

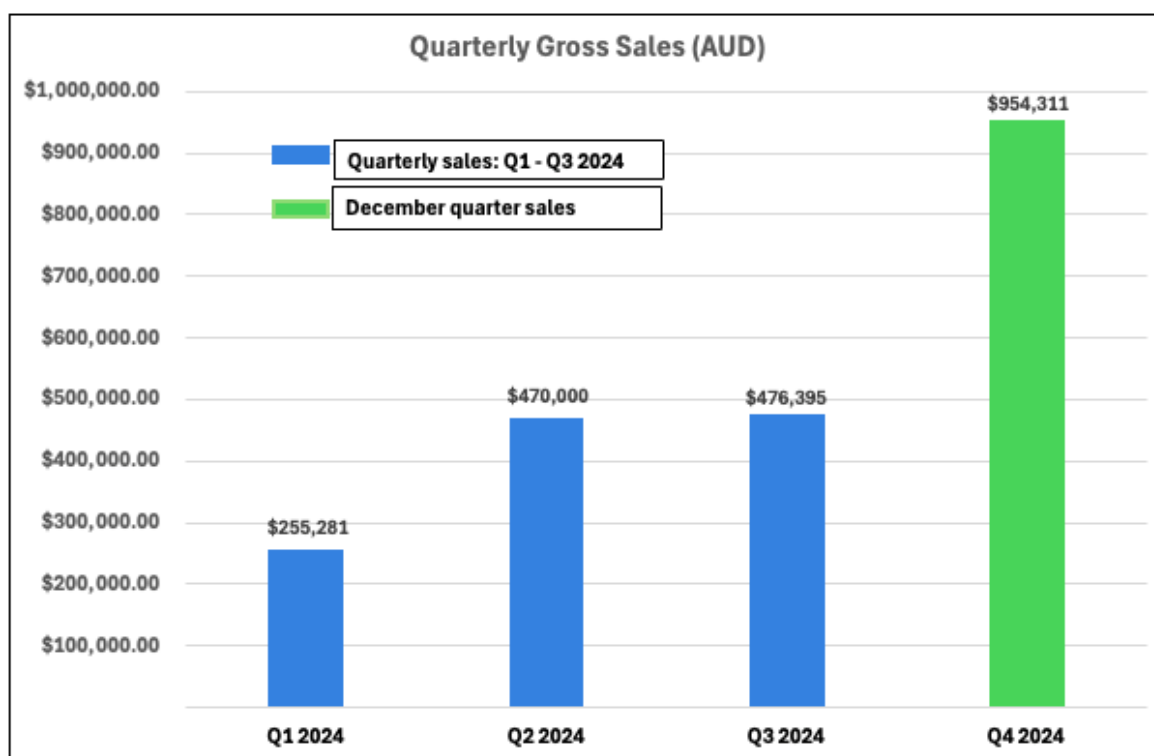


31 January 2025

Quarterly Activities Report for the period ended 31 December 2024

Highlights

- Record gross sales of \$954,000, up 100% on September quarter gross sales of \$476,000
- Quarterly cash receipts increased by 56% to \$785,000 (Q1 FY2025: \$458,000)
- Net cash used in operating activities significantly reduced in the quarter to -\$114,000 from -\$276,000 in the September quarter, due to the increase in customer receipts and stronger margins on per-unit production costs
- Yervas Buenas now well established as a competitive and dependable supplier in the region supporting major multi-year infrastructure projects
- Gross sales are expected to continue tracking higher in subsequent quarters due to existing customer demand and new tenders
- Sufficiently funded for the coming quarters with cash and receivables exceeding \$380,000 at quarter-end with factoring facilities in place



Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this activities report for the quarter ended 31 December 2024 (the 'quarter'). During the period, Freehill delivered a solid uplift in material sales from its 100%-owned Yerbos Buenas ('YB') project. All figures are quoted in Australian dollars unless stated otherwise.

Comment

Managing Director Paul Davies said: *"This has been a pleasing quarter for the Company, with gross sales increasing convincingly as we ramped up supply to support several large-scale, multi-year infrastructure projects underway in the Coquimbo region. We expect this trend to continue as existing customer demand increases and we secure new supply agreements, leveraging our market position as a trusted supplier of quality materials. Particularly noteworthy is the uplift in operating cash receipts achieved with higher margins on production costs, reflecting strong execution by our on-site management team to streamline the production and logistics while maintaining product quality to meet growing demand."*

Financial overview

Receipts from customers were up 56% q/q to \$785,000 (prior quarter: \$458,000) while gross sales for the quarter more than doubled to \$954,000 (prior quarter: \$476,000).

Production costs were higher at \$577,000 (prior quarter: \$370,000), as supply ramped up to meet increased demand. As previously reported, operating production declined as a percentage of cash receipts, reflecting the continued optimisation of waste material production and transport logistics at the Y.B. mine.

Administrative and corporate costs decreased by more than 40% to \$164,000 (prior quarter: \$251,000), reflecting a normalisation of the cost base following the payment of one-off costs in the September quarter.

Cash and receivables at quarter end totalled more than \$380,000, and together with a growing sales pipeline and average higher monthly gross sales, Freehill is well positioned to significantly increase net cash flows from operations in the quarters ahead.

Operational summary

Material sales

The December quarter was marked by a significant scale-up in production and sales of premium waste materials from Freehill's 100%-owned Yerbos Buenas project, following consistent sales growth in previous quarters and extensive engagement with major Chilean cement and construction companies.

With YB now firmly positioned as a trusted supplier of premium materials in the Chilean market, Freehill has a strong platform to further grow sales in CY2025. Demand for the Company's core product is expected to remain robust in connection with multiple large-scale infrastructure projects underway in the region.

Magnetite operations

Freehill's team in Chile continues to assess the merits of recommencing small-scale magnetite mining at YB from the existing pit. The Company is planning on producing a bulk sample of concentrate to determine production and processing costs per tonne. The Company will then be able to benchmark YB's magnetite against other regional supply sources.

Events subsequent to quarter-end

There were no events subsequent to quarter end.

Related party payments

In accordance with Listing Rule 4.7C, payments made to related parties and their associates is included in item 6.1 of the Appendix 4C includes Directors' fees and salaries (including superannuation).

Approved for release by the Board of the Company.

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