



11 September 2025

## Operations Update

### Highlights

- Second processing site near to the La Serena/Coquimbo metropolitan area commissioned – set up was delayed due to several factors which have now been resolved.
- Stockpiles building at second site (*see images 1&2*) with regular customer deliveries commencing this week after bulk sample testing of new materials. Larger customers are engaging on a range of materials as part of ongoing supply requirements rather than project driven needs.
- Yervas Buenas operations are continuing with the plant focused on processing sand only, which increases uptime and material throughput (*see images 3*). Larger rock, being a new product, is also being sourced from YB for a number of construction industry customers.
- Magnetite bulk sample testing completed on 3 millimetre material with results pending. Other higher value commodity projects being assessed.
- Ongoing enhancements being made to aggregate operations to increase sales and margins.

**Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company')** provides this update to shareholders on its operations in Chile. The Company is committed to increasing the sales and profitability of its aggregates processing and supply business and using this as a foundation to expand into other higher value commodity opportunities that also deliver near-term cash flow.

After two quarters of declining sales, the Company has implemented a number of steps to improve sales and margins from the aggregates business with a turnaround commencing this month.

### Progress with new sites

The set-up of the second processing site has occurred and customer deliveries have commenced. The commissioning took longer than anticipated due to delayed water access, installation of a sand washing circuit into the larger plant, the extended timeframe for material testing by customers, and reduced plant run time due to some inefficiencies. These issues are continuing to be resolved to optimise plant performance and reduce operating costs with customer deliveries underway and stockpiles building. Following a thorough audit, further changes are being implemented at the second site at Islon, within the La Serena precinct and at Yervas Buenas to enhance production volumes and margins.

By locating its processing operations in the La Serena/Coquimbo region, the Company is now embedded in the local construction industry supply chain, something that was out of reach by supplying solely out of Yervas Buenas. As such, a broader customer base is being accessed with sales now less reliant on major projects alone. Freehill is confident that local demand currently exceeds the Company's current supply capacity. Consideration will be given to sourcing additional processing equipment once sufficient sales materialise from existing operations.

### **Yerbas Buenas update**

Yerbas Buenas continues to play an important role in the growth of Freehill's aggregates business with the site now focused on producing and selling only sand and rock for the construction sector. Operations at Yerbas Buenas have been negatively impacted by ongoing legal issues arising from the unfortunate death of a worker in 2024. Management in Chile have been consumed with this matter which has taken focus away from operations and sales. Freehill is confident that its site was fully compliant at the time of the incident. Meaningful stockpiles are in place and deliveries of both materials are ongoing.

### **Magnetite testing**

In June the Company completed magnetic test work on a 400kg (0.4 tonne) bulk sample of magnetite from the 100%-owned Yerbas Buenas ('YB') Mine in Chile with a product grade of 65.75% Fe achieved from material crushed to 6 millimetres. As part of the Company's plans to recommence operations at Yerbas Buenas, a test has been carried out on material crushed to 3 millimetres to determine if a higher grade concentrate can be produced. Results will be reported as soon as the lab analysis is received.

**Approved for release by the Board of the Company.**

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

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**Image 1: Image of large plant located at Islon processing site, La Serena**





**Image 2: Stockpiled material at *the* Islon processing site, La Serena**



**Image 3: Stockpiled sand at Yervas Buenas with plant in background.**