



Yerbas Buenas iron project - Chile

Operations Update

Record Production

Highlights

- Record iron ore production of 32,403 tonnes produced for the March 2018 quarter with 14,237 tonnes in the month of March
- Revenues for the quarter were US\$833,323 inclusive of IVA Tax
- Average ore grade of 28% Fe mined and treated during March
- Trial mining activities continue to exceed operational expectations with improved tertiary crushing circuit achieving internal benchmarks
- Blasting trials by major Korean explosives group completed
- JORC-compliant Exploration Target determined by Geos Mining

Iron Ore Production

Freehill Mining Limited ("Freehill" or "the company", ASX:FHS) are pleased to announce that magnetite production from their Yerbas Buenas iron ore project in Chile (Figure 1) for the March 2018 quarter was a record 32,403 tonnes including 14,237 tonnes in March. All product was sold under an ongoing sales agreement to the Romeral pellet feed plant of Compañía Minera del Pacifico S.A. ("CMP"). Revenue received from the sale of product was US\$833,323 inclusive of IVA tax. The iron ore price for 62% Fe fines CFR China ranged from US\$77.83 to US\$63.05 during the quarter, finishing at US\$64.90 as at the end of March.

Processed iron ore grades have continued to remain high during March at 28% Fe and, as with previous months, only a minor proportion of mined material has been sent to waste. The company is currently actively carrying out trial mining in the YB1 structure and has extracted and processed some 200,000 tonnes of iron ore to date to produce 70,000 tonnes of magnetite concentrates, which have been sold to the CMP pellet feed plant 35kms to the south. Average mined grades have been in the range of 24%-33% Fe, consistent with expectations.

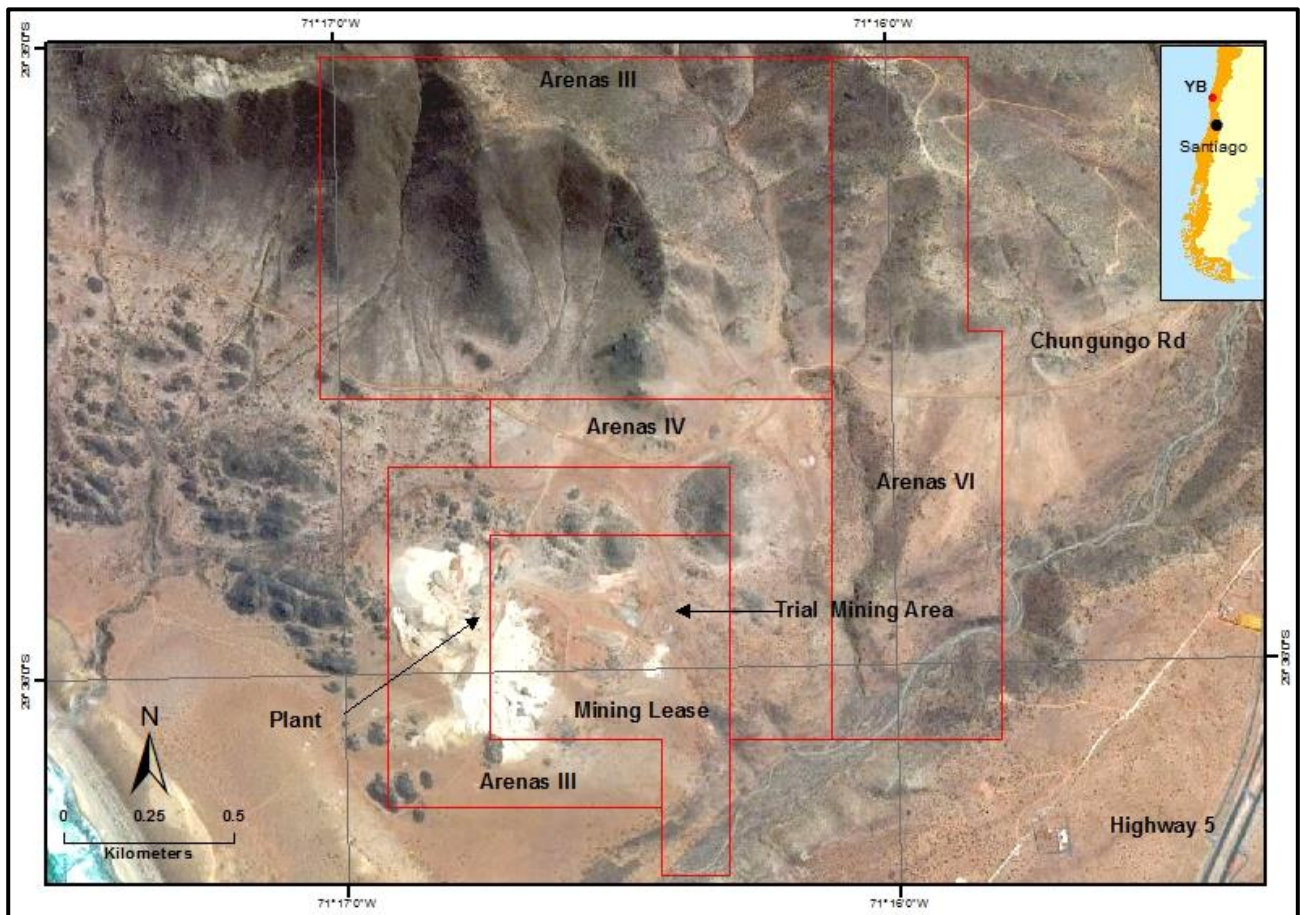


Figure 1 – Location of the Yervas Buenas project, Chile

Commissioning of the single line tertiary crushing circuit has been successfully completed and the circuit is now in a position to be further enhanced, with additional investment allowing significant increases in capacity, recovery and product grade. Now that this initial process has been concluded, the operational team are again focussed on a cost reduction program, while the next phase of process plant improvements is fully funded and implemented.

During the quarter a major explosives group, Hanwha Corporation of Korea, selected Freehill to carry out a series of blasting trials at Yervas Buenas, with Hanwha agreeing to carry all blasting related costs during the trial period.

Sernageomin, the Chilean Department of Mines, completed a visit to the Yervas Buenas mining and processing operation as part of the final step in approving a production increase to 40,000 tonne/month and the company will continue to progress this process over the coming period.

Exploration Target

Freehill has commenced the process of designing an exploration program and identifying specific drilling targets to establish Freehill's maiden JORC-compliant Mineral Resource estimate at Yervas Buenas, as well as seek to test a number of identified geological anomalies across its extensive tenement package. Freehill has engaged Geos Mining Minerals Consultants to assist with this planning process as well as having engaged a senior Chilean geologist who has managed the development of other major IOCG resources in the region.

A conceptual Exploration Target for the Yervas Buenas project has been determined by Geos Mining from the historical exploration and current mining figures. Due to the limited drilling at Yervas Buenas, the model is based on the extensive ground magnetic surveys as well as the RC drilling and trial mining records.

A JORC-compliant Exploration Target for iron ore is estimated to be in the range of between 36Mt and 51Mt at an average grade of between 25% and 35% Fe. The estimate is based on the surface extent of highly magnetic anomalous bodies termed YB1 to YB7 (Table 3 & Figure 6 in the full Geos Mining report). The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

An Exploration Target is conceptual in nature and the company intends to convert it into a Mineral Resource estimate during 2018 by drilling several of the magnetic anomalies identified during the April 2017 geophysics program and also building upon the two RC drill holes already drilled in the current trial mining pit area.

The full report will be made available on Freehill's website (www.freehillmining.com).

Chairman Frank Terranova stated "We are currently in the final stages of discussions with our funding partners over the prioritisation of capital allocation from our remaining available facilities. Concluding this process in a timely manner will allow us to accelerate a number of initiatives over the course of the next 6 months which will both generate substantial news flow for investors as well truly progress the realisation of the underlying value within these assets."

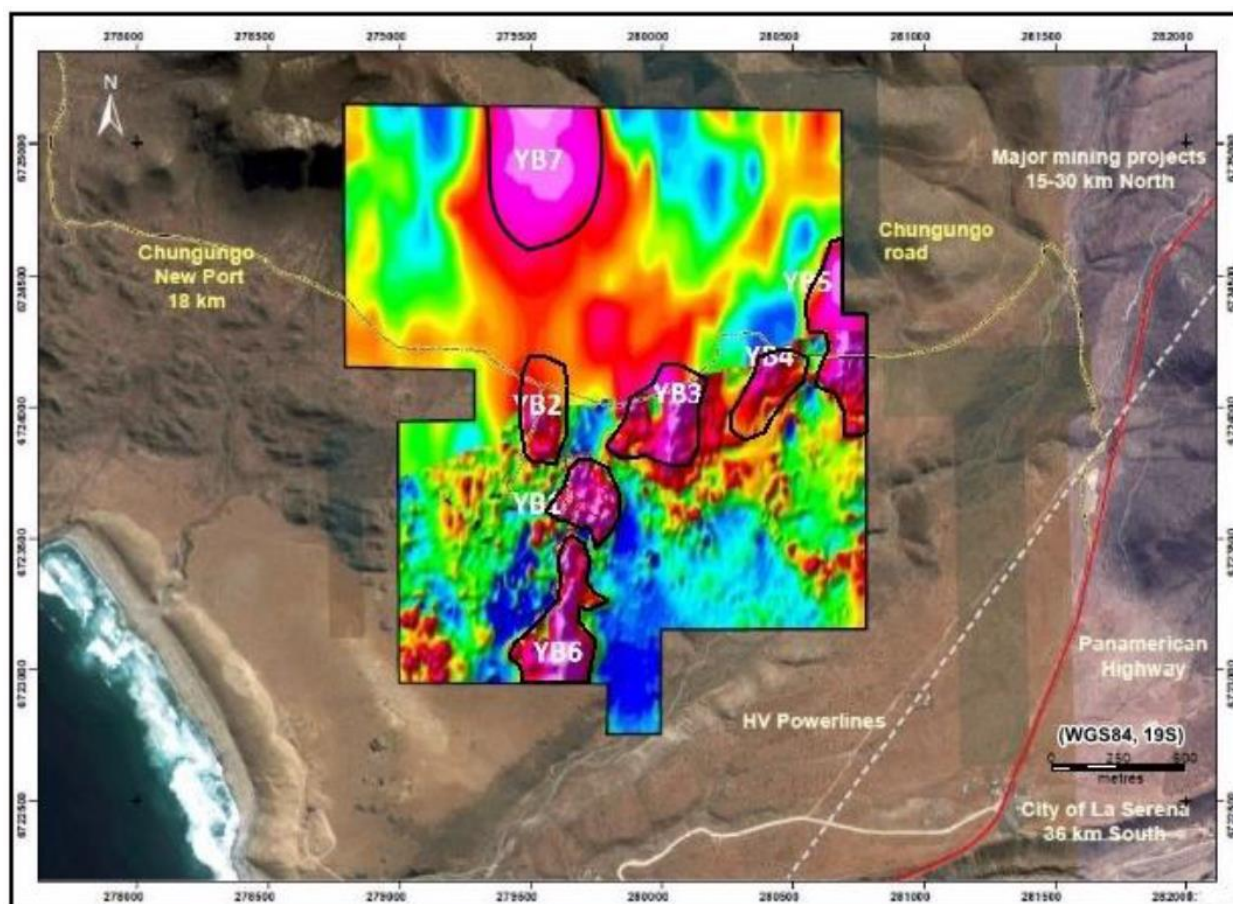


Figure 2 – Excerpt from Exploration Target report showing the identified magnetic structures and drilling targets

Blasting Trials

Freehill Mining was approached by Hanwha Corporation earlier in the year about potentially conducting a series of trial blasts at the Yervas Buenas mining operation with the objective of developing magnetite specific blasting formulae for the Chilean iron ore mining industry.

The company accepted Hanwha's offer to carry out up to 100,000m³ of blasting in the trial mining pit and Hanwha subsequently mobilised to site mid-March 2018 to begin trialling.

Hanwha Corporation, is one of South Korea's top 10 conglomerates with sales exceeding US\$41 billion annually and its subsidiary, Hanwha Mining Services, specialise in explosive manufacturing, general mining services and have recently entered the Chilean market as part of their Latin American development strategy.

The following images show the loading of emulsion explosives into prepared blast holes, two perspectives of a blast and drone image of the pit that clearly shows the darker high grade magnetite areas and various blasting zones.



Figure 3 - Hanwha loading emulsion explosives ready for blasting



Figure 4 – Hanwha drone image of pit blast showing high grade magnetite ore (black colour)

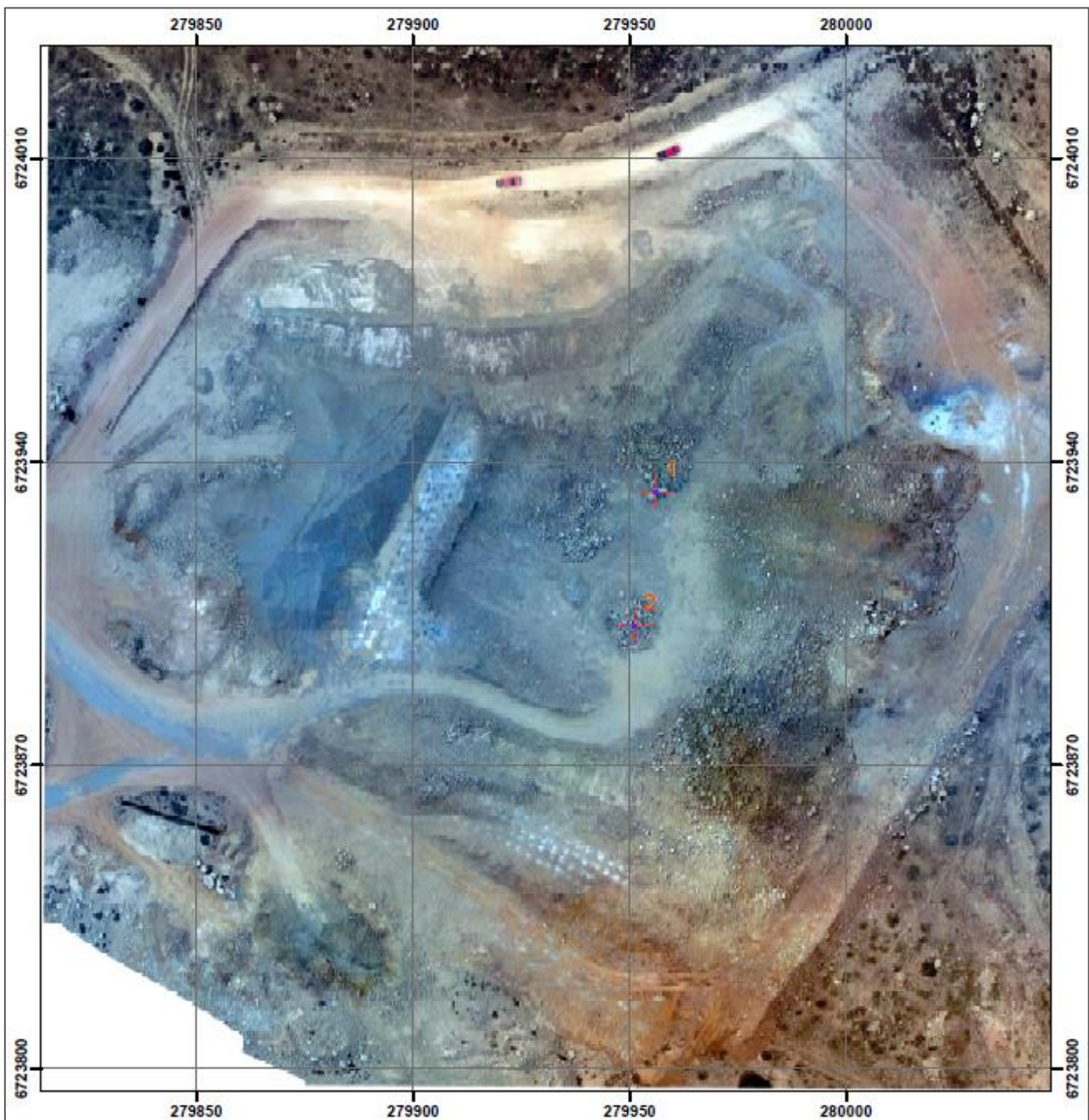


Figure 5 – Drone image of trial mining pit showing various blasted areas and those drilled ready for further trials

(Grid co-ordinates WGA84, Zone 19S)

Competent Persons Statement:

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

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

About Freehill Mining Limited

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

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