



25 August 2022

Ongoing Deliveries of Magnetite Concentrate Have Commenced

- **Transforms Freehill into a revenue-generating company**
- **Regular deliveries of magnetite concentrate have commenced as part of off-take deal with major Chilean iron ore producer.**
- **Receipt of first revenues expected early September.**
- **Active negotiations with other prospective customers are ongoing with new sales channels expected to materialise.**
- **Recent plant upgrades at Yerbas Buenas now complete with increased production matching growing customer demand.**

Freehill Mining Limited (ASX:FHS 'Freehill' or 'the Company') is pleased to announce that regular deliveries of magnetite concentrate from its 100%-owned Yerbas Buenas magnetite mine in Chile have now commenced with first revenue to be received next month.

The commencement of magnetite concentrates deliveries is a major milestone for Freehill transforming the Company into a revenue-generating mining business.

Deliveries will be made on a daily basis going forward, underpinned by an off-take agreement with Compañia Minera Del Pacifico S.A. (CMP) which Freehill announced in May of this year (*refer ASX Announcement 2 June 2022*). CMP operates as a subsidiary of Chilean conglomerate CAP S.A. – Chile's largest iron ore producer.

The commencement of regular deliveries follows the successful procurement of the requisite transport approvals, with magnetite concentrate being supplied from Freehill's existing inventory stockpiles which continues to be supported by ongoing production.

Freehill has demonstrated the infrastructure and regulatory frameworks required to generate stable ongoing monthly revenues are robust following an exhaustive process involving both the project and transportation capabilities.

The commencement of regular magnetite concentrate deliveries and thus sales will generate regular cash flow for Freehill as it continues to develop Yerbas Buenas. Deal terms outlined in the first off-take agreement comprise the receipt of an initial total of 24,000 tonnes of magnetite ore, grading at 53% Fe. Further off-take agreements are likely to be agreed following delivery of this first tonnage.

As the Company establishes its position in the Chilean market as a reliable supplier of magnetite ore, negotiations with other prospective customers are advancing very favourably. In addition, negotiations with other domestic customers in relation to the sale of waste aggregate fines are well-advanced and likely to add another sales channel to Freehill in the near-term.

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Image 1: A truck shipping magnetite ore for direct transport to CMP.



Image 2: Trucks are loaded as the Y.B. plant operates in the background

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During the exhaustive approval process Freehill and its production partner MTN also took the opportunity to review and upgrade its processing plant providing the Company with a high level of confidence in meeting desired production outcomes which the Company expects will be reflected through sales in the coming months.

Comment:

Chief Executive Officer Paul Davies said: *“The commencement of regular magnetite concentrate deliveries to CMP is an outstanding development for Freehill transforming us into a revenue-generating mining company. This milestone is a testament to the efficient execution of the Freehill Mining team, from both an operational and regulatory standpoint. With the introduction of a steady and lucrative monthly revenue stream, the Company is now well positioned to execute on its growth strategy and advance towards positive cash flow generation. Discussions are continuing with multiple parties regarding further sales channels which we believe will provide a sound business foundation for further development activities within Chile at Yervas Buenas and other projects we are assessing where we can establish similar operations.”*

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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