



RIEDEL

RESOURCES

ACN 143 02 022

Suite 4, 6 Richardson Street
West Perth
Western Australia 6005

ASX Code: RIE

riedelresources.com.au

RIEDEL TO ACQUIRE UP TO AN 80% INTEREST IN THE HIGH-GRADE KINGMAN GOLD PROJECT, ARIZONA, USA

Note to market: this announcement is intended to lift the current voluntary suspension placed on the Company's securities.

Highlights:

- **Conditional rights secured to acquire up to an 80% equity interest in Flagstaff Minerals (USA) Inc, which owns the high-grade gold-silver Kingman Project located in the Tier 1 jurisdiction of Arizona, USA**
- **Diamond Drilling in late-2019 included the following shallow high-grade results:**
 - **1.5m @ 21.6 g/t gold, 89 g/t silver & 1.8% lead from 47.2m;**
 - **0.15m @ 26.9 g/t gold, 449 g/t silver, 17% lead & 2.7% copper from 39.6m;**
 - **0.46m @ 15.2 g/t gold, 153 g/t silver & 2.3% zinc from 58.2m;**
 - **0.3m @ 2.1 g/t gold & 2,340 g/t silver from 55.8m; and**
 - **1.5m @ 3.4 g/t gold & 56 g/t silver from 78.3m**
- **Multiple outcropping targets and veins open along strike and at depth**
- **Previously mined up to 1942 and almost no modern exploration work carried out with numerous historic mining areas never drill tested**
- **Extensive nearby infrastructure with year-round project access located approximately 5km from major highway**
- **Company finalising firm commitments for \$2.0m share placement to fund planned 5,000m drill program commencing early 2021**
- **Experienced US-based geological team to over-see drilling program planned to commence early in the new year**
- **Experienced Mining Executive and Mining Engineer Michael Bohm to join Riedel Board as Chair**

Riedel Resources Limited (ASX: RIE) is pleased to advise that it has entered into a binding agreement with Flagstaff Minerals Limited (ACN 626 330 738) (**Flagstaff Minerals**) and Flagstaff Minerals (USA) Inc. (a corporation existing under the laws of Delaware, USA) (**Flagstaff USA**) to acquire up to an 80% equity interest in Flagstaff USA which has the sole and exclusive option to acquire 100% of 70 highly prospective unpatented lode claims (in addition to the 125 unpatented lode claims Flagstaff USA currently holds 100% in its own right), together which comprise the high-grade Kingman gold silver project located at Chloride, Mohave County, Arizona (**Kingman Project**).

The Kingman Project is located in the mining state of Arizona, USA. The project area is approximately 145 kilometres from Las Vegas and is within 5km of US Highway 93. This area saw extensive mining activity in the early 1900's when numerous gold, silver and base metals mines were in operation.



Riedel’s Non-Executive Chairman, Mr Grant Mooney Commented:

“The Kingman Project represents an opportunity to advance a high-grade gold & silver project with a proven mining history in a Tier 1 jurisdiction and with a highly regarded technical team who successfully drilled the project in 2019.

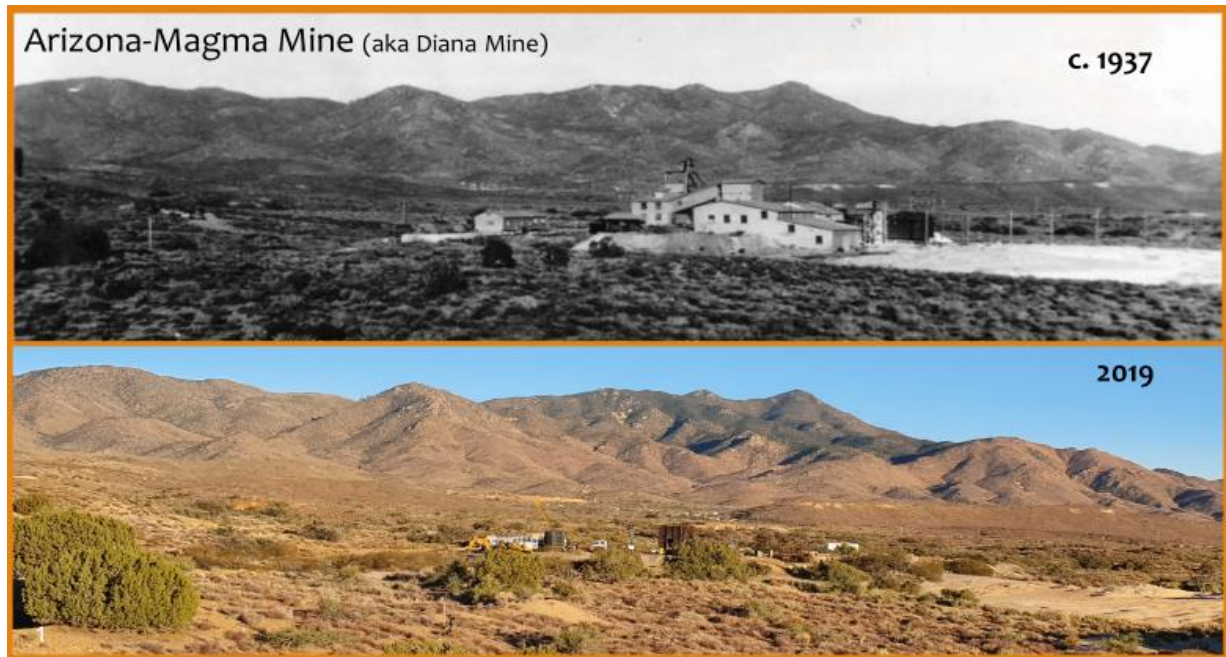
The Kingman Project was last mined in 1942 and has seen almost no modern exploration. We believe the opportunity is outstanding given there are numerous shallow, extensive and high-grade drill targets available over what is a large consolidated tenement position.

We plan to be drilling key targets early in the new year in areas where high-grade mineralisation has previously been mined and where we see the best opportunity to progress the Kingman Project along an early development path.”



Figure 1: Project Location

Plate 1: Pictorial of the Arizona-Magma mine area



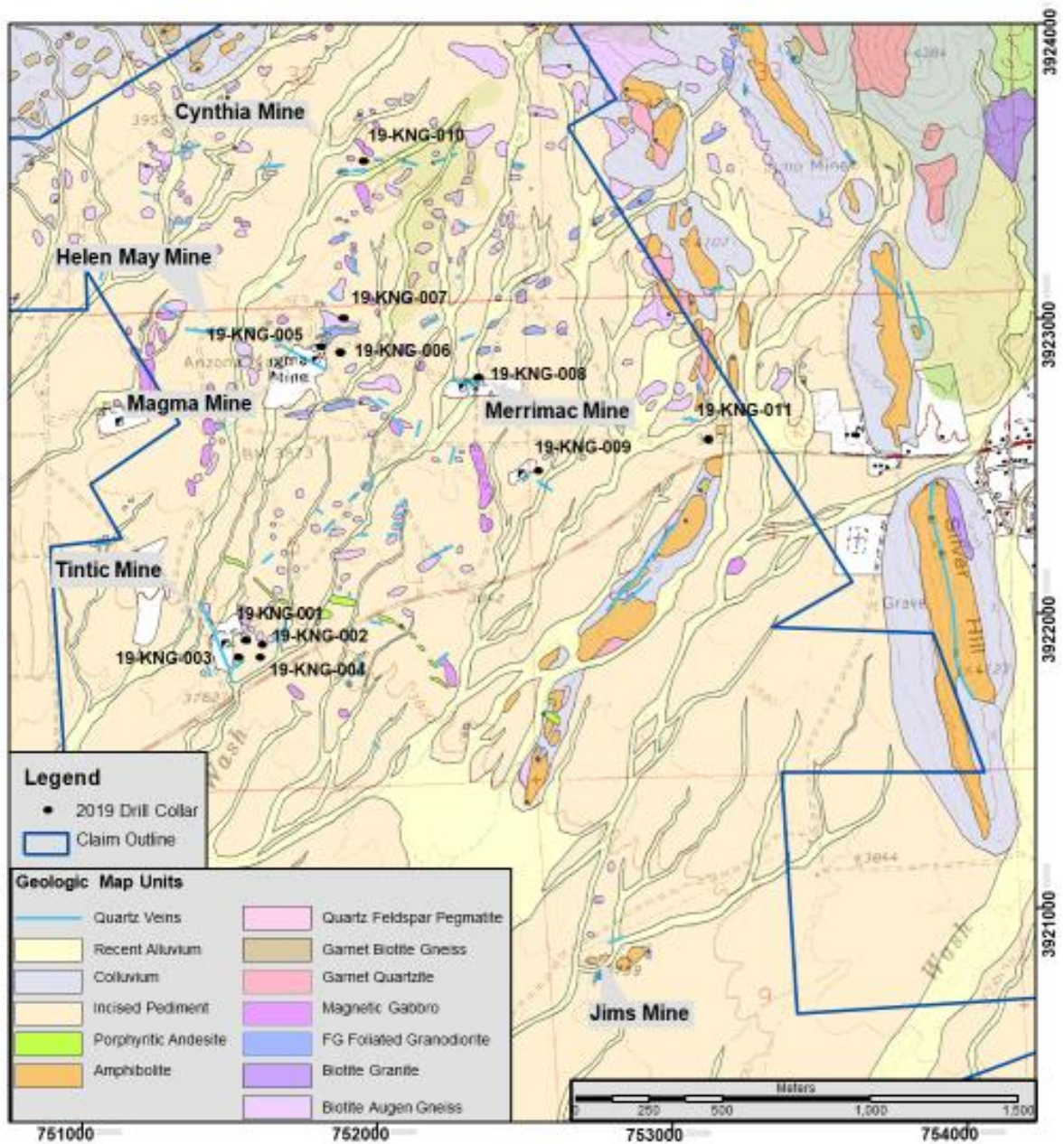


Figure 2: Kingman Project - drill hole collar locations (2019 diamond drill program)

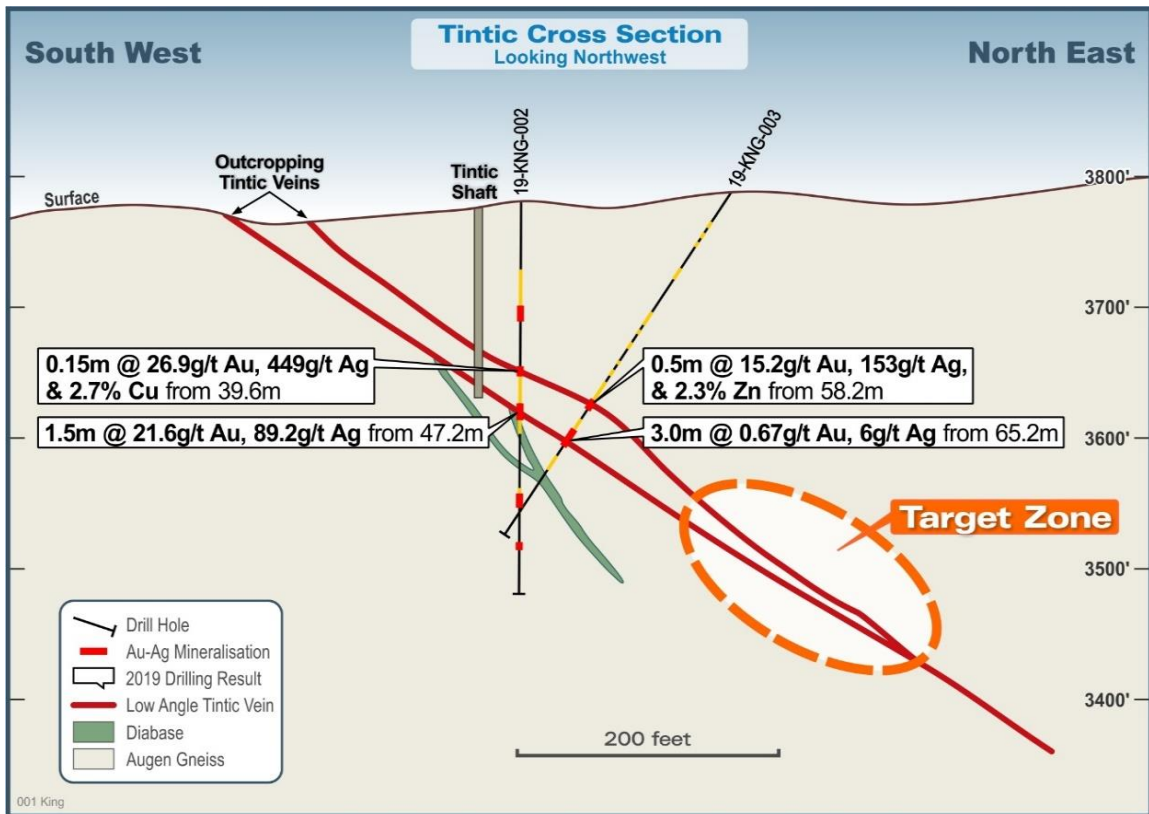


Figure 3a: Drill cross section – Tintic Mine

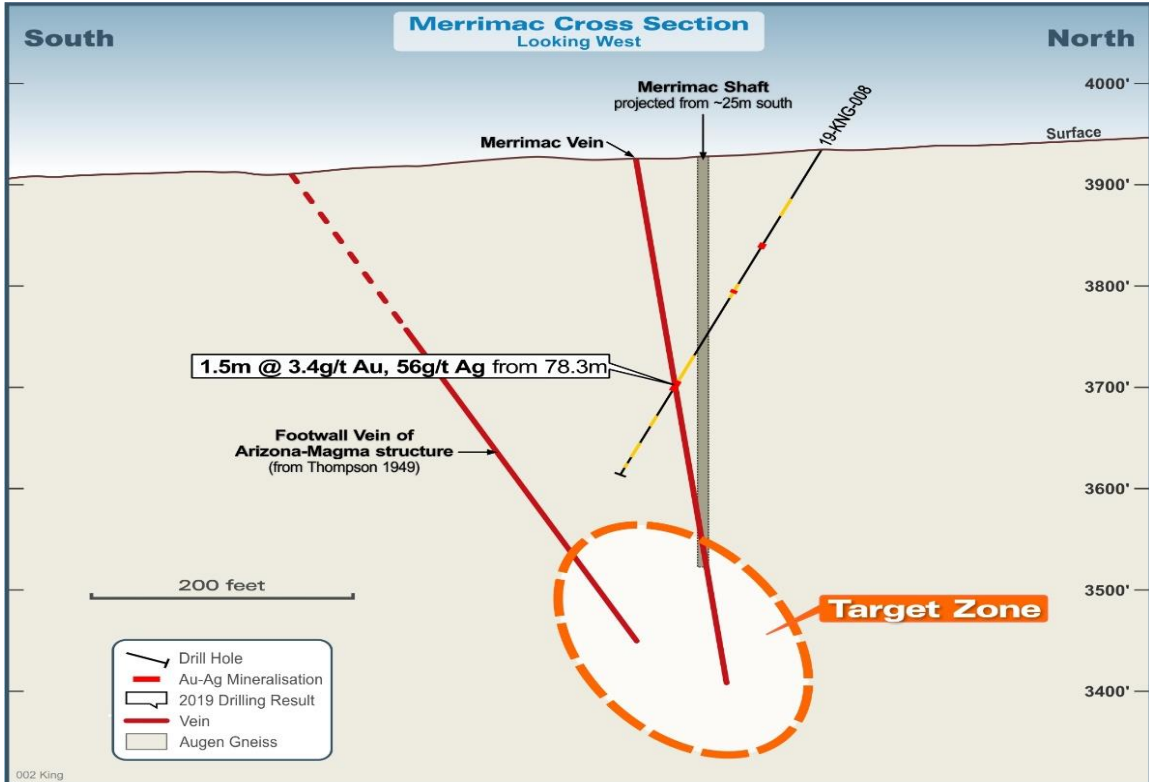


Figure 3b: Drill cross section Merrimac Mine

Hole Number	From (ft)	To (ft)	Thick (ft)	From (m)	To (m)	Thick (m)	Au ppm	Ag ppm	Cu %	Pb %	Zn%
19-KNG-001	147	148	1	44.81	45.11	0.30	0.815	3.5			
19-KNG-002	83	92	9	25.30	28.04	2.74	1.15	17.5		0.48	0.20
	130	134	4	39.62	40.84	1.22	3.51	57.0	0.35		0.73
<i>Incl.</i>	130	130.5	0.5	39.62	39.78	0.15	26.9	449	2.70		1.03
	155	160	5	47.24	48.77	1.52	21.60	89.2		1.83	0.23
<i>Incl.</i>	155	158	3	47.24	48.16	0.91	34.6	112			
19-KNG-003	191	194	3	58.22	59.13	0.91	7.91	79.0	0.27	0.45	1.22
<i>Incl.</i>	191	192.5	1.5	58.22	58.67	0.46	15.2	153	0.54	0.84	2.30
	214	224	10	65.23	68.28	3.05	0.671	5.66			
19-KNG-005	183	184	1	55.78	56.08	0.30	2.09	2340		0.71	0.96
19-KNG-006	344.5	345.5	1	105.00	105.30	0.30	4.34	48.0		0.26	0.70
19-KNG-008	257	262	5	78.33	79.86	1.52	3.408	56.44			0.56
<i>Incl.</i>	258.2	262	3.8	78.70	79.86	1.16	4.12	73.0		0.16	0.67

Table 1: Table of significant intercept (2019 diamond drill program – Kingman Project)



Plate 2: Arizona-Magma Mine



Plate 3: Historic Gold Room Arizona-Magma Mine



Plate 4: Diamond drill core from 2019 drill program – Kingman Office

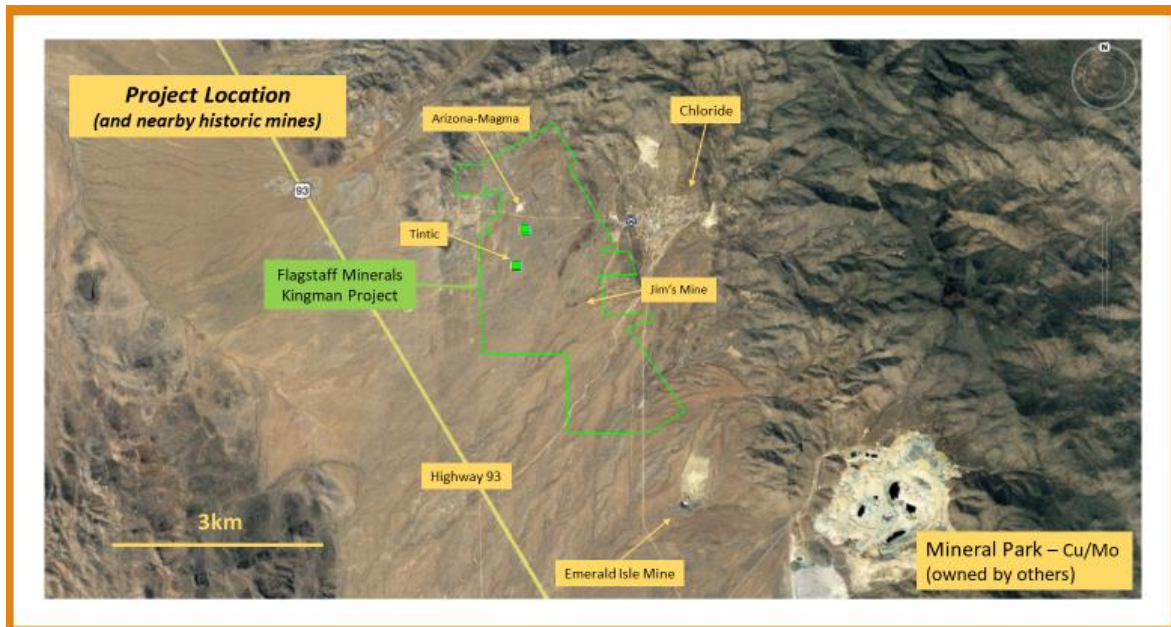


Figure 4: Project Location

Transaction Summary

Riedel has entered into a binding terms sheet with Flagstaff Minerals and Flagstaff USA (a wholly owned subsidiary of Flagstaff Minerals) (**Terms Sheet**).

The Company will seek shareholder approval of the Transaction pursuant to ASX Listing Rule 11.1.2. ASX has confirmed that the Company will not be required to re-comply with Chapters 1 & 2 of the ASX Listing Rules. The key terms of the Terms Sheet are as follows:

Background

Flagstaff USA has the sole and exclusive right to acquire a 100% interest in 70 mining claims (which form part of the Kingman Project) (**Kingman Option Claims**) via a binding option agreement with IAM Mining LLC (a Limited Liability Company) (**IAM Mining**) (**Flagstaff Option Agreement**).

The Terms Sheet sets out the terms and conditions on which Riedel may acquire up to an 80% equity interest in Flagstaff USA (**Earn-In or Acquisition**).

Initial Exploration Expenditure – Stage 1

Within 5 business days of the parties entering into the Terms Sheet, Riedel will pay an AUD\$50,000 non-refundable deposit to Flagstaff USA which will be applied by Flagstaff USA towards project related expenditure and be offset against Riedel's Stage 1 Earn-In commitment (defined below).

Upon satisfaction of the Conditions (detailed below), Riedel shall issue Flagstaff Minerals (or its nominee) 60 million fully paid ordinary shares in the capital of Riedel (**Shares**) (**Stage 1 Shares**) (**Stage 1 Commencement Date**) (the Stage 1 Shares will be subject to voluntary escrow for 6-months from the date of issue).

Riedel must expend at least AUD\$1,500,000 on the Kingman Project within 12-months from the Stage 1 Commencement Date.

Riedel must expend AUD\$5,000,000 on the Kingman Project within 3 years from the Stage 1 Commencement Date to obtain a 51% equity interest in Flagstaff USA (**Stage 1 Earn-In**).

If Riedel withdraws before completing the Stage 1 Earn-In, subject to Riedel incurring at least AUD\$1,500,000 of expenditure on the Kingman Project within 12-months from the Stage 1 Commencement Date, Riedel shall obtain a 15% equity interest in Flagstaff USA.

Earn-In – Stage 2

Upon Riedel completing the Stage 1 Earn-In (**Stage 2 Commencement Date**), Riedel will issue 100,000,000 Shares to Flagstaff Minerals (or its nominee(s)) (**Stage 2 Shares**). If Riedel does not obtain the necessary regulatory and shareholder approvals for the issuance of these shares, Riedel will pay Flagstaff the equivalent amount in cash (based on a 30-day VWAP as at the date of issue).

Riedel may elect to proceed with the Stage 2 earn-in at its complete discretion by providing Flagstaff Minerals with written notice of its election (**Election Notice**) within 90 days from the Stage 2 Commencement Date (**Notice Date**).

If Riedel provides an Election Notice by the Notice Date, Riedel must expend a further AUD\$5,000,000 on the Kingman Project (**Stage 2 Expenditure Condition**) within 3 years from the Stage 2 Commencement Date in order to earn a further 19% equity interest in Flagstaff USA (i.e. Riedel will obtain a 70% equity interest) (**Stage 2 Earn-In**).

If Riedel does not give an Election Notice by the Notice Date or does not satisfy the Stage 2 Expenditure Condition, then Flagstaff Minerals and Riedel will contribute to expenditure on the project from the end of Stage 2 on a Flagstaff Minerals (49%) and Riedel (51%) basis.

Stage 3

Within 30 days of satisfying the Stage 2 Expenditure Condition, Riedel may acquire an additional 10% equity interest in Flagstaff USA (i.e. Riedel will obtain an 80% equity interest in Flagstaff USA in total) by payment to Flagstaff Minerals (or its nominee(s)) of AUD\$3,000,000 cash.

Joint Venture

Following completion of the relevant earn-in phase, Flagstaff Minerals and Riedel will contribute to expenditure on the Kingman Project in proportion to each party's respective equity interest in Flagstaff USA from time to time.

Vendor Payments

Pursuant to the Flagstaff Option Agreement, the following payments are required to be made to IAM Mining by Flagstaff USA in order for Flagstaff USA to maintain its right to acquire 100% of the Kingman Option Claims (together, the **Option Payments**):

1. USD\$200,000 payable by February 2021;
2. USD\$300,000 payable by February 2022; and
3. USD\$400,000 payable by February 2023.

Under the Terms Sheet, Riedel shall be responsible for the Option Payments (which shall count towards eligible expenditure in relation to any stage of any relevant earn-in).

Conditions Precedent

The commencement of the Earn-In is subject to and conditional upon satisfaction or waiver of each of the following conditions precedent (together the **Conditions**):

- each of Flagstaff USA and Riedel completing due diligence on one another (to their reasonable satisfaction);
- the parties obtaining all relevant regulatory and shareholder approvals for the Acquisition, including:
 - shareholder approval to change the scale of Riedel's activities in accordance with ASX Listing Rule 11.1.2. ASX has confirmed that the Company will not be required to re-comply with Chapters 1 & 2 of the ASX Listing Rules; and
 - shareholder approval for the purposes of ASX Listing Rule 7.1 with respect to the issue of the Stage 1 Shares, Stage 2 Shares, and Placement Shares (defined below); and
 - a waiver from ASX Listing Rule 7.3.4 in respect of the Stage 2 Shares;
- completion of the Placement (detailed below);
- Riedel and the Flagstaff Minerals nominated directors entering into an Executive Services Agreement (details to be mutually agreed between the parties);
- Flagstaff Minerals entering into a restriction agreement in relation to the Stage 1 Shares;
- execution of the definitive transaction agreement(s) including but not limited to:
 - share sale and purchase agreement with respect to Riedel's acquisition of shares in Flagstaff USA;
 - shareholders agreement with respect to the control and operation of Flagstaff USA, including with respect to the Kingman Project; and
 - security documentation and any other ancillary documents required in order to effect the transaction; and
- no material adverse change to Riedel's or Flagstaff USA's financial position (except as contemplated by the Terms Sheet).

Placement

Riedel has received firm commitments to raise approximately \$2 million by issuing up to 363,636,363 Shares (**Placement Shares**) at an issue price of \$0.0055 (**Placement**). The Board is pleased that the Placement is strongly supported by existing and new shareholders of both Riedel and Flagstaff Minerals. It is intended that 63,000,000 Shares will be issued on or about 28 October 2020 (**Tranche 1 Placement Shares**), with the balance (i.e. up to 300,636,363) to be issued within 7 days of receipt of shareholder approval (**Tranche 2 Placement Shares**). The funds raised from the Placement will be used to fund the stage 1 exploration program and for general working capital purposes as follows:

Item	Amount
Other costs associated with the Acquisition	\$100,000
Regulatory and Listing Fees	\$10,000
Exploratory and Project Payments	\$1,500,000
General working capital	\$390,000
Total	\$2,000,000

Riedel, subject to receiving shareholder approval, has agreed to issue a total of 150 million options exercisable at \$0.0125 each and expiring 3 years from the date of issue (**Options**). It is intended that the Options will be issued within 7 days of Riedel receiving shareholder approval for the issue of the Tranche 2 Placement Shares. The Options will be issued to nominees of Riedel and Flagstaff Minerals.

Board Changes

The following are each a condition of the Terms Sheet:

- with effect from the Stage 1 Commencement Date, the Board of Riedel shall comprise of four members with one existing non-executive director of Riedel stepping down and being replaced by two nominees of Flagstaff Minerals (one of which will be appointed as the Chair);
- if at the end of 12 months from the Stage 1 Commencement Date:
 - Riedel does not elect to proceed further with the Acquisition, then Flagstaff Minerals will relinquish Chairmanship of Riedel;
 - Riedel does elect to proceed further with the Acquisition, then one of the existing Riedel nominee directors shall resign, leaving the Board of Riedel with three directors (comprising one Riedel nominee director and two Flagstaff Minerals nominee directors);
- subject to Riedel satisfying the Stage 1 Earn-In, Riedel will have the right to nominate one non-executive director to the board of Flagstaff USA; and
- subject to Riedel satisfying the Stage 2 Expenditure Condition, it is acknowledged and agreed that the Board of Flagstaff USA will be structured in a way that gives Riedel control.

Currently, it is intended that Mr Michael Bohm, a nominee of Flagstaff Minerals, will join the Board of Riedel as Chair. Mr Bohm is a graduate of the WA School of Mines. Mr Bohm brings to the Board his extensive experience as a mining professional with extensive corporate and operational management skills in the minerals industry. Michael is currently a director of Ramelius Resources Limited (ASX:RMS) and Mincor Resources NL (ASX:MCR). Mr Bohm is a shareholder of Flagstaff Minerals. Meanwhile, the second director to be nominated by Flagstaff Minerals will be announced by the Company in due course.

Capital Structure and Pro-forma Balance Sheet

The indicative capital structure of the Company following the issue of the Consideration Shares and completion of the Placement is set out below:

Security	Existing	Completion of Acquisition
Existing shares	418,069,699	418,069,699
Stage 1 Consideration Shares	-	60,000,000
Stage 2 Consideration Shares	-	100,000,000
Capital Raising Shares	-	363,636,363
Total Shares	418,069,699	941,706,062
Existing Options	10,000,000	10,000,000
New Options	-	150,000,000
Fully diluted capital structure	428,069,699	1,101,706,062

The anticipated effect of the Stage 1 Earn-In on the Company's balance sheet is set out in Annexure 1 to this announcement.

Indicative Timetable

The proposed timetable to commence the Stage 1 Earn-In is set out below:

Event	Date
Notice of Meeting sent to shareholders	30 October 2020
General Meeting	30 November 2020
Completion of Placement	4 November 2020
Commencement of Stage 1 Earn-In	4 November 2020

Note: The above dates are indicative only and subject to change.

-----ENDS-----

This announcement was authorised for release by the Board of Riedel Resources Limited.

Competent Person Statement

Information in this release that relates to Exploration Results is based on information compiled by Mr Sean Whiteford, who is a qualified geologist, a member of the Australian Institute of Mining and Metallurgy, and a consultant to Flagstaff Minerals Limited. Mr Whiteford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whiteford consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production output.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

For further information please contact:

Grant Mooney, Chairman - Riedel Resources Limited Tel: +61 8 9226 0866

About Riedel Resources Limited

Riedel Resources Limited listed on ASX on 31 January 2011 and is an Australian-based exploration company. Further information can be found at the Company's website www.riedelresources.com.au.



Annexure 1 – Balance sheet

RIEDEL RESOURCES LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 June 2020

	Audited 30 June 2020	Proforma Transactions	Proforma
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	885,629	1,865,000	2,750,629
Trade and other receivables	254,571		254,571
TOTAL CURRENT ASSETS	1,140,200		3,005,200
NON CURRENT ASSETS			
Plant and equipment	-		-
Exploration and evaluation expenditure	780,810	330,000	1,110,810
TOTAL NON CURRENT ASSETS	780,810		1,110,810
TOTAL ASSETS	1,921,010		4,116,010
CURRENT LIABILITIES			
Trade and other payables	23,806		23,806
TOTAL CURRENT LIABILITIES	23,806		23,806
TOTAL LIABILITIES	23,806		23,806
NET ASSETS	1,897,204		4,092,204
EQUITY			
Issued capital	19,237,097	2,195,000	21,432,097
Share based payment reserve	34,800		34,800
Foreign currency translation reserve	(124)		(124)
Accumulated losses	(17,374,569)		(17,374,569)
TOTAL EQUITY	1,897,204		4,092,204

Annexure 2 - JORC Table 1 (JORC Code 2012 Edition – Table 1)

Section 1: Sampling Techniques and Data (Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Nature and quality of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. 	<p>The results in this release relate to holes 19-KNG-001 to 19-KNG-011 all of which were diamond drilled from surface.</p> <p>Half core samples were collected on geological boundaries (rock type, mineralization) and generally ranged from 0.3m to 1.5m in length. Samples were marked and tagged for core cutting. ALS Laboratories cut each sample using a core saw at their facility in Tucson, Arizona.</p> <p>Sampling was undertaken using standard QAQC procedures that included the insertion of blanks or standards at a minimum of 1 blank or standard inserted every 15 samples.</p> <p>All samples were pulverized at the lab to 85% passing -75µm to produce a 25g charge for Fire Assay with an AA finish. Samples were also digested using a Four Acid digestion with an ICP-AES finish. High grade gold samples were additionally assayed by Fire Assay using a gravimetric finish. High grade silver and base metal samples were additional assayed using a four acid digestion and ICP-AES finish.</p>
Drilling techniques	<ul style="list-style-type: none"> • Drill type and details. 	<p>Drilling was completed using an Atlas Copco CS-14 core drill rig.</p> <p>Drill holes were drilled either vertically or angled perpendicular to the interpreted stratigraphy.</p> <p>The program was supervised by experienced Flagstaff Minerals Pty Ltd contractors.</p>
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred 	<p>Core samples were flagged and marked by Flagstaff Minerals geologist for cutting. The core was cut in half and placed in sample bags at the ALS lab in Tucson, Arizona.</p> <p>Sample recovery was measured by Flagstaff Minerals geologists and generally exceeded 90% recovery.</p>

Criteria	JORC Code explanation	Commentary
	<p>due to preferential loss/gain of fine/coarse material.</p>	
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<p>Samples were logged in detail including, lithology, alteration, mineralization, RQD and structure.</p> <p>The entire hole was logged by an experienced geologist employed by Flagstaff Minerals</p> <p>The level of detail is considered sufficient for early stage exploration of the type being undertaken here.</p> <p>Geological logging is qualitative.</p> <p>All core trays were photographed during the logging process.</p> <p>All holes were logged over the entire length.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>All samples were sawn in half with one half remaining in the core tray and the other half sent for assay.</p> <p>All samples were prepared by the ALS Laboratory in Tucson, Arizona. All sampled were dried and pulverized to 85% passing 75µm and a sub sample of 250g retained. A nominal 30g charge was used for Fire Assay analysis.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining 	<p>Samples were analysed at ALS Laboratories in Reno, Nevada and Vancouver, British Columbia. For gold the analytical method used was Au-AA23 which is digestion by Fire Assay with an AA finish. Any samples assaying greater than 10ppm Au were further analysed by Au-GRA21. Both methods are considered</p>

Criteria	JORC Code explanation	Commentary
	<p>the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <ul style="list-style-type: none"> Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>appropriate for the material and mineralization and measure total gold content.</p> <p>Samples were also analysed by method ME-ICP61a which is a four-acid digestion with an ICP-AES finish for base metal determinations. This method is considered appropriate for the material and mineralization.</p> <p>Flagstaff Minerals used a mix of Certified Reference Materials and blanks inserted every 15 samples.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>Significant results are checked by the Flagstaff Minerals geologist and Competent Person.</p> <p>No twinned holes have been completed at this early stage of exploration.</p> <p>All field logging was logged on paper logs and in digital format in an excel spreadsheet. Copies of all logs are stored on a cloud-based storage system as well as at the Flagstaff office in Kingman Arizona.</p> <p>No assay data were adjusted.</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>Collar surveys were completed using a Trimble ProXH submeter GPS unit using a differential correction signal and is capable of 20-70 cm X-Y resolution and 2-3m elevation accuracy.</p> <p>The grid system used was WGS-84 Zone 11.</p> <p>Drill hole directional surveys were taken using a Reflex single shot Magnetic based orientation tool providing azimuth and angle. Stated accuracies for the inclinometer is 0.1 degree, and for azimuth 0.25degree. Collar orientations were obtained using a Brunton Compass.</p>
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve 	<p>Core hole locations were spaced to test historic geologic targets.</p> <p>The current drill hole spacing is too broad to establish a mineral resource.</p> <p>No compositing has been applied.</p>

Criteria	JORC Code explanation	Commentary
	<p>estimation procedure(s) and classifications applied.</p> <ul style="list-style-type: none"> Whether sample compositing has been applied. 	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>Drilling is orthogonal to the general trend of the stratigraphy.</p> <p>Holes were drilled vertically or angled perpendicular to the interpreted stratigraphy using historic data where available.</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>Core samples were delivered in sealed core trays to the ALS Laboratory in Tucson Arizona. Chain of Custody documentation stating core boxes, samples, submittal and methods were signed off on. Core was cut within the ALS lab and samples were collected by ALS lab technicians. ALS maintains the chain of custody once the samples are delivered with an audit trail available on the ALS webtrieve website.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<p>Sampling and assaying techniques are considered to be industry standard. No external audits have been undertaken at this stage of exploration.</p>

Section 2: Reporting of Exploration Results (Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary																																																																																																																																																								
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>The drill holes were all drilled within the IAM Mining LLC claim group property which form part of a claim package subject to an Option Agreement with IAM Mining LLC. Flagstaff Minerals can earn a 100% interest in the property. Refer to 'Key terms of the Terms Sheet (Background)' section of announcement. The claim package applicable to the Flagstaff Option Agreement is set out below:</p> <p style="text-align: center;">Exhibit A - Claims IAM Mining LLC Claims</p> <table border="1" data-bbox="1317 639 2029 1241"> <thead> <tr> <th>Claim Name</th> <th>BLM Serial Number</th> <th>Claim Name</th> <th>BLM Serial Number</th> </tr> </thead> <tbody> <tr><td>I AM 1</td><td>AMC341687</td><td>I AM 34</td><td>AMC341716</td></tr> <tr><td>I AM 2</td><td>AMC341688</td><td>I AM 35</td><td>AMC341717</td></tr> <tr><td>I AM 3</td><td>AMC341689</td><td>I AM 36</td><td>AMC341718</td></tr> <tr><td>I AM 4</td><td>AMC341690</td><td>I AM 37</td><td>AMC341719</td></tr> <tr><td>I AM 5</td><td>AMC341691</td><td>I AM 38</td><td>AMC341720</td></tr> <tr><td>I AM 6</td><td>AMC341692</td><td>I AM 39</td><td>AMC341721</td></tr> <tr><td>I AM 7</td><td>AMC341753</td><td>I AM 40</td><td>AMC341722</td></tr> <tr><td>I AM 8</td><td>AMC341693</td><td>I AM 41</td><td>AMC341723</td></tr> <tr><td>I AM 9</td><td>AMC341694</td><td>I AM 42</td><td>AMC341724</td></tr> <tr><td>I AM 10</td><td>AMC341754</td><td>I AM 43</td><td>AMC341725</td></tr> <tr><td>I AM 11</td><td>AMC341755</td><td>I AM 44</td><td>AMC341726</td></tr> <tr><td>I AM 12</td><td>AMC341756</td><td>I AM 45</td><td>AMC341727</td></tr> <tr><td>I AM 13</td><td>AMC341695</td><td>I AM 46</td><td>AMC341728</td></tr> <tr><td>I AM 14</td><td>AMC341696</td><td>I AM 47</td><td>AMC341729</td></tr> <tr><td>I AM 15</td><td>AMC341697</td><td>I AM 48</td><td>AMC341730</td></tr> <tr><td>I AM 16</td><td>AMC341698</td><td>I AM 49</td><td>AMC341731</td></tr> <tr><td>I AM 17</td><td>AMC341699</td><td>I AM 50</td><td>AMC341732</td></tr> <tr><td>I AM 18</td><td>AMC341700</td><td>I AM 51</td><td>AMC341733</td></tr> <tr><td>I AM 19</td><td>AMC341701</td><td>I AM 52</td><td>AMC341734</td></tr> <tr><td>I AM 20</td><td>AMC341702</td><td>I AM 53</td><td>AMC341735</td></tr> <tr><td>I AM 21</td><td>AMC341703</td><td>I AM 54</td><td>AMC341736</td></tr> <tr><td>I AM 22</td><td>AMC341704</td><td>I AM 55</td><td>AMC341737</td></tr> <tr><td>I AM 23</td><td>AMC341705</td><td>I AM 56</td><td>AMC341738</td></tr> <tr><td>I AM 24</td><td>AMC341706</td><td>I AM 57</td><td>AMC341739</td></tr> <tr><td>I AM 25</td><td>AMC341707</td><td>I AM 58</td><td>AMC341740</td></tr> <tr><td>I AM 26</td><td>AMC341708</td><td>I AM 59</td><td>AMC341741</td></tr> <tr><td>I AM 27</td><td>AMC341709</td><td>I AM 60</td><td>AMC341742</td></tr> <tr><td>I AM 28</td><td>AMC341710</td><td>I AM 61</td><td>AMC341743</td></tr> <tr><td>I AM 29</td><td>AMC341711</td><td>I AM 62</td><td>AMC341744</td></tr> <tr><td>I AM 30</td><td>AMC341712</td><td>I AM 63</td><td>AMC341745</td></tr> <tr><td>I AM 31</td><td>AMC341713</td><td>I AM 64</td><td>AMC341746</td></tr> <tr><td>I AM 32</td><td>AMC341714</td><td>TED 65</td><td>AMC341747</td></tr> <tr><td>I AM 33</td><td>AMC341715</td><td>TED 66</td><td>AMC341748</td></tr> <tr><td></td><td></td><td>TED 67</td><td>AMC341749</td></tr> <tr><td></td><td></td><td>TED 68</td><td>AMC341750</td></tr> <tr><td></td><td></td><td>TED 69</td><td>AMC341751</td></tr> <tr><td></td><td></td><td>TED 70</td><td>AMC341752</td></tr> </tbody> </table>	Claim Name	BLM Serial Number	Claim Name	BLM Serial Number	I AM 1	AMC341687	I AM 34	AMC341716	I AM 2	AMC341688	I AM 35	AMC341717	I AM 3	AMC341689	I AM 36	AMC341718	I AM 4	AMC341690	I AM 37	AMC341719	I AM 5	AMC341691	I AM 38	AMC341720	I AM 6	AMC341692	I AM 39	AMC341721	I AM 7	AMC341753	I AM 40	AMC341722	I AM 8	AMC341693	I AM 41	AMC341723	I AM 9	AMC341694	I AM 42	AMC341724	I AM 10	AMC341754	I AM 43	AMC341725	I AM 11	AMC341755	I AM 44	AMC341726	I AM 12	AMC341756	I AM 45	AMC341727	I AM 13	AMC341695	I AM 46	AMC341728	I AM 14	AMC341696	I AM 47	AMC341729	I AM 15	AMC341697	I AM 48	AMC341730	I AM 16	AMC341698	I AM 49	AMC341731	I AM 17	AMC341699	I AM 50	AMC341732	I AM 18	AMC341700	I AM 51	AMC341733	I AM 19	AMC341701	I AM 52	AMC341734	I AM 20	AMC341702	I AM 53	AMC341735	I AM 21	AMC341703	I AM 54	AMC341736	I AM 22	AMC341704	I AM 55	AMC341737	I AM 23	AMC341705	I AM 56	AMC341738	I AM 24	AMC341706	I AM 57	AMC341739	I AM 25	AMC341707	I AM 58	AMC341740	I AM 26	AMC341708	I AM 59	AMC341741	I AM 27	AMC341709	I AM 60	AMC341742	I AM 28	AMC341710	I AM 61	AMC341743	I AM 29	AMC341711	I AM 62	AMC341744	I AM 30	AMC341712	I AM 63	AMC341745	I AM 31	AMC341713	I AM 64	AMC341746	I AM 32	AMC341714	TED 65	AMC341747	I AM 33	AMC341715	TED 66	AMC341748			TED 67	AMC341749			TED 68	AMC341750			TED 69	AMC341751			TED 70	AMC341752
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Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<p>Historic production and exploration from the property as follows:</p> <p>Underground mining at Arizona Magma was conducted from the 1880's to 1942.</p> <p>Drilling by Chandeleur Bay Resources at Tintic was conducted in 1997. High grades were reported from that 37 hole drill program.</p> <p>The Merrimac mine was mined for Au/Ag/Pg/Zn until 1905.</p> <p>The Tintic mine was mine for Au/Ag/Pb/Zn in 1942.</p> <p>None of the previous work is considered to be of JORC standard.</p>
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<p>The Flagstaff property is located along the Northwest flank of the Cerbat Mountains of Arizona. The Cerbat Mountains are a typical block-faulted range of the Basin and Range physiographic province of the southwest United States and are underlain by a strongly deformed package of Precambrian rocks including quartz feldspar gneiss, amphibolite schist, and biotite schist intruded by both Precambrian diorite and granite and by Laramide intrusions.</p> <p>The property contains multiple structurally controlled vein-systems. A Low-Sulphidation Epithermal Character has been observed in ore material from historic dumps across the property. As the property is approximately 8km from the Mineral Park Cu porphyry mine, vein mineralization related to an unknown porphyry is also of interest.</p>
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar 	<p>All drill hole collar information is tabulated in Appendix 1, Table 1.</p> <p>Significant intervals are tabulated in Appendix 1, Table 2.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. ● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<p>Intersection lengths and grades for all holes are reported as down-hole length weighted intervals.</p> <p>Intersections are reported based on vein boundaries and no grade capping was applied to the reported intersections.</p> <p>Intersection lengths and grades are reported as down-hole length weighted intervals.</p> <p>Details of all intersections are included in Appendix 1</p> <p>Lower grade intervals are quoted and provide context for significant intervals.</p> <p>No metal equivalent values are reported.</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of Exploration Results. ● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<p>Drill hole intersections are reported down hole. True widths are unknown.</p>
Diagrams	<ul style="list-style-type: none"> ● Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole 	<p>Refer to figures in the body of this announcement for relevant plans including a tabulation of intercepts.</p>

Criteria	JORC Code explanation	Commentary
	collar locations and appropriate sectional views.	
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<p>Intersection lengths and grades are reported as down-hole length weighted averages.</p> <p>The number of drill holes and meters are included in the body of the announcement and in Appendix 1.</p>
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	No other substantive exploration data is available for reporting.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Follow up RC drilling is planned to expand the current understanding of mineralized structures. Drill hole locations will be selected to test for mineralization along strike and at depth.

Appendix 1 – Drill Hole Information

Table 1: Drill Hole Collar Information

Hole Number	Type	X Coord	Y Coord	GPS Elev. (m)	Azimuth	Angle	Depth (ft)	Depth (m)
19-KNG-001	DD	751,519.5	3,921,939.0	1,128.77	0	-90	235.0	71.63
19-KNG-002	DD	751,534.5	3,921,878.0	1,125.80	0	-90	300.0	91.44
19-KNG-003	DD	751,579.2	3,921,900.0	1,128.39	240	-55	615.0	96.01
19-KNG-004	DD	751,592.0	3,921,877.0	1,126.20	240	-50	329.0	100.28
19-KNG-005	DD	751,790.7	3,922,882.0	1,162.70	210	-60	325.0	99.06
19-KNG-006	DD	751,854.4	3,922,908.0	1,163.70	200	-45	405.0	123.44
19-KNG-007	DD	751,841.8	3,923,050.0	1,175.10	210	-45	833.0	253.90
19-KNG-008	DD	752,283.0	3,922,823.0	1,167.50	240	-65	359.0	109.42
19-KNG-009	DD	752,508.4	3,922,494.0	1,157.02	215	-52	222.5	67.82
19-KNG-010	DD	751,944.2	3,923,550.0	1,189.20	225	-50	303.5	92.51
19-KNG-011	DD	753,055.2	3,922,620.0	1,169.51	5	-45	262.5	80.01

Table 2: Significant Intervals

Hole Number	From (ft)	To (ft)	Thick (ft)	From (m)	To (m)	Thick (m)	Au ppm	Ag ppm	Cu %	Pb %	Zn%
19-KNG-001	147	148	1	44.81	45.11	0.30	0.815	3.5			
19-KNG-002	83	92	9	25.30	28.04	2.74	1.15	17.5		0.48	0.20
	130	134	4	39.62	40.84	1.22	3.51	57.0	0.35		0.73
<i>Incl.</i>	130	130.5	0.5	39.62	39.78	0.15	26.9	449	2.70		1.03
	155	160	5	47.24	48.77	1.52	21.60	89.2		1.83	0.23
<i>Incl.</i>	155	158	3	47.24	48.16	0.91	34.6	112			
19-KNG-003	191	194	3	58.22	59.13	0.91	7.91	79.0	0.27	0.45	1.22
<i>Incl.</i>	191	192.5	1.5	58.22	58.67	0.46	15.2	153	0.54	0.84	2.30
	214	224	10	65.23	68.28	3.05	0.671	5.66			
19-KNG-005	183	184	1	55.78	56.08	0.30	2.09	2340		0.71	0.96
19-KNG-006	344.5	345.5	1	105.00	105.30	0.30	4.34	48.0		0.26	0.70
19-KNG-008	257	262	5	78.33	79.86	1.52	3.408	56.44			0.56
<i>Incl.</i>	258.2	262	3.8	78.70	79.86	1.16	4.12	73.0		0.16	0.67