness.

Exploration Target

A JORC compliant Exploration Target for iron ore mineralisation within the Yerbas Buenas Project was previously determined by Geos Mining and reported to the ASX on 12 April 2018. Its was categorised as an Exploration Target due to the limited drilling available at that time, the model being largely based on extensive ground magnetic surveys, ground-truthed with trial mining and two RC drill holes completed by CAP/CMP in 2011.

The Exploration Target for iron ore was estimated to be in the range of 35.7Mt to 50.9Mt, with an average grade range of 25% to 35% Fe. This estimate was an aggregate based on the surface footprints of the high amplitude magnetic anomalies with identified targets designated as YB1 to YB7. The full Exploration Target Report is available on the Company's website with Table 3 of that report showing the estimated tonnes for each magnetic structure.

The Exploration Target tonnes were derived by applying a 15%(low) and 30%(high) factor to the total tonnes indicated by the geophysics footprints to reflect an estimate of the recoverable proportion of the magnetite mineralisation. The YB1 structure had a potential contained tonnage of 20.7Mt which has then been reduced to an Exploration target range of 3.1-6.2Mt.

The potential quantity and grade of the Exploration Target will be reviewed now that the recent drilling and JORC MRE has confirmed that the 18.4mt Indicated plus Inferred Resource tonnages for the YB1 structure aligns well with the raw 20.7mt for the YB1 structure prior to the application of the factors shown in the Exploration Target Report.[3]

Potential Copper Targets

Induced Polarisation surveys completed in late 2018 and early 2019 identified two large targets, each over 800m in diameter, which potentially could contain copper sulphides at depth, consistent with the regional geology. More detailed results of these IP surveys have been reported by the Company to the ASX on 22 February and 17 April 2019.

Diamond drilling of both targets is scheduled for Q3 2019, to confirm the origin of these anomalies and nature of mineralisation. Both IP targets lie very close to the trial mining area and are easily accessible. Both targets also appear to have close-to-surface extensions making them ideal for shallow drill testing.

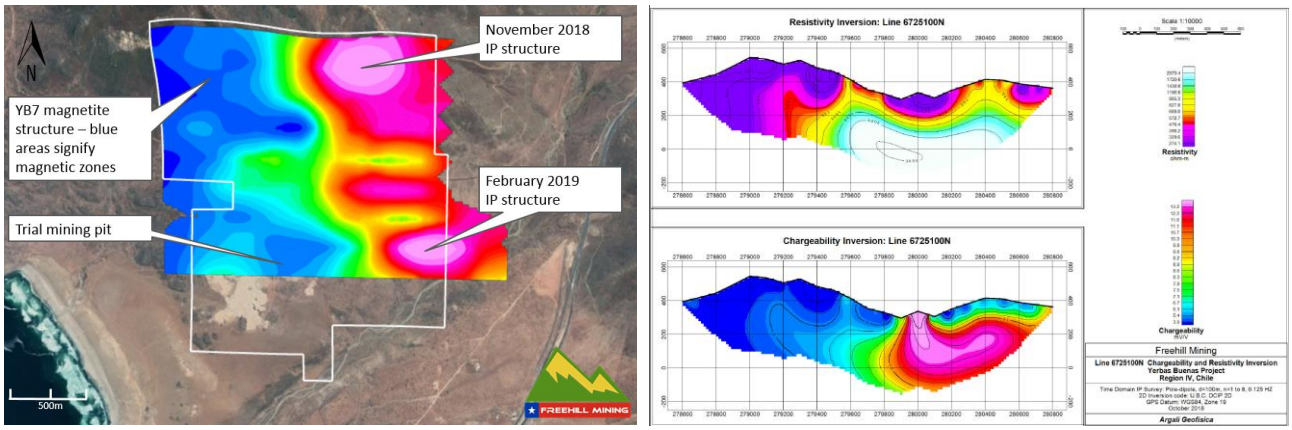

Figure 4 – Two Induced Polarisation structures discovered recently and potentially indicate copper sulphide

Figure 5 - Left image taken to NNE showing 2018 IP structure and right image taken looking SW with new 2019 IP structure shown on left side of image with trial mining pit of right side of image

[3] Complete Conceptual Exploration Target Report is provided on the Freehill Mining Ltd website: https://freehillmining.com/wp-content/uploads/2018/10/5652918-2741_01_YB_Conceptual_Exploration_Target.pdf.

Management Commentary

Freehill's Chief Executive Officer Peter Hinner said: "Being able to declare our maiden JORC Resource including some in the Indicated category is the culmination of two years of very hard work by our dedicated technical team in Chile and Australia. Whilst this maiden MRE is limited to just one target it vindicates our belief that Yerbas Buenas could rapidly become an important revenue generator for the Company.

"With the high grades demonstrated in the YB6 structure and a very supportive product offtake buyer situated less than 35km away by sealed road, we are confident that following completion of a Feasibility Study and further resource delineation the Company will be solidly placed to ramp up production and its revenue stream in order to deliver value to our shareholders."

-ENDS-

About the Yerbas Buenas Project

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

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

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

Competent Persons Statement

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Greg Curnow, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Curnow is a full-time employee of Geos Mining Mineral Consultants and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Greg Curnow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Peter Hinner 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Or 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.

About Freehill Mining Limited

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

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Appendix 1 – JORC Table 1

Freehill Mining Ltd - YB-1 Anomaly – April 2019

JORC Code, 2012 Edition – Table 1

Section 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types*	• Reverse Circulation (RC) drilling carried out by Major Drilling Group to obtain 2m samples. • Samples split using a riffle splitter and both halves weighed accurately by electronic platform balance and the assay portion bagged immediately. • Magnetic susceptibility measurements taken on all samples whilst at the drill rig and recorded. • Raw drill samples delivered to laboratory, total sample dried, crushed to ¼", then Boyd crusher to 10# and then 800g subsample pulverized to 200# (75 microns). • Assaying done by four acid digestion and either titration or AAS for total iron. • Samples also treated by Davis Tube, XRF and Magnasat.

Criteria	JORC Code explanation	Commentary
	(eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation using a $5^{1/2}$ " hammer bit. • Schramm T685 drill rig used.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• All sample weighed using platform scales at drill rig and continuously recorded. • Samples taken in 2m intervals. • Sample recovery varied between 88% and 105% of theoretical with a mean of 94%.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All sample intervals logged by a qualified geologist with experience in magnetite deposits in Chile to a level appropriate with the style of mineralization. • Logging was both qualitative and quantitative • Lithology, alteration, mineralization level & magnetic susceptibility all logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample passed through a riffle splitter at the drill rig directly from cyclone into splitter and both splits immediately weighed and assay split bagged. • The method of splitting was deemed appropriate for iron mineralization. Samples were dry 90% of the time.

Criteria	JORC Code explanation	Commentary
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Duplicate samples taken at the rate of 5% and submitted to laboratory. • Sample sizes and laboratory preparation techniques are considered to be appropriate for the Resource categories and the commodity being targeted.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Ore preparation and the assaying methods and procedures were deemed appropriate for magnetite iron analysis and recovery assessment. • Handheld field magnetic susceptibility meter used for indicative and backup measurement. • Duplicate samples taken at the rate of 10% at drill rig splitting stage. • Waste blanks submitted to laboratory at the rate of 7% of total sample number. • Certified standards of two different grades submitted to laboratory at 2.5% of total sample number. • Laboratory also ran internal blanks, duplicates and standards for all assay methods. • Intertek Copiapó Chile laboratory used for all assaying. • Copiapó laboratory is ISO 9001accredited.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All drill hole data was paper logged onsite and then digitally entered by contract geologists at the site office. • All digital data was verified and validated by the Company's consultant before loading into the drill hole database. • Significant intersections were verified by magnetic susceptibility meter and visual colour assessment.

Criteria	JORC Code explanation	Commentary
		• No twinned holes were done. • Both analogue and digital versions of all drilling logs, geological logs etc stored in multiple backup locations. • No adjustments were made to the assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole locations are located either by Garmin handheld GPS (8 holes) or by V60 Trimble 220 system DGPS (10 holes). • Topographic LIDAR drone survey carried out over the MRE area • All holes were 'downhole' surveyed using a Reflex Ezy-Gyro instrument to confirm drillhole deviation. • All digital data, maps and data products reporting are provided in coordinate system: datum WGS84 and projection UTM zone 19S.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drillhole spacing is a nominal 50 metre spacing though limitations due to mining operations has meant some spacings are more than 50 metres. • Drillhole spacing is considered appropriate for the level of confidence quoted.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• RC drillholes were oriented vertically which is considered to be perpendicular to the mineralisation. • Hole positions are not considered to have introduced a sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was strictly controlled and all samples in the possession of drilling contractor or company geologists at all times until fully logged.

Criteria	JORC Code explanation	Commentary
		• Samples transported to the laboratory on a laboratory owned truck and taken directly to the Intertek laboratory where they were bar coded upon receival.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audit of data has been completed to date.

Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Yerbas Buenas Project is located on licenses held through Chilean subsidiaries of which Freehill Investments Pty Ltd currently has a 100% interest. • Licenses are numbers 04102-2723-1, 04102-2714-2, 04102-2715-0, 04102-2755-K, 04102-2937-4 and total 398 hectares. • The licences allow for the extraction of up to 9,600 tonnes per month.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Two RC drillholes, SDHYB1101 & 1102, completed by previous tenement holder Compania Mineria del Pacifico (CMP) in 2011. • Complete drillhole logs and assays provided by CMP. • Samples assayed for Total %Fe and % magnetics by Davis Tube. • 50m line spaced ground magnetics survey completed over 800m x 800m by Geoexploraciones in 2010. 200m line spaced ground magnetics survey completed over 4.8km^2 by Ingeglobal in 2014.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit occurs within the El Tofo and Atacama Fault region with those projects lying along the El Tofo Fault being primarily iron bearing whilst those along the Atacama Fault tending to be predominantly copper bearing. • The central area is characterised by three dominant intrusive structures. The structural setting is one of NE-SW trending subvertical tabular bodies with apatite the primary gangue. • The primary intrusives unit is a diorite with veins of quartz-magnetite and disseminated magnetite. • Andesitic porphyry occurs with abundant biotite, quartz with magnetite as well as hydrothermal breccia with magnetite. • Yerbas Buenas shows some evidence of IOCG mineralisation.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *total drillhole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• See Appendix 2- Drillhole Information

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • No aggregate intercepts were used in the estimation. • No metal equivalents are being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Exploration intercepts are not being reported. • However, where possible drill holes are oriented to cut at right angles across the mineralisation. • Down hole widths are considered as true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps and sections are available in the body of the Mineral Resource Estimate.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The reporting of results in this report is considered balanced. • No other exploration data, that is considered meaningful and material, has been omitted from this report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Exploration results are not being reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further infill drilling is recommended to overcome limitations incurred due to the mining of YB-1. • Further drilling to the north to test the extent of mineralisation • Diamond drilling of the mineralisation to allow Bulk Density measurements to occur.

Section 3- Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data stored in Micromine 2104 database. • Data provided in a consistent format & imported using a software importer to minimise human errors. • Minimal human handling of assay data. • Data validation occurred via several stages initially via excel spreadsheets followed by Micromine's internal database validation program which prevents the duplication of data, typographical errors and maintain coding consistency between geologists. • The data then underwent database validation and QAQC procedures prior to database generation. • Assay values have been subjected to random reconciliation with laboratory certified values to ensure agreement.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent person was onsite between Oct 2018 and Dec 2018 as the drilling was undertaken. • Drill sites were inspected & locations verified. • Local geology witnessed at multiple locations. • Drilling and sampling procedures were witnessed. • Discussions were held with field geologists about mineralisation structure, local & regional geology. • Advice provided on improvements to logging & sampling procedures to increase confidence.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological model confidence is moderate. • Geological logging and surface mapping allow extrapolation of drill intersections between drillholes. • Current data spacing & quality is sufficient to imply, but not verify grade continuity. • Logged lithologies were used alongside assay results to establish & constrain mineralisation.

Criteria	JORC Code explanation	Commentary
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The YB-1 anomaly block model extends approximately 355metres in length by 355 metres in width. • The depth extent is from natural surface to sea level (0mRL) and this is approximately 210 metres.

Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
	• *The assumptions made regarding recovery of by-products.*
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
	• *Any assumptions behind modelling of selective mining units.*
	• *Any assumptions about correlation between variables.*
	• *Description of how the geological interpretation was used to control the resource estimates.*
	• *Discussion of basis for using or not using grade cutting or capping.*
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*
		• Micromine 2014 was used to create a geological model and define the anomalous mineralisation envelope through a combination of geological model and assay interpolations.
		• The mineralisation envelope was statistically interrogated using variography to define parameters for the estimation.
		• Block estimation was undertaken using Ordinary Kriging (OK) in Micromine.
		• Kriging parameters were defined using Fe as the primary variable.
		• Estimation has been carried out for % Fe and % Fe_3O_4.
		• Drill hole spacing is variable, and the block sizes were chosen to reflect the best compromise between spacing and the necessity to define the geological detail of the deposit.
		• Block sizes are 5m along strike, 2m across strike and 5m vertically.
		• As there are no extreme values no top-cut has been applied.
		• Block model validation has been carried out by several methods, including:
		  ○ Drill Hole Plan and Section Review
		  ○ OK Model versus ID^2 Model
		• All validation methods have produced acceptable results.

Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages reported are on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The resource has been reported at a range of cut-offs from 0% to 20^{+}%. • At this stage an economic cut-off of 10% is recommended.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mining methods would be via an open pit combined with an onsite processing plant suitable to the deposit scale and geometry. • Mining factors such as dilution and ore loss have not been applied.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical test-work as undertaken during the trial mining operation confirms DTR analyses via lab-scale test-work. • The use of conventional magnetite processing during trial mining operation with crushing to -6mm and is able to produce an Fe concentrate with low deleterious elements (SiO2, P, S Al2O3, TiO2, V). • Delivery and sale to a local pellet feed plant over 24 months has confirmed the suitability of concentrate as a pellet feed.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Tailings – Based on a 15% Mass recovery, ~85% mass will be deported to the tailings fraction. • Crushing to -6mm is an entirely dry process. No water used • Given the lack of toxicity, negligible prospectivity for acid mine drainage, availability of low-density land area and bulk handling methods, it is envisaged that waste will be adequately handled should mining occur. • There are no other known significant environmental impediments to the project's viability from the currently available information.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*	• Bulk Density has been assumed and is based on formula developed by G-Mech and experience at similar deposits in Chile. • Bulk Density algorithm used was developed by CAP based on several of their magnetite mining operations. • A bulk Density of 3.2 was assumed.

Criteria	JORC Code explanation	Commentary
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource comprises both Inferred & Indicated classifications, reflecting differences in resource confidence over the deposit. • Geological modelling, data density, data geometry and variography form the basis for classification. • The classification of the Mineral Resource considered qualitative and quantitative criteria. • The criteria considered included the geological model, logging data, sampling techniques, data quality, data distribution, variography, deleterious materials with consideration of factors such as induration and overburden. • The result reflects the Competent Persons view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The current Resource estimation has been internally peer reviewed by Geos Mining and found to meet the criteria for eventual economic extraction.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the various resource estimates is reflected in the JORC resource categories. • The Inferred Resources are considered global in nature. • The Indicated Resources represent local estimates that can be used for further mining studies. • The MRE has been compared to the mining figures produced from the trial mining operation and the MRE is lower in grade than the mining figures but covers a larger area.

Appendix 2 – Drillholes used in MRE

HOLE-ID	EAST (WGS84)	NORTH (WGS84)	RL (m ASL)	DIP	AZIMUTH	DEPTH (m)
YB-001	279,748	6,723,637	154	-90	360	200
YB-002	279,673	6,723,640	161	-90	360	150
YB-003	279,528	6,723,631	170	-90	360	150
YB-004	279,588	6,723,747	180	-90	360	200
YB-005	279,827	6,723,648	169	-90	360	150
YB-006	279,786	6,723,726	176	-90	360	174
YB-007	279,786	6,723,540	164	-90	360	150
YB-008	279,673	6,723,537	161	-90	360	150
YB-009	279,689	6,723,696	174	-90	360	180
YB-010	279,720	6,723,608	154	-90	360	150
YB-011	279,599	6,723,651	171	-90	360	150
YB-012	279,645	6,723,791	189	-90	360	150
YB-013	279,623	6,723,506	171	-90	360	150
YB-014	279,602	6,723,456	172	-90	360	150
YB-017	279,746	6,723,592	159	-90	360	180
YB-018	279,675	6,723,603	166	-90	360	170
YB-021	279,738	6,723,687	168	-90	360	170
YB-024	279,779	6,723,678	161	-90	360	150

Collar co-ordinates are in WGS84, Zone 19S datum