



31st August 2022

Second Revenue Channel Confirmed via Sale of Aggregate Waste Rock from Yervas Buenas

- Sales of aggregate waste rock from the Yervas Buenas project have commenced
- New sales channel adds a secondary revenue stream for Freehill, in addition to its sales of magnetite concentrate which are now ongoing
- The Company anticipates expanding customer demand for aggregate waste rock from the domestic construction industry in Chile
- Further updates on the consolidation of Freehill's multi-channel revenue strategy expected in the near-term

Freehill Mining Limited (ASX:FHS 'Freehill' or 'the Company') is pleased to announce that it has formally commenced sales of aggregate waste rock ('aggregate') from its 100%-owned Yervas Buenas magnetite mine in Chile.

The aggregate waste rock sales add a second revenue stream for the Y.B. project, following the Company's landmark off-take deal for magnetite concentrate with a subsidiary of Chile's largest iron ore producer (*refer ASX Announcement 25 August*).

While the Company's main focus is on expanding the supply of magnetite concentrate, increased demand from the local construction industry for aggregate has created a unique opportunity to further enhance near-term revenue growth.

The initial supply agreement is for 3,000 tonnes of aggregate, at acceptable margins which have been agreed between Freehill, our contractor and the end-customer.

Based on the sound contract terms for the initial aggregate shipment and assessing the demand dynamics in the Chilean infrastructure and construction sectors more broadly, the Company anticipates additional orders in the near-term and expanding demand for its aggregate product in the domestic market.

The commencement of aggregate sales is reflective of Freehill's transformation from an exploration-focused Company to a revenue-generating mining entity, with the appropriate inventory levels needed to fulfill strong demand orders over the near-and-medium term.

Sales orders for aggregate will contribute to the group's September quarter cash-flows, which have already achieved a near-term boost through the sales of magnetite concentrate where first revenues are expected in early September, with ongoing revenues thereafter.

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Along with its aggregate sales, Freehill also expects to provide additional updates on the ongoing supply of magnetite concentrate from Y.B. which has been consistent for the first week of deliveries.

Chief Executive Officer Paul Davies said: *“Confirmation of the group’s first aggregate sales is another exciting momentum indicator for Freehill, following the recent commencement of magnetite concentrate deliveries. What’s particularly pleasing is the evident capacity of the Y.B. project to fulfill multiple areas of demand in the Chilean market, validating the Company’s ability to transition from the exploration phase into a commodity production business with multiple revenue channels. From a near-term revenue perspective, the sale of aggregate is a nice complement to the sale of magnetite concentrate and will further contribute to operating cash-flows in the September quarter. The successful commencement of sales and organisation of relevant logistics requirements sets Freehill up for more growth in the quarters ahead, where the management team is pursuing a number of commercial opportunities to expand the current order book.”*

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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