



16 October 2024

First Purchase Order Secured from Cementos Melón for New Hospital Project

- Chile's largest cement company Cementos Melón ('Melón') has contracted Freehill to supply material for the construction of a ~125,000m² new state of the art hospital in La Serena, a ~US\$271m government infrastructure project. Freehill's local subsidiary and Melón have been collaborating on supply for a number of months focusing on product specifications.
- Purchase Orders will be issued on a rolling monthly basis with the first monthly order received and valued at AS\$205,000¹. The value of monthly purchase orders could increase depending on Freehill's ability to supply increased volumes.
- Based on a construction timeframe of approximately 4 years, Freehill anticipates this contract generating considerable revenue.
- The confirmation and scale of this order from Melón means Freehill has to prioritise processing of construction materials over magnetite processing and sale in the short term as this will result in greater revenue being realised.
- Planning, permitting and site works for recommencing magnetite mining continues to advance with all necessary equipment procured.

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to confirm that it has secured an agreement with Chile's largest cement company Cementos Melón ('Melón') to supply material from its 100%-owned Yervas Buenas (YB) project to support the construction of the new US\$271 million La Serena Hospital project in Chile.

This is a large scale infrastructure project with completion scheduled in the second half of calendar year 2028. Further information on the project is available at <https://www.mop.gob.cl/mop-iniciara-construccion-del-nuevo-hospital-de-la-serena-con-una-inversion-de-us271-millones/> Freehill has been selected by Melón as its YB operation has the necessary scale and processing capacity to deliver the volumes of material required to support such a large-scale infrastructure project.

Freehill and Melón have been working on developing a specific materials for this project for a number of months, and as such, the Company will receive rolling monthly purchase orders for supply of this material now that construction has commenced. The first monthly purchase order is valued at \$205,000 and the value of purchase orders, to be issued monthly, could increase depending on Freehill's ability to supply increased volumes.

¹ Includes Impuesto al Valor Agregado (IVA) of 19% being Chile's VAT

Freehill Chairman Ben Jarvis commented: *“We are delighted to have been selected by Melón as a key supplier to what is a large and prestigious regional infrastructure project. It confirms the fact that YB is now regarded as a trusted supplier of material to underpin construction of large-scale infrastructure projects such as hospitals and ports. We have worked collaboratively with Melón over many months to arrive at the right material for this project with supply to continue over a number of years. As such, this first purchase order reflects only a fraction of the potential total value. Our priority at this time is to build scale into our material supply business and increase the revenue base considerably. The current order book supports this.*

“While we had hoped to recommence magnetite mining this month, it was expected that Melón would be our foundation customer and their short term supply needs means magnetite is not their immediate priority. That said, we are continuing to advance the magnetite operation with all equipment secured and planning for sustainable production. Our declared JORC resource of 67 million tonnes at average grade of 19.1% (see ASX release 2 June 2020) means we are sensitive to both ore price and processing economics. The processing of the waste material mitigates against that exposure and provides the foundation for a profitable materials-based processing and sales operation. In that context, our objective is to establish profitable magnetite production.”

Approved for release by the Board of the Company.

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