FLAGSHIP MINERALS

Metals that Matter.

ASX Announcement | 03 September 2025

FLAGSHIP COMMENCES REVIEW OF ANGLO DATASET AT 1Moz+ PANTANILLO GOLD PROJECT, CHILE

Data confirms large oxide system - Re-cutting published cross sections with exceptional grades and scale - Multiple +100 gram/meter intersections

Flagship Minerals Limited (ASX:FLG) ("Flagship" or "the Company") is pleased to confirm that its initial review of the recently purchased Pantanillo dataset from Anglo American Norte SpA (Anglo) confirms that it is in good order and comprises over 700 files containing >10,000 documents. This is accompanied by over 100 tonnes of core, pulps and sample.

KEY POINTS

- Dataset facilitates fast-tracking conversion of **current 1.05Moz Au foreign estimate (QFE[1,2] NI 43-101)** into a Mineral Resource Estimate in accordance with the JORC Code 2012.
- **Data confirms and enhances large intervals of gold mineralisation,** confirming potential for significant MRE growth.
- **Exceptional broad intercepts from re-cut drill results include**
  - 193m @ 1.01g/t from 28m inc. 116m @ 1.50g/t Au from 86m (SR97PN12)
  - 142m @ 1.13g/t Au from 310m inc. 86m @ 1.54g/t Au from 348m (PN-08)
  - 320.3m @ 0.62g/t Au from 126m inc. 116m @ 1.03g/t Au from 134m (PN-02)
  - 317.5m @ 0.60g/t Au from 206m inc. 74m @ 1.18g/t Au from 376m (PN-06)
  - 300.6m @ 0.54g/t Au from 166m inc. 64m @ 0.92g/t Au from 288m (PN-10)
  - 493m @ 0.53g/t Au from 9m inc. 158m @ 0.86g/t Au from 52m (PN-03)
- **The top 20 drill intersections average 205m @ 0.65g/t Au**
- **Flagship collating and validating drillhole data and supporting information for use in Mineral Resource estimation**
- **Additional exploration data also being reviewed**

[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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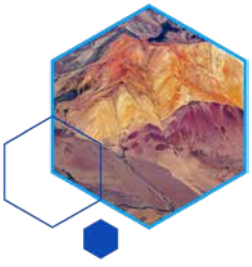


Flagship Minerals' Managing Director, Paul Lock, commented:

"The acquisition of Anglo American's dataset is a game-changer for Flagship.

"With a dataset comprising over 700 files containing >10,000 documents, and accompanied by over 100 tonnes of core, pulps and sample, we're now in the process of re-evaluation, including the updated drill intercepts herein.

"What we're seeing are ***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****. This confirms Pantanillo's credentials as a large, scalable heap leach opportunity.*

"With the full dataset in hand, we're now in a strong position to fast track conversion of the current 1.05Moz foreign estimate to a JORC Mineral Resource and, with adjusted cut-off grades and updated economics, we expect to bring in additional ozs without additional drilling.

"At a time when global interest in gold is rising, and with gold breaking US$3,600/oz, a record high, Flagship is positioned very well with an advanced gold project which is doable and which is located in a neighbourhood demonstrating low capital intensity and AISC outcomes."

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). The hitherto reported intersections by Flagship are intersections reported by previous explorers using a lower cutoff of 0.30g/t Au. 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.

Using the lower grade cutoff parameters, the top 20 drillhole intersections based upon gold grade multiplied by intercept thickness (gram x metres) are reported in Table 1 below. The 20 holes represent approximately 30% of total drilling conducted on the deposit. From the data in Table 1 the average thickness of these intersections is 205m with an average grade of 0.65g/t Au or 133 g x m.

Table 1. Pantanillo Norte-Drill intersections >100 g x m

Hole-ID	From (m)	To (m)	Intercept (m)	Au (g/t)	Au gxm
ARDDHPN-02	404	700*	296	0.56	166
ARDDHPN-02	*562*	*700*	*138*	*0.75*	*104*
DDH-PN-02	54	243	189	0.56	106
DDH-PN-10	150	286	136	0.73	100
PN-02	126	446.3*	320.3	0.62	199
PN-02	*134*	*250*	*116*	*1.03*	119
PN-03	9	502*	493	0.53	261
PN-03	*52*	*210*	*158*	*0.86*	*136*
PN-04	302	519.6	218	0.55	120
PN-06	206	523.5	317.5	0.60	191
PN-08	142	248	106	0.93	100
PN-08	310	452	142	1.13	160
PN-08	*348*	*434*	*86*	*1.54*	132
PN-09	310	496	186	0.63	117
PN-10	166	466.6*	300.6	0.54	162
PNN-10-03DDH	18	195.9	177.9	0.66	117
PNN-10-04DDH	148	257.5	109.5	1.18	129
PNN-10-06DDH	4	196.6	192.6	0.63	121
PNN-10-18RC	58	200	142	0.74	105
PNN-10-19RC	2	131	129	0.81	104
SR97-PN04	42	250*	208	0.62	129
SR97-PN05	6	194	188	0.76	143
SR97-PN12	28	221*	193	1.01	195
SR97-PN12	*86*	*202*	*116*	*1.50*	174
SR97-PN16	56	200*	144	0.81	117
SR97-PN17	58	228*	170	0.70	119

'' means: End Of Hole (EOH); '**gxm**' means: grams Au x meter*

Based on the revised intersection data in Table 1 Flagship had re-generated several previously published cross sections through the deposit, along with a collar and block model plan. These are shown as Figure 1 to 5 below.

Figure 1 shows the QFE block model at 4450mASL, the drillhole collars and the four cross sections 10090E, 10200E, 10265E and 10680E shown as Figures 2-5 respectively.

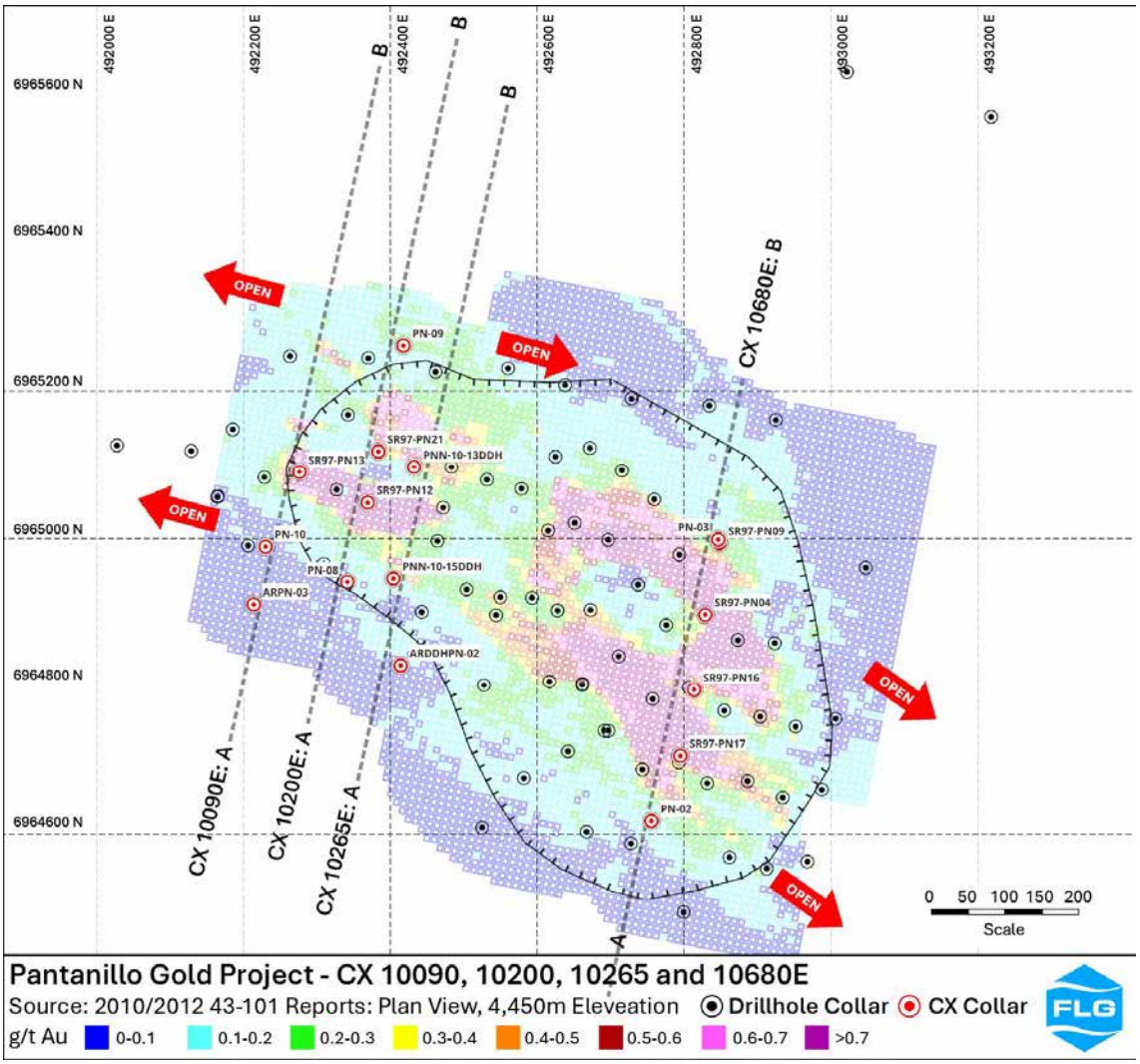


Figure 1: Pantanillo Gold Project - QFE block model at 4450mASL

Figure 2, Cross Section 10090E

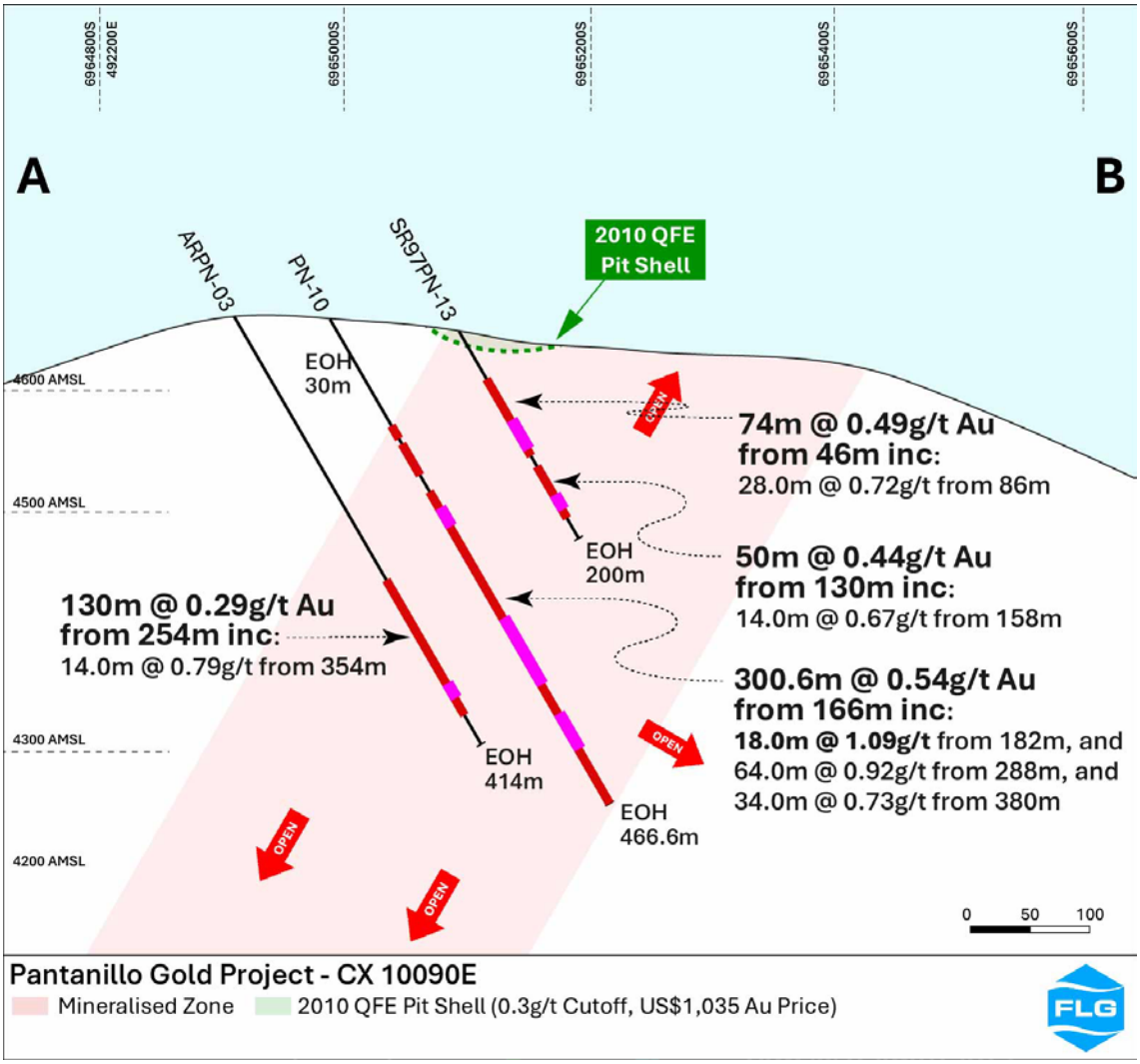


Figure 2: Pantanillo Gold Project - Cross Section 10090E

Figure 3. Cross Section 10200E

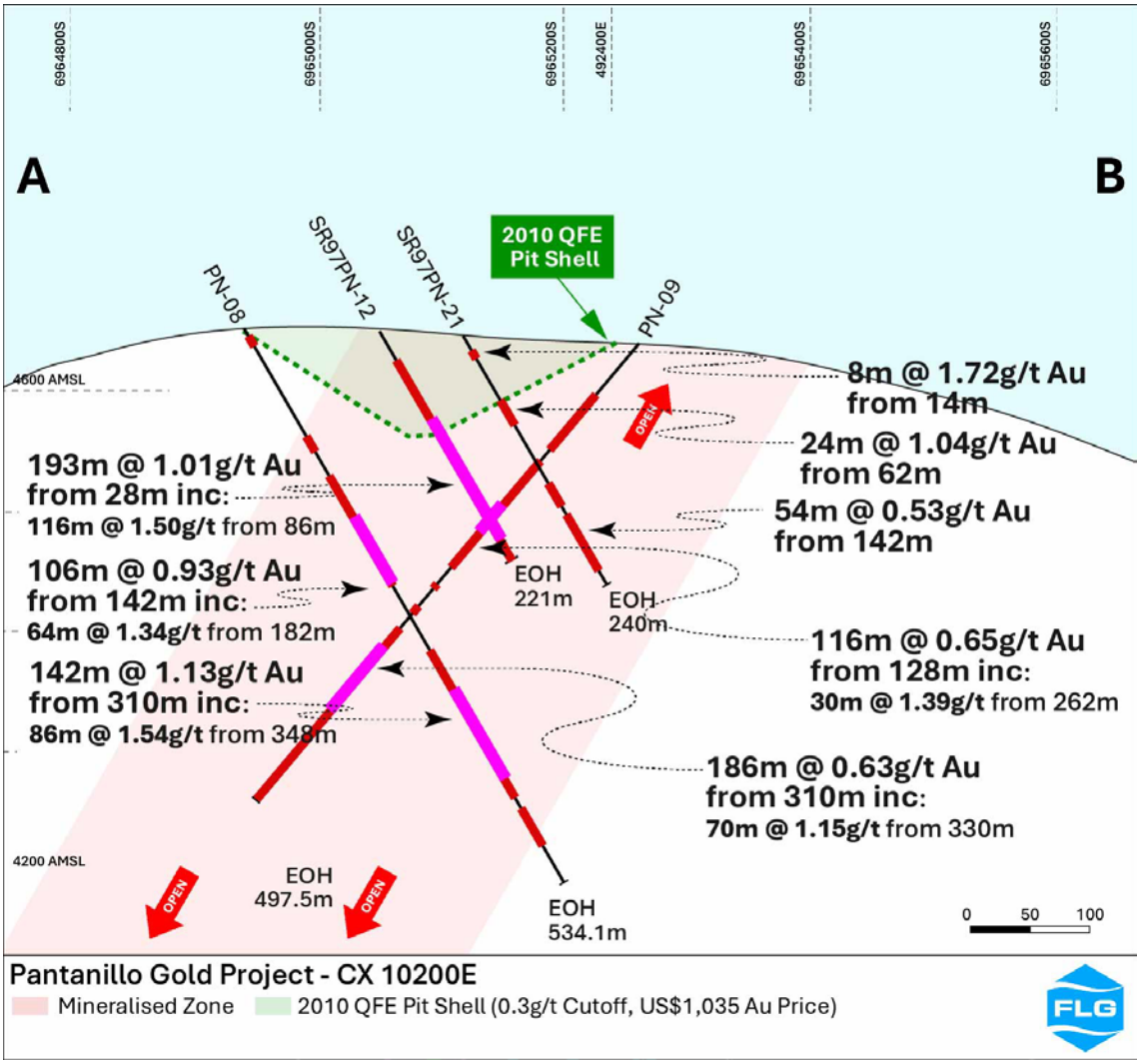


Figure 3: Pantanillo Gold Project - Cross Section 10200E

Figure 4 Cross Section 10265E

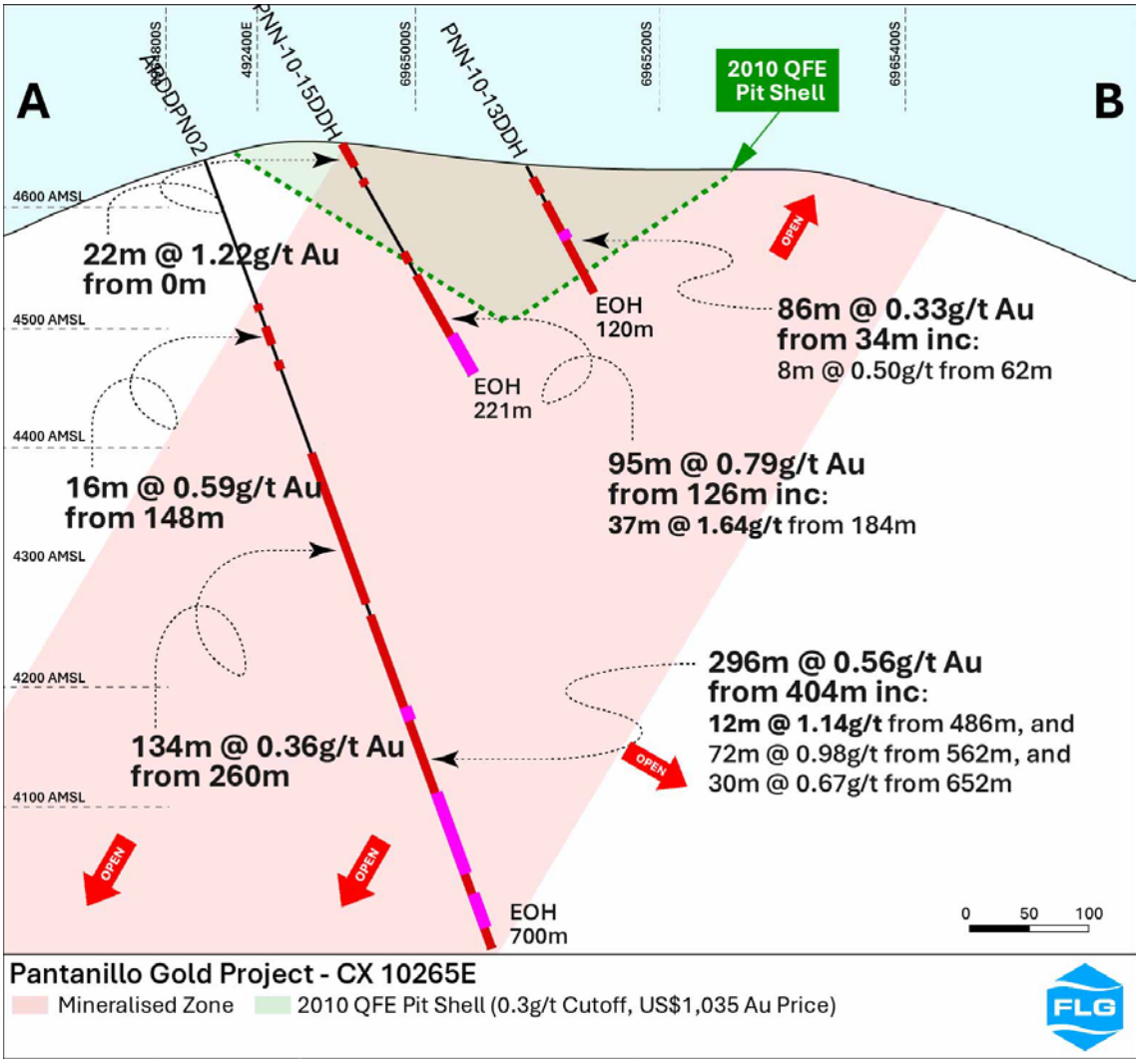


Figure 4: Pantanillo Gold Project - Cross Section 10265E

Figure 5 Cross Section 10680E

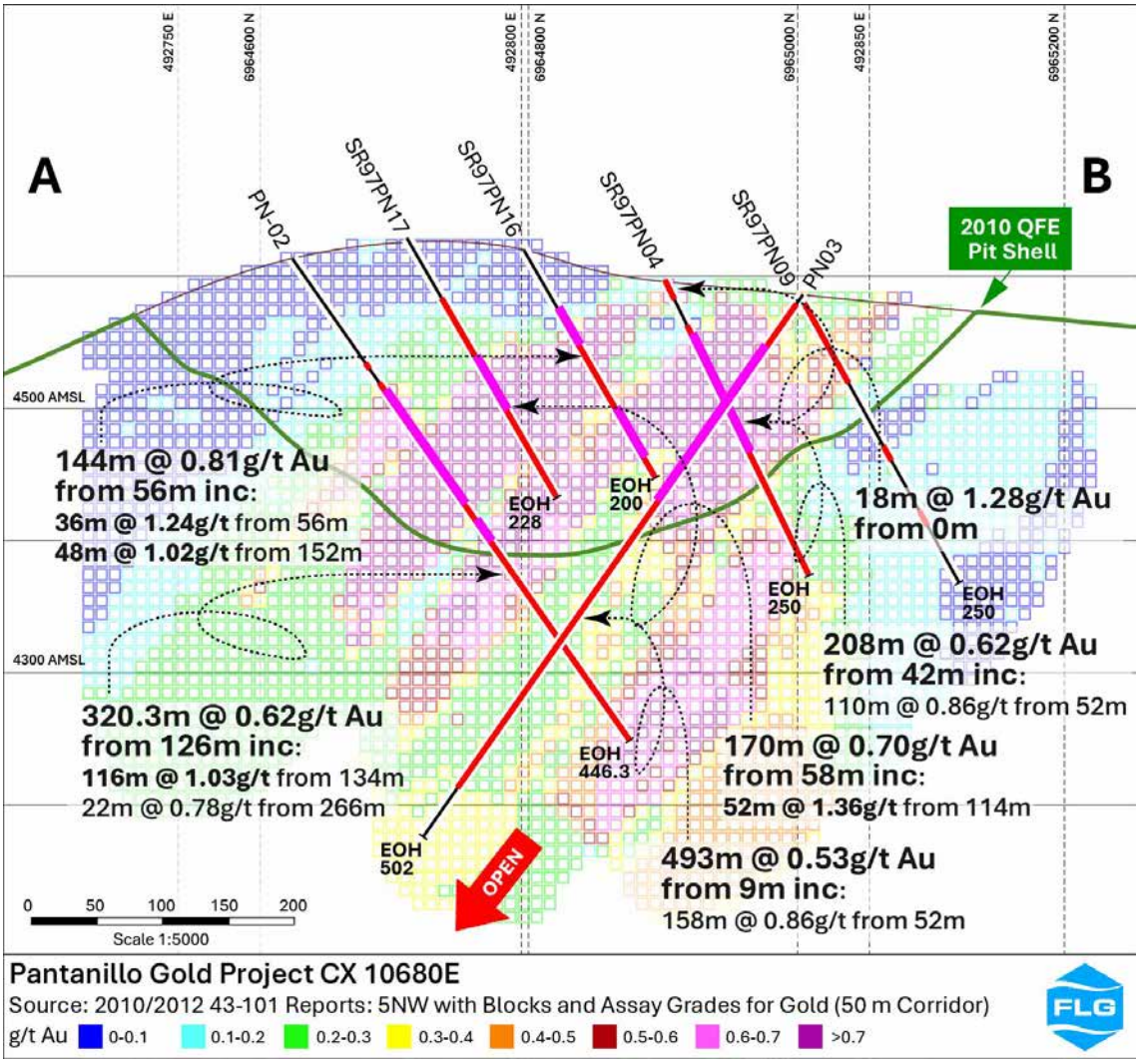


Figure 5: Pantanillo Gold Project - QFE Block Model Cross Section 10680E

Strategy and Work Plan

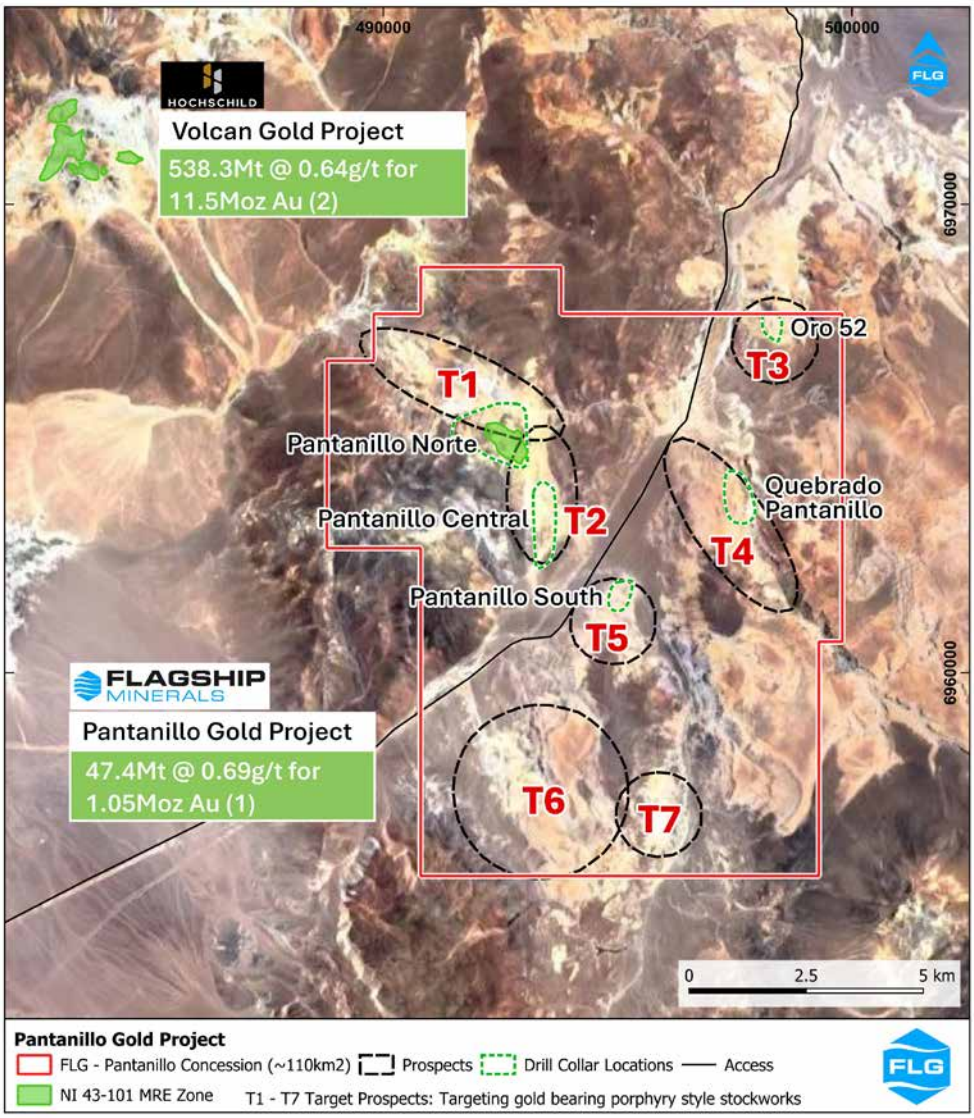
Flagship's strategy for Pantanillo is to define sufficient Mineral Resources that will support considerations for project development consisting of open pit mining and heap leach processing with an aim to produce 100,000oz of gold per year for at least 10 years.

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 6.



(1) Pantanillo Norte: Qualifying Foreign Estimate (QFE) - 2010 43-101 Report, oxides only, excludes sulphides.
(2) Hochschild Mining (LSE-HOC): Volcan - Qualifying Foreign Estimate (NI 43-101) with an effective date of 22/07/2022. Viewed on 11/08/2025, source: https://www.tiernangold.com/project/volcan-gold-project/mineral-resource-and-pea/

Figure 6: 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.

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Appendix 1 – Drill Collar Data and Assay Intersections

Drill Collar Data

HOLE ID	North WGS84	East WGS84	RL	EOH	Azimut	Dip
PNN-10-01DDH	6964766.293	492855.473	4609.145	201.4	11	-60
PNN-10-02DDH	6964668.048	492832.208	4611.621	248	13.1	-59
PNN-10-03DDH	6964883.165	492776.279	4611.129	195.9	14.2	-59
PNN-10-04DDH	6964686.552	492743.684	4635.233	257.5	13	-58
PNN-10-05DDH	6964803.226	492661.841	4651.268	238	12.4	-59.9
PNN-10-06DDH	6964999.426	492697.096	4607.654	196.6	8	-60
PNN-10-07RC	6964551.214	492913.38	4579.965	223	16.3	-60
PNN-10-08DDH	6965012.089	492615.215	4619.909	200	11	-60
PNN-10-09DDH	6965112.605	492625.204	4610.682	150.15	12	-58
PNN-10-10DDH	6964931.734	492504.049	4642.261	150	13.3	-60.7
PNN-10-11RC	6964744.653	492952.855	4587.239	200	10	-59
PNN-10-12DDH	6965080.873	492531.874	4625.483	158.5	13.9	-60.8
PNN-10-13DDH	6965098.387	492432.253	4634.484	120	13	-62
PNN-10-14RC	6964862.593	492874.029	4593.754	200	11	-58
PNN-10-15DDH	6964946.588	492404.144	4651.022	221	9.4	-60.5
PNN-10-16RC	6964585.416	492728.188	4618.137	200	10	-59
PNN-10-17RC	6964782.208	492757.819	4636.973	250	12	-60
PNN-10-18RC	6964903.751	492672.997	4632.781	200	12	-60
PNN-10-19RC	6964979.422	492794.127	4594.448	150	14.4	-61
PNN-10-20RC	6965093.578	492715.829	4599.592	100	17.9	-63
PNN-10-21DDH	6964967.05	492309.211	4653.804	218.5	15.6	-61.6
PNN-10-22DDH	6965067.291	492326.614	4644.231	175.1	13.9	-61
PNN-10-23RC	6965042.777	492471.961	4636.762	150	11	-60
PNN-10-24RC	6965169.513	492342.13	4635.951	150	12.3	-60.3
PNN-10-26DDH	6965084.244	492228.092	4646.552	150	12.1	-60
PNN-10-27DDH	6964920.281	492593.251	4635.64	250	10	-63
PNN-10-28DDH	6964648.085	492935.339	4585.159	240	10.3	-60.4
PNN-10-29DDH	6964801.36	492661.81	4651.814	147.1	162.3	-90
PNN-10-30DDH	6964739.082	492692.32	4651.647	266.8	13	-77.5
SR97-PN01	6965069.761	492625.5435	4610	250	3	-64
SR97-PN02	6965116.002	492552.7162	4615	204	010.1	-62
SR97-PN03	6965101.575	492734.2732	4591	138	18	-61

HOLE ID	North WGS84	East WGS84	RL	EOH	Azimut	Dip
SR97-PN04	6964944.547	492803.794	4592	250	014.3	-64
SR97-PN05	6964805.165	492878.8064	4592	250	015.7	-70
SR97-PN06	6964705.985	492963.0212	4575	250	012.6	-62
SR97-PN07	6965045.196	492437.6043	4636	250	020.1	-55
SR97-PN08	6964905.385	492898.4892	4582	204	010.9	-60
SR97-PN09	6965042.177	492822.8913	4582	250	012.6	-61
SR97-PN10	6965008.814	493023.1582	4558	200	013.6	-59
SR97-PN11	6964607.805	492943.4291	4568	250	012.5	-60
SR97-PN12	6965082.499	492338.6211	4642	221	008.9	-60
SR97-PN13	6965139.297	492249.3516	4638	200	011.3	-60
SR97-PN14	6964887.458	492685.3424	4637	200	14	-60
SR97-PN15	6965197.265	492157.9382	4644	187	013.9	-60
SR97-PN16	6964850.036	492786.0984	4617	200	014.2	-58
SR97-PN17	6964752.246	492769.417	4621	228	016.5	-60
SR97-PN18	6964717.783	492861.5231	4592	226	016.8	-60
SR97-PN19	6964943.167	492517.9848	4640	246	0	-90
SR97-PN20	6965145.566	492456.6851	4624	192	003.9	-58
SR97-PN21	6965167.111	492356.7703	4631	240	015.4	-60
SR97-PN22	6964802.906	492983.4214	4578	190	0	-59
ARDDHPN-02	6964873.611	492386.1337	4664	700	0	-70
ARPN-01	6964533.62	492774.1254	4597	298	0	-70
ARPN-03	6964956.604	492186.1472	4670	414	20	-60
ARPN-09	6964600.617	492539.1353	4591	312	25	-60
DDH-PN-01	6965167.701	492649.2916	4600.32	245.63	10.4	-50
DDH-PN-02	6964951.715	492604.7063	4630.62	243.03	010.8	-50
DDH-PN-03	6964723.842	492559.1315	4622.17	247.33	010.9	-51
DDH-PN-05	6964968.562	492527.418	4633.88	244.78	10	-53
DDH-PN-06	6964984.409	492715.6706	4601.26	156.72	11	-51
DDH-PN-10	6965045.606	492364.1338	4644	415.6	10	-60
DDH-PN-16	6964800.616	492934.1278	4617	297	15	-60
PN-01	6964609.365	492842.7803	4591.76	427	16	-55
PN-02	6964657.995	492735.8894	4621.05	446.3	015.8	-55
PN-03	6965042.627	492827.6904	4586.1	502	185.7	-55
PN-04	6964780.78	492677.7727	4651.1	519.6	20	-55
PN-05	6964847.936	492597.1613	4654.37	435.3	16	-55

HOLE ID	North WGS84	East WGS84	RL	EOH	Azimut	Dip
PN-06	6964837.798	492501.5096	4667.81	523.5	15	-55
PN-07	6964942.407	492422.6298	4651.74	540	011.2	-60
PN-08	6964983.849	492320.8184	4655.42	534.1	14	-60
PN-09	6965306.903	492398.0572	4635	497.5	189.5	-50
PN-10	6965037.098	492222.8165	4663.27	466.6	15	-60

Assay Intersections

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
ARDDHPN-02	148	164	16	0.59	9
ARDDHPN-02	178	186	8	0.19	2
ARDDHPN-02	260	394	134	0.36	48
ARDDHPN-02	404	700*	296	0.56	166
ARDDHPN-02	486	498	12	1.14	14
ARDDHPN-02	562	700*	138	0.75	104
ARPN-01	152	298	146	0.27	39
ARPN-03	264	394	130	0.29	38
ARPN-03	354	368	14	0.79	11
ARPN-09	28	38	10	0.65	7
ARPN-09	126	156	30	0.27	8
ARPN-09	168	226	58	0.20	12
ARPN-09	240	312	72	0.35	25
ARPN-09	282	292	10	0.63	6
DDH-PN-01	24	64	40	0.28	11
DDH-PN-01	179	186	7	0.28	2
DDH-PN-02	54	243.03	189	0.56	106
DDH-PN-02	104	116	12	0.62	7
DDH-PN-03	0.75	8	7.25	0.59	4
DDH-PN-03	24.18	66	41.82	0.28	12
DDH-PN-03	132	247.33	115.33	0.39	45
DDH-PN-03	158	242	84	0.87	73
DDH-PN-05	68	92	24	0.16	4
DDH-PN-05	164	184	20	0.18	4
DDH-PN-05	222	244.78	22.78	0.24	5

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
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
DDH-PN-10	40	130	90	0.96	86
DDH-PN-10	44	54	10	1.00	10
DDH-PN-10	72	129	57	1.22	70
DDH-PN-10	150	286	136	0.73	100
DDH-PN-10	170	188	18	1.98	36
DDH-PN-10	196	216	20	0.70	14
DDH-PN-10	228	266	38	0.79	30
DDH-PN-10	296	304	8	0.78	6
DDH-PN-10	316	406	90	0.30	27
DDH-PN-10	318	342	24	0.44	11
DDH-PN-16	68	96	28	2.03	57
DDH-PN-16	148	168	20	4.48	90
PN-01	54	80	26	0.35	9
PN-01	92	140	48	0.32	15
PN-01	92	374	282	0.34	96
PN-01	98	108	10	0.50	5
PN-01	164	192	28	0.52	15
PN-01	296	316	20	0.68	14
PN-01	384	400	16	0.18	3
PN-02	126	446.3*	320.3	0.62	199
PN-02	134	250	116	1.03	119
PN-02	266	288	22	0.78	17
PN-03	9	502*	493	0.53	261
PN-03	52	210	158	0.86	136
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
PN-05	30	38	8	1.53	12
PN-05	94	106	12	0.37	4

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
PN-05	124	258	135	0.55	74
PN-05	292	435.3	143.3	0.45	64
PN-05	360	398	38	0.61	23
PN-06	178	198	20	0.34	7
PN-06	206	523.5	317.5	0.60	191
PN-06	336	368	32	1.18	38
PN-06	376	450	74	1.18	87
PN-07	36	44	8	0.16	1
PN-07	52	62	10	0.45	5
PN-07	104	338	234	0.28	66
PN-07	158	170	12	0.63	8
PN-07	350	526	176	0.48	84
PN-07	376	386	10	0.74	7
PN-07	394	412	18	0.58	10
PN-07	420	498	78	0.60	47
PN-08	7	16	9	0.55	5
PN-08	104	122	14	0.21	3
PN-08	142	248	106	0.93	100
PN-08	182	246	64	1.34	86
PN-08	310	452	142	1.13	160
PN-08	348	434	86	1.54	132
PN-08	462	498	36	0.19	7
PN-09	56	116	60	0.19	11
PN-09	128	244	116	0.65	75
PN-09	176	206	30	1.39	42
PN-09	286	294	8	0.50	4
PN-09	310	496	186	0.63	117
PN-09	330	400	70	1.15	81
PN-10	26	48	22	0.19	4
PN-10	88	112	24	0.19	5
PN-10	120	150	30	0.19	6
PN-10	166	466.6*	300.6	0.54	162
PN-10	182	200	18	1.09	20
PN-10	288	352	64	0.92	59
PN-10	380	414	34	0.73	25

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-10-05DDH	124	226	102	0.48	49
PNN-10-05DDH	142	192	50	0.64	32
PNN-10-06DDH	4	196.6	192.6	0.63	121
PNN-10-06DDH	16	52	36	0.75	27
PNN-10-06DDH	82	118	36	1.49	54
PNN-10-06DDH	140	148	8	0.85	7
PNN-10-07RC	50	57	7	0.31	2
PNN-10-07RC	75	82	7	0.27	2
PNN-10-07RC	129	223	94	0.35	33
PNN-10-07RC	139	159	20	0.55	11
PNN-10-08DDH	0	200	200	0.33	66
PNN-10-08DDH	56	100	44	0.58	26
PNN-10-08DDH	152	160	8	0.52	4
PNN-10-09DDH	11	32	21	0.19	4
PNN-10-09DDH	42	50	8	0.16	1
PNN-10-09DDH	124	134	10	1.80	18
PNN-10-10DDH	3	30	27	0.37	10
PNN-10-10DDH	22	30	8	0.93	7
PNN-10-10DDH	92	100	8	0.24	2
PNN-10-10DDH	116	128	12	0.25	3
PNN-10-11RC	2	45	43	0.46	20
PNN-10-12DDH	90	158.5	68.5	0.37	25
PNN-10-12DDH	134	152	18	0.64	12
PNN-10-13DDH	11	26	15	0.20	3

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
PNN-10-13DDH	34	120	86	0.33	28
PNN-10-13DDH	62	70	8	0.50	4
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-10-15DDH	0	22	22	1.22	27
PNN-10-15DDH	104	114	10	0.23	2
PNN-10-15DDH	126	221*	95	0.79	75
PNN-10-15DDH	184	221*	37	1.64	61
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-10-18RC	58	200	142	0.74	105
PNN-10-18RC	90	132	42	1.27	53
PNN-10-18RC	170	200	30	0.76	23
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-10-20RC	3	74	71	0.62	44
PNN-10-20RC	9	30	21	1.17	25
PNN-10-20RC	39	46	7	0.93	7
PNN-10-20RC	79	93	14	0.15	2
PNN-10-21DDH	10	20	10	0.31	3
PNN-10-21DDH	120	134	14	0.20	3
PNN-10-21DDH	164	218.5	54.5	0.67	37
PNN-10-21DDH	188	218.5	30.5	0.99	30
PNN-10-22DDH	6	110	104	0.48	50

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
PNN-10-22DDH	78	102	24	1.30	31
PNN-10-22DDH	154	175.1	21.1	0.48	10
PNN-10-22DDH	164	175.1	11.1	0.66	7
PNN-10-23RC	3	140	137	0.36	49
PNN-10-23RC	56	72	16	0.60	10
PNN-10-24RC	5	136	131	0.33	43
PNN-10-24RC	42	49	7	0.62	4
PNN-10-24RC	64	75	11	0.70	8
PNN-10-26DDH	54	70	16	0.15	2
PNN-10-26DDH	86	98	12	0.15	2
PNN-10-27DDH	24	42	18	0.71	13
PNN-10-27DDH	54	70	16	0.15	2
PNN-10-27DDH	76	250	174	0.54	94
PNN-10-27DDH	98	106	8	0.72	6
PNN-10-27DDH	132	162	30	0.95	29
PNN-10-27DDH	236	250	14	1.19	17
PNN-10-28DDH	76	132	56	0.29	16
PNN-10-28DDH	150	240	90	0.25	23
PNN-10-29DDH	78	110	32	0.45	14
PNN-10-30DDH	114	266.8	152.8	0.51	78
PNN-10-30DDH	206	266.8	60.8	0.82	50
SR97-PN01	2	128	126	0.51	64
SR97-PN01	14	42	28	0.84	24
SR97-PN01	148	162	14	0.17	2
SR97-PN01	172	204	32	0.30	10
SR97-PN01	222	250	28	0.39	11
SR97-PN02	62	74	12	0.17	2
SR97-PN02	148	204	56	0.41	23
SR97-PN02	148	158	10	0.93	9
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-PN04	0	18	18	1.28	23
SR97-PN04	42	250*	208	0.62	129
SR97-PN04	50	160	110	0.86	95

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
SR97-PN05	6	194	188	0.76	143
SR97-PN05	34	72	38	1.78	68
SR97-PN05	118	132	14	0.90	13
SR97-PN05	214	242	28	0.34	10
SR97-PN06	12	28	16	0.22	4
SR97-PN07	32	50	18	0.20	4
SR97-PN07	60	160	100	0.34	34
SR97-PN07	126	146	20	0.60	12
SR97-PN07	170	250	80	0.48	38
SR97-PN07	208	218	10	0.70	7
SR97-PN08	2	10	8	0.28	2
SR97-PN08	24	74	50	0.31	16
SR97-PN08	40	52	12	0.52	6
SR97-PN08	170	178	8	0.19	2
SR97-PN09	0	84	84	0.36	30
SR97-PN09	144	158	14	0.28	4
SR97-PN09	206	220	14	0.22	3
SR97-PN11	178	214	36	0.20	7
SR97-PN11	230	250	20	0.30	6
SR97-PN12	28	221*	193	1.01	195
SR97-PN12	86	202	116	1.50	174
SR97-PN13	46	120	74	0.49	36
SR97-PN13	86	114	28	0.72	20
SR97-PN13	130	180	50	0.44	22
SR97-PN13	158	174	14	0.67	9
SR97-PN14	74	156	82	0.59	48
SR97-PN14	104	154	50	0.71	36
SR97-PN14	180	192	12	0.31	4
SR97-PN15	88	102	14	0.19	3
SR97-PN16	56	200*	144	0.81	117
SR97-PN16	56	92	36	1.24	45
SR97-PN16	152	200*	48	1.02	49
SR97-PN17	58	228*	170	0.70	119
SR97-PN17	114	166	52	1.36	71
SR97-PN18	32	226	194	0.45	87

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	grade x meter
SR97-PN18	62	110	48	0.66	32
SR97-PN18	174	208	34	0.58	20
SR97-PN19	128	246	118	0.34	40
SR97-PN19	158	176	18	0.49	9
SR97-PN19	212	224	12	0.52	6
SR97-PN20	6	98	92	0.31	29
SR97-PN20	68	76	8	0.55	4
SR97-PN20	106	192	86	0.30	26
SR97-PN20	148	156	8	0.96	8
SR97-PN21	12	22	10	1.41	14
SR97-PN21	62	222	160	0.45	72
SR97-PN21	66	84	18	1.29	23
SR97-PN21	150	160	10	0.74	7
SR97-PN21	180	192	12	0.95	11
SR97-PN22	16	36	20	0.22	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

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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

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		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
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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

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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.