



18 September 2024

Yerbas Buenas Operations Update

- Yerbas Buenas gross sales of approximately \$300,000 for July and August. Sales were impacted by processing and transport constraints caused by previously reported workplace incident
- Company has now received approval for the recommencement of operations, following extensive reporting with multiple government and regulatory agencies. Large plant is operational, customer deliveries are ramping up and stockpiles of all materials are building
- New \$400,000 purchase order secured from existing customer Belfi for a new material. This is in addition to the \$1.7m purchase order secured in March of this year. More purchase orders from existing and new customers are anticipated in the near-term given operations now have resumed
- Recommencement of magnetite mining is scheduled for October with all equipment and infrastructure secured and/or on site. Stockpiles in place for processing and first sales

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this operations update for production and sales along with the pending recommencement of magnetite mining at the 100%-owned Yerbas Buenas (YB) project in Chile.

The September quarter to date has been challenging due to constrained production and deliveries whilst our contractor engaged directly with regulators following the previously reported fatal incident at YB. As a result, gross sales for July and August totalled ~\$300,000, lower than previously forecast.

Our contractor has worked extensively with multiple domestic agencies including SERNAGEOMIN (Servicio Nacional de Geología y Minería), Chile's national government agency for geology and mining services, to meet all of its reporting requirements in connection with this unfortunate incident. The Company advises that SERNAGEOMIN has now approved the recommencement of major plant operations at YB. As a result, processing activities and customers deliveries are now ramping back up and stockpiles are building.

The Company is also pleased to confirm that existing customer Belfi has signed a new purchase order valued at A\$400,000 for a new type of material which is now being delivered. This adds to the A\$1.7m purchase order Belfi awarded to Freehill in March of this year. All customers remain supportive of the YB operation and additional purchase orders are expected to be awarded in the near term. Freehill remains fully engaged with a broad customer base of major Chilean cement and construction companies.

In line with its stated development strategy, the Company confirms that it will recommence magnetite mining operations at Yerbas Buenas in October following the recent purchase of key operating equipment including a magnetic drum for on-site mineral processing.

Initial production and sales will be generated from stockpiles, and major Chilean industrial conglomerates including Melón and BSA have expressed strong interest in purchasing magnetite pre-concentrate at favourable pricing. Concurrently with a sales pipeline being established from stockpiles, some additional permitting and mine planning will be undertaken to facilitate the scale-up of magnetite operations from the historical YB pit.

Freehill Chairman Ben Jarvis commented: *"We are grateful for the support of our team, customers and regulators in what has been a challenging quarter. We have emerged with some improvements in site operations and expect gross sales to resume their upward trajectory into what will be a much stronger December quarter. As well, we are pleased to have secured new high value purchase orders and are negotiating other opportunities which will drive sales. We look forward to providing updates on the growth of existing operations, alongside the forthcoming recommissioning of magnetite processing and mining which will strengthen our operations."*

Approved for release by the Board of the Company.

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