



31 January 2022

## Quarterly Activities Report 31 December 2021

- Experienced local contractor MTN Gold SpA secured to deliver turnkey solution at Yerbas Buenas with planned production of ~5,000 tonnes of magnetite per month
- Phase one mining operations commenced at Yerbas Buenas – contractor mobilised with mining, crushing and processing equipment to site
- Initial phase one work has produced 150,000 metric tonnes of material which is stockpiled and ready for processing
- Discussions with several off-takers well advanced – considerable demand for Yerbas Buenas' magnetite ore

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this activity report for the quarter ended 31 December 2021 (the 'quarter').

### 100%-owned Yerbas Buenas magnetite project update

Freehill has made considerable progress at its 100%-owned Yerbas Buenas magnetite project after phase one mining operations commenced during the quarter.



*Image 1: Freehill's 100% owned Yerbas Buenas magnetite project*

Experienced local contractor MTN Gold SpA ('MTN') mobilised to site delivering and installing the necessary mining, crushing and processing equipment. The services of MTN were secured following an extensive tender process with the aim of delivering ~5,000 tonnes per month of 53%-63% Fe HG fines for sale to potential off-take customers that have the Company has engaged with.

Site preparation work began with MTN clearing waste rock from the proposed mine site. The initiative has largely been completed, allowing plant and equipment to be mobilised and set up at site for MTN to begin mining, crushing and processing activities.

The equipment mobilised to site during the quarter includes a fixed two-stage crushing plant with primary and secondary crushing units (*refer image 2*). The crushing plant is capable and provides Freehill with the flexibility of producing two different sized products, -6mm (50% passing -3mm) and -12mm. In addition, dry magnetic plants with cascading drums were delivered with the magnetic plant currently being trialled and expected to be in operation within the coming days.



**Image 2:** MTN's fixed two-stage crushing plant with primary and secondary crushing units

Additionally, work has been undertaken with a number of blast holes having been pre-drilled ahead of a blasting program (*refer image 3*).



**Image 3:** Several of the 199 holes being drilled ahead of the blasting program

The commencement of phase one work at Yerbas Buenas has produced approximately 150,000 metric tonnes material from YB1 which has been stockpiled and is awaiting processing. While trial processing is in process regular crushing operation is due to commence in February with deliveries to commence shortly thereafter. There has been a significant demand evidenced for Freehill's product, with a number of potential domestic and international off take customers identified.

### El Dorado project update

As the Company continued to focus its efforts on development activities at the Yerbas Buenas project, initiatives at El Dorado remained suspended during the quarter. Work at El Dorado will return intermittently as the Company looks to better understand the project's potential.

### Underwriting of option exercise by existing shareholder

Freehill and existing shareholder Mr Gavin Ross entered into an underwriting agreement whereby Mr Ross has agreed to partially underwrite any shortfall of the exercise of the Company's FHSO options. As part of the agreement, Mr Ross subscribed for 17,035,512 shares at 2.5 cents per share which were issued during the quarter. The balance of outstanding options were fully exercised.

### Funding

Cash at bank as at the end of the quarter totalled \$1.77m with the Company raising a further \$172,000 in debt since the end of the quarter. This cash, and the commencement of product sales at Yerbas Buenas provides the Company with a strong platform to pursue and expand its current development initiatives.

### Mining tenements listing

In accordance with ASX Listing Rule 5.3.3, Freehill provides the following information in relation to its tenement holdings located in Chile:

Tenement Name	Freehill Group Ownership	Location	Licence Number	Area
YERBAS BUENAS 1-16	100%	Region IV, Chile	04102-2723-1	50 Ha
ARENAS III 1 to 15	100%	Region IV, Chile	04102-2714-2	150 Ha
ARENAS IV 1 to 10	100%	Region IV, Chile	04102-2715-0	44 Ha
ARENAS VI 1 to 20	100%	Region IV, Chile	04102-2755-K	92 Ha
ARENAS X 1 to 18	100%	Region IV, Chile	04102-2937-4	54 Ha
ARENAS XI 1 to 20	100%	Region IV, Chile	04102-3522-6	80 Ha
EL DORADO I to 10	100%	La Higuera, Chile	04102-3669-9	100 Ha
EL DORADO II 1 to 10	100%	La Higuera, Chile	04102-3670-2	100 Ha
EL DORADO III 1 to 10	100%	La Higuera, Chile	04102-3671-0	100 Ha
EL DORADO IV 1 to 10	100%	La Higuera, Chile	04102-3672-9	100 Ha
EL DORADO V 1 to 10	100%	La Higuera, Chile	04102-3673-7	58 Ha
EL DORADO VI 1 to 10	100%	La Higuera, Chile	04102-3674-5	94 Ha
EL DORADO VII 1 to 7	100%	La Higuera, Chile	04102-3675-3	70 Ha
EL DORADO VIII 1 to 10	100%	La Higuera, Chile	04102-3676-1	96 Ha
<b>Total</b>				<b>1,188 Ha</b>

### Comment:

**Chief Executive Officer Paul Davies said:** "Freehill has made considerable progress during the quarter continuing to execute phase one operations at Yerbas Buenas. We have been firmly focussing our efforts on the project and are now well-placed to deliver cash flows in the near future unlocking value for our shareholders.

"Simultaneously with work at Yerbas Buenas, we have been engaging with a number of off-takers and have seen that there is a significant demand for the Yerbas Buenas ore. As such we are assessing a number of our potential sales channels. I look forward to providing updates as operations continue and we start to build a steady revenue base from Yerbas Buenas."

## **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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