

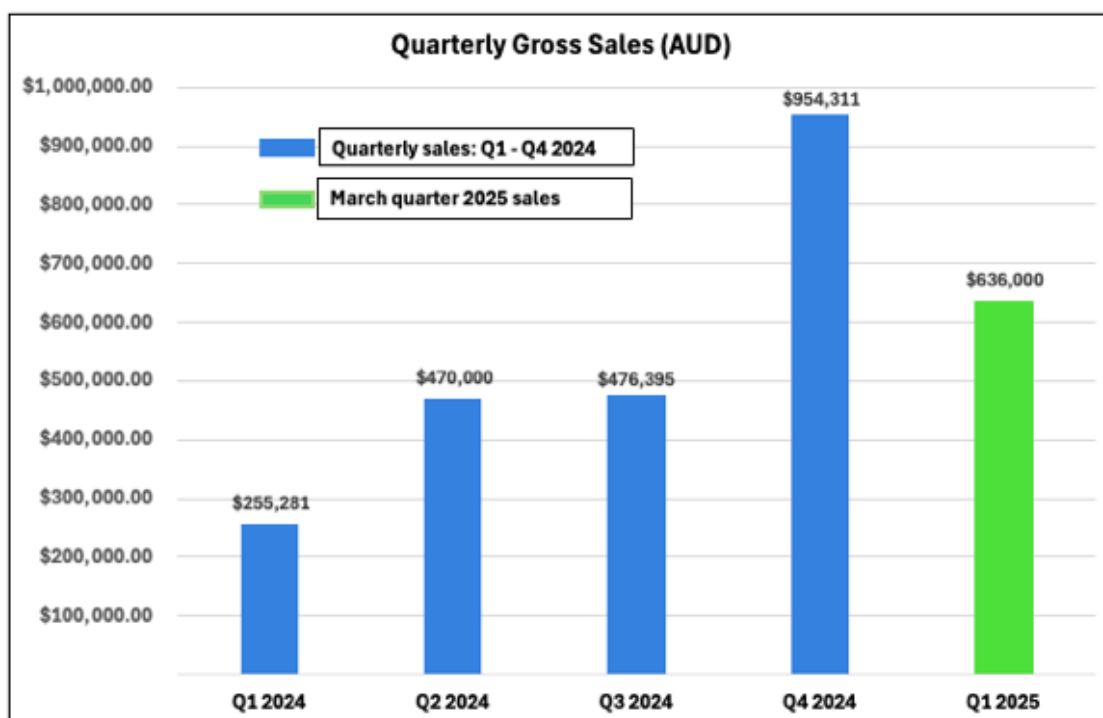


30 April 2025

Quarterly Activities Report for the period ended 31 March 2025

Highlights

- Gross sales for the period were \$636,000 versus December quarter gross sales of \$954,000, the variation being due to some temporary logistical challenges and an anticipated seasonal slowdown of construction activity in the La Serena/Coquimbo region in January and February.
- Quarterly cash receipts were \$663,000 (Q2 FY2025: \$785,000).
- Net cash used in operating activities was down significantly to -\$51,000 from -\$114,000 in the December quarter, due to reduced production costs given lower sales and delays in the payment of corporate and administrative expenses. Production costs were lower at \$492,000 (prior quarter: \$577,000).
- Well-funded: receivables at quarter end were ~\$230,000, a \$700,000 placement was completed in April and factoring facilities provide additional financial flexibility.
- Subsequent to the end of the quarter, the Company announced that it had secured a new site that will lead to improved margins on material sales and access to a broader customer base which is expected to significantly enhance the revenue base. Freehill has also committed to further exploration at the El Dorado Cu-Au project and producing a bulk magnetite sample from Yerbas Buenas as the basis to establish a sustainable magnetite business.



Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this activities report for the quarter ended 31 March 2025 (the 'quarter'). During the period, the Company continued to focus on product sales from its 100%-owned Yervas Buenas ('YB') project. All figures are quoted in Australian dollars unless stated otherwise.

Financial overview

Receipts from customers were down 16% q/q to \$663,000 (prior quarter: \$785,000) while gross sales for the quarter were down 30% to \$636,000 (prior quarter: \$954,000).

Production costs were lower at \$492,000 (prior quarter: \$577,000), reflecting reduced sales as a result of the New Year period and the February holiday month in Chile. As well, temporary logistical challenges impacted some deliveries. These issues have now been resolved. With the recently completed capital raise and by securing a new site (*ASX releases 23 April 2025*) this issue has been mitigated.

Cash and receivables at quarter end totalled more than \$285,000.

Operational summary

Gross sales in the March quarter were impacted by reduced work at a number of sites that Freehill is servicing, due primarily to slower trading over the New Year and into February and some one-off logistical challenges which have since been resolved. Despite these issues, the Company has maintained high levels of reliability with customers which provides the foundation to expand current orders, secure new purchase orders and broaden the customer base.

During the quarter, our team in Chile were focused very much on planning for a major scale up of operations to capitalise on anticipated demand now emerging. Activities included negotiating on new sites that will enhance sales and margins, pursuing purchase orders with new and existing customers and sourcing additional equipment to enhance our processing capabilities and diversify our product base. We are confident that these undertakings will underpin considerable growth in the current calendar year and beyond that will in turn establish Freehill as the dominant materials supplier in Chile's Region IV.

Whilst we continue to focus on scaling this business line, our objective is to use these revenue streams to fund additional processing activities of higher value products such as magnetite and potentially copper and gold. To that end, new targets have been identified at the 100%-owned El Dorado project which sits adjacent to YB, and we plan to sample the mineralisation here very soon. As well, we are progressing with the production of a magnetite bulk sample as the basis for advancing mining operations at YB from the existing pit. The Company has also held discussions with some third parties regarding production and further development opportunities.

Events subsequent to quarter-end

On 23 April, Freehill announced that it had signed a long-term lease on a second site in Chile that provides a catalyst for the Company to scale up its construction materials processing and supply operations in the La Serena/Coquimbo region where it is supporting major infrastructure projects.

The new site is located in close proximity to existing customer delivery points and major infrastructure projects. It will be fully operational by mid-June with mobilisation to occur from mid-May. YB will continue to supply customers during this transition and its operations will be ongoing with one plant operating and processing sand. YB also remains strategically important as a source of supply for some customers in Chile's Region III where modest sales have commenced.

As well, Freehill announced a successful non-brokered \$700,000 placement to sophisticated and professional investors. The Company also resolved to undertake a pro rata non-renounceable entitlement offer to all eligible shareholders. The placement participants and the entitlement offer participants will also receive one free-attaching option exercisable at \$0.008 and expiring 29 May 2028 for every two shares issued ('Attaching Options').

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).

Comments

Managing Director Paul Davies said: *"Freehill's status as a trusted and reliable supplier to major blue chip customers, something we have worked hard to achieve in calendar 2024, underpins our well-advanced plans to establish a much larger materials business in Chile's Region IV and beyond. Securing a second site is our next step in this regard and reflects our confidence that sales will materially increase as 2025 advances."*

Chairman Ben Jarvis added: *"Whilst we witnessed a temporary dip in top line sales in the quarter, our focus is to build a much larger sales base in the near term underpinned by a growing pipeline of regional infrastructure projects, ongoing demand from multiple cement plants, new purchase orders and access to a wider customer base. We now have a considerable advantage with this new site and can quickly consolidate the market. We will continue to experience some lumpiness in sales quarter-on-quarter, but overall, the trend is up when looking at year-on-year comparisons. Our objective is to use these revenue streams to fund higher value opportunities at YB, El Dorado and other potential projects we are assessing."*

Approved for release by the Board of the Company.

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