



CHAIRMAN'S UPDATE

ANNUAL GENERAL MEETING OF FREEHILL MINING LIMITED HELD ON FRIDAY, 28 NOVEMBER 2025 AT 10:00AM AEDT

Dear Fellow Shareholders,

I am pleased to present this report to shareholders for the 2025 Annual General Meeting of Freehill Mining Limited.

Today, I would like to provide you with an update on the significant progress and positive momentum within Freehill Mining Limited, specifically concerning our aggregates business in Chile.

Before I do so, I would like to share some of the unforeseen challenges we have faced over the past 18 months, as this provides important context for why we are only now experiencing a turnaround in performance—and why we, as a Board, are confident that we now have the right foundation in place to build a significant business that delivers much greater revenue and vastly improved margins.

The knock-on effects of the very unfortunate death of one of our workers at Yerbas Buenas in mid-2024 were more significant than we had envisaged. It impacted our supply chain, certain customer relationships, oversight of our operations, and the performance and quality of our operations team. This is best reflected in the ongoing decline in sales from the December 2024 quarter onwards.

However, it also became a key catalyst for the Company to recognise the challenges of operating solely out of Yerbas Buenas, and the establishment of significant processing capacity at Islon, within the La Serena/Coquimbo region. The establishment of this site, the enhancements made to the plant, and the rationalisation of our workforce have taken three to four months longer than originally forecast. As we have recently communicated, enhancements are still being made, but we are largely there.

Ricardo Diaz, who runs our operations in Chile, together with the support of our Managing Director Paul Davies—who has spent a large part of the year in La Serena—have driven these changes and are very much on the front line. I would like to acknowledge their support and commitment during some challenging circumstances.

Ricardo in particular has been the architect of the changes to our Chilean operations. Specifically, he has rebuilt the capability of our workforce and, in doing so, streamlined headcount. He has implemented greatly improved operating procedures, reinforced our safety disciplines, reduced the cost base, enhanced logistics, managed capital expenditure more prudently, broadened the product mix to support a sustainable sales base, and significantly improved customer relationships. This is why we are confident that we now have the right foundation in place.

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As we have conveyed in recent ASX updates, the focus now is to deliver profitable baseline sales from Yervas Buenas and Islon—and we are well on the path to achieving this.

A critical development has been the processing and sale of new materials—notably specific gravel and industrial sand—to serve as primary feedstock for the local cement industry. Islon is ideally positioned to become one of the sector’s primary sources of supply in the rapidly growing La Serena/Coquimbo region, a market we could not have served with the same regularity or volume from Yervas Buenas alone.

As we have communicated, from the middle of November—less than two weeks ago—continuous deliveries of these new products have commenced at a rate of between 300 and 500 cubic metres per day. To put this in perspective: one truck carries 20m³, so this represents a significant number of daily truck movements, made easier by the fact that we are located about 5 km from our primary customer’s site. This is the highest delivery rate our aggregates business has ever achieved, clearly positioning us for sustained monthly sales greater than any previously reported.

Our Islon plant is now consistently supporting growing recurring sales to the cement industry, complementing our ongoing supply to the construction sector. We have substantial stockpiles in place, ensuring certainty of supply for our cement-sector clients and mitigating against any potential plant downtime.

The deliveries referenced above are primarily for one product—a specific gravel—with industrial sand supply yet to materially commence. This is expected to occur at any moment.

Meanwhile, our operations at Yervas Buenas continue to play an important role, successfully producing and supplying fine sand and rock for local customers. We are actively negotiating new supply agreements for projects in closer proximity to that site. Yervas Buenas remains very important to us, and we expect it to continue playing a significant role in our future.

We have also focused this year on securing new sites, with a third project—Bertolino—showing enormous potential. It is located adjacent to what will be a major multi-year transport infrastructure project that is about to commence.

In addition, we are engaged with the local municipality regarding another site in the metropolitan area from which we will be able to source material. The rationale is clear: it is far more economical to pay a small percentage to a third party for material sourced locally than to truck everything from Yervas Buenas, which is 50 km away.

Beyond the aggregates business, we have communicated our preference to pursue opportunities in copper and gold outside of El Dorado, where we see a quicker pathway to production. Some of the projects we are assessing also offer significant exploration upside.

The fact that we have not yet announced an agreement should not be interpreted as a lack of progress. We are working to secure projects that have the right characteristics—as described above—while ensuring they do not draw down on the cash reserves we aim to build from the aggregates business. Considerable capital can be deployed in exploration, but that is not the focus of our business today. Additionally, we aim to work with groups that have strong

expertise in this area so that we do not need to employ these skills directly. We are well placed to achieve an outcome in the near term, and the Board is encouraged by the opportunities.

Our magnetite operations also form part of this strategy. Test work undertaken during the year shows we have a valuable product of commercial grade, in addition to the value of the larger Yervas Buenas Mineral Resource Estimate for magnetite.

In closing, I would like to make a few remarks about our aggregates business. The move into the metropolitan areas has been a gamechanger for the Company, and I am confident it will continue to deliver results. My ongoing investment in Freehill this year reflects this confidence. The demand we are witnessing—along with enquiries beyond our current customer base—indicates that the initial volumes we are delivering are expected to steadily increase. Freehill is ideally positioned to capitalise on the considerable growth in infrastructure development across the La Serena/Coquimbo region, and demand certainly outstrips supply.

We are confident that the strong sales momentum and operational efficiencies we have achieved will be reflected in the December quarter. While the lack of movement in the share price this year is frustrating, based on what we are seeing in the business, I am confident a re-rating will occur.

I would like to extend my sincere gratitude to our dedicated team on the ground in Chile for their hard work and commitment. Their efforts have been instrumental in bringing us to this pivotal moment. We are excited about the future and look forward to continuing this journey of growth and value creation for all shareholders. I of course extend my thanks to you for your support as well.

Thank you.

Ben Jarvis

Chairman & Non-Executive Director

-ENDS-

Authorised by the Board of Freehill Mining Limited.

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