



24 January 2024

\$1.2m Share Placement to Facilitate Yerbas Buenas Scale Up

- **Strategic share placement received strong support from new and existing sophisticated and institutional investors.**
- **Placement undertaken at \$0.01 per share, a 2.9% premium to the 15-day volume weighted average price of FHS shares to 19 January 2024; Investors also receive one option for every two shares subscribed exercisable at \$0.025 cents expiring two years from the date of issue.**
- **Funds are being used predominantly to acquire state-of-the-art screening and crushing plant and equipment(see images below) that facilitates a major scale-up of operations at the Yerbas Buenas project and allow Freehill to capitalise on larger customer orders which are pending. Plant expected to be fully operational by end of February at Yerbas Buenas.**
- **The plant also gives Freehill the processing infrastructure to recommence magnetite mining at Yerbas Buenas following the implementation of a new mine plan.**
- **Funds raised will be also be allocated towards the ongoing exploration of the El Dorado copper-gold project and general working capital. First samples from El Dorado program are pending.**

Freehill Mining Limited (ASX:FHS 'Freehill' or 'the Company') is pleased to confirm that it has received firm commitments for a Share Placement ('Placement') of 120,000,000 new fully paid ordinary shares ('Shares') at \$0.01 per share, to raise \$1.20m which gives the Company the necessary financial flexibility to significantly expand Freehill's operations at its 100%-owned Yerbas Buenas mine as a supplier of waste material products to the Chilean cement and construction industry.

The Company was recently presented with a unique opportunity to acquire a state-of-the-art material processing plant (*images below*) located in Chile that will significantly increase daily production volumes, meets growing demand from large Chilean industrial groups and facilitates the recommencement of magnetite mining at Yerbas Buenas once a mine plan has been implemented.

All primary machinery (Jawcrusher, cone crusher and vibrating screen) is from US manufacturer GATOR (www.gatormachinery.com) while conveyors are from leading global supplier Invarca (invarca-srl.com). Additional peripherals have been locally manufactured. The completion of disassembly, transport and on-site reassembly at Y.B. is expected to be completed in February 2024, at low cost to the Company.

Combined with the existing on-site plant at Y.B., the equipment upgrade will increase Freehill's supply capacity to over 30,000 m³ of waste material product per month.

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Image 1: Upgraded crushing and loading equipment to be acquired by Freehill



Image 2: Example of processed material ready for dispatch using new equipment

The anticipated increase in waste material sales follows an extensive period of product and logistics testing in the second half of 2023 with some of the largest industrial companies in Chile including Melón, Unicon and Weber. As a result of that work carried out, Freehill has established its credentials as a reliable supplier of waste material that meets the stringent regulatory standards applied to the construction industry in Chile, which is one of the most earthquake-prone regions globally.

Having met the key criteria for product-market fit, sales for Freehill's waste material began to ramp up in Q4 CY2023 (*refer ASX Announcement 9 November 2023*). In addition, the funds raised from the Placement will provide Freehill with the balance sheet strength to capitalise on the structural demand shift for waste materials products in Chile, following major regulatory changes which prohibited the procurement of sands and gravels from natural sources such as riverbeds.

The increased cash-flow generation from the scale up of waste material sales is expected to unlock Freehill's broader growth strategy to advance mining and exploration across its asset portfolio.

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Planning initiatives include the near-term recommencement of magnetite mining at the Y.B. mine and the execution of a detailed exploration program at the Company's fully-owned El Dorado copper-gold project, which covers 750 hectares and directly adjoins Freehill's flagship Y.B. project.

Non-Executive Chairman Ben Jarvis said: *"We are pleased to have secured this support from new investors. The funds provide us with the necessary capital to fund the acquisition of new, high-quality material processing plant and equipment that will allow us to fulfil much larger customer orders, produce different forms of material simultaneously, and recommence magnetite mining in the near term once we have undertaken proper mine planning. Interest from industry in YB's material continues to build and we anticipate securing new purchase orders very soon. An extensive sampling program at El Dorado is also well advanced and first assays will be reported in the next few weeks."*

Details of the Placement

The Placement is at \$0.01 per share, which is a 2.9% premium to the 15-day volume weighted average price of FHS shares to 19 January 2024, being the last trading day prior to the announcement of this Placement.

Pursuant to the Placement, Freehill will issue 120,000,000 Shares at an issue price of \$0.01 (1 cent) to raise \$1.2 million before costs. Completion of the Placement is expected to occur by 30 January 2024, with trading of the new Shares expected to occur the following business day.

Investors who participated in the Offer will be issued with one option for every two Shares subscribed for under the Placement (being 60,000,000 options), exercisable at \$0.025 cents (2.5 cents) with an expiry date two years from the date of issue of the option.

Melbourne-based boutique, Peak Asset Management, acted as Lead Manager to the Placement. In addition to a 6% capital raising fee, the Company will issue 12,000,000 options exercisable at \$0.025 cents (2.5 cents) with an expiry date two years from the date of issue of the option to Peak Asset Management.

Shares and options to be issued under this Placement will be issued pursuant to Freehill's available capacity under ASX Listing Rule 7.1.

This announcement has been approved by the Board of the Company.

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