



## **CHAIRMAN'S ADDRESS**

### **ANNUAL GENERAL MEETING OF FREEHILL MINING LIMITED HELD ON WEDNESDAY, 30 NOVEMBER 2022 AT 10:00AM AEDT**

Ladies & Gentlemen,

I would once again like to take this opportunity to thank my fellow board members for their efforts over the last 12 months despite the Company facing several challenges.

Without doubt it has been a challenging macro environment, but despite this, Freehill remained very focused on its core objective to advance our 100%-owned Yerbos Buenas magnetite project in Chile into production. Whilst production volumes to date have been less than anticipated, we are of the view that this remains a temporary challenge, one that we are not down-playing, but it is important to recap on the foundation we have put in place that has transformed the Company into a producer, away from being a cash dependent explorer.

Underpinning this are some material and very meaningful achievements in the 2022 fiscal year:

#### **Significant announcements achieved from Fiscal 2021 to date:**

- In October 2021, Freehill appointed MTN Gold Spa to undertake mining, crushing, and processing operation, with a target of ~5,000 tonnes per month under permit. This should be regarded as a key development for the company as it has meant that we have not had to invest significant capital expenditure to commence production, rather we have delivered a solution where we save on capex in exchange for sharing the revenue from magnetite concentrate sales.
- MTN Gold Spa spent several months establishing processing and crushing operations at YB culminating in the commencement of mining and processing operations in February of this year.
- This was followed by the Company securing a landmark offtake agreement in June 2022 with Chile's largest domestic iron ore producer, Compañía Minera Del Pacífico S.A (**CMP**), for our YB product. What this has meant is that we can continue to truck our ore to a local producer nearby without having to commit to large-scale export customers.
- In August 2022, we announced that deliveries of first magnetite concentrate to CMP had commenced and that we were delivering a secondary revenue stream at YB with sale of aggregate, ore waste rock from our magnetite mining operations.

#### **New Chilean Government elected**

March 2022 saw the election of the new Chilean president Gabriel Boric, a social democrat elected with a focus on environmental issues. The mining industry is yet to see how this new government juggles mining and environmental issues.

## **Looking Forward**

The focus for the 2023 year will be consolidation of the processing and sales of material at YB and to create and maintain a positive cash flow that will allow the board to explore and fund further opportunities when they arise. Our focus here is to pursue small to mid-scale mining operations that can build on our cash flow

Whilst there have been some setbacks in meeting our anticipated production targets to date, this has been mainly due to supply issues, and our aim remains to continue to pursue our goals and deliver on our targets.

We firmly believe that the Company's events planned for the next 6 months will deliver genuine value for our shareholders which we anticipate will result in a better reflection of the Company's true value in the market.

Thank you again for your support this year.

Ray Mangion

Chairman.