



29 July 2022

Quarterly Activities Report 30 June 2022

- **Initial off-take agreement secured for the shipment of ~24,000 tonnes of magnetite ore with a subsidiary of CAP S.A., the largest iron ore producer in Chile**
- **Installation of a new impact crusher at the 100%-owned Yerbas Buenas magnetite project, expanding refinery production capacity across multiple iron ore grades**
- **Successful completion of share placement to sophisticated investors, raising \$750,000 before costs at \$0.02 per share to support the scale-up of operations at Y.B.**

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this activity report for the quarter ended 30 June 2022 (the 'quarter').

Off-take agreement with Chilean iron ore major

Freehill's June quarter activities were highlighted by a landmark off-take agreement from its 100%-owned Yerbas Buenas magnetite project in Chile.

Announced in early June, deal terms were reached for the supply of magnetite ore to Compania Minera Del Pacifico S.A. (CMP), a subsidiary of Chilean conglomerate CAP S.A. – Chile's largest iron ore producer.

Under the terms of the deal, Freehill agreed to an initial total of ~24,000 tonnes of magnetite ore, grading at 53% Fe.

Yerbas Buenas is located in close proximity to the CMP processing plant, along with other key transportation channels that provide the company with an established competitive advantage in land borne sales logistics.

Negotiations between the two parties for additional offtake agreements remain ongoing, following successful delivery of the first order.

As highlighted in the Company's June trading update, separate negotiations have also commenced with a number of domestic customers in the Chilean market with respect to the supply of aggregate .

Installation of impact crusher

Also, during the quarter, Freehill completed the acquisition and installation of an impact crusher to optimise forecast production quotas. The crusher gives Freehill the capacity to produce a final product of -3mm delivering higher grade ore along with its existing off-take agreement with CMP at -7mm. In addition, further refinement to the production line is showing significant improvement in throughput.

This provides increased flexibility with regard to future sales in the domestic Chilean market, given the proximity of Freehill's YB operations to the CAP Romeral Pellet feed plant and arterial highway routes.

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Corporate Activity

Accompanying its off-take agreement, Freehill also announced binding commitments from a group of sophisticated investors to subscribe for 37,500,000 fully paid ordinary shares at \$0.02 per share, raising \$750,000 before costs.

The funds were raised primarily to scale up mining and processing operations at Yerbas Buenas, to support the CMP offtake agreements and future agreements the Company expects to secure.

Funding

Cash at bank as at the end of the quarter totalled \$579,000. Sales revenue from product sales to CAP, together with emerging sale of our aggregate, will significantly improve the Company's future cash position.

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
			Total	1,188 Ha

Comment:

Chief Executive Officer Paul Davies said: "The June quarter marked an important step forward for Freehill, with confirmation of its first successful off-take agreement following an extensive negotiation process. With our initial round of magnetite sales pending, the Company is well-placed to establish itself as a reliable iron ore supplier in the Chilean market. Feedback on our product is very positive, and we are pleased to have secured our first off-take agreement with the country's largest iron ore producer. The timing of first ore is slightly delayed due to the exhaustive nature of CMP's process in approving suppliers and it is a testament to the efforts of our local operator who have worked tirelessly to get us to this position. With an initial market now established, a successful share placement and improved operational efficiencies at YB, we look forward to updating investors with further announcements regarding first sales, commercial engagements and broader production capacity in the quarters ahead."

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 Yerbas Buenas magnetite project in Chile. Mobilisation for Phase 1 mining operations at the Yerbas Buenas magnetite mine is now underway and the Company continues to advance the development of the larger scale magnetite resource.

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