



23 April 2025

Major expansion in Chile to deliver sales and margin growth

- Long-term lease signed on a second site in Chile that allows Freehill to significantly scale up its construction material processing and supply operations in the La Serena/Coquimbo region where the Company is supplying these materials (sand and gravels) to support major infrastructure projects.
- The new site is strategically located in close proximity to existing customer delivery points and major infrastructure projects (*see accompanying map at Image 1*). It will be fully operational by mid-June with mobilisation to occur from mid-May. Yervas Buenas ('YB') will continue to supply customers during this transition and its operations will be ongoing with one plant operating here.
- Expansion is being driven by new large-scale purchase orders secured and growing customer demand from multiple parties.
- The new site will deliver:
 - A forecast ~40% decrease in transport costs, the Company's single largest expense. Delivery distance reduce from ~50km to ~5km given the proximity of the new site to where the majority of material is currently being delivered;
 - Access to local electricity supply removing both generator and fuel costs;
 - In addition to our established customers, Freehill can now access smaller local contractors to purchase materials on pick up basis providing margin enhancement; and
 - Further cost and time efficiencies given the proximity to multiple service providers.
- Freehill will now be supplying material from two sites – YB and the new site which is located on the fringes of the La Serena/Coquimbo metropolitan area. Additional sites are being assessed that will give Freehill a commanding market position in Region IV of Chile.
- Anticipated cash flows from material sales from both sites provide capital flexibility to pursue bulk sampling and mine planning for magnetite mining at YB and further exploration at the 730 HA El Dorado project which has included +1m sample widths of 13.52g/t Au, 9.3g/t Au, 7.94 g/t Au.
- Other growth opportunities that deliver near-term revenue are also being advanced.

Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') is pleased to announce a major development that will see considerable near term growth in sales and margin improvement from its materials processing activities.

Due to recent customer-led demand for Freehill's materials from the Yervas Buenas project, new purchase orders secured, and a growing pipeline of large-scale infrastructure projects coming on stream in the La Serena/Coquimbo region, the Company has been assessing options to capitalise on this demand.

As a result, Freehill has executed a lease with a local land owner over a second site located on the fringes of the La Serena/Coquimbo metropolitan area. The project hosts considerable volumes of material that can be easily processed for immediate sale. Freehill is uniquely placed to capitalise on this opportunity with the planned

relocation of its large-scale mobile plant from Yervas Buenas for minimal outlay. Its smaller plant will remain operating at YB.

The lease has been executed on acceptable terms, being an initial 4-year period with two, 1-year extension options based on a modest monthly rental and volume royalty payments to the lessor.

Transport distances to customer sites reduce from ~50km at YB to an average of ~5km from the new site meaning the Company will be better-placed to deliver greater volumes of material in a more timely and cost-effective manner. The accompanying map illustrates the location of the new site and its proximity to current customer delivery points. Freehill will also generate significant energy savings via the capacity to connect directly to the local power grid, further underpinning near-term margin improvement.

Over the course of 2024, Freehill established a reputation as a reliable and trusted supplier of materials to support major infrastructure projects undertaken by blue chip corporations in the region. Gross sales in the December quarter of almost A\$1 million reflect this.

This second site provides the foundation for rapid near-term revenue growth, underpinned by committed customers requiring long-term supply. This site is expected to be operating at full capacity by June. Additional locations beyond this are also being assessed to support Freehill's near-term goal to become the region's dominant supplier.

With the anticipated growth in cash flows by having two sites operating, Freehill's existing YB plant will predominantly focus on the production and supply of fine sand to the cement industry, with added capital flexibility to pursue bulk sampling and mine planning for the recommencement of magnetite mining operations, consistent with the Company's previously stated long-term strategy. As well, the Company is assessing opportunities to unlock the value from its 730 HA El Dorado Copper-Gold project which hosts high grade samples across a 1.3km strike and multiple historical copper workings beyond this. El Dorado is vastly underexplored.

Freehill CEO Paul Davies said: *"As well as providing significant value servicing existing customers, this second site opens us to all forms of construction occurring in the La Serena/Coquimbo region, both large and small. The capacity we have demonstrated in responding to the needs of major players in the construction sector is now accessible for a much wider customer base. There is considerable untapped supply potential here."*

Freehill Chairman Ben Jarvis added: *"Freehill has established a solid market position in the La Serena/Coquimbo region as a reliable supplier of construction materials to support large scale, multi-year infrastructure projects underway. Growing demand from customers is driving our expansion and the outlook for this area of our business is very favourable. Our focus is very much on delivering increased revenue and stable cash flows from this operation to grow this business line and pursue mining and processing of other commodities located across our projects and in the surrounding region. As well as this second site, we have additional sites that we are pursuing in the region and other expansion opportunities beyond this."*

"We remain fully committed to the ongoing YB operation which is strategically important for the Company and has been pivotal in securing our market position. Greater focus will be placed on delivering a bulk magnetite sample and mine planning here, as well as pursuing more systematic exploration of the copper, gold and magnetite located across YB and the adjoining El Dorado asset. There is a great deal of potential here and in the region, and we intend to capitalise accordingly."

"Today we have also announced that we have received binding commitments under a \$700,000 placement to support our growth objectives and have launched of an Entitlement Offer so shareholders have the opportunity to participate on the same terms as the placement. We are grateful to all shareholders for their ongoing support."

Approved for release by the Board of the Company.

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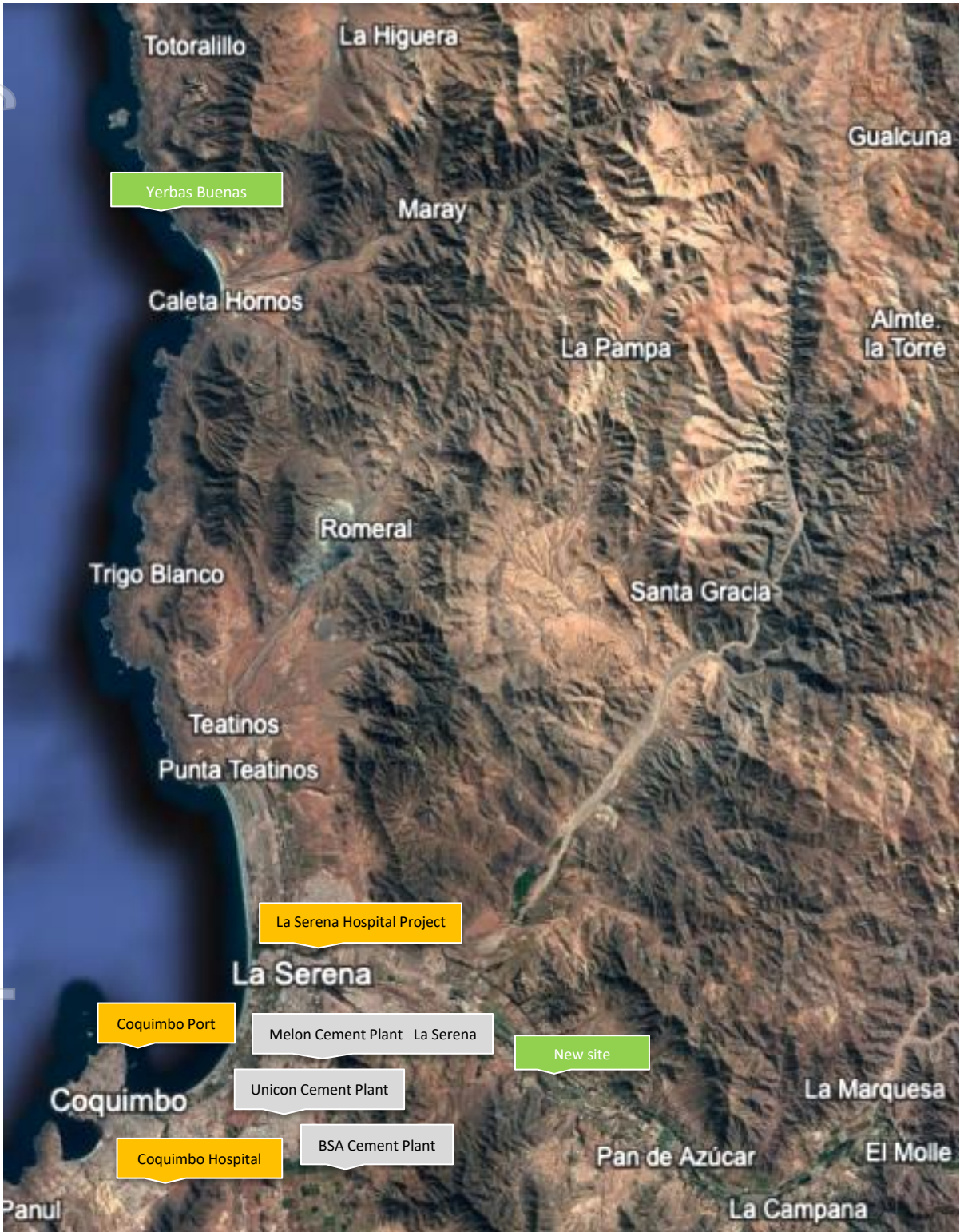


Image 1: Map of Coquimbo/La Serena region showing location of Freehill's two processing sites and major customer projects and cement plants