

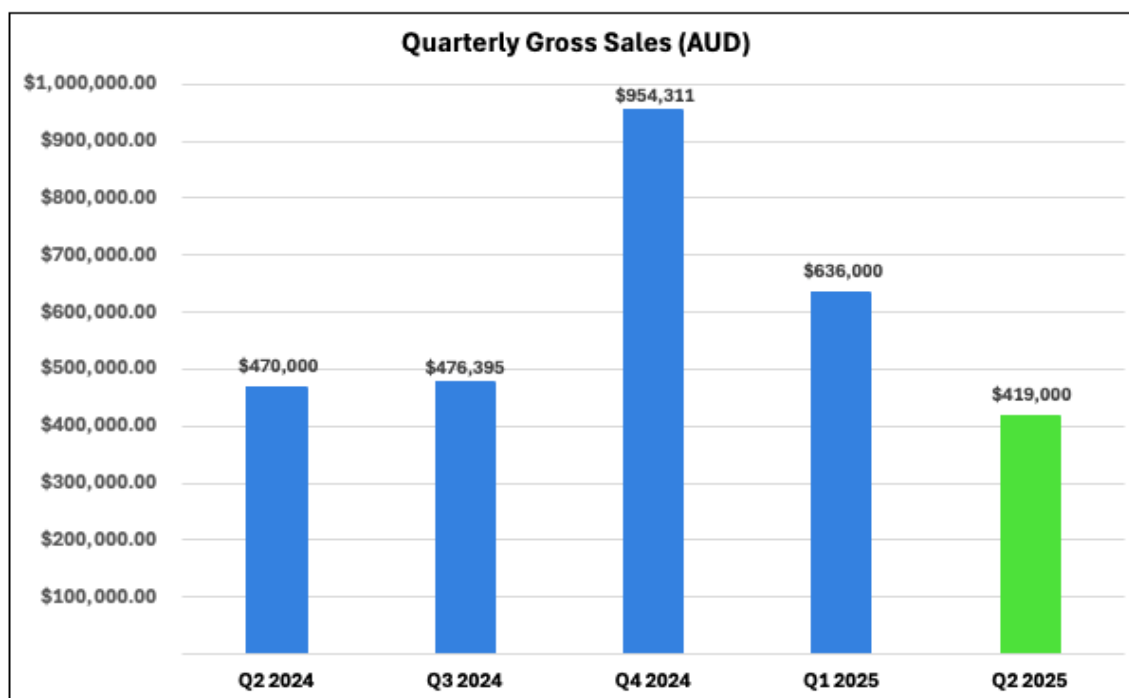


31 July 2025

Quarterly Activities Report for the period ended 30 June 2025

Highlights

- Gross sales for the period were \$419,000 (Q3 FY2025: \$636,000)
- Quarterly cash receipts were \$498,000 (Q3 FY2025: \$663,000)
- Cash receipts for the 12 month to 30 June totalled \$2.4m, more than a threefold increase on the prior year's cash receipts of \$735,000
- Net cash used were -\$575,000 versus -\$51,000 in the March quarter due to administrative and corporate costs from the March quarter falling into the current quarter and one-off costs associated with the set-up of new sites
- Aggregate sales were lower in the period due the consumption cycle of a major project we are supplying. Our relocation will significantly mitigate or eliminate this risk with multiple customers discussing expanded supply arrangements. We anticipate a significant uplift in sales in the current quarter
- The increased costs for the period in part reflect the cost of relocation. In addition, Freehill is undertaking a rigorous review of costs and suppliers. Operating at the new site means we can access a wider pool of suppliers that will help reduce overall operating costs
- Successful Placement and Entitlement Offer raised approximately \$1.2m
- Generated bulk sample from 100%-owned Yervas Buenas magnetite mine of +65% Fe – now progressing with mining planning and permitting to recommence magnetite mining
- Two aggregate processing and supply sites secured in closer proximity to the La Serena/Coquimbo metropolitan region under long-term lease arrangements that will deliver increases sales volumes and reduced transport costs. Sand processing and supply will continue at Yervas Buenas where a smaller processing plant is located
- Processing operations at second site now expected to commence early August – plant set up is near completion, water source established
- Sampling program completed at El Dorado in July with Cu-Au assays to be reported shortly. New low cost, low capex and fast start-up opportunities focused on higher value commodities such as copper and gold are also being assessed
- Cash at quarter end was \$560,000, and with an anticipated increase in sales this quarter as the second site comes on line, Freehill is adequately funded to meet its current commitments



Freehill Mining Limited (ASX: FHS 'Freehill' or 'the Company') provides this activities report for the quarter ended 30 June 2025 (the 'quarter'). Activities focused on advancing the 100%-owned Yervas Buenas ('YB') magnetite project including bulk sampling, securing new sites to expand the cash-generating aggregates business and undertaking corporate and capital management initiatives to strengthen the Company's balance sheet. Post balance date, the Company also undertook some additional exploration at the El Dorado Cu-Au-Fe project. All figures are quoted in Australian dollars unless stated otherwise.

Corporate & financial overview

Receipts from customers were \$498,000 (prior quarter: \$663,000) while gross sales for the quarter were down 30% to \$419,000 (prior quarter: \$636,000). Customer receipts and sales were lower largely due to reduced consumption from a major project given the project cycle. This project is expected to ramp up in the coming months and new customer agreements being negotiated will also materialise.

Production costs of \$536,000 (prior quarter: \$492,000), also included the costs of the successful magnetite bulk sample undertaken at Yervas Buenas and relocation expenses. In addition, the Company expects operating costs going forward to be significantly lower given access to more suppliers being based near to the two new sites. Administrative and corporate costs were higher in the quarter due to an overhang of March quarter costs being paid in the June quarter.

During the quarter, the Company completed a non-brokered \$700,000 placement and undertook an Entitlement Offer which raised a further \$509,000. Cash and receivables at quarter end totalled more than \$560,000.

New sites secured

During the quarter, the Company reported on initiatives to expand its aggregates processing and supply business by securing new sites that broaden the Company's regional footprint. In April, a long-term lease was signed on a second site that allows Freehill to significantly scale up its construction material processing and sales operations in the La Serena/Coquimbo region where the Company is supplying these materials (sand and gravels) to support major infrastructure projects. In June, a third site was secured, in close proximity to the second site, with existing production infrastructure which will give the Company added processing capacity and supply. As communicated, these deliver the following advantages:

- 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 sites 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.
- Further cost and time efficiencies given the proximity to multiple service providers.

The Company anticipated that it would be fully operational at the second site in June, however unforeseen delays in demobilisation, site set up and securing the necessary power and water for continuing operations has taken longer than anticipated and first processing and deliveries are expected to commence early in August. An update will be provided in the next week. The Company has every confidence in the potential of these new sites and the scale to our operations that they will bring.

Magnetite Bulk Sample and steps to recommence magnetite mining operations at Yervas Buenas

In June the Company completed magnetic test work on a 400kg (0.4 tonne) bulk sample of magnetite from the 100%-owned Yervas Buenas ('YB') Mine in Chile with a product grade of 65.75% Fe achieved from material crushed to 6 millimetres. The test was carried out by Freehill's contractors using the Company's plant including the magnetic drum to produce the bulk sample. This is a pleasing result for Freehill and provides the basis for further magnetic test work to be undertaken in the near term which will include assessing material crushed to 3 millimetres and 5 millimetres to determine if a higher grade concentrate can be produced. Mine planning, reviewing different permitting scenarios and defining the necessary capital expenditure to recommence magnetite mining from the historical pit (are now advancing. This bulk sample is a clear demonstration to potential off-takers and trading houses as to the potential of the Yervas Buenas project.

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: *"The June quarter was a period of transition for Freehill where we took decisive steps to secure new project sites that will allow us to consolidate our market position and establish ourselves as the region's dominant aggregates business. We are pleased with the progress being made at our new sites where our largest plant is now located, and we expect processing volumes and sales to track back up this quarter. Many of our customers are waiting in earnest for the new sites to be operational and their strong support underpins our success. My presence in Chile is affirming our relocation will deliver major positive outcomes for our business. We were also encouraged by the results of the magnetite bulk sample and more work is underway so we can recommence magnetite mining operations."*

Chairman Ben Jarvis added: *"While we experienced a further dip in sales, this was largely anticipated as our focus shifted to expanding our footprint in the La Serena/Coquimbo region with our local team focused on these activities. The sales trend of the last two quarters is not a sign of weaker customer demand; this remains robust and will become more evident as our new sites come online. As we have stated, the cash-generating aggregates business provides a platform to pursue other low capex, fast start-up mining and processing operations focused on higher value commodities. We will deliver a steady stream of updates as the quarter unfolds."*

Approved for release by the Board of the Company.

For further information, please contact:

Paul Davies
Chief Executive Officer
Freehill Mining Limited
+61 419 363 630

Ben Jarvis
Non-Executive Chairman
0413 150 448
ben.jarvis@sdir.com.au