



21 June 2021

Exploration and Project Development Update

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') provides this update to shareholders on exploration and project development activities:

El Dorado diamond drill program: The Company has taken the decision to suspend the three-hole 1,500 metre diamond drill program at El Dorado based on limited mineralisation encountered in the first 1000 metres of drilling. The remaining capital allocated for this program will be redeployed to exploration and project development activities underway to advance Freehill's 67Mt Yerbass Buenas magnetite project.

A number of intervals with chalcopyrite mineralisation and intense quartz stockwork veining from this drill program were encountered and these intervals have been sampled and 300 samples sent for copper and gold analysis with results to be released as soon as they become available.

The El Dorado drill program was designed to test three high value targets covering only a small area of the broader 750-hectare tenement package and the technical team is now assessing other potential targets in the northern part of the project area where no exploration work has been undertaken due to the steeper topography.

Following the drilling, a reassessment of the geology and geophysics has highlighted some significant resistivity contrasts along NW-striking structures located SW of the strong chargeability anomaly outlined in the Company's 26 November 2020 ASX announcement (*'Induced Polarisation Identifies Very Large Potential Copper Structure at El Dorado'*). These structures may have a stronger possibility of hosting copper or gold concentrations than the central homogeneous anomaly that appear to be relatively weak in copper but large intervals with 3-5% pyrite observed in the drilling.

Resumption of mining operations at the original YB1 Magnetite Mine ('YB1'): As advised in late March, Freehill currently has two work streams underway to advance production at Yerbass Buenas. We now have approval to recommence production activities. Work is in progress so mining operations can re-commence at YB1 in order to take advantage of the strong iron ore prices and capitalise on growing demand from potential customers. Planning for start-up mining operations using proven local contractors is in process and an update will be provided as soon as Freehill complete production agreements.

YB6 Magnetite Project ('YB6') infill drilling program and project development activities: Freehill has engaged an experienced and respected consultant with significant expertise in processing for magnetite operations. The work involves undertaking an in-depth analysis of all of the test work to date and assessing three types of process options for the operation; 68%+ Fe grade pellet feed, 63% Fe grade HG fines and 53% Fe grade LG fines. For each of these process options the broad OPEX and CAPEX will be shown as well as the metal outputs. With this information, Freehill will be able to focus all future studies on a single process path with clarity that demonstrates that optimum value is being achieved from exploiting the ore body.

The report outlining achievable product grades and production parameters is well underway and is expected to be ready in the coming weeks. This report, combined with the pit design and the block model, is a key catalyst for delivering a larger scale production model for YB6. As advised, additional assaying of the 2019 drill core is also being undertaken and desk top work is ongoing to better define the relevant models.

The next step for advancing YB 6's development is the planned infill drilling program which is being undertaken to refine both the geological and mine modelling for the 67Mt project. Environmental work and permitting necessary to commence infill drilling have been submitted to the relevant authorities for approval and drilling will commence shortly thereafter.

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Comment:

Chief Executive Officer Paul Davies said: *"We have taken the prudent decision to suspend drilling at El Dorado and redeploy our funds into more rapidly advancing YB1 and YB6. Whilst these drill results are not what we were hoping for, total funds committed to the shortened program were relatively modest. El Dorado remains a highly prospective asset for Freehill, and our geologists are now actively assessing new targets that we can exploit in the future."*

"Freehill has the advantage and flexibility of having a suite of projects ranging from exploration stage right through to those that are mine-ready. This gives us the optionality to advance the projects that deliver immediate value and that is now our focus. Recommencing mining at YB1 is the first of these opportunities and we have made good progress since the last update. We are making good progress assembling a capable team of experienced contractors and discussions with potential customers are ongoing and encouraging."

This announcement has been authorised by the Board of Freehill Mining Limited.

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About Freehill Mining Limited

Freehill Mining Limited (ASX: FHS) is a mineral exploration company focused on the development of its 100%-owned Yervas Buenas magnetite project in Chile. Freehill has defined two inferred magnetite resources (JORC 2012) at Yervas Buenas and is identifying gold and copper mineralisation in the northern part of the property as well as copper and gold mineralisation at the 100%-owned El Dorado tenements immediately to the north of Yervas Buenas. Freehill plans to recommence mining operations at its YB1 magnetite mine in 2021 and continue to advance the development of the larger scale YB6 magnetite resource.

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