



31 January 2023

## Quarterly Activities Report for the period ended 31 December 2022

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this activity report for the quarter ended 31 December 2022 (the 'quarter').

### Operations overview:

During the quarter, the Company completed initial delivery of some 3,000 tonnes of magnetite to Chilean iron ore major Compania Minera Del Pacifico S.A. (CMP) as part of their off-take agreement.

The ongoing delivery of magnetite shipments to CMP saw delays in the December quarter, stemming from a technical error in the drone survey work used to calculate the quantities of end-product available for sale (refer ASX Announcement 28 October 2022).

In addition, challenges with the nature of our deposit being disseminated from the production process prompted a review of the mine plan, which is being undertaken in consultation with CMP.

CMP remain engaged with the business as an end-customer, and have agreed to a revised delivery schedule pending the results of further geophysical survey tests at the Y.B. project.

During the December quarter, Freehill also made key advancements in the development of a commercial strategy to take advantage of market dynamics in the Chilean cement industry. With its close proximity to the planned major infrastructure projects Freehill is well positioned as a real and potential supplier of aggregate materials, our waste product, for large regional concrete producers.

Until recently, concrete companies in Chile primarily sourced their aggregate materials from dry riverbeds and ballast wells. However, changes in environmental regulations and aggregate extraction permits mean they are now increasingly required to find alternatives to traditional supply sources.

Chile's major cement companies BSA and Melon have had multiple senior level visits to the YB site and have undertaken numerous laboratory tests on our waste materials, all of which to date have proven positive for our material. Some 1,600 tonnes of initial orders have been placed and delivered, which is a preliminary to larger orders and the establishment of Freehill within the supply chain for Chilean cement companies. Further laboratory tests are ongoing.

Given that Freehill was not previously recognised as a supplier in this market, recent advances in this strategy can be considered quite rapid and the Company anticipates further updates on the commercial strategy to be forthcoming.

Based on its position in the Chilean market, Freehill is also assessing further small-scale commercial opportunities with low capex requirements that have the capacity to contribute to near-term cash-flow generations.

### **Corporate and Funding**

Cash and cash equivalents as at the end of the quarter totalled **\$5000**. During the quarter, Freehill signed a Convertible Securities Agreement with Obsidian Global GP, LLC. Obsidian agreed to invest a total of up to A\$400,000 in the Company, in exchange for convertible securities issued by the Company, convertible into Freehill fully paid ordinary shares. In addition a further \$75,000 was raised via convertible debt since the end of the quarter.

### **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:

<b>Tenement Name</b>	<b>Freehill Group Ownership</b>	<b>Location</b>	<b>Licence Number</b>	<b>Area</b>
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
<b>Total</b>				<b>1,188 Ha</b>

### **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 and pursue a multi-channel commercialisation strategy in the Chilean market.

#### **For further information, please contact:**

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