



31 July 2023

## Quarterly Activities Report for the period ended 30 June 2023

**Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company')** is pleased to provide this activity report for the quarter ended 30 June 2023 (the 'quarter'). The Company has made solid progress in the period, advancing operations at the 100%-owned Yervas Buenas project, securing funding and strengthening the Board.

### Operations overview

Activities during the quarter focused on set up of the first stage plant and equipment on site to process and stockpile waste material, being sand and gravels, which is earmarked for sale to numerous cement companies operating in and around the La Serena region. As reported, the waste or reject material from Freehill's Yervas Buenas magnetite project has been established as an acceptable material having gone through testing by multiple cement companies.

The Company's contractor is now fully operational at Yervas Buenas and has stockpiled material for progressive delivery and sale. The Company has also secured the services of a reliable transport group to truck material from Yervas Buenas to various customer sites. During the quarter, they undertook first trial deliveries to determine the optimal transport route to different sites.

Stockpiling waste material has been the primary focus given a number of customers, who have visited the site and tested the material, want to ensure sufficient material has been processed and is readily available for regular delivery. Creating this confidence for potential customers, and establishing Yervas Buenas as a dependable supplier supported by a respected and professional operations team gives us the right foundation to now scale up production and sales with acceptable margins (*see below images 1-4 of first stage processing operations and material stockpiles*).

The development of a low-cost, small scale magnetite operation at Yervas Buenas is also a priority and the Company and our contractor are assessing plant and equipment to facilitate this. However the immediate focus is to deliver stable cash generation through the waste material processing operation.



**Images 1-4: First stage processing operations at Yervas Buenas and established material stock piles for pending sales**

### **Corporate and Funding**

As reported in the quarter, to fund the capital expenditure and operating costs associated with waste material processing and sales operation in Chile, and ongoing working capital requirements, the Company secured loan funds totalling approximately \$1.15 million (*see ASX announcement 22 June 2023*) with these funds convertible into Freehill shares on the same terms as the entitlement offer capital raising which was announced on 12 July 2023.

The Company also announced the appointment of Mr Peter Williams as a Non-Executive Director on 1 May 2023. Mr Williams joins the Board with over 20 years' experience as a company director, and a successful career in logistics management and private equity. His career experience includes over 30 years' experience at Toyota Tsusho Australasia, a wholly owned trading and supply-chain specialist of the Toyota Group. As Director and COO of Toyota Tsusho Australia, Mr Williams led all trading divisions and sat on the board of five subsidiary companies with annual revenues of over \$500 million.

## **Commentary**

**Non-Executive Chairman Ben Jarvis said:** “We are most encouraged with the progress made in the quarter. Our new contractors are rapidly transforming Yervas Buenas into a project that can deliver stable and dependable material to customers in and around the La Serena region. A key focus for them has been to demonstrate that Yervas Buenas can meet customers’ supply needs, both in terms of product quality and volumes, and they have proven successful in this regard. In the current quarter, our focus now turns to increasing sales volumes and building a sustainable revenue base with acceptable margins. Small-scale magnetite production is also a priority for the Company once we have in place a steady state production from the waste material.”

## **Mining tenements listing**

In accordance with ASX Listing Rule 5.3.3, Freehill provides information in relation to its tenement holdings located in Chile. A summary of its tenement holdings is set out below:

Tenement Name	Freehill Group Ownership	Location	Licence Number	Area
YERBAS BUENAS 1-16	100%	Region IV, Chile	04102-2723-1	50 Ha
ARENAS III 1 to 15	100%	Region IV, Chile	04102-2714-2	150 Ha
ARENAS IV 1 to 10	100%	Region IV, Chile	04102-2715-0	44 Ha
ARENAS VI 1 to 20	100%	Region IV, Chile	04102-2755-K	92 Ha
ARENAS X 1 to 18	100%	Region IV, Chile	04102-2937-4	54 Ha
ARENAS XI 1 to 20	100%	Region IV, Chile	04102-3522-6	80 Ha
EL DORADO I to 10	100%	La Higuera, Chile	04102-3669-9	100 Ha
EL DORADO II 1 to 10	100%	La Higuera, Chile	04102-3670-2	100 Ha
EL DORADO III 1 to 10	100%	La Higuera, Chile	04102-3671-0	100 Ha
EL DORADO IV 1 to 10	100%	La Higuera, Chile	04102-3672-9	100 Ha
EL DORADO V 1 to 10	100%	La Higuera, Chile	04102-3673-7	58 Ha
EL DORADO VI 1 to 10	100%	La Higuera, Chile	04102-3674-5	94 Ha
EL DORADO VII 1 to 7	100%	La Higuera, Chile	04102-3675-3	70 Ha
EL DORADO VIII 1 to 10	100%	La Higuera, Chile	04102-3676-1	96 Ha
Total				1,188 Ha

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

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