

ASX Announcement | 30 May 2025

\$1.0 Million Share Placement

HIGHLIGHTS

- \$1.0 million received from new and existing investors
- A further \$144,449.40 of March 2024 Convertible Notes converted on the same terms
- A further \$105,000 participation by Management
- Focus on balancing cash requirements vs project advancement vs dilution at current valuation

Flagship will be focusing the use of funds on the Pantanillo Gold Project, including conversion and possibly expansion of the current 47.4Mt @ 0.69g/t Au for 1.05Moz Au QFE⁽¹⁾ of mineralisation (NI 43-101 Measured and Indicated) to a JORC Mineral Resource (2012 and 2025¹ compliant). Work to achieve this includes core logging and re-assaying, updating earlier metallurgical testwork, initiating environmental studies, and drill preparation for a planned start in the second half 2025. The Company is also planning to undertake trenching and general fieldwork at Flagship's Rosario Copper Project, and possibly initial metallurgical testwork ahead of a drilling program to start after the Pantanillo drilling campaign.

(1) The qualifying foreign estimates (QFE) are not reported in accordance with the JORC Code (2012). The Competent Person has not done sufficient work to classify the qualifying foreign estimates in accordance with the JORC Code (2012) and it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code. The QFE was first reported in ASX announcement dated 14 April 2025 and titled "*Pantanillo Gold Project -Advanced Large Scale Oxide Gold Project - Maricunga Gold Belt, Chile - Binding Option Agreement to Purchase 100%*".

Flagship Minerals Limited (ASX: FLG) ("Flagship", "FLG" or "Company") has received firm commitments for A\$1.25 million (before costs) by way of a share placement to new and existing shareholders ("Placement"). Several of the Company's March 2024 Convertible Note holders chose to convert part or all of their Notes in this Placement² and the Company's Management also participated in the Placement.

Flagship Minerals' Managing Director, Paul Lock, commented:

"For this raise, we had a focus on balancing cash requirements with what we see as short term, low cost value adding for the Pantanillo Gold Project, particularly converting and possibly expanding the high quality qualifying foreign estimate of 47.4Mt @ 0.69g/t Au for 1.05Moz Au to a JORC compliant Mineral Resource, keeping in mind that the qualifying foreign estimate is an NI 43-101 compliant Mineral Resource and is consistent with reporting practices of

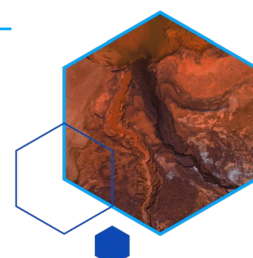
¹ The Australasian Joint Ore Reserves Committee (JORC) released the draft of the updated JORC Code on 1 August 2024, initiating a three-month public consultation period that closed on 31 October 2024. JORC has reaffirmed its target to release the final updated Code by the end of 2025. Following publication, there will be a 12-month transition period before compliance with the new Code becomes mandatory. It will include more detailed requirements for 'reasonable prospects' and reconciliation of Mineral Resources and Ore Reserves.

² See FLG's ASX Announcement dated 20 February 2025 and titled "*Convertible Note Update - Strong Support Received*".

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major gold producers such as Barrick, Newmont, Agnico Eagle, and Kinross. Pantanillo is a large heap leachable gold porphyry which is amenable to open cut mining and heap leach processing, providing Flagship a material gold inventory that leapfrogs the Company several steps closer to feasibility and production.”

Flagship has had a key focus on expenditure and dilution over the last 18 months, with market conditions and placement terms generally unattractive to the Company and its current shareholders. This is particularly so at the Company’s current valuation, which, in the Board’s opinion, is a considerable distance from reflecting the quality of the Company’s assets and broader peer group valuations, especially with the addition of Flagship’s Pantanillo Gold Project, which hosts a qualifying foreign estimate of 1.05Moz Au³.

The placement included \$1.0 million cash participation by new and existing shareholders, the conversion of \$144,449.40 of March 2024 Convertible Notes comprising A\$119,500 principal and A\$24,949.40 accrued interest, and A\$105,000 participation by the Company’s Chairman and Managing Director, Paul Lock, whose subscription will be via conversion of director loans provided during 2024 and 2025. The issue of Mr Lock’s Shares will be subject to shareholder approval at the next Annual General Meeting.

Flagship will issue 20,824,156 fully paid ordinary Shares at \$0.06. 16,666,66 Shares for new funds received will be issued utilising the Company’s ASX Listing Rule 7.1A placement capacity and 1,750,000 Shares issued on conversion of Convertible Notes will be issued utilising the Company’s ASX Listing Rule 7.1 capacity. The Convertible Notes had previously been ratified by shareholders, however given the change in terms, the Shares will now be issued using capacity. The Directors’ shares will be issued subject to shareholder approval.

The Placement includes the issue of one new option for every two new shares applied for with an exercise price of 12c and expiry date two years from issue. 10,412,078 options will be issued subject to shareholder approval.

The Placement was at a \$0.06, a discount of 14% to the 27 May closing price and 19% to the 15 day VWAP. GBA Capital Pty Ltd and Novus Capital Pty Ltd were joint lead arrangers for the Placement. Flagship will pay the Joint Lead Arrangers, Novus and GBA, 6% on funds received from new and existing shareholders, but not on the conversion of March 2024 Convertible Notes or Management’s participation.

- Ends -

Authorised by the Board of Directors

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³ See Flagship’s ASX announcement dated 14 April 2025 and titled “Pantanillo Gold Project -Advanced Large Scale Oxide Gold Project - Maricunga Gold Belt, Chile - Binding Option Agreement to Purchase 100%”.

IMPORTANT INFORMATION

Competent Persons Statement - General

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Mr. David Hobby, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Hobby is a fulltime employee, Director and Shareholder of Flagship Minerals Limited. Mr. Hobby has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking 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 (JORC Code). Mr. Hobby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Various statements in this document constitute statements relating to intentions, future acts and events which are generally classified as “forward looking statements”. These forward looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other important factors (many of which are beyond the Company’s control) that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed in this document. For example, future reserves or resources or exploration targets described in this document may be based, in part, on market prices that may vary significantly from current levels. These variations may materially affect the timing or feasibility of particular developments. Words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “potential” and similar expressions are intended to identify forward-looking statements. Flagship Minerals Limited cautions security holders and prospective security holders to not place undue reliance on these forward-looking statements, which reflect the view of Flagship Minerals Limited only as of the date of this document. The forward-looking statements made in this document relate only to events as of the date on which the statements are made. Except as required by applicable regulations or by law, Flagship Minerals Limited does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.

Important

To the extent permitted by law, Flagship Minerals Limited and its officers, employees, related bodies corporate and agents (Agents) disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of Flagship Minerals Limited and/or any of its Agents) for any loss or damage suffered by a Recipient or other persons arising out of, or in connection with, any use or reliance on this document or information.

APPENDIX 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of the Options will be \$0.12 (Exercise Price).

(c) Expiry Date

Each Option will expire at 5:00 pm (Sydney time) on the date that is two (2) years from the date of issue of the Options (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are not transferable.

APPENDIX 2 - ASX LISTING RULE CHAPTER 5. CLAUSES 5.10 TO 5.12.10 AND 5.22 (B) AND (C)

The estimates of Mineral Resources for the Pantanillo Norte deposit are considered qualifying foreign estimates under relevant ASX Listing Rules. The qualifying foreign estimates were reported in accordance with Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards and the National Instrument 43-101 (NI 43-101) by Orosur Mining Inc. (TSXV:OMI) on October 15, 2010 and filed on SEDAR. The qualifying foreign estimates were re-stated by Orosur in a NI 43-101 Technical report in support of a Preliminary Economic Assessment on October 15, 2012.

The categories of Mineral Resource classification used under the NI 43-101 and CIM Standards are 'qualifying foreign estimates' in accordance with Chapter 19, ASX Listing Rules and as per Chapter 5, ASX Listing Rule 5.12.2, have the same categories of Mineral Resource classification as the JORC Code (2012) (Appendix 5A, ASX Listing Rules), which are Measured, Indicated and Inferred categories.

Flagship deems these estimates to be both material and relevant given that Pantanillo demonstrates potential to be a material mining project to Flagship.

In accordance with CIM and NI 43-101 Standards, Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted to Ore Reserves. Additional drilling and associated work will be required to verify geology and mineralisation.

The procedures used in the preparation of the qualifying foreign estimates are considered to be reliable. The NI 43-101 and CIM (2010) Standards have very similar reporting criteria to those required in Sections 1, 2 and 3 of the JORC Code 2012 Table 1.

Key criteria, as defined in Table 1 of the JORC Code (2012) has been reviewed by Flagship.

The qualifying foreign estimate has been prepared and reviewed by persons defined as qualified persons as defined in the Canadian NI 43-101 standard. The qualified persons confirm that the estimates have been prepared in accordance with Canadian NI 43-101.

Modern exploration commenced in 1983 and has been conducted by Anglo American, Kinross Gold Corp. (Kinross), and Orosur. Work completed in the period to 2011 has included geological mapping, soil and rock geochemical surveys, trenching, reverse circulation (RC) and diamond core drilling, metallurgical testwork leading to Mineral Resource estimation.

From 1988 to 2010, approximately 20,531m in 78 holes were drilled on the property. These holes were used for the resource estimation. Programs were completed by Anglo American, Kinross and Orosur. Of these, 37 holes (10,909 m) were core holes, 48 holes (10,471 m) were RC, and one hole (700 m) was pre-collared using RC drilling, then drilled to final depth with diamond drilling (see Table 1)

Table 1. Drilling used in the foreign estimate of mineralisation.

Company	Year	Total Holes	Total (m)	Hole Type
Anglo American	1988	5	1,138	DD
EMMB*	1997-98	22	4,825	RC
Kinross	2006-08	12	5,955	DD
Kinross	2006	9	2,974	RC
Orosur	2010	19	3,785	DD
Orosur	2010	11	1,854	RC
Total		78	20,531	

Assumptions including mining and processing parameters are provided in the referenced NI 43-101 report. These are summarised below.

Mineral resources (see Table 2) are reported within a Lerchs-Grossman (LG)-optimized pit shell using Whittle® software with the following assumptions: a gold price of US\$ 1,035/oz; mining cost of US\$ 1.65/t; processing cost of US\$ 4.00/t; general and administration cost of US\$ 1.00 US/t. Based upon historical testwork, gold recoveries of 75% for oxide material, 65% for mixed (oxide/sulphide) material, and 50% for sulphide material.

Table 2. Foreign estimate of mineralisation

Type	Measured ⁴ (Mt)	Au (g/t)	Indicated ³ (Mt)	Au (g/t)	Inferred ³ (Mt)	Au (g/t)	Total (Mt)	Au (g/t)	Au (koz)
Oxide	19.81	0.72	1.75	0.55	0.10	0.39	21.66	0.70	487.5
Mixed	16.01	0.70	8.34	0.65	0.20	0.62	24.55	0.68	536.7
Sulphide	0.75	0.72	0.44	0.68	0	0	1.19	0.69	26.4
Total	36.57	0.71	10.53	0.64	0.30	0.53	47.40	0.69	1,050.6

Mining of the mineralised material is proposed by standard open pit mining methods of drill and blast, excavate, load and haul with final pit wall slopes averaging 45 degrees. The assumed model for development anticipates heap leach circuit recovery for all materials mined. Approximately 98% of the material mined and treated is classified as oxide (46%) or mixed (52%). The balance being sulphides.

The proposed plant would use conventional, tested technology and consist of the following unit operations: – Primary crushing to product size at P80 -25 mm, Transport by conveyor to secondary crushing, Transport by

⁴ These terms are used in the qualifying foreign estimate of mineralisation and are reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards and the National Instrument 43-101 (NI 43-101) by Orosur Mining Inc. (TSXV:OMI) on October 15, 2010, which are discussed further in Appendix 4, with specific reference to relevant sections of ASX Listing Rules Chapter 5.

conveyor to load out bin and reagent addition (lime), Transport and heap loading with trucks, Heap leaching with cyanide/solution recovery, Adsorption, desorption and recovery (ADR) and electrowinning (EW) plant.

Other assumptions made include: approvals of necessary permitting and environmental requirements will proceed without concern, water rights are sufficient for the operation. Locations for dumps, leach pads, processing and associated infrastructure are assumed base upon site topography and pit location.

Average density values for each mineralization unit were estimated from the density database provided by Orosur. Some determinations were excluded from the calculations due to apparent inconsistencies (anomalously low values, confusing classification, etc.).

Gold was estimated by using ordinary kriging (OK) estimation within modelled domains based on assay results and geological model. The grade estimation was completed in three passes. Hard contacts were assumed, so that samples were not shared across boundaries. Variograms defined a single-search orientation for all domains of the mineralized body, striking approximately 125° azimuth and dipping 60° southwest. The block model consists of regular blocks (10 m x 10 m x 10 m) and is rotated at 11.12 degrees azimuth. Gold grade inside and outside the 0.3 g/t Au grade shell were selected according to their position with respect to the grade-shell, lithology and mineralization units. The lithological, mineralization and grade-shell solids provided the support for the estimation domains. The three-dimensional block model was coded for lithology, mineralization and grade shell using the solids for each. Higher grades were given more restricted interpolation parameters to avoid grade smearing and potential overestimation.

Classification of Measured, Indicated and Inferred Mineral Resource to CIM definition standards is based on estimation passes within drill spacing parameters (see Table 3)

Table 3. Classification for foreign estimate of mineralisation

Category	No. of drillholes	Distance to closest sample (m)	Average weighted distance (m)
Measured	At least two	0-50	0-75
Indicated	At least two	50-100	75 to 100
Inferred	No restriction	No restriction	No restriction

There are no more recent estimates of the mineralisation for the Project.

In accordance with Chapter 5, ASX Listing Rule 5.12.7, key activities proposed to ensure the qualifying foreign estimate complies with the JORC Code (2012 Edition) will include: Detailed verification and validation of information contained in the NI 43-101 report, particularly information relating to the drillhole database including sampling and assaying QA/QC, verification re-sampling and assaying of available ½ drill-core and sample pulps, verification of location/survey data, improving the geological model relevant to the mineralisation, verification of density measurements applied to the different styles of mineralisation as well modelling of the oxide, mixed and fresh rock components of the mineralisation

The completion of additional diamond core drilling will be required to assist in validating the historical drill data that will be applied to a new Mineral Resource estimate. The application of updated modifying factors, such as metallurgical testwork on new drill core will assist in determining cut-off parameters. Pit optimisations may also be conducted on the new Mineral Resource leading to further technical studies to potentially define Ore Reserves. Assessments of environmental factors relevant to the project are also planned.

In accordance with Chapter 5, ASX Listing Rule 5.12.8, the work outlined above is anticipated to take approximately 2 years to complete. To fund the initial phase of this work Flagship is in discussions with relevant parties to complete an equity placement in April. Subject to commercial terms the Company intends to raise \$3 million.

Competent Person Statement

The Exploration Results and information in this announcement reported under Listing Rule 5.12 that relates to foreign estimates of mineralisation at the Pantanillos Project is based on and fairly represents information compiled by Mr David Hobby, and is an accurate representation of the available data and studies for the Project. Mr Hobby is a Member of the Australasian Institute of Mining and Metallurgy and is an employee and Executive Director of Flagship Minerals Limited. Mr Hobby has sufficient experience 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 the Reporting of Exploration Results and Mineral Resources, and Ore Reserves. Mr Hobby consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

References

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