FLAGSHIP MINERALS

Metals that Matter.

ASX Announcement | 11 September 2025

ANGLO DATASET YIELDS ADDITIONAL DOWN DIP OPPORTUNITY AT 1Moz+ PANTANILLO GOLD PROJECT, CHILE

Data review ongoing - Re-cutting published cross sections - robust down dip opportunities identified with many drill holes finishing in mineralisation

Flagship Minerals Limited (ASX:FLG) ("Flagship" or "the Company") is pleased to advise that its ongoing review of the recently secured Pantanillo dataset from Anglo American Norte SpA (Anglo) continues to yield exceptional outcomes, with robust widths and compelling down dip opportunities identified, with many holes finishing in mineralisation.

KEY POINTS

- Dataset facilitates fast-tracking conversion of **current 1.05Moz Au foreign estimate (QFE[1,2] NI 43-101)** to a Mineral Resource Estimate in accordance with the JORC Code 2012.
- Review identifies **mineralised zone up to 500m wide** and yields **exceptional down dip extension opportunities** supported by large intervals of gold mineralisation, continuing to support potential for significant MRE growth.
- **Many drill holes** with exceptional broad intercepts **end in mineralisation**, including:
  - 109.5m @ 1.18g/t Au from 148m (PNN-10-04DDH)
  - 81.2m @ 0.47g/t Au from 254m inc. 31.2m @ 0.89g/t Au from 304m (PNN-11-42DDH)
  - 177.9m @ 0.66g/t Au from 18m inc. 62m @ 0.97g/t Au from 30m (PNN-10-03DDH)
  - 152.8m @ 0.51g/t Au from 114m inc. 60.8m @ 0.82g/t Au from 206m (PNN-10-30DDH)
  - 48m @ 0.66g/t Au from 200m inc. 28m @ 0.92g/t Au from 202m (PNN-10-02DDH)
  - 75.4m @ 0.87g/t Au from 126m inc. 65.4m @ 0.97g/t Au from 136m (PNN-10-01DDH)
- Provides pathways for planned drilling aiming for **additional strike and down-dip MRE growth**.
- **Flagship continues to collate and validate drillhole data and supporting information for use in Mineral Resource estimation.**
- **Ongoing review of additional exploration data.**

[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%*".
[2] The Company is not in possession of any new information or data relating to the QFE that materially impacts on the reliability of the QFE or Flagship's ability to verify the QFE as Mineral Resources or Ore Reserves in accordance with Appendix 5 (JORC Code). Flagship also confirms that the supporting information provided in the initial market announcement in accordance with Listing Rule 5.12 continues to apply and has not materially changed.

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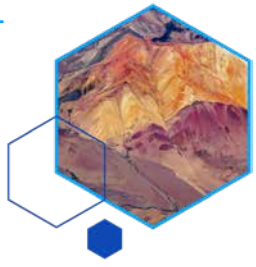

Flagship Minerals' Managing Director, Paul Lock, commented:

*"The Anglo American dataset for **Pantanillo continues to produce the goods**.*

*"Today's release focuses on cross sections 10580E, 10630E and 10730E, which are either side of CX 10680E, the cross section showing the block model previously released. What we are seeing are **many drillholes pulling up in mineralisation**, and the **grades and widths are exceptional**, with several drill holes showing high grade intersections finishing in mineralisation. PNN-10-04DDH on CX 10630E is a great example, with **109.5m @ 1.18g/t Au** from 148m to end of hole, as is PNN-10-01DDH on CX 10730E, with **65.4m @ 0.97g/t** from 136m to end of hole.*

*"This follows on from our previous release exhibiting **multiple long runs of +100 gram-metre intercepts** in oxide material — with outstanding results such as **116m at 1.5g/t** and **142m at 1.13g/t** gold, as well as **several +300m intersections at >0.50g/t gold**.*

*"These results further confirm Pantanillo's credentials as a **large, scalable heap leach opportunity** with **substantial strike and down dip extension potential**."*

Background

The project data acquired from Anglo is extensive and is comprised of over 700 folders, containing >10,000 individual files all of which totals over 32GB of data. Preliminary review shows the data and associated files are generally in good order. Flagship has elected to initially concentrate on the drillhole data associated with the QFE in order to expedite the preparation of a JORC (2012) Mineral Resource Estimate for the project.

The drillhole database contains 183 holes for a total of 30,370.2m of drilling and comprises 18,865 assayed samples across 29,848.5m of drilling. The bulk of this drilling has been conducted at Pantanillo Norte where 1.05Moz of Au @ 0.69g/t Au has been defined QFE of mineralisation. Flagship will use this drillhole data and other supporting information to prepare a JORC (2012) Mineral Resource estimate for the Pantanillo Norte deposit. Flagship has also acquired approximately 14,000m of diamond drill core from 48 holes drilled at Pantanillo Norte. This core, as well as a large amount assay pulps and reject samples from the previous diamond core and RC drilling are available for analysis.

Flagship has generated a new set of assay intersections from the drillhole data used in the QFE. The intersections are calculated at a lower cut-off of 0.15g/t Au, allowing for up 6m of internal dilution at <0.15g/t Au. Higher grade internal intersections were calculated at a 0.5g/t Au lower cutoff and allowed for up to 6m of internal dilution at <0.5g/t Au. These intersections are reported in Appendix 1 along with the drill collar data. Additional technical information is reported in Appendix 3 being Table 1 of the JORC Code (2012). Flagship consider a lower cutoff of 0.15g/t Au is more appropriate for the deposit type. This lower cutoff has also been adopted by other operators in the region for NI 43-101 Mineral Resource reporting.

Commentary and Results

Based on the revised intersection data in Table 2 of Appendix 1, Flagship has generated several previously unpublished cross sections throughout the deposit, along with a collar and block model plan.

Figure 1 shows the QFE block model at 4450mASL with drillhole collars. Three cross section lines - 10580E, 10630E and 10730E - are shown as Figures 2 to 4 respectively.

The sections indicate the mineralised zone can be interpreted to be approximately 500m wide. This is in line with the block model plan in Figure 1. The cross sections also indicate that many of the holes have ended in mineralisation, and that higher grade zones are generally open at depth and represent attractive drill targets, especially the down dip extensions in the central to eastern portions of the mineralised zone.

There is potential for the discovery of significant Mineral Resources in the areas discussed.

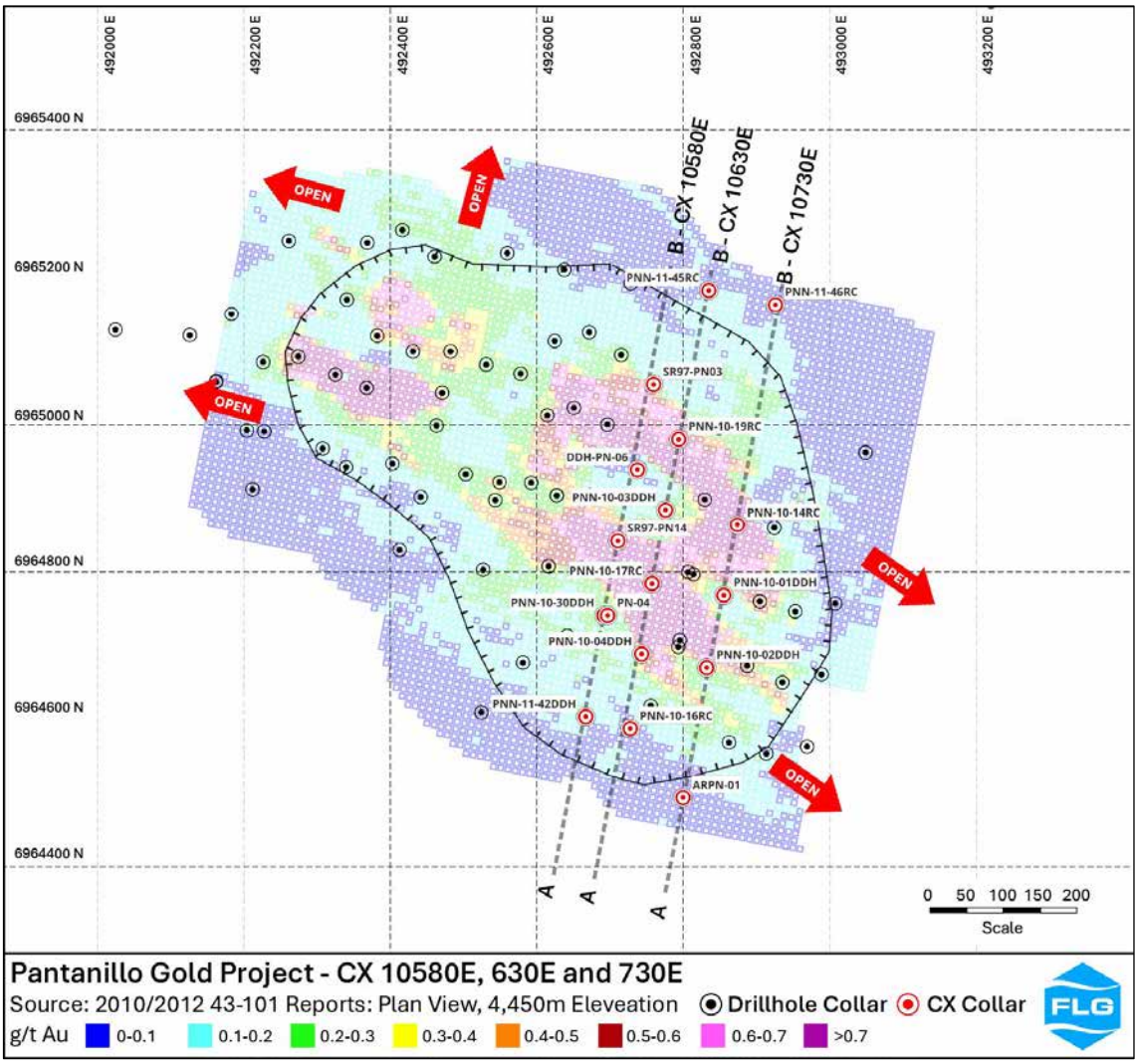

Figure 1: Pantanillo Gold Project - QFE block model at 4450mASL

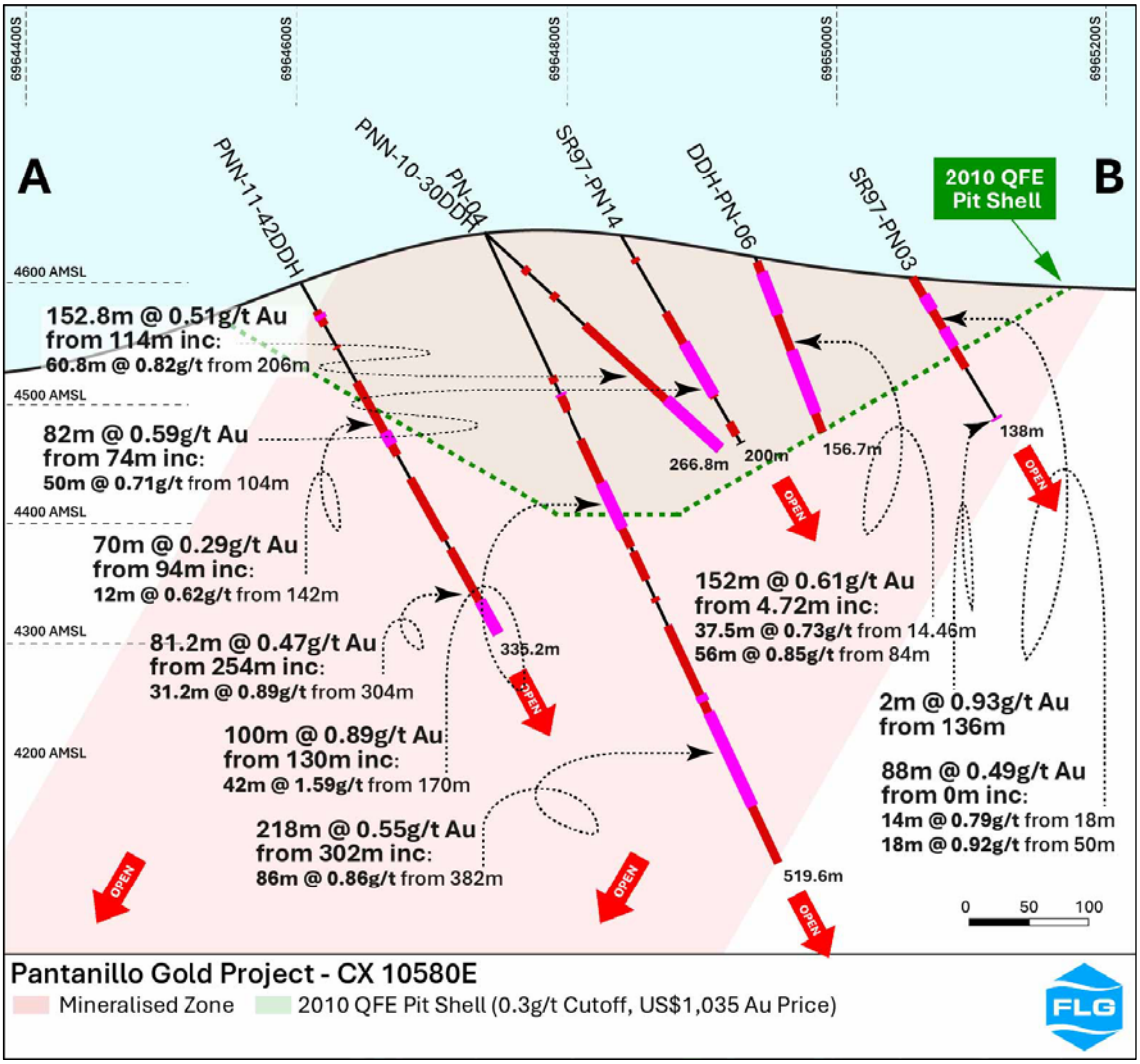

Figure 2: Pantanillo Gold Project - Cross Section 10580E

On the 10580E cross section, many of the holes have ended in mineralisation. There is potential for the higher grade zones to extend down-dip in the central and eastern portions of the mineralised zone. The entire mineralised zone is interpreted to be over 500m wide.

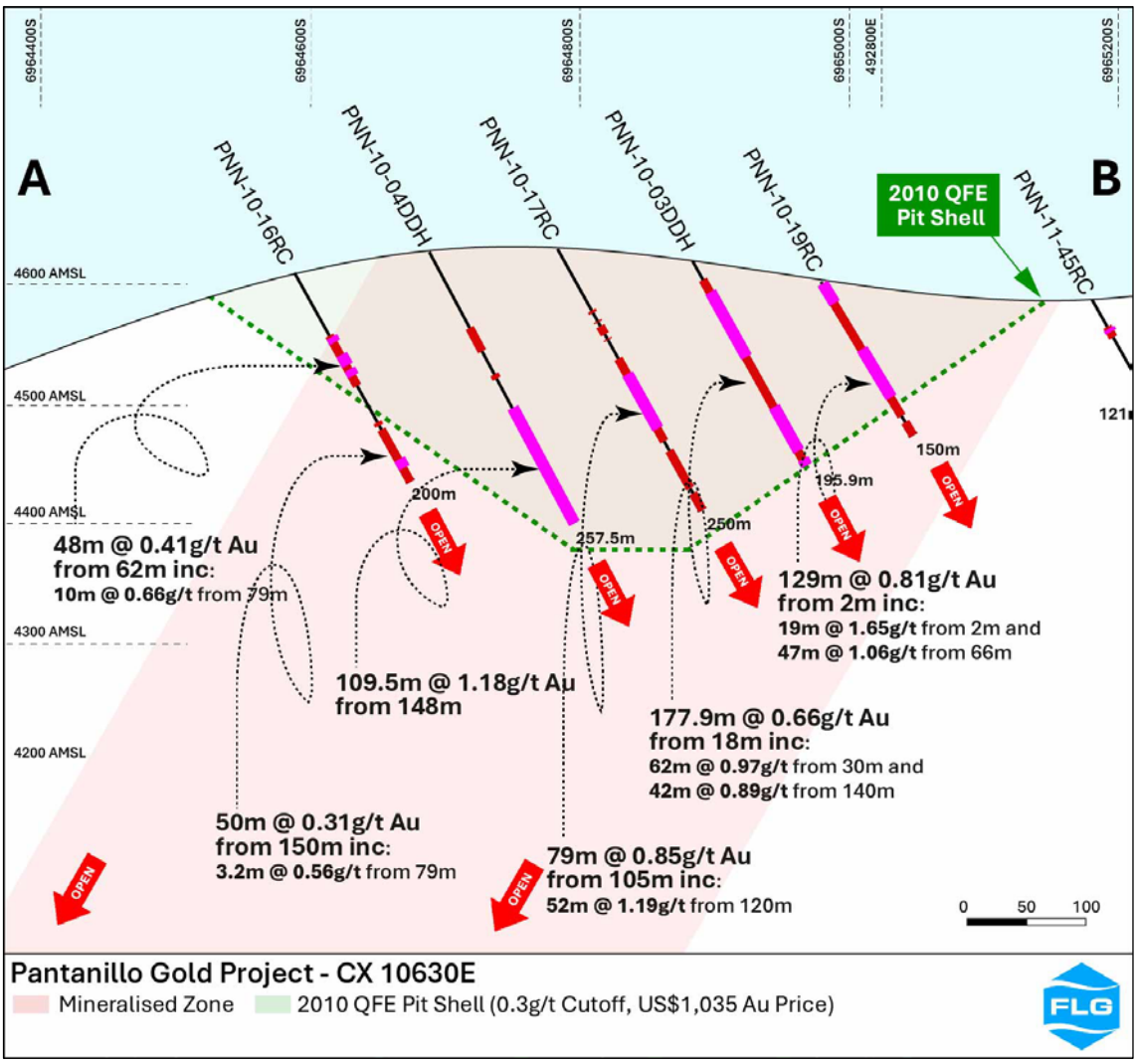

Figure 3: Pantanillo Gold Project - Cross Section 10630E

On the 10630E cross section all holes have bottomed in mineralisation. Down-dip extensions to the higher grade zone of 109.5m @ 1.18g/t Au in hole PNN10-04DDH represents a walk-up drill target in association with possible extensions to east beneath the other three holes. This higher grade down-dip target is interpreted to be greater than 250m wide and located in the central to eastern portions of the mineralised zone. The interpreted width of the whole mineralised zone on this section is approximately 500m.

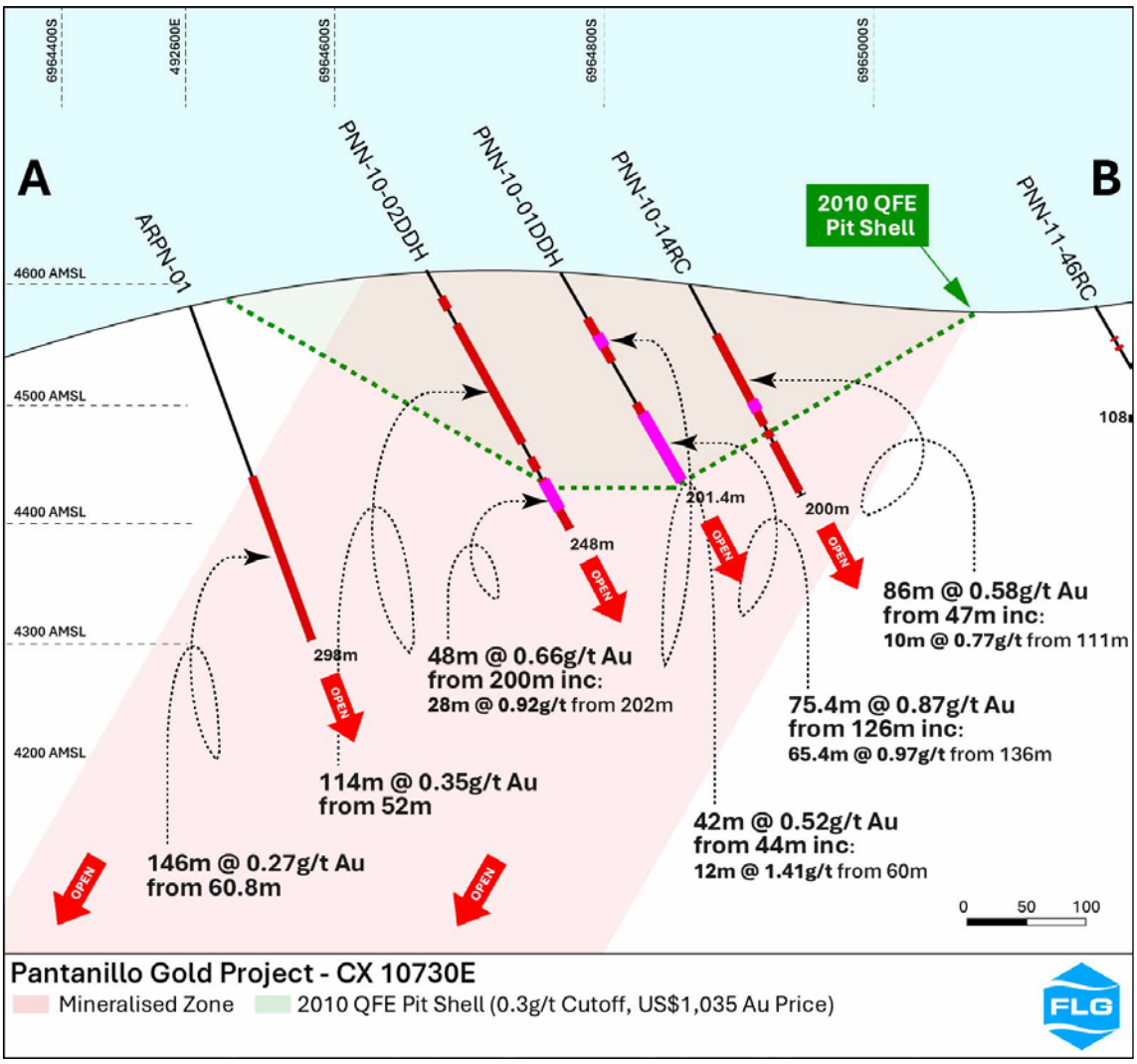

Figure 4: Pantanillo Gold Project - Cross Section 10730E

On Cross section 10703E all holes have again bottomed in mineralisation and there appears to be strong potential to extend the higher grade zones at depth, particularly below holes PNN10-01DDH and PNN-10-02DDH. The entire mineralised zone on this section can again be interpreted to be approximately 500m wide.

Strategy and Work Plan

Flagship's strategy for Pantanillo is to define sufficient Mineral Resources that will support considerations for project development consisting of open pit mining and heap leach processing with an aim to produce 100,000oz of gold per year for at least 10 years.

Initial work will focus on:

- **Converting and expanding** the existing QFE into a Mineral Resource Estimate reported in accordance with the **JORC Code (2012).** This will include validating existing drill data and, as required, additional re-sampling of drill core, confirmatory and infill drilling and other supporting technical work.
- **Advancing metallurgical testwork and project studies** to inform a robust techno-economic assessment.

The Pantanillo deposit has significant additional exploration potential for both oxide and higher-grade sulphide mineralisation. Oxide potential exists along strike to the north and south of the existing deposit (Pantanillo Norte) and the large alterations zones to the northwest at T1 and Pantanillo Central (T2), see Figure 4.

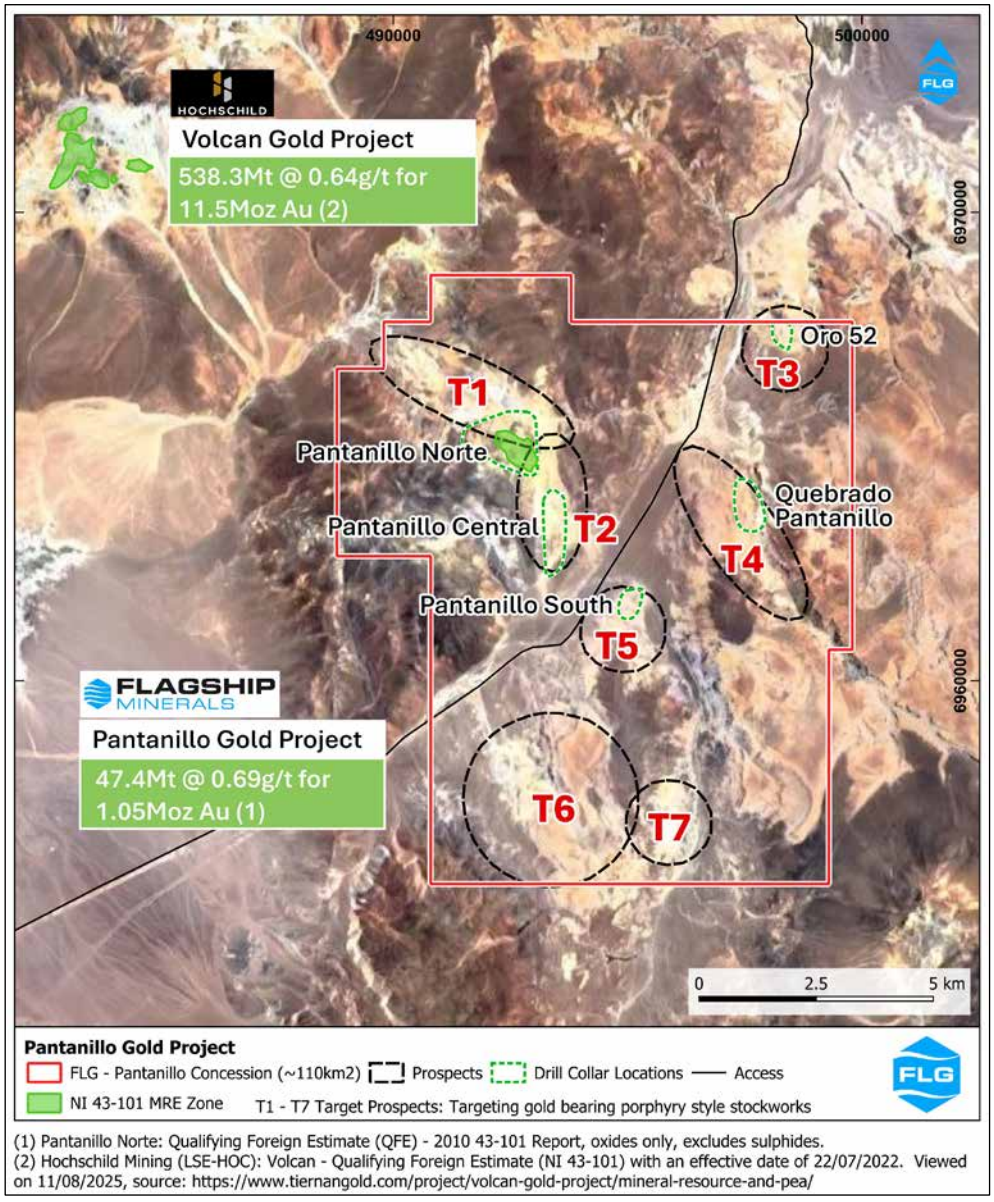

Figure 4: Pantanillo Gold Project – Local Setting and Prospects

Next Steps

Flagship intends to convert the current 1.05Moz Au foreign estimate into a Mineral Resource Estimate in accordance with the JORC Code 2012, and expects to increase the Mineral Resource without immediate drilling, leveraging the newly acquired data and updated economics.

This work will run in parallel with ongoing technical and permitting studies.

- Ends –

Authorised by the Chairman and Managing Director

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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

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Appendix 1 – Drill Collar Data and Assay Intersections

Table 1 - Drill Collar Data

HOLE ID	North WGS84	East WGS84	RL	EOH	Azimut	Dip
ARPN-01	6964491.42	492800.07	4584.058	298	0	-70
DDH-PN-06	6964938	492738	4605	156.72	11	-51
PN-04	6964739.08	492697.32	4651.647	519.6	20	-55
PNN-10-01DDH	6964766.29	492855.47	4609.145	201.4	11	-60
PNN-10-02DDH	6964668.05	492832.21	4611.621	248	13.1	-59
PNN-10-03DDH	6964883.17	492776.28	4611.129	195.9	14.2	-59
PNN-10-04DDH	6964686.55	492743.68	4635.233	257.5	13	-58
PNN-10-14RC	6964862.59	492874.03	4593.754	200	11	-58
PNN-10-16RC	6964585.42	492728.19	4618.137	200	10	-59
PNN-10-17RC	6964782.21	492757.82	4636.973	250	12	-60
PNN-10-19RC	6964979.42	492794.13	4594.448	150	14.4	-61
PNN-10-30DDH	6964739.08	492692.32	4651.647	266.8	13	-77.5
PNN-11-42DDH	6964601.52	492667.64	4603.26	335.2	171.1	-58.8
PNN-11-45RC	6965181.85	492835.09	4584.6	121	11.1	-59.7
PNN-11-46RC	6965162.48	492925.87	4577.85	108	11	-60
SR97-PN03	6965054.11	492759.97	4594.893	138	18	-61
SR97-PN14	6964840.51	492711.47	4641.029	200	14	-60

Table 2 - Assay Intersections

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
ARPN-01	152	298	146	0.27	39
DDH-PN-06	4.72	156.72	152	0.61	93
DDH-PN-06	14.46	52	37.54	0.73	27
DDH-PN-06	84	140	56	0.85	48
PN-04	88	104	16	0.80	13
PN-04	130	224	100	0.89	89
PN-04	170	212	42	1.59	67
PN-04	234	260	26	0.26	7
PN-04	302	519.6	218	0.55	120
PN-04	382	468	86	0.86	74

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
PNN-10-01DDH	136	201.4	65.4	0.97	63
PNN-10-02DDH	26	38	12	0.22	3
PNN-10-02DDH	52	166	114	0.35	40
PNN-10-02DDH	180	192	12	0.32	4
PNN-10-02DDH	200	248	48	0.66	32
PNN-10-02DDH	202	230	28	0.92	26
PNN-10-03DDH	18	195.9	177.9	0.66	117
PNN-10-03DDH	30	92	62	0.97	60
PNN-10-03DDH	140	182	42	0.89	37
PNN-10-04DDH	72	94	22	0.35	8
PNN-10-04DDH	148	257.5	109.5	1.18	129
PNN-10-14RC	47	133	86	0.58	50
PNN-10-14RC	111	121	10	0.77	8
PNN-10-14RC	138	145	7	0.19	1
PNN-10-14RC	149	196	47	0.27	13
PNN-10-16RC	60	108	48	0.41	20
PNN-10-16RC	79	89	10	0.66	7
PNN-10-16RC	150	200	50	0.31	16
PNN-10-16RC	179	187	8	0.56	4
PNN-10-17RC	105	186	79	0.85	67
PNN-10-17RC	120	172	52	1.19	62
PNN-10-17RC	193	229	136	0.25	34
PNN-10-17RC	234	250	16	0.45	7
PNN-10-17RC	241	249	8	0.58	5
PNN-10-19RC	2	131	129	0.81	104
PNN-10-19RC	2	21	19	1.65	31
PNN-10-19RC	66	113	47	1.06	50
PNN-10-19RC	137	150	13	0.23	3
PNN-10-30DDH	114	266.8	152.8	0.51	78
PNN-10-30DDH	206	266.8	60.8	0.82	50
PNN-11-42DDH	26	50	14.0	0.27	3.78
PNN-11-42DDH	30	34	4.0	0.90	3.60
PNN-11-42DDH	60	62	2.0	0.71	1.42
PNN-11-42DDH	94	164	70.0	0.29	20.30
PNN-11-42DDH	142	154	12.0	0.62	7.44

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
PNN-11-42DDH	186	246	60.0	0.26	15.60
PNN-11-42DDH	254	335.2	81.2	0.47	38.16
PNN-11-42DDH	304	335.2	31.2	0.89	27.77
PNN-11-45RC	26	36	10.0	0.27	2.70
PNN-11-45RC	28	31	3.0	0.53	1.59
PNN-11-46RC	31	33	2.0	0.52	1.04
PNN-11-46RC	39	42	3.0	0.27	0.81
SR97-PN03	0	88	88	0.49	43
SR97-PN03	18	32	14	0.79	11
SR97-PN03	50	68	18	0.92	17
SR97-PN14	74	156	82	0.59	48
SR97-PN14	104	154	50	0.71	36
SR97-PN14	180	192	12	0.31	4

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 minerlaisation.

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[3] (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

[3] 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.

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 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

https://www.sedarplus.ca/csfsprod/data102/filings/01503016/00000001/h%3A%5CD_Sedar%5CFortune%5CUruguay%5CPantanilloFINAL.pdf *November 23, 2009*

https://www.sedarplus.ca/csfsprod/data111/filings/01631911/00000002/v%3A%5COrosurMining-Uruguay%5CPressReleases%5COMI-PR-Pan43-101-Oct15-2010.pdf

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Appendix 3 - JORC Code, 2012 Edition – Table 1 Pantanillo drilling

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning 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.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Anglo American RC drilling acquired 2m RC split samples and 2m DD ½ core samples • Kinross RC drilling acquired 2m RC split samples and 2m DD ½ core samples Whole samples were crushed, and a 1kg split was pulverized. Samples assayed for Au by fire assay with 50g charge, and Cu, as well as cyanide soluble copper and cyanide soluble gold • Orosur drilling: 1m split RC samples, 2m ½ core DD samples. Samples assayed by 50g fire assay plus Cu and multielements by ICPAES.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Anglo was all RC drilling. Kinross drilled 5 ¾ inch RC and HQ diamond core. Orosur drilled 5 ½ inch RC and HQ3 diamond core
Drill sample recovery	• *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 due to preferential loss/gain of fine/coarse material.*	• No records for Anglo drilling. Kinross did not record RC recovery, Kinross stated HQ core recoveries >90% in all but two holes. • Orosur RC recoveries by weight estimated average recovery of 86%. Core recoveries from HQ3 stated as 93% average.
Logging	• *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*	• The quantity and quality of lithological and geotechnical data collected by the Kinross and Orosur personnel are sufficient to support Mineral Resource estimation in the opinion of the

Criteria	JORC Code explanation	Commentary
	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.*	QPs. All core was photographed. • All core was photographed and 100% of all intersections are assumed to be logged, as QP did not identify logging as an issue.
Sub-sampling techniques and sample preparation	• *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.*	• Anglo procedures are unknown • All ½ core samples were sawn on cut line • All RC samples were riffle split • Kinross RC and core samples were crushed to 100% <2mm, a 1kg sub-sample was split off and pulverized to 85% <0.075mm. QC procedures are unknown at this point. • Orosur RC and core samples were crushed to 100% <12mm with this sample split in half. One spit was crushed to 80% < 2mm with a spilit 500g sub-sample then pulverized to 85% <0.075mm. • For Orosur drilling field duplicates were inserted at 2.8% ratio. • In all cases sample sizes are considered appropriate
Quality of assay data and laboratory tests	• *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 the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Anglo American/EMMB methods are not documented, other than the analysis was conducted by GEOLABS. • Kinross samples assayed by ALS Chemex in La Serena for Au by method AA24, which is fire assay with 50g charge and AAS finish, and Cu by method AA61 which is four acid digestion and AAS finish). These would be considered total extraction. Cyanide soluble copper and cyanide soluble gold analysis were also performed, using 20g aliquot with AAS finish. These methods are considered partial. Kinross QA/QC during the 2006 drilling program, the QC program implemented by Kinross included the analysis of pulp duplicates with a frequency of one duplicate in 20 samples (5%). In 2007, blanks and three reference materials were also inserted at irregular frequencies, but the detailed QC data were not available to the QP. • During the 2008 drilling program, Kinross implemented a QC program consisting of the insertion of four SRMs (5.2%), pulp blanks (4.5%) and pulp duplicates (4.1%). AMEC processed the available QC data. The pulp duplicate error rate

Criteria	JORC Code explanation	Commentary
		was 2.5%, reasonable considering an acceptable duplicate error rate limit of 10%. Most SRM values were in control (only one outlier for one of the SRMs) and the bias values ranged between -0.3% and 3.6%. • Orosur samples assayed by ACME with 50g fire assay for gold with AAS finish plus ICPAES for copper and 33 other elements with 4-acid digestion. These methods considered total extraction for metals of interest. The Orosur QC protocol included the insertion of 425 control samples for 2,925 ordinary samples, as follows: 83 twin (and field duplicate) samples (2.8% average insertion rate), 185 pulp duplicates (6.3% average insertion rate), 99 coarse blanks (2.6% average insertion rate), and 80 reference material samples belonging to four standard reference materials (SRMs) prepared by CDN (2.7% average insertion rate). The programs did not include the resubmission of check samples to a secondary laboratory. • According to the QP, the QA/QC program results do not indicate any problems with the analytical programs and the data appear to be sufficiently precise and accurate for Mineral Resource estimation purposes. • Drill data were checked for the Anglo American program by resubmission of 100 Anglo pulps As a result of this resampling test, AMEC is of the opinion that the Anglo American assay data appear to be sufficiently precise and accurate for Mineral Resource estimation purposes. • A total of 16 drill samples from the Kinross 2006 program were subjected to independent FA assays in ALS Chemex and Acme using 50 g aliquots, and most of values gave only small differences from original assays.
Verification of sampling and assaying	• *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.*	• AMEC checked hard copy lab assay reports for gold against the assay 'database' provided by Orosur and found no material issues. • There is no discussion about twinned holes by AMEC. However, in the 2009 NI 43/101 does show an RC hole twinned with a diamond hole. The results of the same 50m interval in both holes showed a 238% grade increase from the RC to the DDH intersection, 0.99 to 2.38g/t Au respectively, However, a review of RC v DD

Criteria	JORC Code explanation	Commentary
		intersections would appear to indicate limited if any assay bias. • Orosur provided AMEC with Microsoft Excel® files with survey, assay and lithology data corresponding to Anglo American, Kinross and Orosur drilling campaigns. AMEC reviewed, completed and validated the available information, and prepared a comprehensive database, which was the basis for the current resource estimation. • AMEC performed a review of selected drill collar, down-hole survey, data, lithology records and assay data incorporated into Orosur's database. A review of potential contamination of the RC drill data was undertaken, in addition to a QA/QC review. • AMEC considers that a reasonable level of verification has been completed during the 2010 data review and no material issues would have been left unidentified from the verification programs undertaken. No problems with the database, sampling protocols, flowsheets, check analysis program, or data storage were identified that were sufficient to preclude the use of the database for estimation purposes.
Location of data points	• *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.*	• Collar surveys were performed for the Kinross and Orosur drill programs by registered surveyors using differential GPS equipment. No information is available on the collar survey methods for the Anglo American drilling. Down-hole survey methods included a gyroscope/accelerometer (Kinross programs) and Reflex down-hole dip and magnetic azimuth survey equipment (Orosur program). • All the project coordinates were subsequently transformed into the WGS-84 19S system from PSAD 56. • AMEC received a digital topography from Orosur as 5 m- and 10 m-spaced contour lines that were the product of photo-interpretation. AMEC imported the contour lines into GEMS® and compared the surveyed drill-hole collar elevations against the topographic surface, and found that significant differences did occur for all drill holes. with 60% of the differences above 10 m. AMEC updated portions of the topographic

Criteria	JORC Code explanation	Commentary
		surface using surveyed drill-hole collar elevations as a preliminary fix; however, AMEC recommends that a new digital topographic surface be generated to correct any problems and enable an accurate topographic clip to the block model.
Data spacing and distribution	• *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 estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drilling grid was approximately 50 m spaced sections with 50m-100m hole spacing. AMEC considered this adequate for the "resources' reported. • The nominal sample length for assays was 2 m, corresponding to 82.6% of total samples; 17.0% of the samples are less than 2 m long, and only 0.4% of the samples are longer than 2 m. For estimation purposes, the original assayed interval length was used to honour the grade-shell contacts and variability observed in the deposit.
Orientation of data in relation to geological structure	• *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.*	• Drill orientations are generally appropriate for the mineralisation style, and have been drilled at orientations that are optimal/near optimal for the orientation of mineralisation for the bulk of the deposit area. • Some holes were drilled in the opposite direction and are sub-parallel to the key mineralised structures. However, grades in these holes are not materially different to other holes drilled orthogonal to mineralisation on that cross section mor the block model grades..
Sample security	• *The measures taken to ensure sample security.*	• AMEC state, sample security appears to be appropriate for gold–copper porphyry deposits for the Anglo American and Kinross drill programs, and are appropriate for the 2010 Orosur drill program for the purposes of Mineral Resource estimation on the Pantanillo Norte deposit.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Independent data audits have been conducted, and indicate that the sample collection and database entry procedures are acceptable

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• The Pantanillo Project comprises 3 exploitation concessions corresponding to an area of 11,000 hectares the ("**Mining Rights**"). These Mining Rights are exclusively held by Compañía Minera Atahualpa SpA ("CMA"). The Concessions are GUILLERMO ANTONIO 1 AL 400, GABRIELA 1 AL 1000 and CECILIA 1 AL 950. Flagship has a 5-year Option agreement to acquire a 100% interest in the project or a total consideration of $US 12.6 Million. • The tenure is secure as long as annual fees and rents are paid to the Government. • Project development will require submission of a full Environmental Impact Statement (EIS). The Project is situated in an area of environmental significance and is adjacent the Nevado Tres Cruces National Park. Certain sectors are classed as Ramsar sites. An application to modify the Ramsar site boundaries was made in 2009. Consequently, any Project development activities will require consideration of endemic flora and fauna, wetlands, Astaburuaga River, the proximity of the Project to Nevado Tres Cruces National Park, its biological corridor and proposed buffer extensions.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• In the early 1980s, Anaconda conducted initial exploration activities on the project; however, no details were available on these programs. Modern exploration has been conducted by Anglo American, Kinross, and Orosur Mining Inc. Work completed in the period 1983 to 2011 has included geological mapping, soil and rock geochemical surveys, trenching, Quickbird topography, reverse circulation (RC) and core drilling, ground magnetics, Mineral Resource estimation, metallurgical testwork and project studies . In the opinion of the AMEC QPs, the exploration programs completed to date are appropriate to the style of mineralisation within the project. The Pantanillo deposit may have

Criteria	JORC Code explanation	Commentary
		additional exploration potential for sulphide mineralization down-dip to the southwest, and below the ignimbritic cover in the southeast. Other prospects in the project area also need follow-up. Much of this data has not been seen by Flagship.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Maricunga belt represents a 200 km long by 50 km wide metallogenic district, located along a NNE-SSW-trending chain of Upper-Oligocene to Mid-Miocene age andesitic to dacitic volcanoes running along the Argentine-Chile border. The volcanoplutonic arc developed on a Pennsylvanian to Triassic basement composed of granitoids and intermediate to silicic volcanic rocks, overlain by Mesozoic to early Tertiary continental volcanic and clastic rocks. Subsequent erosion of late Tertiary volcanoes exposed the frequently hydrothermally altered sub-volcanic porphyry stocks The overall geological setting of the Maricunga belt corresponds to compounded, interfingering, discontinuous and texturally highly variable strato-volcanic accumulations. Although active volcanism is present in Northern and Southern Chile, there is no 'recent' volcanic activity in the Maricunga belt. • The Property is located in the central part of the Maricunga Belt, directly between the Maricunga Mine (Ex-Refugio) and the Marte-Lobo project, both owned and operated by Kinross. The Maricunga Belt hosts numerous porphyry and epithermal style Au and Au-Cu style deposits. • The Pantanillo gold deposit is over 850m long and between 200m-600m wide and remains open along strike and down-dip. The mineralised zone strikes NE-SW and dips at 30-45 deg to the southwest Mineralisation is hosted in weathered and altered andesitic porphyry with sheeted and stockwork quartz veins. Oxide zones contain kaolinite, alunite, with limonite/goethite and hematite after pyrite. Fresh rock has a chlorite +/- magnetite +/- pyrite +/- quartz alteration assemblage, with denser vein swarms, local breccia zones and late quartz-alunite veins hosting mineralisation, commonly with higher gold grades.

Criteria	JORC Code explanation	Commentary
		•
Drill hole Information	• *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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *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.*	• Drill hole information is provided in the document
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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.*	• The drillhole intersections are weighted averages reported at downhole widths. The basis of reporting the intersections is not stated. However, it is fair to assume a lower cutoff of around 0.30g/t Au (maybe allowing for some internal dilution) has been used to generate the broader intersections, with contained higher grade zones also being reported at maybe>=0.5g/t Au. Examples of these intersections are shown in the document. • Thebulk intersection reported hole ARDDH-PN02 is reported at a 0.1g/t AU cutoff allowing for 3m of internal dilution.
Relationship between mineralisation widths and intercept lengths	• *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 (eg 'down hole length, true width not known').*	• Mineralized zone over 850 m long and strikes in a 300 degree direction and is 200-600 m wide, dipping 30° to 45° to the southwest. The drilling is generally oriented between 0 and 20 degrees or N-NNE. Hole dips are generally 60 degrees, some slightly steeper and shallower. Most of the mineralised intersections are estimated to be approximately75-90% of true width.
Diagrams	• *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 collar locations and appropriate sectional views.*	• Cross sections and a level plan are shown in the report as Figures 2 to 6. • Drill intersections are reported on the Cross sections in the document

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *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.*	• All data currently available to the Company that relates to drilling has been reported most of which is available in the Ni43/101 reports that are referenced in the document, with links provided.
Other substantive exploration data	• *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.*	• The drilling data and QFE reported is supported by metallurgical testwork of drill samples which have indicated much of the mineralisation is amenable to heap leach treatment after crushing to 80% -25mm. Bulk density measurements have been performed and sufficient drill core has been geotechnically logged. An assessment of copper and arsenic has been undertaken as potentially deleterious or contaminating substances. No material issues were identified.
Further work	• *The nature and scale of planned further work (eg 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.*	• 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 maybe 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.