



11 October 2021

Commencement of Start-up Mining Operations at Yervas Buenas

- Experienced local contractor MTN Gold SpA secured to undertake mining, crushing and processing operations with planned monthly production of ~5,000 tonnes of magnetite under current permit
- Turnkey solution with contractor to supply all production equipment and manpower
- Contractor mobilising to site; first sales anticipated in January with multiple sales channels available

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to report that Phase-1 mining operations are now underway at its 100%-owned Yervas Buenas magnetite project in Chile with first ore sales anticipated in January 2022.

After an extensive tender process, the Company has secured the services of experienced local Chilean contractor MTN Gold SpA ('MTN') to deliver a turnkey mining, crushing and ore processing services. MTN will supply all necessary mining, crushing and processing equipment so Freehill can deliver ~5,000 tonnes per month of 53%-63% Fe HG fines for sale to off-takers that have already been identified. The terms of the agreement with MTN are confidential but commercially favourable to both parties.

This is an excellent development for Freehill and is the culmination of many months of work and planning to ensure a sustainable and profitable mining operation can be established at Yervas Buenas. The findings of the report by highly respected mining consultant Dean David FAusIMM, CP (Met) of DD Consulting (*see ASX release 14 August 2021*) concluded that Yervas Buenas' ore is suitable for the production of 68%+ Fe grade pellet feed, 63% Fe grade HG fines and 53% Fe grade LG fines and this report, and today's appointment of MTN have been critical catalysts for the commencement of mining operations.

MTN's immediate focus is to deal with waste rock from the proposed mine site and to undertake site preparation work so the plant and equipment can be set up and be fully operation within the next 90 days. Freehill will report a steady stream of updates as operations are established and first sales occur.

Comment:

Chief Executive Officer Paul Davies said: *"The appointment of an experienced and proven contractor is an excellent outcome for Freehill and consistent with our strategy of establishing a low CAPEX, low OPEX, sustainable mining operation at Yervas Buenas. Our immediate focus is to ensure the consistent delivery of ~5,000 tonnes of saleable product per month using third-party infrastructure and support. Building a steady revenue base from the Phase 1 operations is our key objective so we can self-fund our near-term growth and limit shareholder dilution. While we have been working behind the scenes diligently to deliver today's outcome, we look forward to regularly reporting on progress as activities ramp up. We can also confirm that there is considerable demand for the Yervas Buenas ore and we are assessing a number of sales channels."*

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 mining and exploration company currently focused on the development of its 100%-owned, 478 hectare Yervas Buenas magnetite project in Chile. Mobilisation for Phase 1 mining operations at the Yervas Buenas magnetite mine is now underway and the Company continues to advance the development of the larger scale magnetite resource.

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Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Ross Corben, BSc (Geology), who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant of Freehill Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Corben consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.