



29 April 2022

Quarterly Activities Report 31 March 2022

- **Impact crusher acquired and installed elevating the Yervas Buenas magnetite project from a two stage to a three stage fine crushing circuit – producing a final - 3mm iron ore product**
- **Refurbishments and replacement of plant equipment including all the electrical systems and conveyors undertaken by mining contractor MTN Gold SpA**
- **Different processes and methods to determine the most efficient procedures resulted in an expectation of two final products: 53% Fe and 62% Fe from a dry process**
- **Site visits from authorities regarding the environmental approval for a proposed infill drilling program – final decision expected August 2022**
- **Ore samples provided to several companies across the construction supply chain have received positive feedback**
- **Discussions with potential domestic and international off-takers progressing – undertaking final steps to secure a purchase order with a significant customer**

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to provide this activity report for the quarter ended 31 March 2022 (the 'quarter').

100%-owned Yervas Buenas magnetite project update

Freehill achieved significant milestones at the Company's 100%-owned Yervas Buenas magnetite project during the quarter with mining and processing activities commencing and discussions with potential domestic and international off-takers progressing pleasingly.

With additional mining, crushing and processing equipment mobilised to site during the quarter (*refer image 1*), Freehill continued to ramp up its mining and processing activities at the Yervas Buenas magnetite project. An impact crusher was acquired and installed which elevated the Company's crushing process from a two stage to a three stage fine crushing circuit. The acquired impact crusher provides a final product of -3mm iron ore which the Company is expecting to be available for sale to potential off-takers imminently (*refer image 2*).

Mining contractor MTN Gold SpA ('**MTN**') began initiatives to refurbish and replace plant equipment including all the electrical systems, conveyors and bring in all mining equipment for the pit. Tests to operate the plant throughout and after the refurbishments were completed, as was testing the different processes and methods to determine the most efficient procedures to produce the desired final product. Following successful testing, at this stage there is an expectation of producing two products: 53% Fe and 62% Fe from a dry process.

The Company hosted two site visits during the quarter attended by the relevant authorities regarding the environmental approval for a proposed infill drilling program. Following the two visits it is anticipated that a final decision on the approval will be made available in August 2022.

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Discussions with several potential domestic and international off-takers progressed well with extensive product testing being undertaken to validate product quality and acceptability. On the back of this, Freehill has had advanced discussions and expects to finalise a purchase order with a significant customer.

In relation to aggregate (waste), Freehill's medium-term objective is to achieve product uptake in the local building products supply chain. Ongoing discussions with construction, cement and brick making companies in Chile were undertaken with sample materials provided to many of these groups. Feedback has been very positive. This will enable revenue generation from all process streams.



Image 1: Mining, crushing and processing equipment on site at Freehill's 100% owned Yerbas Buenas magnetite project



Image 2: Iron ore fines from Yerbas Buenas

El Dorado project update

As previously announced, initiatives at El Dorado remained suspended during the quarter as the Company continued to focus on its mining and processing activities at the Yervas Buenas project. Work at El Dorado will return intermittently as the Company looks to better understand the project's potential.

Funding

Cash at bank as at the end of the quarter totalled \$910,000. The imminent commencement of product sales from mining operations at Yervas Buenas will further strengthen Freehill's cash position allowing the Company to advance development initiatives at the project and meet its ongoing corporate costs.

Mining tenements listing

In accordance with ASX Listing Rule 5.3.3, Freehill provides the following information in relation to its tenement holdings located in Chile:

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

Comment:

Chief Executive Officer Paul Davies said: "Our strong progress at Yervas Buenas during the quarter has allowed us to accelerate discussions with potential off-takers both in terms of iron ore sales and potential sale of aggregate. Multiple products samples have been distributed which to date has generated positive feedback. While none of these things happen as quickly as we would like, we expect our initial iron purchase order to be finalised in the coming days. Positive feedback from the construction sector is likely to result in aggregate sales materialising in the current quarter. As we move forward with finalising off-take agreements, and as processing activities continue, I look forward to updating shareholders over the course of the next quarter."

About Freehill Mining Limited

Freehill Mining Limited (ASX: FHS) is a mining and exploration company currently focused on the development of its 100%-owned, 478 hectare Yervas Buenas magnetite project in Chile. Mobilisation for Phase 1 mining operations at the Yervas Buenas magnetite mine is now underway and the Company continues to advance the development of the larger scale magnetite resource.

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