



FREEHILL MINING LIMITED

(ACN 091 608 025)

PROSPECTUS

For the offer to Eligible Participants to subscribe for up to 385,369,778 new Shares (**New Shares**), being one (1) New Share for every five (5) Shares held, at an issue price of \$0.003 per New Share (**Entitlement Offer**), to raise up to approximately \$1.16 million (before costs).

The Entitlement Offer opens on 20 July 2023 and will close at 5.00pm (AEST) on 25 August 2023 (unless extended).

The Entitlement Offer is not underwritten.

This Prospectus also contains offers for the following securities:

- 403,033,096 Shares pursuant to the Loan Facility Agreements (**Conversion Shares**);
 - 23,768,467 Shares to creditors (**Creditor Shares**); and
- 36,487,566 Shares in consideration of amounts owing to current Directors or their related parties (**Director Shares**).

The Conversion Shares, the Creditor Shares and the Director Shares are not offered to Eligible Participants.

Important Notice

This document is important and should be read in its entirety. The Prospectus is a “transaction specific prospectus” issued in accordance with section 713 of the Corporations Act. In making representations in this Prospectus, regard has been had to the fact that the Company is a ‘disclosing entity’ for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investors may consult. If, after reading this Prospectus, you have any questions about the securities being offered or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The securities offered under this Prospectus should be considered highly speculative.

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1. OVERVIEW

1.1 SUMMARY OF THE ENTITLEMENT OFFER AND INDICATIVE TIMETABLE

Summary

As announced on 12 July 2023, the Company proposes to make a non-renounceable entitlement issue of one (1) New Share for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.003 per New Share (**Issue Price**).

Fractional entitlements under the Entitlement Offer will be rounded up to the nearest whole number.

The Company will raise approximately \$1.16 million, before costs, through the issue of the New Shares. The Entitlement Offer is not underwritten.

In addition, this Prospectus contains offers for the following Shares that, subject to obtaining Shareholder approval*, the Company intends to issue under this Prospectus on or about 31 August 2023:

- **Conversion Shares** - 403,033,096 Shares to lenders pursuant to Loan Facility Agreements;
- **Creditor Shares** - 23,768,467 Shares to creditors; and
- **Director Shares** - 36,487,566 Shares in consideration of amounts owing to current Directors, Paul Davies, Benjamin Jarvis and Peter Williams (or their related parties).

* If Shareholder approval is not obtained, then the Company may still issue some or all of the Conversion Shares and the Creditor Shares to the extent it is permitted to do so under the Corporations Act and the Listing Rules.

Shareholder approval for the issue of the Conversion Shares, the Creditor Shares and the Director Shares shall be sought at a general meeting of the Company that is proposed to be held on 18 August 2023.

The rights attaching to the New Shares, the Conversion Shares, the Creditor Shares and the Director Shares are described in Section 10 of this Prospectus.

Indicative Timetable*

EVENT	DATE
Entitlement Offer announced, Prospectus lodged with ASIC and offer for the Conversion Shares, the Creditor Shares and the Director Shares opens	12 July 2023
Ex Date	14 July 2023
Record Date	7:00pm (AEST) on 17 July 2023
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Participants	20 July 2023

EVENT	DATE
Opening Date of Entitlement Offer	
General Meeting held	18 August 2023
Closing Date of Entitlement Offer, and the offer for the Conversion Shares, the Creditor Shares and the Director Shares	5:00pm (AEST) on 25 August 2023
Issue of New Shares under the Entitlement Offer Issue of the Conversion Shares, the Creditor Shares and the Director Shares**	31 August 2023
Dispatch of holding statements for the New Shares, the Conversion Shares, the Creditor Shares and the Director Shares	1 September 2023
ASX Official Quotation of the New Shares, the Conversion Shares, the Creditor Shares and the Director Shares	1 September 2023

** This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and the Corporations Act.*

*** Subject to Shareholder approval being obtained. If Shareholder approval is not obtained, then the Company may still issue some or all of the Conversion Shares and the Creditor Shares to the extent it is permitted to do so under the Corporations Act and the Listing Rules.*

1.2 IMPORTANT INFORMATION

Understanding this Prospectus

This Prospectus is dated 12 July 2023 and was lodged with ASIC on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Entitlement Offer earlier than the timetable (set out above) or vary any of the important dates set out in this Prospectus without prior notice, including extending the Closing Date of the Entitlement Offer. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Entitlement Offer which the Company has identified are summarised below and set out in further detail in Section 9 of this Prospectus.

If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 14.

Disclaimer

No person has been authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Except as required by law, and only to the extent so required, neither the Company, nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Obtaining a copy of this Prospectus

A copy of the Prospectus can be downloaded from the website of the Company at <https://freehillmining.com/>, or the website of ASX at www.asx.com.au. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus from within Australia or New Zealand.

The Prospectus available on the Company's website does not include an Entitlement and Acceptance Form. Eligible Participants wishing to subscribe for New Shares should complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company (or downloading it from the Company's website).

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 the Company, 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 Prospectus are made only at the date of this Prospectus. Subject to any continuing obligations under applicable law or the Listing Rules, the Company 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.

This Prospectus does 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. Refer to Section 5.11 for treatment of Ineligible Participants. Applications for Entitlements offered pursuant to this Prospectus can only be submitted on an Entitlement and Acceptance Form.

2. OVERVIEW OF THE COMPANY AND RISKS

The Company is an Australian public company listed on the ASX. The Company's Shares have been suspended from trading since 1 February 2023.

Further details on investment highlights and current activities can be found in Section 4 of this Prospectus.

Funds raised through the Entitlement Offer will be primarily used for plant and equipment, evaluation/feasibility of projects and expansion, general working capital and the costs of the Entitlement Offer.

Key Investment Risks

Shareholders and prospective investors should be aware that subscribing for Shares involves a number of risks.

The risk factors set out in Section 9, and other general risks applicable to all investments in listed securities, may affect the value of the Company's securities, now or in the future. Accordingly, an investment in the Company should be considered highly speculative.

In particular, the Company notes the following specific risks:

Risk Area	Further Details
Trading on exchange risk This Prospectus has been issued to assist the Company to re-capitalise following its suspension from trading in its securities on ASX. It is anticipated that the Shares will remain suspended until completion of the Entitlement Offer and compliance with any further conditions ASX imposes. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation.	Section 9.2(a)
Exploration Risk Exploration for and mining of minerals is highly speculative and no assurance can be given that production will be obtained from the areas in which the Company has or may acquire an interest, or that production and marketing of any materials discovered by the Company will prove to be economic. Should a discovery be made, there is no guarantee that it will be commercially viable for a host of factors beyond the Company's control, for example, the economics of mining operations. While the Directors will endeavour to reduce the abovementioned risks through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed. Until the Company is able to realise value from the Company's projects, the Company is likely to incur ongoing operating losses.	Section 9.2(b)
Tenure and Title Risk 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	Section 9.2(c)

Risk Area	Further Details
<p>Company may lose the interests it has in mining tenements if the tenements' licence conditions are not satisfied.</p> <p>If it is determined that native title rights exist over the tenements that the Company has an interest in, the ability of the Company to progress from exploration to development and mining phases may be adversely affected.</p>	
<p>Access and Infrastructure Risk</p> <p>Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.</p>	Section 9.2(d)
<p>Sovereign risk</p> <p>The Company's business is subject to political, social, economic and other uncertainties including (without limitation) policy changes, changes to personnel who are administering policies, foreign exchange restrictions, changes to laws affecting foreign ownership, currency fluctuations, royalties and tax increases in Chile.</p> <p>There is a risk that the Company's activities will be affected if there are any changes to Chile's political, legal or fiscal systems that might affect the ownership and operation of the Company's Chilean mining interests.</p>	Section 9.2(e)
<p>Country Risk</p> <p>Operating in foreign countries has inherent risks which may adversely impact on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.</p> <p>The following risks are specifically noted:</p> <ul style="list-style-type: none"> • changes in government policies; • economic considerations; • legal considerations; • foreign investment requirements; • challenges to the ownership or nature of titles and other rights; • devaluation or appreciation of currencies; and • timing considerations. 	Section 9.2(f)
<p>Operating risk</p> <p>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.</p>	Section 9.2(g)
<p>Earthquake</p>	Section 9.2(h)

Risk Area	Further Details
Much of the west coast of Chile, including the Yerbos Buenas Project area and the city of La Serena where the Company is based, is seismically active with frequent earthquakes and occasional tsunamis. These issues may result in operational delays.	
Resource Estimate Risk Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.	Section 9.2(i)
Commodity and Currency Price Volatility Risk Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations which may materially impact the value of the Company's assets.	Section 9.2(j)
Development Risk/Profitability Risk The Company's commercial viability will be dependent upon the successful exploration, identification of resources upon its project tenements and the future development and operation of the Company's projects and any other activity that the Company may undertake. Early stage exploration for mineral resources is uncertain.	Section 9.2(k)
Environmental Risk The operations and proposed activities of the Company are subject to laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.	Section 9.2(l)
Production and Cost Estimates By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties.	Section 9.2(m)
Government and Regulatory Risk There can be no assurance that all of the relevant approvals and permits necessary to conduct mining operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted.	Section 9.2(n)
Uninsured Loss and Liability Risk There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations.	Section 9.2(o)
Occupational Health and Safety There is an inherent risk of workplace accidents occurring during the conduct of mining activity.	Section 9.2(p)
New Projects	Section 9.2(q)

Risk Area	Further Details
<p>To achieve the Company's objectives, the Company may acquire or invest in new projects from time to time. However, there is always risk that the Company may not be successful in negotiating for an acquisition of a new project.</p>	
<p>Reliance on Key Management</p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants.</p>	Section 9.2(r)
<p>Litigation Risk</p> <p>In the ordinary course of business, the Company may be involved in litigation disputes from time to time. Litigation disputes brought by third parties including, but not limited to customers, suppliers, business partners, employees and government bodies may adversely impact the financial performance and industry standing of the business, particularly in the case where the impact of legal proceedings is greater than or outside the scope of the Company's insurance.</p>	Section 9.2(s)
<p>Future capital requirements</p> <p>There can be no guarantee that the funds raised by the Company under the Entitlement Offer and other capital raisings will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.</p>	Section 9.2(t)
<p>Going concern</p> <p>The events and conditions, including the losses generated by the Company in previous financial periods, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the financial report.</p>	Section 9.2(u)
<p>Shareholder Approval Risk</p> <p>The issue of the Conversion Shares, the Creditor Shares and the Director Shares is subject to Shareholder approval at a general meeting to be held on 18 August 2023. No assurances can be given that Shareholders will approve these resolutions. If Shareholder approval is not obtained, then the Company may still issue some of the Conversion Shares and the Creditor Shares to the extent it is permitted to do so under the Corporations Act and the Listing Rules, and will be unable to issue the Director Shares.</p> <p>Whilst the Entitlement Offer is not conditional on obtaining shareholder approval for the Conversion Shares, the Creditor Shares and the Director Shares, the Company may need to raise additional funds for the repayment of amounts owing under the Loan Facility Agreements and for its existing projects, and there is no guarantee that such funding will be available on acceptable terms or at all.</p>	Section 9.2(v)

3. CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of Freehill Mining Limited (**Company**), it is my pleasure to invite Eligible Participants to participate in an offer to subscribe for one (1) New Share for every five (5) Shares held by Shareholders registered at the Record Date. The New Shares each have an issue price of \$0.003. The Entitlement Offer is not underwritten.

As announced to ASX on 22 June 2023, to fund the capital expenditure and working capital requirements associated with aggregate material processing and sales operation in Chile, the Company has raised approximately \$1.15 million in loan funds pursuant to Loan Facility Agreements. The Company proposes to seek shareholder approval for the conversion of those loans at a general meeting to be held on 18 August 2023.

Funds raised under the Entitlement Offer will be used for plant and equipment, evaluation/feasibility of projects and expansion, general working capital and the costs of the Entitlement Offer.

Eligible Participants are those persons who were the registered owners of Shares as at the Record Date with a registered address in Australia and New Zealand. The number of New Shares that Eligible Participants are entitled to subscribe for is set out in the personalised Entitlement and Acceptance Form that accompanies this Prospectus for Eligible Participants.

The Directors, Peter Williams and Paul Davies, are Eligible Participants for the Entitlement Offer and have indicated that they will take up their full entitlement of New Shares offered to them under the Entitlement Offer.

The Entitlement Offer is currently scheduled to close at 5.00pm (AEST) on 25 August 2023.

Eligible Participants wishing to subscribe for New Shares must ensure that their completed Entitlement and Acceptance Forms and payment is received by this time in accordance with the instructions set out in Section 12.

This Prospectus 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.

This Prospectus also contains an offer for the Conversion Shares, the Creditor Shares and the Director Shares. These offers are not made to Eligible Participants.

On behalf of the Board of the Company, I encourage you to consider this investment opportunity and thank you for your ongoing support. If you have any queries about the New Shares or your ability to take part in the Entitlement Offer, please contact the Share Registry between the hours of 8.30am and 5.00pm (AEST), Monday to Friday at on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Yours sincerely



Benjamin Jarvis
Non-Executive Chairman

4. COMPANY OPERATIONS

4.1 Yervas Buenas Operations

As communicated in the Half Year Accounts released to ASX on 12 May 2023, due to changes in Chilean environmental laws, Chilean cement companies can no longer source gravels from riverbeds, which historically provided 95% of supply.

The waste or reject material from Freehill's Yervas Buenas magnetite project has been established as an acceptable alternative material having gone through testing by multiple cement companies.

The material is described as waste or reject however with low cost additional processing, or screening, essentially separating it into component parts, it is converted into multiple products of significant value to the cement industry.

Freehill has initiated a program to take advantage of this significant opportunity and has completed the following steps:

- (a) commenced outsourcing the role of operator to an experienced contractor;
- (b) developed a business plan to commence waste material processing operations on a sensible and profitable scale;
- (c) executed the initial steps of this plan with the purchase of appropriate plant and equipment;
- (d) set up all screening and waste material processing plant and equipment which has been thoroughly tested; and
- (e) waste material is now being stockpiled for first deliveries and sales, anticipated next week. Initial sales volumes, revenue and customers will be reported in July 2023 once sufficient volumes of material has been sold and steady state production and sales are achieved.

Freehill's immediate focus is to establish stable and predictable sales of waste material, with acceptable margins, over a number of months.

The Company is also proposing to pursue a low-cost, small scale magnetite operation at the Yervas Buenas project. While the nature of the Yervas Buenas resource is challenging by virtue of it being disseminated, the Company believes that with an operator experienced in this type of deposit it can achieve a profitable small scale (<5,000 tonnes/month) operation. Expansion beyond this amount requires an extended and costly process in achieving environmental approvals, of which there may be an uncertain outcome.

Other projects and investments complementary to Freehill's asset base are also being assessed that will deliver upside value to shareholders, however, the immediate focus is to deliver stable cash generation through the waste material processing operation.

4.2 Funding Update

As communicated in the Shareholder Update released to ASX on 22 June 2023, to fund the capital expenditure and operating costs associated with waste material processing and sales operation in Chile, and ongoing working capital requirements, the Company has received loan funds totally approximately \$1.15 million from lenders that are proposed to be convertible into Freehill Shares at the same price as the New Shares are offered under this Prospectus.

4.3 Re-quotation

The Company proposes to:

- (a) seek shareholder approval for the proposed issue of the Conversion Shares, the Creditor Shares and the Director Shares at the general meeting to be held on 18 August 2023; and
- (b) conduct the fundraising from Eligible Participants as set out in this Prospectus, and seek re-quotation of its Shares on ASX.

5. DETAILS OF THE ENTITLEMENT OFFER

This Section provides details of the Entitlement Offer made under this Prospectus. Before deciding whether to apply for Shares under this Prospectus, you should read this Prospectus in its entirety.

5.1 Entitlement Offer

The Entitlement Offer being made in this Prospectus comprises an offer of New Shares to Shareholders who were the registered owners of Shares at the Record Date ("**Eligible Participants**") on the following terms:

New Shares:	<p>A total of 385,369,778 New Shares in the Company are offered under the Entitlement Offer.</p> <p>Each Eligible Participant will be offered to subscribe for one (1) New Share for every five (5) Shares held by Shareholders registered at the Record Date.</p> <p>The terms and conditions attaching to the New Shares are set out in Section 10.</p>
Issue Price of New Shares:	\$0.003 per New Share.
Eligible Participants:	<p>Being the Shareholders who are the registered owners of Shares at the Record Date and have a registered address in Australia and New Zealand.</p> <p>See Sections 5.10 and 5.11 for further information about eligibility.</p>
How to apply:	<p>Eligible Participants wishing to subscribe for all or some of the New Shares offered to them need to complete their personalised Entitlement and Acceptance Form and submit it to the Share Registry, together with payment prior to the Closing Date of the Entitlement Offer.</p> <p>See Section 12 for more details on how to apply.</p>
Opening Date:	The Entitlement Offer will open on 20 July 2023.
Closing Date*:	The last day to subscribe for New Shares under the Entitlement Offer is 5:00pm (AEST) on 25 August 2023, unless otherwise determined by the Company.
Shortfall:	Any New Shares not applied for by Eligible Participants under the Entitlement Offer shall form Shortfall Shares and be allotted pursuant to the Shortfall Offer.

	The Board reserves the right to place any Shortfall Shares at their discretion within 3 months after the Closing Date at an issue price not less than the price at which the New Shares are offered under this Offer (being \$0.003).
Conversion Shares, the Creditor Shares and the Director Shares:	This Prospectus also contains an offer for the Conversion Shares, the Creditor Shares and the Director Shares. The issue price of these Shares is \$0.003, being the same as the Issue Price under the Entitlement Offer. The offers for these Shares are only extended to specific parties, and are not offered to Eligible Participants.

**The Board reserves the right to vary the Closing Date at its discretion should it consider it necessary to do so, subject to the Listing Rules and the Corporations Act.*

5.2 Shortfall

Any New Shares not applied for under the Entitlement Offer shall form the Shortfall Shares. Eligible Participants can apply for additional New Shares in excess of their pro rata entitlement (**Shortfall Offer**) by completing the relevant section on their Entitlement and Acceptance Form and specifying the number of additional New Shares they wish to subscribe for. The issue of any Shortfall Shares under the Shortfall Offer will be dependent on the number of Shortfall Shares available.

Applications for Shortfall Shares must be accompanied by payment in full for the price of the Shortfall Shares applied for.

Allocation of Shortfall Shares amongst applicants under the Shortfall Offer

Allocation of any Shortfall Shares to Eligible Participants who have submitted applications under the Shortfall Offer will be considered and determined by the Directors at their discretion.

The Board reserves the right to place any Shortfall Shares at their discretion within 3 months after the Closing Date at an issue price not less than the price at which the Shares are offered under this Offer (being \$0.003).

Takeover law requirements

It is the responsibility of each Eligible Participant 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 Offer. These provisions are set out in section 606 of the Corporations Act. No Eligible Participants will be permitted to acquire additional New Shares under the Shortfall Offer to the extent the Company considers (acting reasonably) that doing so would result in a contravention of the takeovers limits in section 606 of the Corporations Act.

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 Participants under the Shortfall Offer.

Eligible Participants who apply for Shortfall Shares under the Shortfall Offer 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.

5.3 Not Underwritten

The Entitlement Offer is not underwritten.

5.4 Effect on control of the Company

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Entitlement Offer, no Shareholder will increase their holding to an amount in excess of 19.99% through applying for their entitlements.

Shareholders who do not participate in the Entitlement Offer may be diluted by an aggregate of approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus) on the basis that the Entitlement Offer is fully subscribed.

Examples of how the dilution may impact Shareholders is set out in the table below if the Entitlement Offer is fully subscribed:

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Entitlement Offer	Holding if Entitlement Offer not taken Up	% post Entitlement Offer completion
Shareholder 1	50,000,000	2.59%	10,000,000	50,000,000	2.16%
Shareholder 2	25,000,000	1.30%	5,000,000	25,000,000	1.08%
Shareholder 3	10,000,000	0.52%	2,000,000	10,000,000	0.43%
Shareholder 4	5,000,000	0.26%	1,000,000	5,000,000	0.22%

Notes:

This table is based on a current share capital of 1,926,848,892 Shares and assumes the Conversion Shares, the Creditor Shares and the Director Shares are not issued.

5.5 Eligibility for the Entitlement Offer

The Entitlement Offer is made only to Eligible Participants. The Entitlement Offer is made personally to each Eligible Participant and is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their entitlement.

The Entitlement Offer is not made to the public.

5.6 Custodians and Nominees

The Entitlement Offer is being made to all Eligible Participants. The Company is not required to determine whether or not any Eligible Participant is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Participant is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a US Person with a holding through a nominee may not participate in the Entitlement Offer and the nominee must not take up any Entitlement or send any materials to the United States or to any person that is, or is acting for the account or benefit of, a US Person.

5.7 Issue, Allotment and Ranking of New Shares

The Company currently expects that New Shares will be issued under the Entitlement Offer by 31 August 2023. When issued, the New Shares will be fully paid and will rank equally with existing Shares.

5.8 ASX Quotation of Shares

The Company will make an application for the Shares offered under this Prospectus to be granted Official Quotation on ASX.

Quotation of the Shares offered under this Prospectus on the ASX does not in any way indicate an endorsement by the ASX of the Company and the Shares offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

Trading of the Shares offered under this Prospectus is expected to occur, subject to ASX approval, on 1 September 2023.

5.9 CHESS System

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement Pty Limited (ACN 008 504 532) (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Eligible Participants will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment pursuant to their acceptance of the Entitlement Offer made under this Prospectus.

Eligible Participants who are broker-sponsored will receive a CHESS statement from ASX Settlement.

Eligible Participants registered under the Issuer Sponsored subregister will receive a statement from the Share Registry.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

5.10 Eligible Participants

The Entitlement Offer is being made to all Shareholders who are, as at 7:00pm (AEST) on the Record Date, registered as Shareholders with a registered address in Australia or New Zealand (**Eligible Participants**).

This Offer Booklet and a personalised Entitlement and Acceptance Form will be sent to Eligible Participants only.

The offer contained in this Offer Booklet to Eligible Participants with a registered address in New Zealand is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

The Company reserves the right to reject any Entitlement and Acceptance Form that it believes come from a person who is not an Eligible Participant.

The Company has determined not to make the Entitlement Offer to any Shareholder with a registered address outside of Australia and New Zealand, having regard to:

- (a) the number of Shareholders resident in those jurisdictions;
- (b) the number and value of the New Shares that would be offered to Shareholders resident in those jurisdictions; and
- (c) the cost of complying with the legal requirements, and requirements of a regulatory authority, in those jurisdictions.

Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to Shareholders having registered addresses outside Australia or New Zealand.

To the extent that there are any Ineligible Participants registered at the Record Date, the Company will send details of the Entitlement Offer to each Ineligible Participant and advise each Ineligible Participant that they will not be offered New Shares under the Entitlement Offer.

5.11 Ineligible Participants

The offer under the Entitlement Offer is not made to Ineligible Participants.

The Entitlement Offer does 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. The laws of jurisdictions outside of Australia and New Zealand may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus does not constitute an offer for sale of the New Shares or any right to a security into the United States or to US Persons. The New Shares have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to US Persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Any persons holding securities on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that participation in the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Submitting a duly completed Entitlement and Acceptance Form will constitute a representation that there has been no breach of such regulations. Any person intending to accept an offer made under this Prospectus who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Prospectus has been dispatched to an Eligible Participant domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the Entitlement Offer, the Prospectus is provided for information purposes only.

5.12 Issue Expenses

The estimated expenses of the Entitlement Offer including the ASIC fees, ASX fees, legal fees, professional fees, printing and distribution costs and Share Registry expenses are approximately \$69,435.

5.13 Rounding

Fractional Entitlements will be rounded up to the nearest whole number.

5.14 Enquiries

Any questions concerning the Entitlement Offer should be directed to the Company's Share Registry, Automic Pty Ltd on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

6. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

6.1 Purpose of the Entitlement Offer

The Company will raise approximately \$1.16 million from the issue of the New Shares under the Entitlement Offer, on the assumption that all New Shares are subscribed for.

The primary purposes of the Entitlement Offer are for plant and equipment, evaluation/feasibility of projects and expansion, general working capital and the costs of the Entitlement Offer. The funds raised from subscriptions received under the Entitlement Offer are planned to be used in accordance with the table set out below:

Purpose	Entitlement Offer funds to be applied	
	Full Subscription	%
Plant and equipment	\$350,000	30.3%
Evaluation/feasibility of projects and expansion	\$165,000	14.3%
General working capital	\$571,675	49.4%
Costs related to the Entitlement Offer*	\$69,435	6.0%
Total	\$1,156,109	100%

** Costs of the Entitlement Offer include ASIC fees, ASX fees, legal fees, professional fees, printing and distribution costs*

Refer to Section 11.8 of this Prospectus for further details relating to the estimated expenses of the Entitlement Offer. There are no costs associated with the issuing the Conversion Shares, the Creditor Shares and the Director Shares, other than the ASX listing fees for those Shares.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Entitlement Offer and other Share issues on the Company

(a) Issued Capital

The effect of the Entitlement Offer on the issued capital of the Company will be as follows:

Shares	Number
Shares currently on issue	1,926,848,892
Shares offered pursuant to the Entitlement Offer*	385,369,778
Total Shares on issue after completion of the Entitlement Offer*	2,312,218,670
Conversion Shares to be issued**	403,033,096
Creditor Shares to be issued**	23,768,467
Director Shares to be issued**	36,487,566
Total Shares on issue after completion of the Entitlement Offer, and issue of the Conversion Shares, the Creditor Shares and the Director Shares	2,775,507,799
Other securities	
Convertible Securities currently on issue	270,520

* The above numbers are subject to the rounding of any Entitlements.

** Subject to Shareholder approval. If Shareholder approval is not obtained, then the Company may still issue some of the Conversion Shares and the Creditor Shares to the extent it is permitted to do so under the Corporations Act and the Listing Rules.

(b) **Cash Position**

Completion of the Entitlement Offer will also have the effect of increasing the Company's cash reserves by approximately \$1,086,675 from the proceeds of the Entitlement Offer (after deducting estimated costs of the Entitlement Offer). No funds will be raised from the issue of the Conversion Shares, the Creditor Shares and the Director Shares.

6.3 Other Purposes

(a) **Conversion Shares**

As set out in the Company's notice of general meeting dated 18 August 2023, the Company will seek shareholder approval for the issue of the Conversion Shares on conversion of loan and interest accrued pursuant to Loan Facility Agreements at \$0.003 per Share.

If shareholder approval is not obtained for the issue of the Conversion Shares, then the Company reserves the right to still issue the Shares to the lenders if permitted to do so under the Listing Rules, the *Corporations Act 2001* (Cth) and the Constitution.

No funds will be raised from the issue of the Conversion Shares.

The offers for the Conversion Shares are only extended to specific parties, and are not offered to Eligible Participants.

(b) Creditor Shares

As set out in the Company's notice of general meeting dated 18 August 2023, the Company will seek shareholder approval for the issue of the Creditor Shares as payment to creditors at \$0.003 per Share.

If shareholder approval is not obtained for the issue of the Creditor Shares, then the Company reserves the right to still issue the Shares to the creditors if permitted to do so under the Listing Rules, the *Corporations Act 2001* (Cth) and the Constitution.

No funds will be raised from the issue of the Creditor Shares.

The offers for the Creditor Shares are only extended to specific parties, and are not offered to Eligible Participants.

(c) Director Shares

As set out in the Company's notice of general meeting dated 18 August 2023, the Company will seek shareholder approval for the issue of the Director Shares as payment for amounts owing to Directors Paul Davies, Benjamin Jarvis and Peter Williams (or their related parties) at \$0.003 per Share.

If shareholder approval is not obtained for the issue of the Director Shares, then the Company will not be able to issue the Director Shares.

No funds will be raised from the issue of the Director Shares.

The offers for the Director Shares are only extended to specific parties, and are not offered to Eligible Participants.

7. STATEMENT OF FINANCIAL POSITION

Set out below is a *pro forma* Statement of Financial Position for the Company after taking into account the effect of the Entitlement Offer. This statement is based on the half year audit reviewed accounts of the Company as at 31 December 2022, which were lodged with the ASX on 12 May 2023.

The *pro forma* Consolidated Statement of Financial Position illustrates the effect of the Entitlement Offer based upon the following assumptions and qualifications:

- 1 there being no material changes to the Company's Statement of Financial Position since 31 December 2022, other than the issue of the Conversion Shares, the Creditor Shares and the Director Shares;
- 2 the Entitlement Offer being fully subscribed;
- 3 the costs of the Entitlement Offer being approximately \$69,435; and
- 4 the activities of the Company since 31 December 2022 not being recognised in the *pro forma* Statement of Financial Position, other than as set out above.

	Dec-22	Entitlement	Conversions	Shares Issued	Proforma
	Reviewed	Offer		to Creditors	Total
Assets					
Current assets					
Cash and cash equivalents	6,680	1,086,675	828,329	(1,979)	1,919,705
Trade and other receivables	392,425	-	-	-	392,425
Other	17,136	-	-	-	17,136
Total current assets	416,241	1,086,675	828,329	(1,979)	2,329,266
Non-current assets					
Trade and other receivables	789,741	-	-	-	789,741
Property, plant and equipment	149,066	-	-	-	149,066
Mining	10,105,042	-	-	-	10,105,042
Total non-current assets	11,043,849	-	-	-	11,043,849
Total assets	11,460,090	1,086,675	828,329.29	(1,978.70)	13,373,115
Liabilities					
Current liabilities					
Trade and other payables	330,864	-	(9,188)	(24,587)	297,089
Borrowings	289,301	-	-	-	289,301
Derivative financial instruments	135,735	-	-	-	135,735
Employee benefits	12,985	-	-	-	12,985
Total current liabilities	768,885	-	(9,188)	- 24,587	735,110
Non-current liabilities					
Borrowings	315,100	-	(315,100)	-	0
Provisions	70,000	-	-	-	70,000
Total non-current liabilities	385,100	-	(315,100)	-	70,000
Total liabilities	1,153,985	-	(324,288)	(24,587)	805,110
Net assets	10,306,105	1,086,675	1,152,617	22,608	12,568,005
Equity					
Issued capital	40,097,764	1,086,675	1,202,685	176,689	42,563,813
Reserves	818,021	-	-	-	818,021
Accumulated losses	(30,609,680)	-	(50,068)	(154,081)	(30,813,829)
Total equity	10,306,105	1,086,675	1,152,617	22,608	12,568,005
	-	-	0.00	-	0.00

8. SUMMARY OF THE COMPANY'S CURRENT AND PROPOSED ACTIVITIES

8.1 Background

The Company was admitted to the official list of the ASX on 16 January 2017.

The Company is a mining and exploration company currently focused on the development of its 100%-owned, 478 hectare Yervas Buenas magnetite and associated materials project in Chile. The Company also holds copper and gold exploration projects in Chile and is assessing other related investment opportunities.

8.2 Directors

Benjamin Jarvis

Non-Executive Chairman

Ben is an experienced company director in the small resources sector. Since 2011, he has been a non-executive director of South-American focused Austral Gold Limited (ASX: AGD; TSX-V: AGLD), a precious metals mining and exploration company with an extensive portfolio of assets in Chile and Argentina. He is also a non-executive director of QX Resources Limited (ASX: QXR) which has a portfolio of exploration assets in Australia and other investments in the resources sector, and a non-executive director of unlisted public company Aeramentum Resources Limited which is focused on copper, nickel, cobalt and gold exploration in Cyprus in the EU.

Ben is the managing director of Six Degrees Investor Relations, an investor relations and advisory firm he founded in 2006 with offices now in Sydney and Perth.

Other directorships of listed companies: Austral Gold Limited (ASX: AGD; TSX-V: AGLD), QX Resources Limited (ASX: QXR)

Paul Davies

Executive Director; CEO

Paul was CFO of the Company for six years prior to being appointed Chief Executive Officer. He brings an intimate knowledge of Freehill's activities combined with significant experience in the mining sector from his 30 plus years in the finance industry. During his career, Paul has held leadership roles with many organisations, most notably, as Director in Charge of Corporate and Institutional Banking for Deutsche Bank Australia and a member of the Deutsche Bank Credit Committee.

Paul holds an Economics Degree from Monash University, has qualified as a Chartered Accountant and is an alumnus of the Stanford Business School.

Other directorships of listed companies: Nil

Peter Williams

Non-Executive Director

Peter's career experience includes over 30 years' experience at Toyota Tsusho Australasia, a wholly-owned trading and supply-chain specialist of the Toyota Group. As Director and COO of

Toyota Tsusho Australia, Mr Williams led all trading divisions and sat on the board of five subsidiary companies with annual revenues of over \$500 million. He was subsequently appointed as an Investment Committee Member for TeamInvest Private Ltd, a specialised private equity investment group which listed on the ASX in 2019.

Other directorships of listed companies: Nil

8.3 Current and New Projects

A description of the Company's current projects can be found at Section 4.

The Company is also continuing to evaluate potential acquisitions of prospective exploration and mining assets which are in line with the Company's direction and present value to the Company.

9. RISK FACTORS

9.1 Introduction

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Potential investors should be aware that an investment in the Company, as a mining entity, involves many risks, which may be higher than the risks associated with an investment in other companies. Accordingly, the Shares to be issued under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities (as applicable). Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities in the Company.

The following summary, which is not exhaustive, represents some of the major risk factors potential investors need to be aware of as they may in the future materially affect the financial performance of the Company and the value of the Shares to be issued under this Prospectus. Potential investors should read the whole of this Prospectus in order to appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for the Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of more specific risks associated with the Company's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of the Company and its directors because of the nature of the proposed business of the Company.

9.2 Specific risks relating to the Company and its Operations

(a) *Trading on exchange risk*

This Prospectus has been issued to assist the Company to re-capitalise following its suspension from trading in its securities on ASX. It is anticipated that the Shares will remain suspended until completion of the Entitlement Offer and compliance with any further conditions ASX imposes. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation.

(b) *Exploration Risk*

Exploration for and mining of minerals is highly speculative, and no assurance can be given that production will be obtained from the areas in which the Company has or may acquire an interest, or that production and marketing of any materials discovered by the Company will prove to be economic.

Should a discovery be made, there is no guarantee that it will be commercially viable for a host of factors beyond the Company's control, for example, the economics of mining operations. While the Directors will make every effort to reduce the above risks through their experience in the exploration and mining industry, the fact remains that a commercially

viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed. Until the Company is able to realise value from the Company's projects, the Company is likely to incur ongoing operating losses.

In summary, mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable resources at the Company's current projects;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees.

Other factors that could affect the Company's operations include:

- failure to achieve predicted grades in exploration and mining;
- poor performance levels from external contractors;
- operational and technical difficulties encountered in mining;
- difficulties in commissioning and operating plant and equipment;
- availability of suitable plant and expertise from contractors and consultants;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction rates and costs;
- adverse weather conditions;
- industrial and environmental accidents;
- industrial disputes;
- availability of water and power; and
- unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

Consequently, there can be no assurance that through the projects the Company will be able to develop and commercialise mineral extraction from its tenements and generate positive cashflow to sustain the Company's financial viability.

(c) ***Tenure and Title Risk***

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) ***Access and Infrastructure Risk***

Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.

(e) ***Sovereign Risk***

The Company's activities are presently carried out in Chile. As a result, the Company is subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country. Other potential issues contributing to uncertainty such as repatriation of income, exploration licensing, environmental protection and government control over mineral properties should also be considered. Potential risk to the Company's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in Chile. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

(f) ***Country Risk***

The following country specific risks are specifically noted:

Changes in government policies

Industry is subject to the policies which are implemented by the relevant governments from time to time. These policies may have a material impact on the business of the Company.

These governments may, for instance, withdraw subsidies or forms of preferential treatment such as tax benefits or favourable financing arrangements.

Economic considerations

It is unclear how future economic reforms and macroeconomic measures to be adopted by governments will affect the development of a country's economy. Further, there can be no assurance that such measures will be applied consistently and effectively or that the Company will be subject to such reforms. The business of the Company may be adversely affected by any reform.

Legal considerations

Statutes, regulations and government policies are subject to change from time to time, as is the interpretation of statutes and regulations and the application of policy. Such uncertainties may affect the Company's operations.

Local labour laws

Labour laws in Chile are different to Australia and accordingly employers may be subject to different duties and obligations to their employees than they would if their employees were employed in Australia.

Foreign investment requirements

Many governments have foreign exchange controls which need to be considered as far as repatriation of funds to Australia and elsewhere is concerned. These controls may have an adverse effect on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.

Challenges to the ownership or nature of titles and other rights

The Company may potentially be exposed to challenges to the ownership or nature of titles and other rights by its partners, government authorities or third parties.

Timing considerations

It may take many years to get from a discovery to extraction of an iron ore asset. As such, there is a risk that the initial investment involved in discovery will not get to the exploitation stage. Such uncertainties as to timing may affect the Company's operations and accordingly its profitability.

International operations (Generally)

International operations are subject to a wide variety of uncertainties: including (but not limited to) political, economic and other risks which may include: terrorism, revolution, border disputes, expropriation, renegotiations or modifications of existing contracts, import, export and transportation regulations and tariffs, taxation policies, including royalty and tax increases and retroactive tax claims, exchange controls, limits on allowable levels of

production, currency fluctuations, labour disputes and other uncertainties arising out of foreign government sovereignty over the Company's international operations.

(g) **Operating risk**

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.

The Company is also proposing to undertake the sale of aggregate material processing and sales operation in Chile. There is no guarantee that these operations will be successful.

(h) ***Earthquake***

Much of the west coast of Chile, including the Yervas Buenas operation and the city of La Serena where YB's and SPA's operations are based is seismically active with frequent earthquakes and occasional tsunamis. These are not regarded as significant operational risks but some earthquake activity may result in logistical delays.

(i) ***Resource Estimates Risk***

The projects are currently exploration projects. Any resource estimates are expressions of judgment based on knowledge, experience and industry practice, and may require revision on actual production experience. All resources estimates previously disclosed to the market are necessarily imprecise and depend to some extent on statistical inferences, which may prove unreliable or be revised in the light of additional information that comes to hand.

(j) ***Commodity and Currency Price Volatility Risk***

Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Some of these influencing factors include:

- world demand for particular commodities;
- the level of production costs in major commodity producing regions; and
- expectations regarding inflation, interest rates and US dollar exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and financial position.

Factors affecting commodity prices include:

- supply and demand fluctuations for specific commodities;
- changes in investor sentiment toward specific commodities;
- speculative trading;
- forward selling activities; and
- macro-economic factors such as inflation and interest rates.

(k) ***Development Risk/Profitability Risk***

The Company's commercial viability will be dependent upon the successful development and operation of the Company's projects and any other activity that the Company may undertake. No assurances can be given that the Company will be able to initiate or sustain successful mining operations at any of the Company's current tenements or that operations will achieve commercial viability. Equally, no representation as to future profitability or dividends can be given.

(l) ***Environmental Risks***

Environmental risks are inherent in mining operations. The Company adopts practices which the Company believes are appropriate to minimise the potential of causing environmental damage in all the Company's operations, but no assurance can be made that the Company will not be affected by environmental claims or issues in the future.

The Board is strongly committed to conducting operations in an environmentally responsible manner, applying the highest standards and industry best practice to all the Company's field activities. Surface disturbance is kept to a minimum, but where it is necessary, full cognisance is given to the environmental impact of the work to be carried out. Relevant government approvals are obtained and measures are taken to minimise the environmental impact and to ensure that following the activities involved, the land is restored and rehabilitated to as close as possible to its original condition.

(m) ***Production and Cost Estimates Risk***

By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties. Actual results may materially differ from the Company's estimates and assumptions and may materially and adversely affect the Company's commercial viability and future results.

(n) ***Government and Regulatory Risk***

There can be no assurance that all of the relevant approvals and permits necessary to conduct mineral exploration or production operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted.

The Company's activities will require compliance with various laws relating to the protection and rehabilitation of the environment, health and safety, culture and heritage and other matters.

In addition, the Company is required to obtain numerous government permits, leases, licences and approvals in respect of our exploration and mining operations.

There is a risk that the Company may not obtain or may lose permits, leases, licences or approvals, essential to our operations.

The Company cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on the Company's business or financial condition.

(o) ***Uninsured Loss and Liability Risk***

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations. If the Company incurs losses or liabilities which are not covered by the Company's insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk.

(p) ***Occupational Health and Safety Risk***

There is an inherent risk of workplace accidents occurring during the conduct of mining activity. The Board is totally committed to providing a safe and healthy work place for the Company's employees and contractors, where engaged from time to time. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

(q) ***New Project Risk***

To achieve the Company's objectives, the Company may acquire or invest in new projects from time to time. However, there is always risk that the Company may not be successful in negotiating for an acquisition of a new project.

(r) ***Reliance on Key Management***

The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants. There can be no assurance given that there will be no detrimental impact on the Company if one, or a number of, those employees or consultants cease their employment or engagement with the Company.

(s) ***Litigation Risk***

In the ordinary course of business, the Company may be involved in litigation disputes from time to time. Litigation disputes brought by third parties including, but not limited to customers, suppliers, business partners, employees and government bodies may adversely impact the financial performance and industry standing of the business, in the case where the impact of legal proceedings is greater than or outside the scope of the Company's insurance. Such litigation could negatively impact the industry standing of the Company, cause the Company to incur unforeseen expenses, occupy a significant amount of management's time and attention and could negatively affect the Company's business operations and financial position.

The Directors are otherwise not aware of any material legal proceedings pending, threatened against or affecting the Company.

(t) ***Future Capital Requirement Risk***

The Company's ongoing activities will require ongoing expenditures. There can be no guarantee that the funds raised by the Company under the Entitlement Offer and other capital raisings will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use equity to fund expansion after the substantial exhaustion of the Company's existing funds, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funds on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(u) ***Going Concern Risk***

As set out in the audit report of the Company's 2022 Annual Report, the ability of the Company to continue as a going concern is dependent upon the ability of the Company to secure funds by raising capital from equity markets, managing cash flow in line with available funds, the successful commercialisation of the Company's mineral technologies, the sale of surplus assets and receipt of R&D tax returns. The events and conditions, including the losses in previous financial periods, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the financial report.

(v) ***Shareholder Approval Risk***

The issue of the Conversion Shares, the Creditor Shares and the Director Shares is subject to Shareholder approval at a general meeting to be held on 18 August 2023. No assurances can be given that Shareholders will approve these resolutions. If Shareholder approval is

not obtained, then the Company may still issue some of the Conversion Shares and the Creditor Shares to the extent it is permitted to do so under the Corporations Act and the Listing Rules.

Whilst the Entitlement Offer is not conditional on obtaining shareholder approval for the issue of the Conversion Shares, the Creditor Shares and the Director Shares, the Company may need to raise additional funds for the repayment of amounts owing under the Loan Facility Agreements, to creditors, the Directors and for its existing projects, and there is no guarantee that such funding will be available on acceptable terms or at all.

9.3 General Risks

(a) ***Economic Risks***

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

(b) ***Currency Fluctuations***

The future value of Shares may fluctuate in accordance with movements in foreign currency exchange rates.

(c) ***Taxation***

The Company's profitability may be affected by changes in government taxation laws and policies, including royalties payable in respect of any future mining operations, in the jurisdictions in which the Company operates.

There may be tax implications arising from the acquisition of securities in the Company, any possible receipt of dividends (both franked and un-franked) and the disposal of securities in the Company (as appropriate). Investors should carefully consider these tax implications and if uncertain as to the relevant taxation issues, obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and neither the Directors nor the Company will be responsible for any tax or related penalties incurred by investors.

(d) ***Stock Market Risks***

The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

(e) **Geopolitical**

Politics on a global, regional or local scale could impact the Company's operations and financial position. Acts of terrorism or outbreak of war may disrupt or prevent the Company from undertaking its operations and intended programs.

(f) **Natural Disasters**

Natural disasters or adverse conditions may occur in those geographical areas in which the Company operates including severe weather, tsunamis, cyclones, tropical storms, earthquakes, floods, volcanic eruptions, excessive rainfall and droughts as well as power outages or other events beyond the control of the Company.

(g) **Force Majeure**

The Company and its projects, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(h) **Ukraine Conflict**

The current conflict between Ukraine and Russia (**Ukraine Conflict**) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.

The Directors are monitoring the potential secondary and tertiary macroeconomics impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may be adversely impact the Company's operations and are likely to be beyond the control of the Company.

(i) **COVID-19**

The global economic outlook may face uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may also be adversely affected by economic uncertainty caused by COVID-19.

There is a risk that this uncertainty may continue for the foreseeable future, which could interrupt the Company's operations, its contractual obligations, cause disruptions to supply chains or interrupt the Company's ability to access capital.

(j) ***Other Risk Factors***

There are risks involved with any investment in listed shares. The value of the Company's securities may rise or fall depending upon a range of factors and share conditions which are unrelated to the Company's future financial performance. Share market conditions are affected by many factors including, but not limited to:

- economic conditions both in Australia and internationally;
- investor sentiment and local and international share market conditions;
- changes in interest rates and the rate of inflation;
- changes in metal and commodity prices;
- changes to government regulation, policy or legislation;
- changes in exchange rates; and
- the nature of competition in the industry in which the Company operates.

Some of these risks can be mitigated by the use of contingency plans and safeguards. However, many are outside the control of the Company and cannot be mitigated.

Like all businesses, the Company is affected by general economic conditions including the level of interest rates, inflation and consumer spending. Any prolonged downturn in economic activity could be expected to have a negative impact on the Company. As a company having a smaller market capitalisation, the market in the Company's securities may suffer periods of illiquidity.

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

Before any decision is made to subscribe for securities in the Company, the above matters, and all other matters described in this document must be carefully considered. The Shares to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investment in the Company is regarded as speculative and neither the Company nor any of its Directors guarantee that any specific objective of the Company will be achieved or that any particular performance of the Company or its securities, including the Shares offered by this Prospectus, will be achieved.

The above list of risk factors should not be taken as an exhaustive list of the risks faced by the Company. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of Shares.

10. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(b) Voting Rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

(c) Dividend Rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

(d) Variation of Rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.

(f) General Meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

(g) Rights on Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (a) divide among the shareholders the whole or any part of the Company's property; and
- (b) decide how the division is to be carried out between the shareholders.

11. ADDITIONAL INFORMATION RELEVANT TO THE ENTITLEMENT OFFER

11.1 The Company is a Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. The Company's announcements may be viewed on the ASX's website at www.asx.com.au.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC or via ASIC's online services.

11.2 Section 713 Prospectus

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and that other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and

- (ii) the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

From time to time the Company seeks and engages in discussions on an ongoing basis in respect of potential new investment opportunities both in Australia and overseas. Funds may be used to fund the costs associated with identifying, investigating and pursuing new opportunities. From time to time the Company also investigates opportunities for the divestment of non-core assets and businesses. While the Company may seek and negotiate potential investment or divestment opportunities in this respect, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur.

11.3 Right to Obtain Copies of Documents

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective web sites.

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Closing Date:

- (a) the annual financial report of the Company for the year ended 30 June 2022, being the annual financial report most recently lodged by the Company with the ASIC;
- (b) the half-year financial report lodged for the half-year ended 31 December 2022, being the half-year financial report most recently lodged by the Company with the ASIC before lodgement of this Prospectus; and
- (c) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 29 August 2022, being the date of lodgement of the 30 June 2022 annual financial report and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

Date	Announcement
12 July 2023	Non-renounceable Entitlement Offer
22 June 2023	Shareholder Update
17 May 2023	Notification of cessation of securities – FHS

12 May 2023	Half Year Accounts
1 May 2023	Initial Director's Interest Notice
1 May 2023	Director Appointment
28 April 2023	Quarterly Activities/Appendix 5B Cash Flow Report
28 April 2023	Quarterly Activities/Appendix 5B Cash Flow Report
5 April 2023	Initial Director's Interest Notice
5 April 2023	Director Appointment/Resignation
20 February 2023	Response to ASX Query Letter
20 February 2023	Final Director's Interest Notice Mr Moore
20 February 2023	Final Director's Interest Notice Mr Mangion
20 February 2023	Director Resignations
8 February 2023	Quarterly Activities/Appendix 5B Cash Flow Report
1 February 2023	Suspension from Quotation
1 February 2023	Quarterly Activities Report
31 January 2023	Quarterly Appendix 5B Cash Flow Report
30 November 2022	Results of Meeting
30 November 2022	AGM CEO's Update
30 November 2022	Chairman's Address to Shareholders

17 November 2022	Appendix 3G – Issue of Convertible Securities
16 November 2022	Cleansing Statement – Convertible Securities
16 November 2022	Cleansing Statement
16 November 2022	Application for quotation of securities – FHS
15 November 2022	Notification of cessation of securities – FHS
14 November 2022	Proposed issue of securities – FHS
14 November 2022	A\$400,000 Convertible Securities Investment by Obsidian
1 November 2022	Annual General Meeting Virtual User Guide
1 November 2022	Annual General Meeting/Proxy Form
1 November 2022	Notice of Annual General Meeting
31 October 2022	Quarterly Appendix 5B Cash Flow Report
31 October 2022	Quarterly Activities Report
28 October 2022	Magnetite Concentrate Production Update
29 September 2022	Freehill Mining Limited Appendix 4G
29 September 2022	Freehill Mining Limited Corporate Governance Statement

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website (www.asx.com.au), and will also be made available on the Company website (<https://freehillmining.com/>). Copies of announcements can also be obtained from the Company on request. Investors are advised to refer to ASX's website or the Company website for updated releases about events or matters affecting the Company.

The Company's Constitution and the consents referred to in Section 11.12 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office.

11.4 Director participation in the Entitlement Offer

Paul Davies and Peter Williams are Eligible Participants for the purpose of the Entitlement Offer and intend to take up their full Entitlement of New Shares offered to them under the Entitlement Offer. The other Directors do not have any interest in securities of the Company.

A table setting out the Directors' Entitlements is below:

Director	Entitlement to New Shares*
Benjamin Jarvis	0
Paul Davies	941,358
Peter Williams	4,180,060

*Includes any indirect holdings in which the Director has a relevant interest.

11.5 Interests of Directors

Details of the interests of each Director in securities of the Company immediately before lodgement of the Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Entitlement Offer which are addressed above. The Director profiles are set out on page 22 of this Prospectus and contain details of the Board's experience and expertise.

Director	Number of Shares held*	Number of Options held*	Number of Performance Rights held*
Benjamin Jarvis	0	0	0
Paul Davies	4,706,787	0	0
Peter Williams	20,900,299	0	0

* Includes indirect holdings in which the Director has a relevant interest.

11.6 Payments and Benefits to Directors

Except as set out in this Prospectus, no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to:

- (a) any Director in order to induce them to become, or to qualify as, a Director; or
- (b) any Director for services provided by him in connection with:

- (i) the formation or promotion of the Company, or
- (ii) the Entitlement Offer.

The remuneration paid or payable to each Director for the last two years (including cash and non-cash benefits) is set out in Section 11.7 below.

11.7 Remuneration of Directors

The following table shows each Director's total remuneration for the last financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and their current remuneration:

Director	FY21 (ex GST)	FY22 (ex GST)	FY23 (ex GST)
Paul Davies	\$99,000	\$99,000	\$99,000
Benjamin Jarvis ¹	-	-	\$42,000
Peter Williams ²	-	-	\$42,000

¹ Benjamin Jarvis was appointed as a Director of the Company on 5 April 2023.

² Peter Williams was appointed as a Director of the Company on 1 May 2023.

Further details of the remuneration of Directors are set out in the Company's 2022 annual report.

11.8 Expenses of the Entitlement Offer

The total expenses of the Entitlement Offer are estimated to be approximately \$69,435 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	Fees
ASIC fees	\$3,206
ASX fees	\$6,229
Legal fees	\$40,000
Registry and distribution costs	\$15,000
Miscellaneous	\$5,000
Total	\$69,435

11.9 Interests of, and Issue of Payments and Benefits to, Advisors and Experts

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and

distribution of this Prospectus, promoters of the Company (together, **Prescribed Persons**) holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Entitlement Offer; or
- (c) the Entitlement Offer.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Entitlement Offer.

GrilloHiggins Lawyers will receive the sum of approximately \$40,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Entitlement Offer.

11.10 Market Prices of Existing Shares on ASX

As the Company has been suspended from ASX since 1 February 2023, the Company's shares have not traded in the last three months.

The last market closing sale price prior to the date of lodgement of this Prospectus with ASIC was \$0.004 on 31 January 2023.

11.11 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.12 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the Prospectus accompanied by the Entitlement and Acceptance Forms. If you have not, please phone the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) to request a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <https://freehillmining.com/>.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11.13 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

11.14 Consents

GrilloHiggins Lawyers has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Entitlement Offer. GrilloHiggins Lawyers has not authorised or caused the issue of any part of this Prospectus.

Automic Pty Ltd has given and as at the date of this Prospectus has not withdrawn their consent to be named as the Company's share registry in the form and context in which it is named. Automic Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Automic Pty Ltd has not authorised or caused the issue of and expressly disclaims and takes no responsibility for, any part of this Prospectus.

11.15 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

12. ACTION REQUIRED BY ELIGIBLE PARTICIPANTS

12.1 What Eligible Participants may do

The number of New Shares to which Eligible Participants are entitled under the Entitlement Offer (**Entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

As an Eligible Participant, you may:

- (a) subscribe for all or part of your Entitlement (see Section 12.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see Section 12.3); or
- (c) allow your Entitlement to lapse (see section 12.4).

12.2 Applications and Payment

(a) General

If you are accepting all or part of your Entitlement, please follow the instructions set out on the Entitlement and Acceptance Form for your pro rata entitlement. Your BPAY® or EFT payment must be received by no later than 5.00pm (AEST) on 25 August 2023.

The issue price of \$0.003 per New Share is payable in full on application.

If you subscribe for only part of your Entitlement, the balance of your Entitlement will lapse.

(b) Payment

Payments must be received by 5:00pm (AEST) on 25 August 2023 and must be in Australian currency and made by:

- (i) BPAY®; or
- (ii) Electronic Funds Transfer (**EFT**).

The Company will treat you as applying for as many New Share as your payment will pay for in full.

The Company will not be responsible for any delays in the receipt of your BPAY® or EFT 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 the Company and will be retained by the Company irrespective of whether any issue of New Shares takes place.

Cheques, bank drafts, money orders and cash payments will not be accepted. Receipts for payment will not be provided.

(c) Pay by BPAY® or EFT

If you wish to pay by BPAY® or EFT, 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® or EFT. It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5:00pm (AEST) on 25 August 2023.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

If you are paying by EFT, please make sure you use your unique payment reference number on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the unique payment reference number specific to that holding. If you do not use the correct unique payment reference number specific to that holding your Application will not be recognised as valid.

It is your responsibility to ensure that your payment via BPAY® or EFT are received by Automic Pty Ltd no later than 5.00pm (AEST) on 25 August 2023, unless varied.

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

12.3 Taking up Shortfall Offer by Eligible Participant

If there is a Shortfall and you are an Eligible Participant and you wish to take up additional New Shares, please follow the instructions set out in the Entitlement and Acceptance Form. In order to apply for New Shares under the Shortfall Offer you must be an Eligible Participant and must have first taken up your Entitlement in full.

Your BPAY® or EFT payment must be received by no later than 5.00pm (AEST) on 25 August 2023.

12.4 Allow your Entitlement to lapse

If you are an Eligible Participant and do not wish to accept your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit if you do not take up your Entitlement. Shareholders are unable to sell their rights. It is therefore important that you consider taking action either to take up your Entitlement in accordance with the above instructions and the instructions on the Entitlement and Acceptance Form.

The number of existing Shares you hold as at the Record Date and the rights attached to those existing Shares will not be affected if you choose not to accept any of your Entitlement.

12.5 Implications of an acceptance

The payment of any application monies by BPAY® or EFT will be taken by the Company to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the personalised Entitlement and Acceptance Form is submitted and payment by BPAY® or EFT is received in relation to any application monies, the application may not be varied or withdrawn except as required by law;
- (c) acknowledged that you have fully read and understood this prospectus 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 Prospectus and the Entitlement and Acceptance Form;
- (d) agreed to be bound by the terms of the Entitlement Offer, the provisions of this Prospectus and the Constitution;
- (e) authorised the Company to register you as the holder of the New Shares allotted to you;
- (f) 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;
- (g) acknowledged that once the Company receives your Entitlement and Acceptance Form or any payment of application monies, you may not withdraw your application or funds provided except as allowed by law;
- (h) 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, at the Issue Price per New Share;
- (i) authorised the Company, 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;
- (j) 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;
- (k) acknowledged that the information contained in this Prospectus 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;
- (l) acknowledged the statement of risks in the 'Risk Factors' Section of this Prospectus and that investments in the Company are subject to risk;
- (m) acknowledged that none of the Company 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 the Company, 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 the Company to correct any errors in your Entitlement and Acceptance Form.

By completing your Entitlement and Acceptance Form, 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 US Person and are not acting for the account or benefit of, a person in the United States or a US 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 US 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 unless you are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available; and
- (r) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States, a US Person, or a person acting for the account or benefit of a person in the United States or a US Person.

12.6 Personal Information and Privacy Act

Eligible Participants have already provided certain personal information to the Company and its share registry. If you apply for Shares, the Company and its Share Registry may update that personal information or collect new information. Such information will be used to assess the application for Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Your personal information may be used and disclosed to persons inspecting the registers, regulatory bodies, print service providers, mail houses retained for Company purposes and Company's Share Registry.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process the application or administer your holding of Shares appropriately.

Under the *Privacy Act 1998* (Cth), you may access, correct and update personal information held by, or on behalf of the Company or the Share Registry by contacting the Company as follows:

Freehill Mining Limited
Level 24, 570 Bourke Street
Melbourne VIC 3000
Australia

Telephone: 03 8658 5976

12.7 Enquiries

If you have any queries about your Entitlement please contact Automic between the hours of 8.30am and 5.00pm (AEST), Monday to Friday on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Alternatively, contact your stockbroker or other professional adviser.

13. DIRECTORS' AUTHORISATION

The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.

14. GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

TERM	DEFINITION
ASIC	Australian Securities and Investments Commission.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX	ASX Limited (ACN 008 624 691), or the securities exchange operated by it, as the case may be.
Board	The board of Directors of the Company.
CHESS	Clearing House Electronic Subregister System.
Closing Date	The date the Entitlement Offer closes, being 5:00pm (AEST) on 25 August 2023, unless extended by the Company.
Company or Freehill	Freehill Mining Limited (ACN 091 608 025).
Constitution	The Constitution of the Company.
Conversion Shares	403,033,096 Shares to be issued to the lenders pursuant to the Loan Facility Agreements.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
Creditor Shares	23,768,467 Shares to be issued to the creditors of the Company.
Director Shares	36,487,566 Shares to be issued to current Directors, Paul Davies, Benjamin Jarvis and Peter Williams (or their related parties).
Directors	The directors of the Company, and <i>Director</i> has the corresponding meaning.
EFT	Electronic Funds Transfer.
Eligible Participant	A person who is, as at the Record Date, registered as Shareholders with a registered address in Australia or New Zealand.
Entitlement	Has the meaning given in Section 12.1.

TERM	DEFINITION
Entitlement and Acceptance Form	The Entitlement and Acceptance Form that accompanies this Prospectus which is to be used by Eligible Participants to apply for New Shares under the Entitlement Offer.
Entitlement Offer	The offer of New Shares to Shareholders made in accordance with this Prospectus, further details of which are set out in Section 5.
Ineligible Participant	A Shareholder as at the Record Date who is not an Eligible Participant.
Issue Price	\$0.003 per New Share.
Issuer Sponsored Statement	Issuer sponsored holding statement to be issued by CHESS.
Listing Rules	The official listing rules of the ASX.
Loan Facility Agreements	The loan facility agreements between the Company, SPM and YB (as guarantors) and various lenders.
New Shares	The Shares offered pursuant to the Entitlement Offer.
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules.
Options	An option to acquire a Share in the capital of the Company and <i>Option</i> has the corresponding meaning.
Prescribed Persons	Prescribed Persons has the meaning given to it in Section 11.9.
Prospectus	This Prospectus dated 12 July 2023.
Record Date	7:00pm (AEST) on 17 July 2023.
Section	A section under this Prospectus.
Shareholder	A registered holder of Shares appearing on the Company's share register.
Shares	Ordinary fully paid shares in the capital of the Company and <i>Share</i> has the corresponding meaning.
Share Registry	Automic Pty Ltd (ACN 152 260 814).

TERM	DEFINITION
Shortfall Offer	The offer of Shortfall Shares forming the shortfall to be issued under and in accordance with this Prospectus.
Shortfall Shares	The New Shares forming the shortfall under the Entitlement Offer which are to be offer to applicants pursuant to the Shortfall Offer.
SPM	San Patricio Minería SpA, a Chilean company.
Statement of Financial Position	The statement on the financial position of the Company set out in Section 7.
US Person	has the meaning given to it in Rule 902(k)(1) of Regulation S.
US Securities Act	US Securities Act of 1933, as amended.
YB	Yerbas Buenas SpA, a Chilean company.

15. CORPORATE DIRECTORY

Registered Office

Level 24, 570 Bourke Street
Melbourne VIC 3003

Ph: +61 3 8658 5976

Email: info@freehillmining.com

Website

<https://freehillmining.com/>

Directors

Benjamin Jarvis
(Non-Executive Chairman)

Paul Davies
(Executive Director and CEO)

Peter Williams
(Non-Executive Director)

Company Secretary

Joe Fekete

ASX Code

Shares: FHS

Principal Legal Adviser

GrilloHiggins Lawyers
Level 25, 367 Collins Street
Melbourne VIC 3000

Auditor*

Connect National Audit Pty Ltd
Level 8, 350 Collins Street
Melbourne VIC 3000

Share Registry**

Automic Registry Services
Level 5/126 Phillip Street
Sydney NSW 2000

Ph: 1300 288 664 (within Australia)

+61 2 9698 5414 (outside Australia)

Website: <https://www.automicgroup.com.au/>

**This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*

***This entity has not been involved in the preparation of this Prospectus and has consented to being named in this Prospectus only in the circumstances set out in Section 11.14.*