



31 October 2022

Quarterly Activities Report for the Period Ended 30 September 2022

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

Commencement of sales of magnetite concentrate to Chilean iron ore major

Activities for the September quarter focused on the commencement of regular deliveries of magnetite concentrate from the Company's 100%-owned Yervas Buenas magnetite mine in Chile. This is a major milestone for Freehill transforming the Company from predominantly and exploration-focused operation to a production company. Deliveries are underpinned by an off-take agreement with Compania Minera Del Pacifico S.A. (CMP) which Freehill announced in May of this year.

CMP operates as a subsidiary of Chilean conglomerate CAP S.A. – Chile's largest iron ore producer. The commencement of deliveries follows the successful procurement of the requisite transport approvals. Whilst the Company has experienced some delays in magnetite sales, as reported in the current quarter, Freehill has demonstrated the infrastructure and regulatory frameworks required to develop stable ongoing monthly revenues following an exhaustive process involving both the project and transportation capabilities.

Deal terms outlined in the first off-take agreement comprise the receipt of an initial total of 24,000 tonnes of pre concentrate Fe to CMP. 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 September, Freehill confirmed that the successful delivery of an initial 2,500 tonnes of pre concentrate to CMP. Each delivery was executed on time, with confirmation of receipt by the end-customer. The efficient delivery processes can be attributed to the extensive groundwork carried out by Freehill in cooperation with CMP, including detailed transport approvals from local regulators. Transport logistic plans also required effective solutions for inventory management and delivery infrastructure, including trucking procurement and mapping of transport logistic routes.

The Company confirms that revenue from the first deliveries materialised in the current quarter and will thus be reflected in the Appendix 5B for the quarter ended 31 December 2022.

Events subsequent to the end of the quarter

In late October, Freehill reported that a technical error in the drone survey work used to calculate the quantities of end product available for sale will see less stockpiled pre concentrate available for sale to CMP which has impacted the current schedule of deliveries. CMP have agreed to a revised delivery program, and production has temporarily paused while Freehill's technical team and contractors conduct a detailed geophysical survey of the mining pit to optimise mine processing and production. Production is scheduled to re-commence in early November. The Company confirmed that ~2,800 tonnes of magnetite concentrate have been sold to CMP. This has generated circa \$100,000 in revenue to Freehill which will be reflected in the Appendix 5B for the quarter ended 31 December 2022 along with additional revenue from pre concentrate sales that will materialise once regular deliveries resume in November.

Freehill Mining Ltd – iron ore producers | ACN 091 608 025 | www.freehillmining.com

| Tel: +61 (0)3 8658 5976 | email: info@freehillmining.com

Melbourne Office

| Level 24, 570 Bourke Street, Melbourne, Vic 3003

La Serena, Chile office

| Level 7, Edificio Seville, Avenida Del Mar La Serena, Chile South America

Freehill also reported that it has entered discussions for the long-term supply of waste material to Cementos Bicentenario SA (“BSA”) (<https://www.cementosbsa.com/>). BSA has been impacted by recent changes to Chilean legislation regarding recovery of gravels from river beds and is seeking alternative supply.

Corporate and Funding

Cash and cash equivalents as at the end of the quarter totalled \$910,000. In addition the Company is negotiating a convertible note from a US fund which is due to be completed in early November. Together with the revenue from magnetite concentrate sales to CMP, and with a tight focus on cost controls, Freehill is sufficiently funded for subsequent quarters.

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

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.

For further information, please contact:

Paul Davies
Chief Executive Officer
Freehill Mining Limited
+61 419 363 630

Media & investor relations inquiries: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448



Follow [@FreehillMining](#) on Twitter

Follow [Freehill Mining](#) on LinkedIn