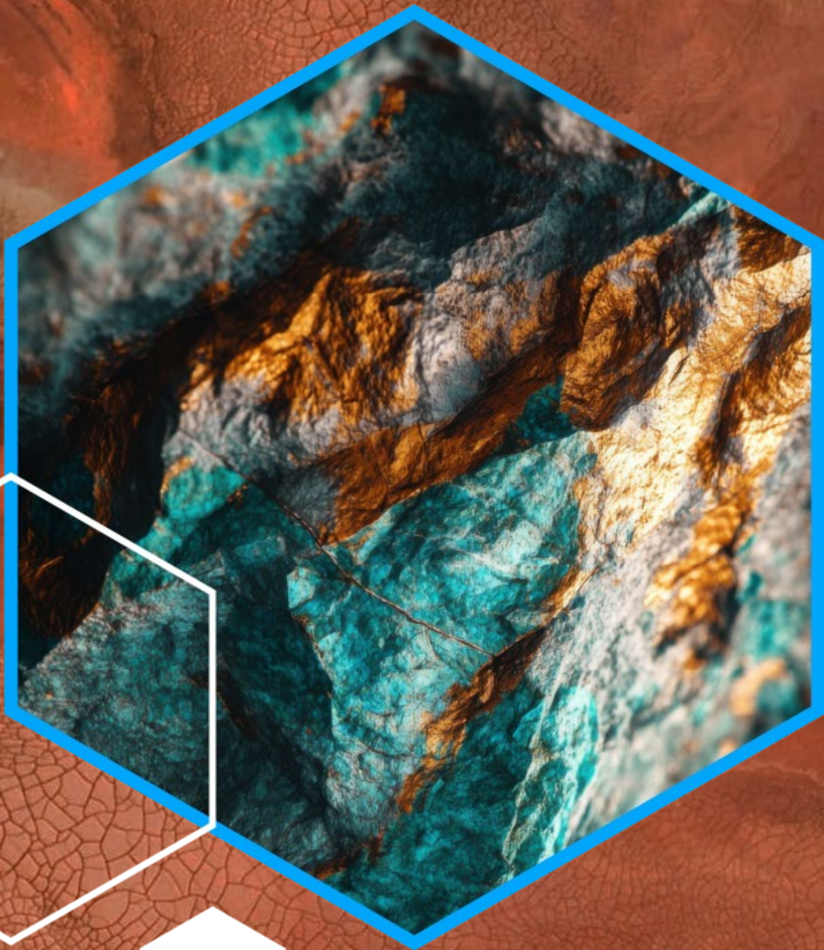
FLAGSHIP MINERALS

Metals that Matter.



2024 Annual Report

Contents

This report has been authorised for release by the Board of Directors

Forward Looking Statements

This report prepared by Flagship Minerals Limited (or "Flagship", "FLG" or "the Company") includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Persons Statement (Excluding RK Lithium Project MRE)

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 full time 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.

Competent Persons Statement for RK Lithium Project MRE

The information in this report that relates to RK Lithium Project Mineral Resources is based on information compiled by Ms Millicent Canisius and Mr Anthony Wesson, both full-time employees of CSA Global. Mr Anthony Wesson is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and Ms Millicent Canisius is a Member of the Australasian Institute of Mining and Metallurgy. Mr Anthony Wesson and Ms Millicent Canisius have sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Anthony Wesson and Ms Millicent Canisius consent to the disclosure of the information in this report in the form and context in which it appears. Ms Millicent Canisius assumes responsibility for matters related to Sections 1 and 2 of JORC Table 1, while Mr Anthony Wesson assumes responsibility for matters related to Section 3 of JORC Table 1. Readers are advised to refer to the following ASX release for details on the Mineral Resource: 02 Nov 2023 Reung Kiet Lithium Project Mineral Resource Update.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

RK Lithium Project – RK Lithium Prospect JORC Mineral Resource

Flagship Minerals Limited has generated a Measured, Indicated & Inferred Mineral Resource Estimate at a 0.25% Li_2O cutoff of 14.8Mt @ 0.45% Li_2O, 391 ppm Sn, 77ppm Ta_2O_5, 0.20% Rb and 237ppm Cs. The MRE was estimated by CSA Global in accordance with the JORC Code (2012). Please refer to the following ASX release for details on the Exploration Target: 02 Nov 2023 Mineral Resource Estimate Upgrade - RK Lithium Prospect – 42% Increase to 14.8 Million Tonnes.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

RK Lithium Project – BT Lithium Prospect JORC Exploration Target

Flagship Minerals Limited has generated a drill supported Exploration Target estimate of 16-25Mt @ 0.40-0.70% Li_2O as defined under JORC Code (2012). The potential quantity and grade of the Exploration Target are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Drilling at the BT Lithium Prospect is designed to test the Exploration Target and adjacent areas. Please refer to the following ASX release for details on the Exploration Target: 10 Jul 2023 Bang I Tum Lithium Prospect Exploration Target Update.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Relevant ASX Releases

Readers are advised to refer to the following ASX releases for details on other technical data reported in this report:

ROSARIO COPPER PROJECT

29 Jul 2024: Rosario Copper Project - High Grade Copper Secured

30 Jul 2024: Rosario Copper Project Presentation

13 Aug 2024: Rosario Copper - Option Agreement Signed

23 Aug 2024: Rosario Copper IP Program Start Confirmed

26 Aug 2024: Rosario Copper Oxide Copper Test Work

27 Sep 2024: Rosario Copper IP Program Starts

30 Sep 2024: Rosario Copper Fieldwork Start and Update

14 Oct 2024: Rosario Copper - First Fieldwork Program Completed

04 Nov 2024: Rosario Copper - First Pass Geochem Results Highly Positive

21 Nov 2024: Rosario Copper - Holding Extension to 86Km2

06 Dec 2024: Rosario Copper - Rock Chips up to 8.9% Copper

30 Jan 2025: Rosario Copper - Six New Copper Targets Identified

TAMA ATACAMA LITHIUM PROJECT

02 Jan 2024: Tama Atacama Lithium Option Agreements Signed

03 Jan 2024: Tama Atacama Lithium Presentation

08 Jan 2024: Tama Atacama and RK Lithium Update

12 Jan 2024: Tama Atacama Lithium Exploration Concession Grant

29 Jan 2024: Tama Atacama Lithium Exploration Concession Grant

05 Feb 2024: Tama Atacama Lithium Exploration Concession Grant

12 Feb 2024: Tama Atacama Lithium Exploration Concession Grant

18 Apr 2024: Tama Atacama Lithium - PAM to Submit RFI for 1200km2

10 Jul 2024: Tama Atacama Lithium - Exploration Concession Grant

RK LITHIUM PROJECT

11 Jan 2024: RK Lithium Project Drilling Update

22 Feb 2024: RK Lithium Project - License Re-Application

09 May 2024: RK Lithium - KT License Grant and Discovery

24 May 2024: RK Lithium - KT East Discovery Expands

24 Jun 2024: RK Lithium Project, 1.5 x 0.5km Li Pegmatite Zone Identified

08 Jul 2024: RK Lithium Project - RK Property Secured

12 Aug 2024: RK Lithium Project - KT East Anomalous Zone Increases 2.8x

20 Aug 2024: RK Lithium Project - KT East Geometry Ticks the Boxes

KHAO SOON TUNGSTEN PROJECT

8 Oct 2020: 'PAM Projects – Technical Reports'

Corporate Governance

Flagship's Corporate Governance guidelines and other pertinent information can be found at: https://flagshipminerals.com/leadership-governance/

Chairman's & Managing Director's Report

It is with pleasure that I present the Flagship Minerals Limited 2024 Annual Report.

Paul Lock
Chairman &
Managing Director

This was a year of transition for the Company. Like the year before, 2024 was a very difficult year for all but a few mineral exploration companies and service providers to the sector.

With generally poor market conditions and dampened market sentiment toward the junior resource sector, following the rapid decline in battery metal prices in late 2023 - particularly lithium, 2024 started with expectations of a rebound. These expectations were soon quashed, with further declines in the lithium price and the share prices of just about all battery metal exploration companies. In 2023, our view was that the decline in the lithium price was largely driven by a rundown in battery inventories, keeping in mind that demand for EVs in most jurisdictions had been increasing. With monthly battery inventories at 1x demand in January 2024, we expected lithium prices to turn – which did not happen. The general consensus today is that lithium supply will be in surplus for a few years to come, which means ongoing and dampened investor enthusiasm for anything lithium. Some market commentators are calling for the lithium carbonate price ("lithium" or "LCE") price to increase to the mid teens, say ~US$15,000/t, over the coming years as these levels are required to incentivise project development to satisfy future demand. I still remain cautious of forecasting; before 2021 lithium was dead, in mid 2022 lithium at +$60,000/t was the new norm, and today, it's hard to tell but we are well below incentive pricing. Still, for Flagship, what had become clear in late 2023 and early 2024, was that a strategic rethink was required.

Our project philosophy always has and will continue to centre on low cost, strategic positioning, and "do-ability". Metallurgy, cost environment, proximity to inputs such as labour, energy and reagents, and access to infrastructure and end markets, all contribute to "do-ability". Although often lost in the hype and noise, these are frequently what makes or breaks a project.

So it's not just grade, there are too many examples of lower grade projects performing materially better than higher grade projects – think oxide copper and gold. Despite the underlying lithium environment, do-ability is built into the Company's Tama Atacama and RK Lithium projects, and therefore these projects continue to have strategic value. Nevertheless, in the context of the late 2023 early 2024 backdrop discussed above, we had been re-formulating our strategy, asking ourselves what the catalysts were that launched some of the larger resource company success stories on the ASX and TSX. The answer was simply simpler projects, focusing on metals with deep markets, which means a larger investor footprint. We honed this down to oxide style exploration and development projects to start with, with a focus on copper and gold. The Company's strategic objectives were adjusted accordingly and crystallised when Flagship entered into an option agreement over the Rosario Copper Project, a superbly set pre-drill high grade oxide style copper project located in northern Chile. Rosario meets the Company's "do-ability" objectives, it's simpler, positioned for lower capex and opex outcomes, and will deliver into very deep commodity markets with strong underlying fundamentals, which will give Flagship exposure to a much larger investor footprint.

In short, Flagship's strategy moving forward is to reorient into copper and gold, targeting oxide style projects which offer the potential for scale and low cost outcomes.

We will maintain the Company's current lithium exposures as these projects are strategic and of interest to larger chemical companies. For these, it's just a matter of biding our time.

The year began with the signing of the Tama Atacama Lithium Project Option Agreements in the first week of January. At ~1,200km2 (~120,000Ha) this is one of the largest and most strategic lithium brine exploration projects in South America.

Exploration concession grants were received progressively throughout the year, with substantially all applications granted by the end of the third quarter. During the year, the Chilean Government, under its 'National Lithium Strategy', released its policy framework, opening up Chile to lithium exploration and marking a significant de-risking event. During the year, Flagship received several inquiries from large chemical companies regarding the project, confirming the strategic nature of the project.

Flagship continued its exploration program at the RK Lithium Project through most of the year. The project received a strong endorsement of support from the Thai Prime Minister's Office and the Director General, Department of Primary Industry and Mines, recognising the Project's strategic potential in relation to the Thai EV and battery supply chain, which is rapidly building out. Flagship also entered into technical and commercial discussions with several EV, battery and/or chemical producers to discuss participation in the Project.

Drilling at the BT Lithium Prospect (BT) produced strong results, confirming a pegmatite dyke swarm over 1km in length and up to 300m in width, with several intersections greater than 1% Li2O and many above 0.5% Li2O, and several intersections up to 0.21% Sn. BT complements RK 8km to the southwest. Flagship received the KT East Lithium Prospect (KT East) exploration licenses in the second quarter, with initial geochemical work producing Li2O mod values of up to 3.06%, with an average grade of 1.14% Li2O mod for a total of 132 samples. Soil and rock chip sampling continued to produce strong results with the scale of the KT East pegmatite field coming in at ~2.1km in length and up to 1.5km in width. This contained a large coherent zone of ~2.0km in length and up to 500m in width, which is considered amenable to open pit mining with a low strip ratio. The overall footprint of KT East is larger than RK and BT combined, and the prospect is drill ready.

BT is positioned for conversion of the current Exploration Target to a JORC (2012) compliant Mineral Resource. At present the RK and BT tenements are under re-application. Given the lithium price environment, expenditure and discussions with strategic partners, they are currently on hold.

In July the highly prospective Rosario Copper Project was secured. Rosario is an oxide copper project located in one of the world's premier copper mining regions, an infrastructure rich setting 10km north of the famous El Salvador copper mine. Enami's Oxide and Sulphide processing plant and Codelco's Porterillos Copper Smelter are also located nearby.

Rosario contains three distinct prospective trends with a combined strike length of ~15km and mineralised zones up to 200m in width, with abundant visible copper oxides supported by high grade samples. Follow up geochemical test work defined a copper zone 3.6km long and 150-250m wide, with hand-held XRF analysis of soil samples producing assays grades up to 1928ppm (0.19%) Cu, rock chip results of up to 8.9% Cu and 50g/t Ag, and spot hand-held XRF analysis of 4 rock specimens returned average grades of 17.0%, 5.3%, 12.2% and 2.4% Cu. A subsequent stream sediment survey delivered vectors to six new Copper targets, three categorised as High Priority, and confirmed the large-scale nature of highly elevated copper across much of the Rosario Copper Project.

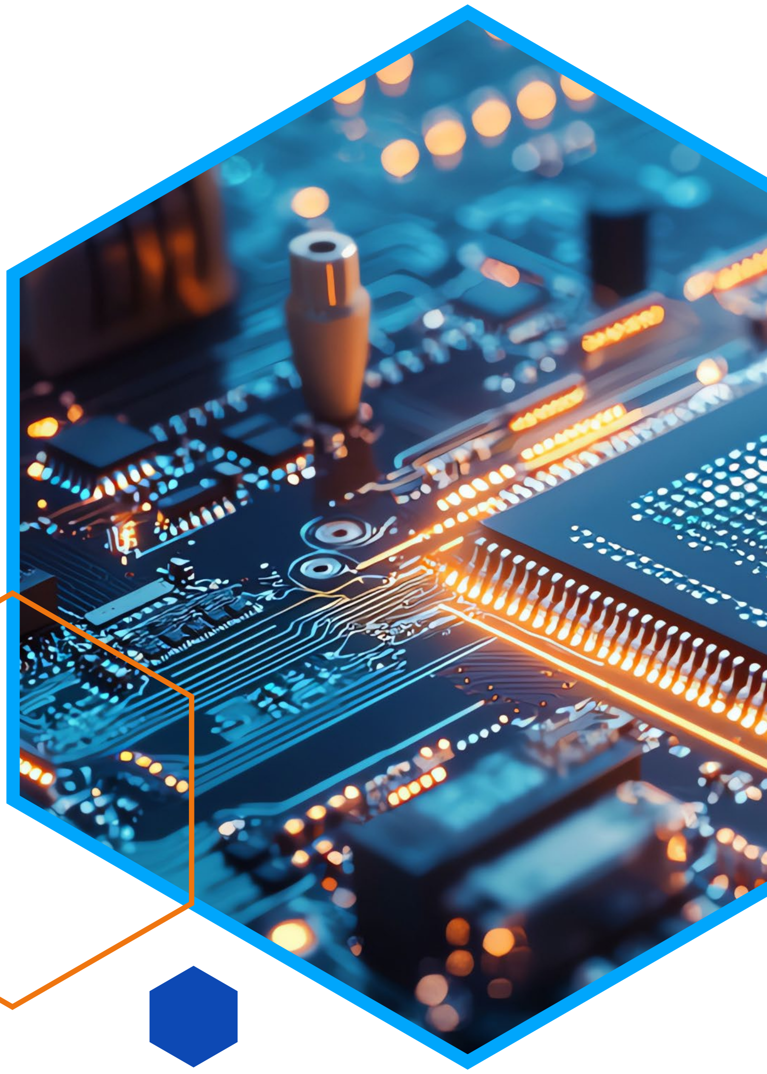
Flagship expanded the Rosario holding from ~25km2 to ~86km2, capturing important geological trends as well as important corridors and zones secured for future infrastructure.

I would like to extend our gratitude to those shareholders who have stuck with the Company through another difficult year, and those who joined us.

I would also like to extend our thanks to our suppliers, who have continued to support the Company, and further thanks to our dedicated staff, who are delivering great outcomes, and the Board. I also offer special thanks to those shareholders and other stakeholders who have offered me and the Company their thoughts and advice – this has been very helpful – and to all who have stuck around for the vision and the journey.

Yours sincerely,

Paul Lock



Operational Report

Setting aside the underlying lithium market, 2024 was a successful year from the perspective of project and exploration outcomes.

David Hobby
Technical Director
& Chief Geologist

Early in 2024 Flagship announced that it had entered into option agreements over the Tama Atacama Lithium Project, one of the largest pre-drill lithium brine projects in South America.

Tama Atacama is strategically sitiuated at about 1,000m altitude and 75km from Iquique, a major population centre, and several ports, and is on rail and road to Antofagasta, South America's only lithium production hub. Flagship's work at the RK Lithium Project, and particularly the KT Lithium Prospect, yielded a very strong results, with the scale of the pegmatite field at KT now over 2km in strike and 1.5km in width, which is larger than the RK and BT lithium prospects combined. The RK Lithium Project is the only advanced lithium project in SE Asia and is strategically situated in Thailand, Southeast Asia's largest electric vehicle producer. In July Flagship announced that it had secured the Rosario Copper Project, a high grade oxide copper project located in Chile 10km north of Codelco's El Salvador Copper Mine, which has been in production since 1959. This was the first step in Flagships diversification strategy into mainstream metals, with the Company targeting strategically situated projects with the potential to be situated in the lower third of the cost curve.

RK Lithium Project

The RK Lithium Project (RKLP) comprises the RK Lithium Prospect (RK), the BT Lithium Prospect (BT) and the KT East Lithium Prospect (KT East), See Figure 1.

Early in the year Flagship reported drilling results from the BT for holes BTD0026 to BTDD036. The drilling results generally support the Exploration Target estimate for the BT prospect and returned several strong Li and Sn+/-Ta intersections. The drilling confirmed a pegmatite dyke swarm >1km in length and up to 300m in width, with several intersections greater than 1% Li_2O and many above 0.5% Li_2O, and several intersections up to 0.21% Sn. Drilling continued, with BTDD047 being the final hole in the program, with holes BTDD037 to BTDD047 yet to be submitted to the laboratory.

During the year the Company submitted Special Prospecting Licence applications (SPLA's) that encompassed the RK and BT. The SPLA's were required as previous licences had reached their 5 year anniversary. The Company continues to receive strong Government support and strong endorsement from the Thai Prime Minister's Office and the Director General, Department of Primary Industry and Mines.

In mid-2024 Special Prospecting Licenses for KT East were approved. This represented a material extension to the RKLP. Exploration at KT East has included mapping, rock-chip and soil sampling. This has resulted in the delineation of a large lepidolite pegmatite dyke swarm approximately 2.1km long and 1.2km wide with a coherent Main Zone 2km long and 500m wide, see Figure 2. Individual pegmatite dykes are mapped up to 20m wide. The Company has plans to conduct trenching and drilling at KT East.

Flagship hosted its MOU partner IRPC Public Company Limited (IRPC), and leading Chinese lepidolite processor and lithium chemical producer Xongxing Specialty Materials Technology Co. Ltd (Yongxing) on a site visit to RKLP, including the KT East.

The Company still awaits the grant of new SPL's for the RK and BT prospects. Given current market conditions and pricing for lithium compounds the Company is maintaining RKLP but is limiting expenditure as far as practicable until there is a change in the underlying lithium market.

Figure 1: RK Lithium Project - Regional Setting.

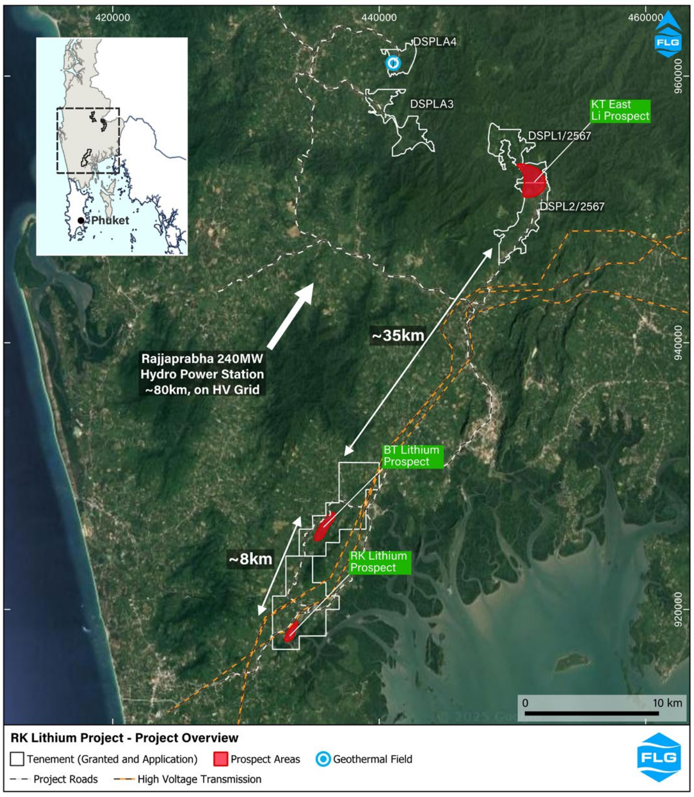
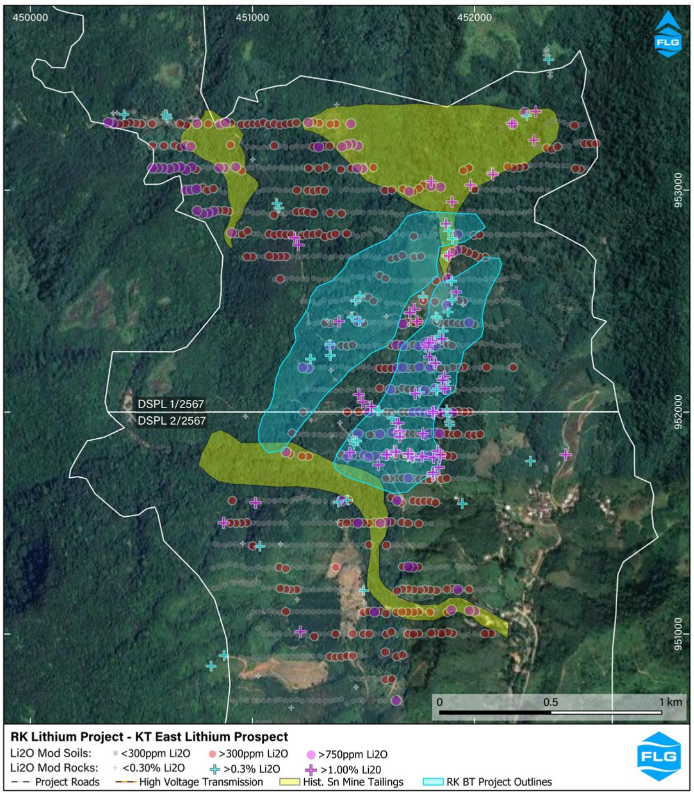


Figure 2: KT East Lithium Prospect - Rock Chip and Soil Sampling.



Rosario Copper Project

In mid 2024 Flagship entered into an option agreement to secure the highly prospective Rosario Copper Project (Rosario) in one of the world's premier copper mining regions, see Figure 3. Previous explorers had demonstrated to the high grade nature of the project with 73 out of 89 rock-chip samples (>80%) at >0.1% Cu and averaging 2.13%.

The project is located in an infrastructure rich setting approximately 10km north of the famous El Salvador copper mine operated by Codelco, with a copper smelter at Codelco's Porterillos project also located l nearby. Additional processing infrastructure is also located approximately 100km to the east where ENAMI operates oxide and sulphide processing on a toll treatment basis for mineralisation sourced from surrounding small to medium scale miners.

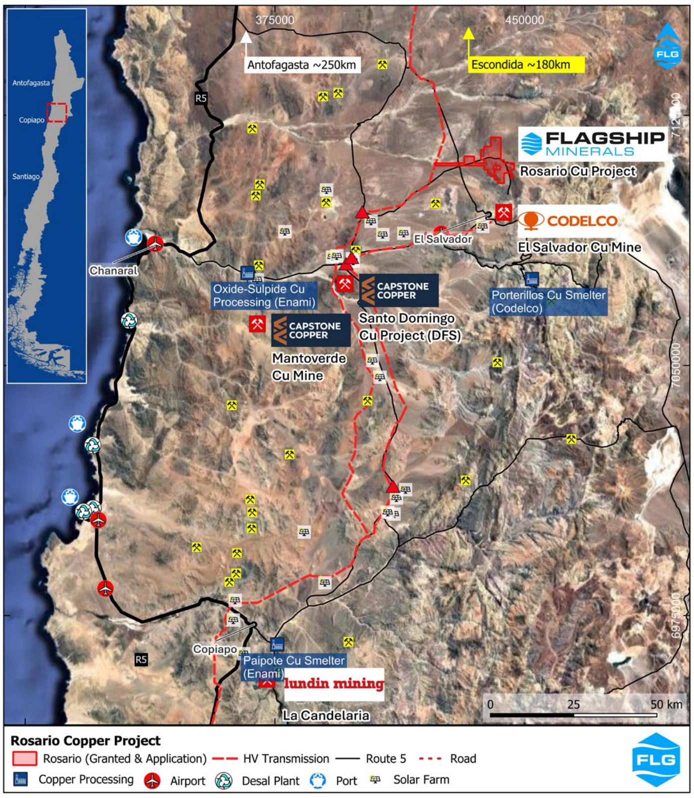
Rosario is prospective for Manto style copper +/- silver mineralisation. The project area contains three distinct prospective trends with a combined strike length of ~15km and mineralised zones potentially up to 200m wide.

Following the acquisition, Flagship conducted rock-chip, soil and stream sediment sampling.

A program of geochemical exploration was completed. A total of 316 samples were collected, including 193 soil samples, 100 rock-chip samples and 23 stream sediment samples.

Rock chip sampling was undertaken from outcrop, subcrop, float, dozer rip lines, road cuttings, old mine dumps, trenches and drill spoil. Outcrops are decent around the old mines and in prospecting pits, other excavations and natural slope breaks, however, the project area does contain extensive areas of alluvial to colluvial gravels and scree mostly located between the Rosario Eastern Trend (RET) and Rosario Central Trend (RCT). A total of 100 rock chip samples were collected across the project area. Some samples were collected proximal to rock chip samples taken by previous explorers, which yielded numerous

Figure 3: Rosario Copper Project - Regional Setting.



results in the 1-5% Cu range, with rock chip results up to 8.9% Cu. Greater than 50% of rock chip assays returned Cu values in excess of 0.10% Cu, with an average grade of 2.06% Cu and 12g/t Ag. See Figure 4 for rock chip locations and rock chip assays.

Results generally enhance previous exploration results with many samples containing Cu and silver (Ag) mineralization. Additional sampling broadened existing prospects and located new areas.

Soil sampling at RET, was conducted on a 200m x 50m grid covering approximately 2.5km of strike. The copper target zone outlined by the soil sampling combined with the results from rock-chip sampling and the location of old workings indicate a target zone along RET is 150-250m wide, and occurs over a strike length of 3.6km, with 2.6km of this trend located inside our tenement holdings. Soil sampling is of particular use where outcrop is poor and masked by a veneer of shallow gravel cover especially on the northern third of the RET.

The copper target zone outlined by the soil sampling combined with the results from rock chip sampling and the location of old workings indicate a target zone along the RET is 150-250m wide, occurring over a strike length of 3.6km, with 2.6km of this trend located inside Flagship's license holdings. Soil samples with >150ppm Cu are considered anomalous with maximum copper of 1928 ppm being recorded. The soil anomaly generated along the RET is shown in Figure 5.

A total of 23 stream sediment sampling samples were collected. The stream sampling program had two main objectives: 1. To confirm whether copper anomalism could be detected in 'stream sediments' downstream of known outcropping copper mineralisation, and hence whether stream sampling is a reliable method of vectoring to mineralisation; and 2. To investigate catchments throughout the project area using 'stream sediments' as a vector to new zones of copper mineralisation, and develop a better understanding of mineralisation potential of the Rosario project area, see Figure 6. The survey delivered vectors to six new Copper targets with three categorised as High Priority. The survey also confirmed the large-scale nature of highly elevated copper across much of the Rosario.

Flagship lodged additional exploration concession applications at Rosario which will see holdings expand from 25km2 to 86km2. The new applications expand prospectivity, capturing interpreted strike extensions of existing mineralised trends and encompass important corridors for future energy and infrastructure requirements, as well as potential water sources.

Tata Atacama Lithium Project

The Tama Atacama Lithium Project (TALP) distinguishes itself as one of South America's largest and most strategically positioned lithium brine projects. The project is set at an altitude of 800-1100m, and sits within the 12,500km2 Pampa del Tamarugal Basin, in the Atacama Desert in northern Chile. See Figure 7. The total project area is ~1,535km2, of which ~1,234km2 comprises granted exploration concessions and ~1,036km2 is subject to binding Option Agreements to purchase 100%.

Figure 4: Rosario Copper Project - Concessions and Surrounds.

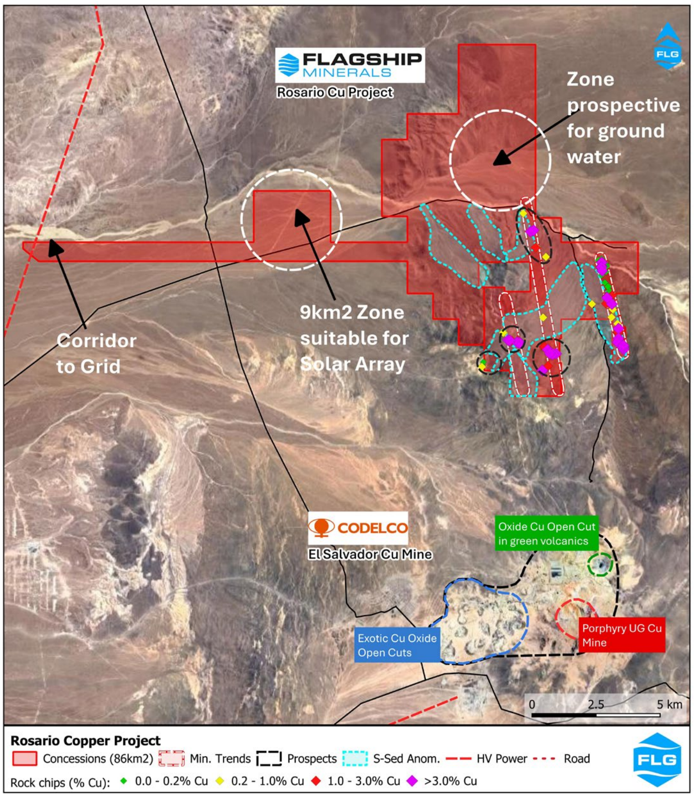
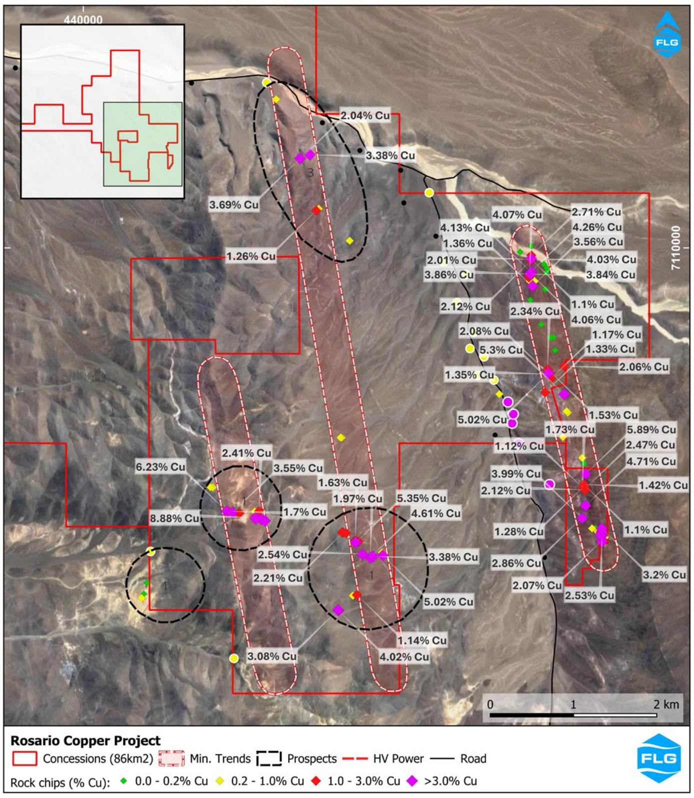


Figure 5: Rosario Copper Project - Mineralisation Trends and Rock Chip Results.



The project is well-supported with all necessary transport and energy infrastructure, and is situated 40-60km from the coast and only 75km from Iquique, a well-equipped coastal city with a population of 200,000, a deep water bulk and container port. The project is 75km from Port of Patillos, Chile's largest salt export terminal, providing Flagship a potential solution for waste salt, and several pipelines pump sea water through Flagship's project areas, providing a potential solution to achieving water balance. The project is north of Chile's lithium chemical refining hub in Antofagasta, with access by rail and road.

Surface sampling of salt crusts indicate a similar geochemical signatures to Salar de Atacama. Analysis of historical geophysics (seismic) show a very large basin up to 600m deep. Extensive lithium surface anomalies with lithium results up to 2,200ppm Li, and averaging 700ppm Li (56/177 assays, 270ppm cutoff) extend over ~160km.

The project is ready to drill and Flagship has identified potential drill sites, especially at the northern end of the basin. Holes are planned to around 400m depth.

Khao Soon Tungsten Project

The Khao Soon Tungsten Project ("KSTP") was a significant historical tungsten producer. Modern exploration has discovered potentially world class, district scale tungsten mineralisation across numerous prospects.

Flagship retains a Special Prospecting Licence Application which encompasses the old Khao Soon mine, which was a significant producer into the early 1980's. The old mine was worked to about 100m below surface and is totally open at depth, and has never been drilled.

Flagship is assessing value accretive options for the KTSP.

Thank you for your support,

David Hobby

Figure 6: Rosario Copper Project: Prospects and Stream Sediment Anomalies.

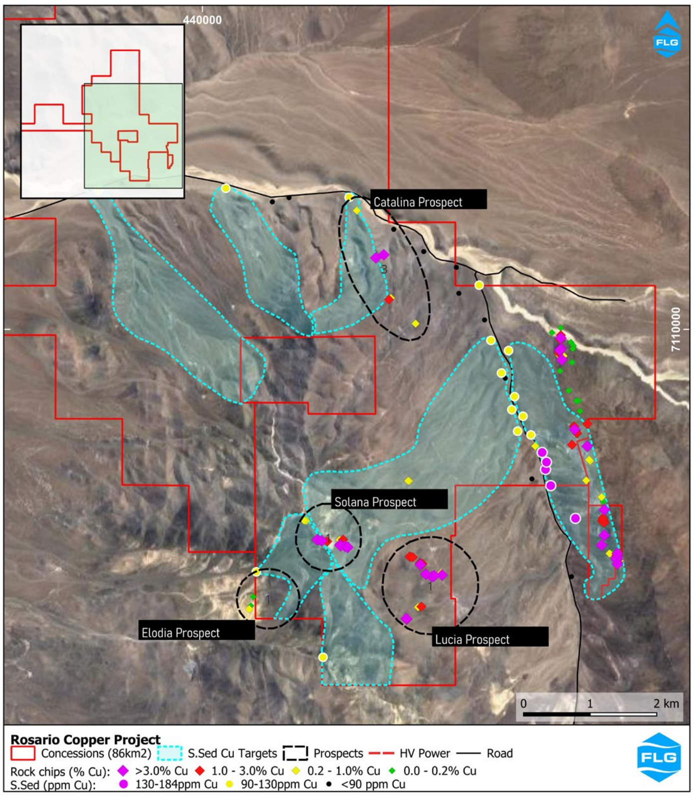
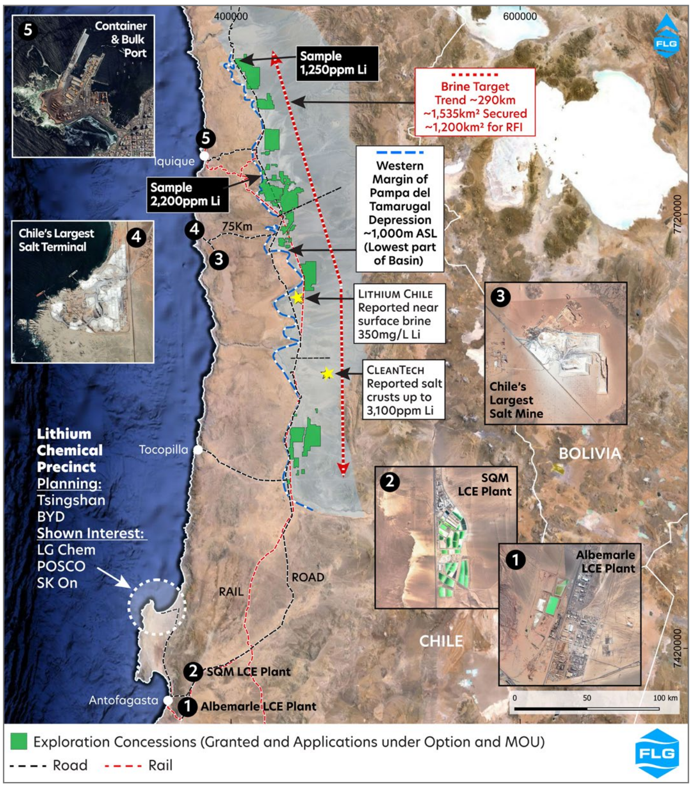


Figure 7: Tama Atacama Lithium Project - Regional Setting.



Our Commitment

At Flagship Minerals we focus on delivering inclusive outcomes that consider the communities and their surrounds in which we operate. We believe in reciprocity – if community thrives we thrive, and vice versa. We envision a future where mining and exploration coexist harmoniously with community development, cultural preservation, and sustainable growth.

We are more than just a company; we are partners with our communities, working hand in hand for a brighter, more sustainable future.

Our Sustainability Strategy looks both inward and outward, striving to achieve a balance between financial success and humanitarian considerations. Ahead of our direct peers, we aim to embed this sustainability mindset early and allow it to mature alongside our projects.

We wholeheartedly support the UN's sustainable development goals, with a primary focus on three specific goals:

Flagship's education project has primarily focused on enhancing small primary schools in the areas in which we operate, by collaborating with community development initiatives, educational institutions, and religious establishments. Our efforts will include providing educational resources, music and sports facilities, classroom improvements, sanitation facilities, playground enhancements, and clean water systems. These initiatives aim to improve students' physical and mental well-being, fostering a positive attitude towards education. The project also seeks to promote satisfaction among educational personnel and parents by actively supporting the school's development and students' progress.

Flagship's Gender Equality initiative included Project Oxygen Bank and Project X-ray, collectively falling under the umbrella of Project #CommunityCares. Project #CommunityCares encompasses a comprehensive range of health promotion activities aimed at all demographics within the community. Its primary objectives are to promote good hygiene practices and advocate for the use of healthcare tools designed to monitor the health of individuals living within our designated areas. One pivotal component of this initiative is the facilitation of annual lung X-ray examinations, which play a crucial role in assessing the risk of respiratory diseases among community members. By raising awareness about the importance of health and ensuring timely access to medical care, our overarching goal is to safeguard the well-being and health of all community members.

Flagship practices sustainable resource management with #PAMGreen (to be relabelled #FlagshipGreen). This initiative plays a crucial role in raising awareness within local communities about environmental conditions, including dust, noise, surface water, and groundwater. Through continuous monitoring, we can promptly address any environmental abnormalities that may pose health risks to community members. We aim to identify the causes and implement timely solutions through in-depth analysis. In addition, Project #UnityInDiversity actively contributes to the preservation and promotion of cultural traditions at local Thai Buddhist temples and Muslim mosques during significant religious festivals. By doing so, the project aims to foster collaboration, strengthen interfaith cooperation, and sustain the unique customs and beliefs of each participating community.

Board of Directors

Paul Lock
Chairman
& Managing Director

Paul is a former advisor and financier, working with companies across a wide range of industries including the mining sector. Paul also has extensive experience as a physical commodities trader and a derivatives trader, including options and high yield bonds. Paul has had a focus on Southeast Asia for over 10 years and South America since 2022.

Qualifications:

Master of Political Economy; Master of International Studies; Master of Commercial Law; Master of Business Administration; Bachelor of Business; MAusIMM.

Experience and expertise:

Before Flagship Minerals Paul was a corporate adviser at Everspring Partners, a boutique Sydney based advisory firm that he founded. Before Everspring Paul worked in corporate advisory and leveraged/project finance roles at one of Australia's leading commercial banks, often acting in lead arranger roles. Paul initially focused on corporate and single asset project finance in the resource sector before moving into leveraged finance for private equity initiatives and then into a corporate advisory role where he was sector agnostic and focused on generating corporate transactions.

Prior to banking Paul worked for Rothschild & Co in Australia where he was a derivatives trader and a high yield bond investor focusing on a variety of asset classes, generally distressed or complex assets. Paul also had some involvement in structuring derivatives solutions for resource companies in conjunction with Rothschild's corporate advisory team. Prior to Rothschild Paul worked for Japanese trading conglomerate Marubeni Corporation in the soft commodity trading division.

David Hobby
Technical Director
& Chief Geologist

David is an Economic geologist and has been involved in the minerals industry for 35 years. He is member of the AusIMM and Competent Person under the JORC Code for many styles of mineralisation.

Qualifications:

B.App Sci (Geology), MAusIMM, Competent Person under the JORC Code.

Experience and expertise:

Since graduating from the University of Canberra in 1989 David has worked in a variety of geological terrains in Australia, Asia, South America, USA and Africa, and has experience in all facets of the minerals project cycle with a focus on exploration and project evaluation.

David has held senior geological management and consulting positions with listed and private Companies and progressed several projects through to feasibility and pre production, including the Adelong Gold Project, Broula King Gold Project, Webb's Silver Project and the Woodlawn Zn-Cu project

David's geological qualifications and experience are complimented with skills in project management, environmental management, Occupational Health and Safety, contractor, government and stakeholder management.

Board of Directors

David Docherty

Non-Executive Director

David focused on the Australian resource sector during his time in stockbroking and with investment bank, Slater Walker, in London.

Experience and expertise:

David moved to Sydney in 1968 to oversee major investments he earlier established for Slater Walker clients in BHP (Bass Strait oil) and Western Mining (nickel) and to provide equity finance for emerging miners which included arranging finance for Poseidon to drill its Mt Windarra nickel discovery in 1969. Later, David became CEO of Slater Walker sponsored Mining Finance Corporation.

From 1984-87 David successfully guided Sedimentary Holdings as CEO to joint ownership and open-pit development of the old Cracow Gold Mine (Qld).

In 1987 David became an equity partner in the Thai resource sector after the Government deregulated gold exploration and mining. Thereafter, he jointly financed a team of geologists responsible for the discovery of what is now the Chatree Gold Mine.

In 2002 David became a foundation director and CEO of Thai Goldfields NL, an unlisted public company holding Thai SPL applications in a variety of gold and copper prospects, and including land tenure containing a minimum 100,000ozs gold at shallow depth located within 2km of the recently re-opened Chatree Gold Mine.

Thanasak Chanyapoon

Non-Executive Director

Thanasak is a Partner at Capital Law Office, a leading Bangkok based legal and tax practice, a Non-Executive Director of Cal-Comp Electronics PLC, a company listed on the Stock Exchange of Thailand, and well established in the Thai business community.

Qualifications:

Bachelor of Laws (Hons) degree and Master of Laws degree from Chulalongkorn University and Master of Laws degree from University of Cambridge.

Experience and expertise:

Thanasak is a Partner at The Capital Law Office, a leading Bangkok based legal practice. Thanasak's area of expertise is tax law, and corporations for more than 25 years. Prior to joining Capital Law Office, he has worked with Baker & McKenzie, Bangkok, and Linklaters, Bangkok. He was also the co-founder of LawAlliance Limited specializing in Thailand tax laws including double tax treaties made with Thailand.

Since 2008 to date, Thanasak is a special lecturer in various tax law subjects at Faculty of Law, Chulalongkorn University, and at Faculty of Business Administration, Kasetsart University.

Recently, Thanasak has been appointed as member of the subcommittee on Law Reform for Ease of Doing Business in Thailand, appointed by the Order of Office of the Prime Minister, and as advisor to the Chairman of the Tourism Commissioner, Thailand's House of Representatives.

Resignations

On the 30 April, 2024, Ms Supriya Sen stepped down as a Non Executive Director of Flagship Minerals (formerly Pan Asia Metals) to pursue other interests. Ms Sen was appointed on 10 May 2022, and, during her 2 years at Flagship, provided a valuable contribution based on her experience in banking and project finance. Ms Sen remains a friend of the Company and may provide consulting services in the future. We wish Ms Sen the very best in her future endeavours.

Company Secretaries

Elissa Hansen
Australian Company Secretary

Qualifications:

Elissa holds a Bachelor of Commerce and a Graduate Diploma in Applied Corporate Governance. She is a fellow of the Governance Institute of Australia and graduate member of the Australian Institute of Company Directors.

Experience and expertise:

Elissa has over 20 years' experience advising boards and management on corporate governance, compliance, investor relations and other corporate related issues. She has worked with boards and management of a range of ASX listed companies. Elissa is a Chartered Secretary who brings best practice governance advice, ensuring compliance with the Listing Rules, Corporations Act and other relevant legislation.

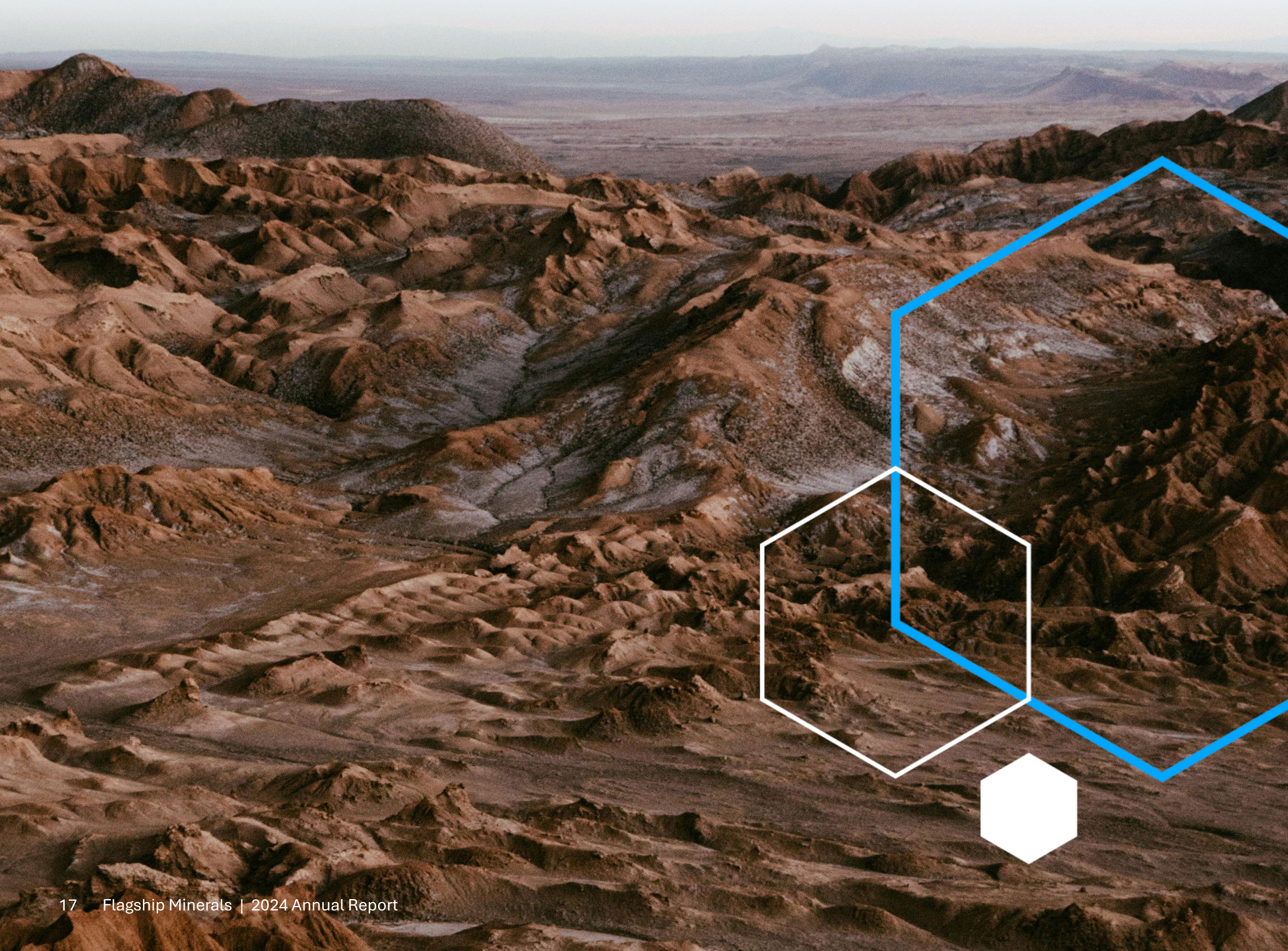
Nor Hafiza Binte Alwi
Singapore Company Secretary

Qualifications:

Hafiza holds a Bachelor of Law (Hons) degree and is also a fellow of the Chartered Secretaries Institute of Singapore and a Practising Chartered Secretary.

Experience and expertise:

Experience and expertise: Hafiza is a Director of ZICO Corporate in Singapore. She has over 25 years of experience and acts as Company Secretary to a diversified range of local and foreign listed and non-listed companies. In her role as Company Secretary, Hafiza advises and provides guidance to her clients and the Boards on corporate transactions, procedures and practices, code of corporate governance, compliances and regulatory requirements including listing rules of the SGX-ST.



FLAGSHIP MINERALS LIMITED
(Formerly known as Pan Asia Metal Limited)
AND ITS SUBSIDIARIES

(Company registration no.:201729187E)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Corporate directory
31 December 2024

Directors	Mr Paul Lock (Executive Chairman and Managing Director) Mr David Hobby (Executive Director and Technical Director) Mr David Docherty (Non-Executive Director) Mr Thanasak Chanyapoon (Non-Executive Director)
Company secretaries	Ms Elissa Hansen (Australia) Ms Fiza Alwi (Singapore)
Registered office	77 Robinson Road #06-03, Robinson 77 Singapore 068896
Principal place of business	Level 23, 52 Thaniya Plaza, Zone B, Silom Road, Suriyawong, Bangkok, Thailand, 10500
Auditor	CLA Global TS Public Accounting Corporation 80 Robinson Road, #25-00 Singapore 068898
Stock exchange listing	Flagship Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: FLG)
Website	www.flagshipminerals.com

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited) (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors
The directors of the Company in office at the date of this statement are as follows:

Mr Paul David Lock
Mr David John Hobby
Mr David Michael Docherty
Mr Thanasak Chanyapoon

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the year nor at any time during the year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

Directors' interests in shares

The directors of the Company holding office at the end of the year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 except as follows:

	Shareholdings registered in the name of director		Shareholdings in which a director is deemed to have an interest	
	At 01.01.2024	**At 31.12.2024**	**At 01.01.2024**	**At 31.12.2024**
Flagship Minerals Limited (No. of ordinary shares)				
Mr Paul David Lock	42,099,750	10,502,527	-	36,666,667*
Mr David John Hobby	4,677,750	6,680,527	-	-
Mr David Michael Docherty	-	-	22,510,419	22,901,215
Mr Thanasak Chanyapoon	3,602,293	3,993,089	-	-
	50,379,793	21,176,143	22,510,419	59,234,552

By virtue of section 7 of the Companies Act 1967, Mr Paul David Lock is deemed to have an interest in all the related corporations of the Company.

* On 22 November 2024, Mr Paul David Lock transferred 11,666,667 shares to Global Emerging Markets Group (GEM) as part of the A$35 million Capital Commitment Agreement (Facility) between the Company and GEM. The Company was required to place shares in escrow with an equivalent value of the Facility front end fee and Mr Lock agreed to place his shares in escrow for the benefit of the Company. On 3 December 2024, Mr Paul David Lock transferred a further 25,000,000 shares to GEM as collateral shares to facilitate a drawdown for the benefit of the Company. The transfer of these shares to GEM was not a sale of shares.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Directors' report
31 December 2024

Directors' interests in shares (continued)

According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company in relation to the share placement plan as set out below and under "Share Options" below.

	No. of unissued ordinary shares under option	
	At 01.01.2024	At 31.12.2024
Name of director		
Mr Paul David Lock	-	868,056
Mr David John Hobby	-	868,056
	-	1,736,112

Shares options

During the year, the directors participated in the top-up share placement plan to new and existing shareholders. The share placement plan includes the issue of one new option for every two new shares applied for with an exercise price of A$0.15 per option and expiring two years from the issue date 13 November 2024. These options were estimated to be approximately US$27,000 at the grant date using the Black-Scholes option pricing model.

Details of the options granted to an executive director of the Company are as follows:

	No. of unissued ordinary shares of the Company under option			
	Granted in financial year ended 31.12.2024	Aggregate granted since commencement of the plan to 31.12.2024	Aggregate exercised since commencement of scheme to 31.12.2024	Aggregate outstanding as at 31.12.2024
Mr Paul David Lock	868,056	868,056	-	868,056
Mr David John Hobby	868,056	868,056	-	868,056

The number of unissued ordinary shares of the Company under option in relation to the share placement plan outstanding at the end of the year was as follows:

No. of unissued ordinary shares under option at 31.12.2024	Exercise period	Exercise price	Number of options
5,493,407	13.11.2024 – 13.11.2026	A$0.15	5,493,407

During the year, there were no forfeiture, exercise or lapse of options reported.

There were no shares issued during the year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the year.

Dividends
There were no dividends paid, recommended or declared during the current or previous year.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Directors' report
31 December 2024

Review of operations
The loss for the Consolidated Entity after providing for income tax amounted to US$2,185,237 (2023: US$3,339,284).

The net assets of the Consolidated Entity increased by US$195,183 to US$10,958,477 as at 31 December 2024 (2023: decreased by US$2,045,408 to US$10,763,294).

As at 31 December 2024, the Consolidated Entity had net current liabilities of US$1,579,050 (2023: net current liabilities of US$1,311,079). The Consolidated Entity had net cash outflows from operating activities for the year of US$1,879,277 (2023: US$2,619,651). The total cash at banks and deposits at the end of the year amounted to US$144,089 (2023: US$120,138).

Matters subsequent to the end of the financial year
On 10 January 2025, the Company announced its rebrand from Pan Asia Metals Limited to Flagship Minerals Limited following the shareholders vote to change the Company's name marking a break in the Company's exclusive geographic focus on Asia, and on Lithium.

On 24 January 2025, the Company issued 1,270,239 shares at A$0.0531 per share to GEM Facility forming a part of the A$35 million Capital Commitment Agreement.

On 20 February 2025, the Company announced that it had updated the terms of its convertible notes. As per the terms, the Company retains the option to repay the convertible notes, or part thereof, at its election, at any time with 10 days notice. The Investors have the option to convert their convertible notes at any time into the Company's shares at A$0.075 per share.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future years.

Environmental regulation
The Consolidated Entity is not subject to any significant environmental regulation.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability.

Independent auditor
The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re appointment

This report is made in accordance with a resolution of the directors.

On behalf of the directors

Paul David Lock	David John Hobby
Director	Director

28 March 2025

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Statements of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 US$	Consolidated 2023 US$
Income			
Gain on sale of plant and equipment		10,350	-
Interest income		711	430
Miscellaneous income		18,056	20,565
Expenses			
Corporate and administration expenses	6	(822,941)	(1,267,793)
Finance cost	7	(104,274)	(4,297)
Employment expenses	5	(683,047)	(861,965)
Depreciation expense		(41,403)	(45,442)
Rental expenses	12(d)	(1,855)	(4,650)
Marketing and promotion expenses		(99,929)	(451,918)
Subscription expenses		(68,940)	(114,042)
Foreign exchange gains/(losses), net		32,998	(210,565)
Professional fees		(424,963)	(399,607)
Loss before income tax expense		(2,185,237)	(3,339,284)
Income tax expense	8	-	-
Loss after income tax for the year attributable to the equity holders of the Company		(2,185,237)	(3,339,284)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain on consolidation		199,148	53,811
Other comprehensive income for the year, net of tax		199,148	53,811
Total comprehensive loss for the year attributable to the equity holders of the Company		(1,986,089)	(3,285,473)
		Cents	**Cents**
Basic loss per share	28	(1.20)	(2.14)
Diluted loss per share	28	(1.20)	(2.14)

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Statements of financial position
As at 31 December 2024

	Note	Consolidated 2024 US$	Consolidated 2023 US$	Parent 2024 US$	Parent 2023 US$
Assets					
Current assets					
Cash and cash equivalents	9	144,089	120,138	11,891	2,617
Other receivables	10	484,896	197,096	787,348	2,043,051
Prepayments		23,065	25,961	20,391	21,709
Total current assets		652,050	343,195	819,630	2,067,377
Non-current assets					
Refundable deposits		12,915	20,224	-	-
Investment in subsidiaries	14	-	-	14,431,818	11,677,760
Property, plant and equipment	11	42,997	68,287	5,964	1,566
Right-of-use assets	12	26,093	49,803	-	-
Exploration and evaluation assets	13	12,486,869	11,999,831	-	-
Total non-current assets		12,568,874	12,138,145	14,437,782	11,679,326
Total assets		13,220,924	12,481,340	15,257,412	13,746,703
Liabilities					
Current liabilities					
Other payables	15	1,163,229	1,295,495	789,345	746,016
Borrowings	17	833,461	-	833,461	-
Leases	12	26,093	24,246	-	-
Accrued expenses	16	208,317	334,533	196,268	318,980
Total current liabilities		2,231,100	1,654,274	1,819,074	1,064,996
Non-current liabilities					
Lease liabilities	12	-	25,558	-	-
Provision for employee benefits		31,347	38,214	-	-
Total non-current liabilities		31,347	63,772	-	-
Total liabilities		2,262,447	1,718,046	1,819,074	1,064,996
Net assets		10,958,477	10,763,294	13,438,338	12,681,707
Equity					
Issued capital	18	18,781,860	16,725,974	18,781,860	16,725,974
Reserves	19	227,307	(97,227)	125,386	-
Accumulated losses		(8,050,690)	(5,865,453)	(5,468,908)	(4,044,267)
Total equity		10,958,477	10,763,294	13,438,338	12,681,707

The above statements of financial position should be read in conjunction with the accompanying notes

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Statements of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital US$	Reserves* US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2023	13,072,507	(151,038)	(2,526,169)	10,395,300
Loss after income tax expense for the year	-	-	(3,339,284)	(3,339,284)
Other comprehensive income for the year, net of tax	-	53,811	-	53,811
Total comprehensive income/(loss) for the year	-	53,811	(3,339,284)	(3,285,473)
Transactions with owners in their capacity as owners:				
Issuance of new shares (Note 18)	3,595,160	-	-	3,595,160
Issuance of new shares to directors (Note 18)	152,802	-	-	152,802
Shares issued in lieu of professional fees (Note 18)	30,105	-	-	30,105
Shares issued in consideration for marketing services (Note 18)	79,155	-	-	79,155
Share issue expenses (Note 18)	(203,755)	-	-	(203,755)
Balance at 31 December 2023	16,725,974	(97,227)	(5,865,453)	10,763,294

Consolidated	Issued capital US$	Reserves* US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2024	16,725,974	(97,227)	(5,865,453)	10,763,294
Loss after income tax expense for the year	-	-	(2,185,237)	(2,185,237)
Other comprehensive income for the year, net of tax	-	199,148	-	199,148
Total comprehensive income/(loss) for the year	-	199,148	(2,185,237)	(1,986,089)
Issue of new shares (Note 18)	914,894	-	-	914,894
Issuance of new shares to directors (Note 18)	272,385	-	-	272,385
Shares issued in lieu of services (Note 18)	249,591	-	-	249,591
Shares issued to employees (Note 18)	21,551	-	-	21,551
Shares issued towards funding facility from Alpha (Note 18)	265,581	-	-	265,581
Issue of options (Note 19)	-	84,953	-	84,953
Issuance of shares in lieu of repayment of Director loan (Note 18)	444,642	-	-	444,642
Equity component of convertible notes (Note 19)	-	40,433	-	40,433
Share issue expenses (Note 18)	(112,758)	-	-	(112,758)
Balance at 31 December 2024	18,781,860	227,307	(8,050,690)	10,958,477

* Reserves are non-distributable

The above statements of changes in equity should be read in conjunction with the accompanying notes

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Statements of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 US$	2023 US$
Cash flows from operating activities			
Loss for the year		(2,185,237)	(3,339,284)
Depreciation of plant and equipment	11	17,906	21,626
Depreciation of right of use assets	12	23,497	23,816
Finance cost	7	104,274	4,297
Gain on sale of plant and equipment		(10,350)	-
Unrealised foreign exchange differences		229,405	44,811
		(1,820,505)	(3,244,734)
Changes in working capital		-	-
Prepayments		2,896	59,380
Other receivables		(22,219)	(67,015)
Other payables		229,167	622,572
Employee benefits		(6,867)	10,146
Net cash used in operating activities		(1,617,528)	(2,619,651)
Cash flows from investing activities			
Payments for plant and equipment	11	(6,117)	-
Proceeds from sale of plant and equipment		17,592	-
Payments for exploration and evaluation assets	13	(463,005)	(2,302,006)
Refund of deposits		7,309	-
Net cash used in investing activities		(444,221)	(2,302,006)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		1,133,851	3,653,467
Loan from Directors		399,530	-
Loan from related party		20,402	-
Advances from Directors		-	444,643
Proceeds from issue of convertible notes		557,977	-
Repayment of lease liabilities		(23,457)	(22,116)
Interest paid		(2,603)	(4,297)
Decrease/(increase) in restricted bank deposits		45,451	(795)
Net cash from financing activities		2,131,151	4,070,902
Net increase/(decrease) in cash and cash equivalents		69,402	(850,755)
Cash and cash equivalents at the beginning of the year	9	54,852	905,607
Cash and cash equivalents at the end of the year		124,254	54,852

The above statements of cash flows should be read in conjunction with the accompanying notes

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 1. General information

The financial statements cover both Flagship Minerals Limited (the "Company") and its subsidiaries (the "Consolidated Entity"). The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency.

Flagship Minerals Limited is listed on Australian Securities Exchange ("ASX") in Australia and incorporated and domiciled in Singapore. Its registered office and principal place of business are:

Registered office	Principal place of business
77 Robinson Road #06-03 Robinson 77 Singapore 068896	Level 23, 52 Thaniya Plaza, Zone B Silom Road Suriyawong, Bangkok Thailand 10500

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are in the identification and development of specialty metals assets situated in low-cost environments which are proximal to advanced industrial centres. The Company's principal geography is Southeast Asia.

Going concern

The consolidated financial statements of the Consolidated Entity have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

During the financial year ended 31 December 2024, the Consolidated Entity reported a net loss of US$2,185,237 (2023: net loss of US$3,339,284). The Consolidated Entity has no source of operating cash inflows other than interest income and funds sourced through capital raising activities. As at 31 December 2024, the Consolidated Entity has cash at banks and deposits of US$144,089 (2023: US$120,138) and its current liabilities exceeded its current assets by US$1,579,050 (2023:US$1,311,079). These factors indicate the existence of a material uncertainty which may cast significant doubt on the Consolidated Entity's and the Company's ability to continue as going concerns.

The Consolidated Entity's cashflow forecast subsequent to the year ended 31 December 2024 reflects that the Consolidated Entity will be required to raise additional working capital during the next 12-month period from the date of the financial statements. The directors consider that the Consolidated Entity is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations during the twelve-month period from the date of the financial statements.

Accordingly, the directors believe that the Consolidated Entity will be able to obtain sufficient funding to allow it to meet its minimum exploration expenditure commitments on existing tenements and continue its activities for at least the next 12 months. For this reason, these consolidated financial statements are prepared on a going concern basis.

In addition to the above, the directors believe that the Consolidated Entity will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis based on the following considerations:

- The Company's track record of successfully raising capital. The Company raised US$914,894 in 2024, US$3,595,160 in 2023 and US$5,865,677 in 2021. The Company also raised approximately US$744,000 via convertible notes in 2024;
- As disclosed in Note 26, the Company secured A$35 million Capital Commitment Agreement ("Facility") from Global Emerging Markets Group ("GEM") in 2024 and also issued to GEM with 2 tranches of 10 million options with exercise price of A$0.125 per option and 10 million options with exercise price of A$0.2 per option and expiring 5 years from the issued date. Subsequent to the year end, the Company raised approximately A$67,000 through the issue of 1,270,239 shares at A$0.0531 per share to the Facility. The Company also has an At-the-Market ("ATM") funding facility with Alpha Investment Partners Pty. Ltd providing it with further flexibility and viable alternatives for its fund raising requirements;
- If, required, the ability of the Consolidated Entity to further scale back parts of its operations and ongoing management of the underlying cost base (primarily through employee costs, improved technology efficiencies and other operating cost reductions);
- Meeting its obligations by either farm-out or partial sale of the Consolidated Entity's exploration interests, if required;
- Interest from strategic and trade investors have and continues to be received in the Company's lithium assets in Thailand and Chile;

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 1. General information (continued)

Going concern (continued)

- As the Company is an ASX-listed entity, the Company has the ability to raise additional funds and has proven that it can raise additional funds as and when required;

- Access to loans which directors have in the past provided and may elect to provide on terms yet to be negotiated and agreed in the future;

- The Company has strategically set critical metals assets for which corporate entities have indicated an interest to enter into negotiations to partner or participate, and the securing of such partnerships may result in an inflow of new capital; and

- Other avenues that may be available to the Consolidated Entity.

In the long term, the development of mineral reserves depends on the Consolidated Entity's ability to raise additional capital. Additional funds will be required for the successful exploration and subsequent exploitation of its areas of interest through development and sale. The main source of future funds to the Consolidated Entity is the raising of equity capital by the Consolidated Entity. The Consolidated Entity could also obtain financing through debt financing or other means. The ability to arrange such funding in the future will depend on the prevailing capital market conditions as well as the business performance of the Consolidated Entity and its exploration and evaluation results.

The financial statements do not include any adjustments that may result in the event that the Consolidated Entity and the Company are unable to continue as going concerns. In that event, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Consolidated Entity and the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and current liabilities.

Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost basis, except as disclosed in the material accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

New standards and amendments

The Consolidated Entity has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2024:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2024

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Consolidated Entity in the period of their initial adoption.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information

Principles of consolidation

Subsidiaries
(i) Consolidation
Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions
The acquisition method of accounting is used to account for business combinations entered into by the Consolidated Entity.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Consolidated Entity. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Consolidated Entity recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals
When a change in the Consolidated Entity's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Investments in subsidiaries
Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information (continued)

Foreign currency translation
(a) Functional and presentation currency
Items included in the financial statements of each entity in the Consolidated Entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar ("US$"), which is the functional currency of the Company.

(b) Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance costs". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "unrealised foreign exchange losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Consolidated Entity's financial statements
The results and financial position of all the Consolidated Entity (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
(i) assets and liabilities are translated at the closing exchange rates at the reporting date;
(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Interest income
Interest income from financial assets at amortised cost is recognised using the effective interest method.

Financial assets
(a) Classification and measurement

The Consolidated Entity classifies its financial assets at amortised cost.

The classification depends on the Consolidated Entity's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Consolidated Entity reclassifies debt instruments when and only when its business model for managing those assets changes.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information (continued)

Financial assets (continued)
(a) Classification and measurement (continued)

At initial recognition
At initial recognition, the Consolidated Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement
(i) Debt instruments
Debt instruments mainly comprise cash and cash equivalents and other receivables.

The subsequent measurement categories depend on the Consolidated Entity's business model for managing the asset and the cash flow characteristics of the asset:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment
The Consolidated Entity recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Consolidated Entity expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

If the Consolidated Entity has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous year, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Consolidated Entity measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Consolidated Entity recognises an impairment loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Consolidated Entity commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information (continued)

Plant and equipment
Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs
The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Office equipment	3 - 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure
Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Disposal
On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Leases
When the Consolidated Entity is the lessee:
At the inception of the contract, the Consolidated Entity assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets
The Consolidated Entity recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities
The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Consolidated Entity shall use its incremental borrowing rate.

Lease payments include the following:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees
- The exercise price of a purchase option if the Consolidated Entity is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease if the lease term reflects the Consolidated Entity exercising that option.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information (continued)

Lease liabilities (continued)

For a contract that contains both lease and non-lease components, the Consolidated Entity allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Consolidated Entity has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:
- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Consolidated Entity's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases
The Consolidated Entity has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Other payables
Other payables represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as noncurrent liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Convertible notes
The total proceeds from convertible notes issued are allocated to the liability component and the equity component, which are separately presented on the statement of financial position.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible notes. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

Borrowings
Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Derecognition of financial liabilities
The Consolidated Entity derecognises financial liabilities when, and only when, the Consolidated Entity's obligations are discharged, cancelled or have expired.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information (continued)

Exploration and evaluation expenditure
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development, accumulated expenditure will be tested for impairment, transferred to property, plant and equipment expenditure, and then amortised over the life of the reserves associated with the area of interest once production have commenced.

Income taxes
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Consolidated Entity measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries except where the Consolidated Entity is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:
(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Consolidated Entity accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

Finance costs
Borrowing costs are recognised in profit or loss using the effective interest method.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information (continued)

Cash and cash equivalents
For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Provisions
Provisions are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are reviewed at the end of each year and adjusted to reflect the current best estimates. If it is no longer likely than not that an outflow of resources will be required to settle the obligation, the provisions will be reversed.

Value added tax ('VAT') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Impairment of non-financial assets

Plant and equipment, right-of-use assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 2. Material accounting policy information (continued)

Employee compensation

(a) Defined contribution plans
Defined contribution plans are post-employment benefit plans under which the Consolidated Entity pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Consolidated Entity has no further payment obligations once the contributions have been paid.

(b) Share-based payments
Equity-settled share-based payments with employees
The Consolidated Entity operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of shares is recognised as an expense with a corresponding increase in the share capital. The total amount to be recognised is determined by reference to the fair value of the shares granted on grant date.

Equity-settled share-based payments with parties other than employees
Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Consolidated Entity obtains the goods or the counterparty renders the service.

(c) Defined benefit plans
Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high-quality corporate bonds that are denominated in the currency and the country in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period. Past service costs are recognised immediately in profit or loss.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Flagship Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
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Note 3. Critical accounting judgements, estimates and assumptions

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical judgements, the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next financial year, are related to the following areas:

Exploration and evaluation assets
Exploration and evaluation assets have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. The carrying amounts of exploration and evaluation assets are disclosed in Note 13.

Impairment of investments in subsidiaries
Investments in subsidiaries are stated at cost less any impairment loss. The Company evaluates, among other factors, the market and economic environment in which the subsidiaries operate and development of its exploration and evaluation assets to determine whether there are indicators of impairment loss or if so, whether the estimated recoverable amount exceeds cost. Management has evaluated and concluded that there are no impairment indicators noted. The carrying amounts of investments in subsidiaries is disclosed in Note 14.

Assessment of the conversion features of the convertible notes
During the year ended 31 December 2024 , the Company entered into a convertible note agreement (the “Agreement”) with multiple investors (“Investors”) for a loan amount of US$744,000 under two series as per the details mentioned below:

On 28 March 2024, the Company announced that it had entered into a series of convertible notes hereon termed as "Series 1 Notes". These notes earn 16% per annum, payable at maturity. One half of the Series 1 Notes have a 365 day maturity and are convertible at A$0.075 per share, the remaining half have a 455 day maturity and are convertible at A$0.15 per share. The Series 1 Notes are convertible at the investors’ option from 6 months after issue and redeemable at the Company's option with 10 days’ notice.

On 01 November 2024, the Company announced that it had entered into a series of convertible notes hereon termed as “Series 2 Notes”. These notes earn 16% per annum, payable quarterly in arrears. The Series 2 Notes have an 18 month maturity and are convertible at A$0.075 per share, The Series 2 Notes are convertible at the investors’ option from 6 months after issue and are redeemable at the Company's option with 10 days’ notice with a minimum 6 months interest payable.

The convertible notes are hybrid financial instruments which have been classified and measured as a financial liability with equity element in accordance with the requirements of SFRS(I) 1-32 Financial Instruments: Presentation and SFRS(I) 9 Financial Instruments. The valuation and accounting treatment of the convertible notes is a complex area and require the use of judgements and estimates. The separation of the equity element from the liability element of a convertible notes would involve a significant degree of judgement and the determination of the fair value for the convertible notes involves significant degree of estimation uncertainty in assessing the appropriateness of the valuation methodology to be applied and the reasonableness of discount rate applied in the valuation. The carrying amount of the liability component of the convertible notes on initial recognition at the end of the year is disclosed in Note 17.

Note 4. Segment disclosures

The Consolidated Entity does not have any reportable operating segments as it solely operates in one segment, being the exploration of resources within the South East Asian region. The internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining allocation of resources are prepared on the Consolidated Entity as a whole.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 5. Employment expenses

	Consolidated 2024 US$	Consolidated 2023 US$
Wages and salaries	493,257	692,688
Employer's contribution to defined contribution plans	11,506	22,700
Share based payments	178,284	146,577
	683,047	861,965

Note 6. Corporate and administration expenses

	Consolidated 2024 US$	Consolidated 2023 US$
Investor relations	24,139	-
Advisory fees	83,676	-
Business development	655,062	942,362
Share registry fee	31,148	15,453
Foreign currency (gains)/losses, net	(99,542)	72,586
Travelling	55,230	159,132
ASX charges	38,869	33,466
Insurance	18,958	14,035
Other expenses	15,401	30,759
	822,941	1,267,793

During the year, the Consolidated Entity has incurred purchase option fee of US$200,000 as part of business development expenses for option payment of binding option agreements to purchase 100% of the Tama Atacama Lithium Brine Project and Rosario Project. In order to keep the purchase option offered valid, for each year that the agreements are in force, as disclosed in Note 26, the Consolidated Entity must pay annually to the contracting party from the effective date of the agreement until its termination.

Note 7. Finance cost

	Consolidated 2024 US$	Consolidated 2023 US$
Interest on lease liabilities	2,603	4,297
Interest on Director's loan	4,009	-
Interest on convertible note (Note 17)	89,842	-
Loss from modification of convertible note (Note 17)	7,820	-
	104,274	4,297

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 8. Income tax expense

No provision for current taxation has been made as there is no taxable profit for the years 31 December 2024 and 2023.

The tax on the Consolidated Entity's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Consolidated	
	2024	**2023**
	US$	**US$**
Loss before tax	(2,185,237)	(3,339,284)
Tax at the statutory tax rate of 17%	(371,490)	(567,678)
- Expenses not deductible for tax purposes	-	35,796
- Income not subject to tax	(5,503)	-
- Deferred tax assets not recognised	376,993	531,882
Income tax expense	-	-

The Consolidated Entity has deferred tax assets arising from unrecognised tax losses of US$5,427,658 (2023: US$3,210,052) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date. The deferred tax asset has not been recognised in the statements of financial position as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be utilised.

Note 9. Cash and cash equivalents

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	US$	**US$**	**US$**	**US$**
Cash at bank	124,254	54,852	11,891	2,617
Restricted bank deposits	19,835	65,286	-	-
	144,089	120,138	11,891	2,617

As at 31 December 2024, the Consolidated Entity has pledged fixed deposits of US$19,835 (2023: US$65,286) as collateral for bank guarantees issue for obligation of the performance under the contract with Department of Primary Industries and Mines (DPIM) of Thailand.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following at the end of the year:

	Consolidated	
	2024	**2023**
	US$	**US$**
Cash at banks and deposits	144,089	120,138
Less: Restricted bank deposits	(19,835)	(65,286)
	124,254	54,852

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Note 10. Other receivables

	Consolidated		Parent	
	2024 US$	2023 US$	2024 US$	2023 US$
Non-related parties	972	4,922	-	-
VAT receivable	218,343	192,174	-	6,138
	219,315	197,096	-	6,138
Other receivables from subsidiaries[b]	-	-	998,628	2,523,540
Less: Allowance for expected credit loss (Note 20)	-	-	(476,861)	(486,627)
Other receivables (Collateral shares for Alpha)[a]	265,581	-	265,581	-
	265,581	-	787,348	2,036,913
	484,896	197,096	787,348	2,043,051

[a] Collateral shares issued for the At-the-Market ("ATM") funding facility with Alpha Investment Partners ("Alpha"). These shares will be sold in the market at the Company's instructions and the sale proceeds less the commission of 7% will be paid to the Company.

[b] Other receivables from subsidiaries represent loans to subsidiaries for the purpose of funding the exploration and evaluation expenditures in Thailand. The loans to subsidiaries are unsecured, interest-free and repayable on demand.

During the year ended 31 December 2024, loans to subsidiaries amounting to US$1,857,682 were reclassified to investment in subsidiaries as there is no certainty on the definite date of repayment as the Company intends to provide the loans as financing for the operations of the subsidiaries for the long term. Accordingly, these loans are considered to be quasi-capital loans. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future, therefore form part of the Company's costs of investments in the subsidiaries.

Note 11. Property, plant and equipment

	Consolidated		Parent	
	2024 US$	2023 US$	2024 US$	2023 US$
Property, plant and equipment	111,657	139,367	11,626	5,773
Less: Accumulated depreciation	(68,660)	(71,080)	(5,662)	(4,207)
Net carrying amount	42,997	68,287	5,964	1,566

Consolidated	**Office equipment US$**
Cost	
At 1 January 2023	138,466
Currency translation differences	901
At 31 December 2023	139,367
Additions	6,117
Disposal	(33,973)
Currency translation differences	146
At 31 December 2024	111,657

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Note 11. Property, plant and equipment (continued)

Consolidated	Office equipment US$
Accumulated depreciation	
At 1 January 2023	44,927
Depreciation charge	21,626
Currency translation differences	4,527
At 31 December 2023	71,080
Depreciation charge	17,906
Disposal	(26,731)
Currency translation differences	6,405
At 31 December 2024	68,660
Company	
Cost	
At 1 January 2023 and 31 December 2023	5,773
Additions	5,853
At 31 December 2024	11,626
Accumulated depreciation	
At 1 January 2023	2,978
Depreciation charge	1,229
At 31 December 2023	4,207
Depreciation charged	1,455
At 31 December 2024	5,662

Note 12. Leases

<u>Nature of the Consolidated Entity's leasing activities – as a lessee</u>

Leasehold properties

The Consolidated Entity leases office space for the purpose of back-office operations. The lease term is 3 years (2023 :3 years). The Consolidated Entity's obligations are secured by the lessors' title to the leased assets.

	Consolidated	
	2024 US$	2023 US$
Leasehold properties	26,093	49,803

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Note 12. Leases (continued)

(a) Carrying amounts of leasehold properties

Consolidated	Leasehold properties $
At 1 January 2024	49,803
Depreciation charge	(23,497)
Exchange differences	(213)
At 31 December 2024	26,093
At 1 January 2023	72,036
Depreciation charge	(23,816)
Exchange differences	1,583
At 31 December 2023	49,803

(b) Depreciation charged during the year

	Consolidated 2024 US$	2023 US$
Leasehold properties	23,497	23,816

(c) Interest expense

	Consolidated 2024 US$	2023 US$
Interest expense on lease liabilities	2,603	4,297

(d) Lease expense not capitalised in lease liabilities

	Consolidated 2024 US$	2023 US$
Lease expense –short-term leases	1,855	4,650

(e) Total cash outflow for the leases in 2024 is US$37,915 (2023: US$31,063).

(f) Lease liabilities

	Consolidated 2024 US$	2023 US$
Lease liabilities (secured):		
Current	26,093	24,246
Non-current	-	25,558
	26,093	49,804

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Note 12. Leases (Continued)

(f) Lease liabilities (Continued)

The reconciliation of movements of the Consolidated Entity's liabilities to the Consolidated Entity's cash flows arising from financing activities is presented below:

				Non-Cash Changes		
	At 1 January US$	Addition US$	Repayments US$	Interest expense US$	Foreign exchange movement US$	At 31 December US$
2024						
Lease liabilities	49,804	-	(26,060)	2,603	(254)	26,093
2023						
Lease Liabilities	72,036	-	(26,413)	4,297	(116)	49,804

(g) Future cash outflow which are not capitalised in lease liabilities.

The lease of office premise contains extension period, for which the related lease payments had not been included in lease liabilities as the Consolidated Entity is not reasonably certain to exercise this extension option. The Consolidated Entity negotiates extension option to optimise operational flexibility in terms of managing the asset used in the Consolidated Entity's operations. The extension option is exercisable by the Consolidated Entity and not by the lessor.

Note 13. Exploration and evaluation assets

	Consolidated	
	2024 US$	2023 US$
Exploration and evaluation assets - at cost	12,486,869	11,999,831

	2024 US$	2023 US$
Reconciliation of exploration and evaluation assets		
Beginning of year	11,999,831	9,686,898
Expenditure during the year	463,005	2,302,006
Exchange difference	24,033	10,927
End of year	12,486,869	11,999,831

The expenditure during the year was predominantly in respect of costs incurred on the Reung Kiet Lithium Project with minor expenditure on the Rosario Copper Project.

Note 14. Investment in subsidiaries

	Parent	
	2024 US$	2023 US$
Unquoted equity shares, at cost	12,623,479	11,677,760
Loan to subsidiaries (Note 10)	1,857,682	-
Impairment losses on subsidiary	(49,343)	-
	14,431,818	11,677,760

Loan to subsidiaries
The loans to subsidiaries which are unsecured and non-interest bearing and are quasi-equity in nature. The settlement of the loans is not expected to be settled in the foreseeable future. As these loans, in substance, form part of the Company's net investment in the subsidiaries, they are stated at cost.

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Note 14. Investment in Subsidiaries (continued)

Impairment losses on subsidiary
During the year ended 31 December 2024, management performed an impairment review of its investment in subsidiaries and assess that the recoverable amount of a subsidiary is lower than the cost of investment. As a result of the review, the Company recognised impairment loss of US$49,343 (2023: US$Nil).

The Consolidated Entity has the following subsidiaries as at 31 December 2024 and 2023:

	Name	Principal activities*	Country of business/ incorporation	Ownership interest 2024 %	Ownership interest 2023 %
	Held by the Company				
1	Pan Asia Metals (Thailand) Co. Ltd.[c]	Activity A	Thailand	100	100
2	Pan Asia Metals Pty. Ltd.[b] [d]	Activity B	Australia	100	100
3	Pan Asia Metals (Malaysia) Sdn. Bhd.[a] [d]	Activity B	Malaysia	100	100
4	New Energy Metals Pte Ltd (formerly known as Mandalay Mining and Metals Pte. Ltd) [a]	Activity C	Singapore	100	100
5	Lithium Chemical Holdings Sdn.Bhd.[a] [d]	Activity B	Malaysia	100	100
6	LIB Metals Processing India Private Limited [a][d]	Activity D	India	100	100
7	Pan Asia Metals Chile Spa[d]	Activity D	Chile	100	100
	Held by Pan Asia Metals (Thailand) Co. Ltd.				
8	Pan Asia 1 Metals (Thailand) Co. Ltd [c]	Activity B	Thailand	100	100
9	Pan Asia 2 Metals (Thailand) Co. Ltd [c]	Activity B	Thailand	100	100
10	Pan Asia 3 Metals (Thailand) Co. Ltd [c]	Activity B	Thailand	100	100
11	Pan Asia 4 Metals (Thailand) Co. Ltd [c]	Activity B	Thailand	100	100
12	Siam Industrial Metal Company Limited [c]	Activity B	Thailand	100	100
13	Thai Mineral Ventures Company Limited [c]	Activity B	Thailand	100	100
	Held by New Energy Metals Pte. Ltd.				
14	First Light Mandalay Mining and Metals Company Limited.[a]	Activity B	Myanmar	100	100
	Held by Pan Asia Metals Chile Spa				
15	La Tirana Uno SpA [d]	Activity D	Chile	100	100
16	La Tirana Dos SpA [d]	Activity D	Chile	100	100

[a] De-registration process has been initiated
[b] De-registration of the entity has been planned after the current year-end.
[c] Audited by Vachirachat Co., Ltd, Thailand for statutory audit and/or group consolidation purpose
[d] Not required to perform statutory audit and not material to the Consolidated Entity.

***Principal activities**
Activity A: Investment holdings
Activity B: Minerals mining including exploration analysis and inspection
Activity C: Petroleum, mining and prospecting services
Activity D: Minerals prospecting, exploration, development, processing and manufacturing

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Note 15. Other payables

	Consolidated		Parent	
	2024 US$	2023 US$	2024 US$	2023 US$
Advance received from Director	-	444,642	-	444,642
Loan from Directors	403,540	-	403,540	-
Loan from related party	20,402	-	20,402	-
Other payables - Director salary	223,573	149,162	223,573	149,162
Other payables - Third parties	516,714	701,691	141,830	152,212
	1,163,229	1,295,495	789,345	746,016

Advance received from Director during the previous year is for subscription of the Company's shares and these shares were issued during the current year.

Loan from related party amounting to US$20,402 bears an interest of 5% per annum. The loan is repayable upon completion of the next equity capital raising by the Company.

The loans from Directors amounting to US$399,530 at an interest of 5% per annum has been availed from the Directors in order to meet the operational activities of the Consolidated Entity and is repayable upon completion of the 1st anniversary of the loan being received.

As at 31 December 2024, an amount of US$4,010 has been accrued towards interest payable on the loans from Directors. The total loan liability as at 31 December 2024 is US$403,540. (2023: US$Nil)

Other payables are unsecured and are usually paid within 30 days of recognition.

Note 16. Accrued expenses

	Consolidated		Parent	
	2024 US$	2023 US$	2024 US$	2023 US$
Directors' fee	130,100	277,879	130,100	277,879
Professional fee	66,168	41,101	66,168	41,101
Other accrued expenses	12,049	15,553	-	-
	208,317	334,533	196,268	318,980

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Note 17. Borrowings

	Consolidated 2024 US$	Consolidated 2023 US$	Parent 2024 US$	Parent 2023 US$
Convertible notes payable	833,461	-	833,461	-

During the year ended 31 December 2024, the following convertible notes were issued:

(i) In February 2024, the Company received US$610,386 (equivalent to A$934,619) by issue of convertible notes ("Series 1 Notes") bearing an interest of 16% per annum. The Series 1 Notes and any associated interest may be converted into fully paid ordinary shares in the capital of the Company at any time at the Investor's election. The Company may repurchase the Series 1 Notes by paying the principal amount outstanding together with any interest. The Series 1 Notes are unsecured and rank equally with all other unsecured creditors.

On 1 October 2024, the Company announced the modification to the Series 1 Notes by reducing the conversion price of the Series 1 Notes from A$0.15 to A$0.075 per share in return extending the note term by 90 days. 10 of the 14 Investors participated resulting in 62% of the Series 1 Notes being extended.

(ii) In October 2024, the Company raised US$165,846 (equivalent to A$250,000) by issue of convertible notes ("Series 2 Notes") bearing an interest of 16% per annum. The Series 2 Notes have a term of 18 months and can be converted after 6 months, with the conversion price calculated at 90% of the 10-day volume weighted average price (VWAP). The Series 2 Notes can be redeemed at the Company's option.

(iii) During the year, an amount of US$89,842 has been accounted as the interest on convertible notes.

(iv) During the year, an amount of US$7,820 has been accounted as loss from modification of convertible notes.

Refer to Note 20 for further information on financial instruments.

	Consolidated 2024 US$	Consolidated 2023 US$	Parent 2024 US$	Parent 2023 US$
Face value of convertible notes at the date of issuance	776,232	-	776,232	-
Equity conversion component on initial recognition (Note 19)	(40,433)	-	(40,433)	-
Liability component on initial recognition	735,799	-	735,799	-
Accumulated loss arising from modification of convertible notes (Note 7)	7,820	-	7,820	-
Accumulated amortisation of interest expense (Note 7)	89,842	-	89,842	-
	97,662	-	97,662	-
Liability component at the end of the year	**833,461**	-	**833,461**	-

Reconciliation of liabilities arising from financing activities:

	01 January 2024 US$	Proceeds from borrowings US$	Principal and interest/dividend payments US$	Non-cash changes: Addition during the year US$	Non-cash changes: Modification of convertible notes US$	Non-cash changes: Interest expense US$	Non-cash changes: Equity component of convertible notes US$	31 December 2024 US$
Convertible notes	-	557,977	-	218,255	7,820	89,842	(40,433)	833,461

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
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Note 18. Issued capital

	Consolidated and Parent			
	2024 Shares	**2023 Shares**	**2024 US$**	**2023 US$**
Ordinary shares - fully paid	202,323,976	167,816,778	18,781,860	16,725,974

Movements in ordinary share capital

Details	**Shares**	**US$**
Balance at 1 January 2023	146,855,590	13,072,507
Placement of shares	19,509,999	3,595,160
Shares issued in lieu of professional fees	160,714	30,105
Shares issued in lieu of directors' fees	495,131	152,802
Shares issued in lieu of marketing services	795,344	79,155
Cost of capital raising	-	(203,755)
Balance 1 January 2024	167,816,778	16,725,974
Placement of shares	17,674,211	914,894
Shares issued to Directors in lieu of fees	3,550,419	272,385
Shares issued in lieu of services	5,260,055	249,591
Shares issued to employees	480,569	21,551
Shares issued towards funding facility from Alpha	3,000,000	265,581
Issuance of shares in lieu of repayment of Director loan	4,541,944	444,642
Cost of capital raising	-	(112,758)
Balance at 31 December 2024	202,323,976	18,781,860

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.
Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Share based payments
The expense in respect of equity-settled share-based payments recognised in the financial statements is shown in the following table:

	Consolidated	
	2024 US$	**2023 US$**
Professional fees	99,591	30,105
Business development expenses	150,000	-
Marketing services	-	79,155
Directors' fee (Note 23)	272,385	152,802
Employees	21,551	-
	543,527	262,062

The share-based payments represent:
(i) 1,619,790 shares issued to third party suppliers of professional services for US$99,591;
(ii) 3,640,265 shares issued for US$150,000 as part of annual option payment for Tama Atacama Project (Note 26);
(iii) 3,550,419 shares issued to the Directors in-lieu of their directors' fees of US$272,385; and
(iv) 480,569 shares issued to employees in-lieu of their salaries of US$21,551.

The fair value price of shares issued is determined by the market price of the shares as at each grant date and the share-based payment was recognised upon satisfaction of the services by each party as at the end of the year.

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Note 18. Issued capital (continued)

Capital risk management
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity is subject to conditions related to convertible notes issued during the year. There have been no events of default related this the financing arrangement during the year. Please refer to Note 17 for further details.

The capital risk management policy remains unchanged from the previous year 2023.

Note 19. Reserves

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
(a) Composition	**US$**	**US$**	**US$**	**US$**
Foreign currency translation reserve	101,921	(97,227)	-	-
Equity component of convertible notes	40,433	-	40,433	-
Options reserve	84,953	-	84,953	-
	227,307	(97,227)	125,386	-

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
Movement:	**US$**	**US$**	**US$**	**US$**
(i) Foreign currency translation reserve				
Beginning of year	(97,227)	(151,038)	-	-
Movements during the year	199,148	53,811	-	-
End of year	**101,921**	**(97,227)**	-	-
(ii) Equity component of convertible notes				
Beginning of year	-	-	-	-
Movements during the year	40,433	-	40,433	-
End of year	**40,433**	-	**40,433**	-
(iii) Option reserve				
Beginning of year	-	-	-	-
Movements during the year	84,953	-	84,953	-
End of year	**84,953**	-	**84,953**	-

Foreign currency translation reserve
The reserve pertains to exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from Consolidated Entity's presentation currency.

Equity component of convertible notes
The convertible notes Series 1 Notes earn 16% interest per annum. The convertible notes are convertible into ordinary shares capital of the Company at the option of the investors, subject to the terms and conditions of the agreements. The equity component recognised in the reserve represents the carrying amount of the conversion option.

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Note 19. Reserves (continued)

Option reserve
The option reserve represents the fair value of 5,493,407 free attaching options issued on 13 November 2024. These options were issued under the share placement plan with one new option for every two new shares applied for with an exercise price of A$0.15 per option and expiring two years from the issue date. These options were fair valued at the grant date using the Black-Scholes option pricing model.

Note 20. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures, if required. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ("Finance") under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity has exposure to fluctuations between Australian Dollar (A$), Singapore Dollar and Thai Baht.

The carrying amount of the Consolidated Entity's and the Company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

2024

Consolidated	United States Dollar	Thai Baht	Australian Dollar	Singapore Dollar	Total
Cash and cash equivalents	2,350	129,992	11,338	409	144,089
Refundable deposits	-	12,915	-	-	12,915
Other receivables	265,581	972			266,553
Other payables	(241,853)	(229,759)	(690,972)	(645)	(1,163,229)
Lease liabilities	-	(26,093)	-	-	(26,093)
Accrued expenses	(130,100)	(12,049)	-	(66,168)	(208,317)
Borrowings	-	-	(833,461)	-	(833,461)
Net financial (liabilities)/assets	(104,022)	(124,022)	(1,513,095)	(66,404)	(1,807,543)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currency	(104,022)	(124,022)	64,996	-	(163,048)
Currency exposure	-	-	(1,448,099)	(66,404)	(1,970,591)

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Note 20. Financial instruments (continued)

Market risk (continued)

2024

Parent	United States Dollar	Thai Bhat	Australian Dollar	Singapore Dollar	Total
Cash and cash equivalents	1,743	-	9,739	409	11,891
Other receivables	787,348	-	-	-	787,348
Other payables	(164,322)	-	(624,378)	(645)	(789,345)
Accrued expenses	(130,098)	-	-	(66,170)	(196,268)
Borrowings		-	(833,461)	-	(833,461)
Net financial liabilities	494,671	-	(1,448,100)	(66,406)	(1,019,835)
Less: Net financial liabilities denominated in the respective entities' functional currency	(494,671)	-	-	-	(494,671)
Currency exposure	-	-	(1,448,100)	(66,406)	(1,514,506)

2023

Consolidated	United States Dollar	Thai Baht	Australian Dollar	Singapore Dollar	Total
Cash and cash equivalents	1,139	114,854	2,633	1,512	120,138
Refundable deposits	-	20,224	-	-	20,224
Other receivables	-	4,922	-	-	4,922
Other payables	(258,083)	(398,686)	(624,705)	(14,021)	(1,295,495)
Lease liabilities	-	(49,804)	-	-	(49,804)
Accrued expenses	(45,000)	(53,764)	(194,668)	(41,101)	(334,533)
Net financial liabilities	(301,944)	(362,254)	(816,740)	(53,610)	(1,534,548)
Less: Net financial liabilities denominated in the respective entities' functional currency	301,944	362,254	-	-	664,198
Currency exposure	-	-	(816,740)	(53,610)	(870,350)

2023

Parent	United States Dollar	Thai Baht	Australian Dollar	Singapore Dollar	Total
Cash and cash equivalents	231	-	874	1,512	2,617
Other receivables	2,036,913	-	-	-	2,036,913
Other payables	(180,560)	-	(551,435)	(14,021)	(746,016)
Accrued expenses	(45,000)	-	(232,879)	(41,101)	(318,980)
Net financial assets/(liabilities)	1,811,584	-	(783,440)	(53,610)	974,534
Less: Net financial assets denominated in the respective entities' functional currency	(1,811,584)	-	-	-	(1,811,584)
Currency exposure	-	-	(783,440)	(53,610)	(837,050)

A 5% strengthening of the United States Dollar against the following foreign currencies at the statement of financial position date would increase/(decrease) net loss by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant.

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Note 20. Financial instruments (continued)

Market risk (continued)

	Consolidated		Parent	
	Increase/ (Decrease) **2024** **Net loss**	Increase/ (Decrease) **2023** **Net loss**	Increase/ (Decrease) **2024** **Net loss**	Increase/ (Decrease) **2023** **Net loss**
Australian Dollar				
- Strengthened	(60,096)	(33,895)	(60,096)	(32,513)
- Weakened	60,096	33,895	60,096	32,513
Singapore Dollar	-	-	-	-
- Strengthened	(2,756)	(2,225)	(2,756)	(2,225)
- Weakened	2,756	2,225	2,756	2,225

A 5% weakening of the United States Dollar against the above foreign currencies would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity adopts the policy of dealing only with high credit quality counterparties.

As the Consolidated Entity and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Consolidated Entity and the Company held cash and cash equivalents with banks with high credit ratings and are considered to have low credit risk. Other receivables and cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss unless otherwise stated.

The movement in allowance for expected credit loss for other receivable in subsidiaries are as follows:

	Parent	
	2024 **US$**	**2023** **US$**
Beginning of the year	486,627	559,764
Movement in the allowance recognised in the profit or loss	34,556	(73,137)
Currency translation differences	(44,322)	-
End of year	**476,861**	**486,627**

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The table below analyses non-derivative financial liabilities of the Consolidated Entity and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Note 20. Financial instruments (continued)

Liquidity risk (continued)

Consolidated – 2024	1 year or less US$	Between 1 to 3 years US$	Remaining contractual maturities US$
Other payables	1,163,229	-	1,163,229
Accrued expenses	208,317		208,317
Lease liabilities	26,093	-	26,093
Convertible notes	833,461	-	833,461
Total	2,231,100	-	2,231,100

Consolidated – 2023	1 year or less US$	Between 1 to 3 years US$	Remaining contractual maturities US$
Other payables	1,295,495	-	1,295,495
Accrued expenses	334,533		334,533
Lease liabilities	24,246	25,558	49,804
Total	1,654,274	25,558	1,679,832

Parent – 2024	1 year or less US$	Between 1 to 3 years US$	Remaining contractual maturities US$
Other payables	789,345	-	789,345
Accrued expenses	196,268	-	196,268
Convertible notes	833,461	-	833,461
Total	1,819,074	-	1,819,074

Parent – 2023	1 year or less US$	Between 1 to 3 years US$	Remaining contractual maturities US$
Other payables	746,016	-	746,016
Accrued expenses	318,980	-	318,980
Total	1,064,996	-	1,064,996

Fair value of financial instruments

The carrying amounts of financial assets and liabilities with maturities of less than one year approximate their respective fair values due to the relatively short-term maturities of these financial assets and liabilities except for lease liabilities and employee benefit provision.

The Consolidated Entity and the Company assessed that any unadjusted fair value arising from non-current accruals would be immaterial as the carrying amount approximate their fair value.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 21. Financial Instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Consolidated		Parent	
	2024 US$	2023 US$	2024 US$	2023 US$
Financial assets				
At amortised cost				
Cash at banks and deposits	144,089	120,138	11,891	2,617
Refundable deposits	12,915	20,224	-	-
Other receivables	266,553	4,922	787,348	2,036,913
Total	**423,557**	**145,284**	**799,239**	**2,039,530**

	Consolidated		Parent	
	2024 US$	2023 US$	2024 US$	2023 US$
Financial liabilities				
At amortised cost				
Other payables	1,163,229	1,295,495	789,345	746,016
Accrued expenses	208,317	334,533	196,268	318,980
Lease liabilities	26,093	49,804	-	-
Convertible notes	833,461	-	833,461	-
Total	**2,231,100**	**1,679,832**	**1,819,074**	**1,064,996**

Note 22. Auditors' remuneration

	Consolidated	
	2024 US$	2023 US$
Amounts paid to the auditors of the Consolidated Entity		
Audit services		
- Auditor of the Company	66,170	41,101
- Other auditors of the Consolidated Entity	10,574	27,287
Total	76,744	68,388

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 23. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2024	**2023**
	US$	**US$**
Wages and salaries	265,134	397,364
Post-employment benefits	5,756	22,700
Share-based payments* (Note 18)	272,385	146,577
	543,275	566,641

* Share based payments represent the component of Directors' fee for the year ended 31 December 2024 that is paid or payable through the issue of the shares.

Note 24. Contingent liabilities

(a) The Company has the following contingent liabilities towards Thai Goldfields NL as performance payments related to tungsten production at the Khao Soon Tungsten Project:

(i) Thai Goldfields NL ("TGF") will receive a A$2 million cash payment upon first WO3 concentrate production being achieved for a tungsten project on Special Prospecting Licence Application No.1/2549 (TSPLA 1/2549) or its successor title over the historic Khao Soon Tungsten Mine; and

(ii) TGF will receive a A$2 million cash payment upon first WO3 concentrate production being achieved for a project on any tenement abutting TSPLA 1/2549 or any successor title.

Note 25. Related party transactions

Parent entity
Flagship Minerals Limited is the Parent Entity.

Key management personnel
Disclosures relating to key management personnel are set out in Note 23.

Transactions with related parties
In addition to the information disclosed elsewhere in the financial statements, there were no transactions with related parties during the current and previous year.

Receivable from and payable to related parties
In addition to the information disclosed elsewhere in the financial statements, there were no other receivables from or other payables to related parties at the current and previous reporting date.

Loans to/from related parties
In addition to the information disclosed elsewhere in the financial statements, there were no loans to or from related parties at the current and previous reporting date.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 26. Commitments

(a) On 18 November 2024, the Company entered into a Capital Commitment Agreement with Global Emerging Markets Group ("GEM"). Under the terms of this agreement, GEM grants to the Company a commitment to subscribe for shares having a total issue price not exceeding A$35 million, for a period of 4 years from the date of the agreement. The Company is required to pay a placement agreement fee of A$700,000 by 18 November 2025.

(b) The Consolidated Entity has the following commitments in Chile:

(i) Tama Atacama Lithium project:

The Consolidated Entity had entered into Mining Concession Purchase Option Agreement on 18 December 2023, for a term of 3 years and 1 additional year by mutual agreement, with Mr Jose Artigas, which provides the Consolidated Entity an option to purchase mining exploration concessions under the PINK Project, currently owned by him, for a purchase consideration of US$2 million. The payment of the price shall be at the discretion of the Consolidated Entity and in no case obligatory. To keep the purchase option offered valid, the Consolidated Entity is required to pay to Mr Jose Artigas an option payment of US$100,000 annually, from the effective date, for each year that the agreement is in force.

The Consolidated Entity had entered into Mining Concession Purchase Option Agreement on 26 December 2023, for a term of 3 years and 1 additional year by mutual agreement with Mr Jose Artigas, which provides the Consolidated Entity an option to purchase mining exploration concessions under the DOLORUS Project, currently owned by him, for a purchase consideration of US$2 million. The payment of the price shall be at the discretion of the Consolidated Entity and in no case obligatory. To keep the purchase option offered valid, the Consolidated Entity is required to pay to Mr Jose Artigas an option payment of US$100,000 annually, from the effective date, for each year that the agreement is in force.

(ii) Rosario Copper Project:

The Consolidated Entity had entered into Mining Concession Purchase Option Agreement on 14 August 2024 for a term of 3 years and 30 days with Mr Jose Artigas, which provides the Consolidated Entity an option to purchase mining exploration concessions under the RASARIO Project Comprising (Rosario, Salvadora and Abandonada), currently owned by him, for a purchase consideration of US$2 million. The payment of the price shall be at the discretion of the Consolidated Entity and in no case obligatory. To keep the purchase option offered valid, the Consolidated Entity is required to pay to Mr Jose Artigas an option payment of US$100,000 annually, from the effective date, for each year that the agreement is in force.

Note 27. Events after the reporting period

On 10 January 2025, the Company announced its rebrand from Pan Asia Metals Limited to Flagship Minerals Limited following the shareholders' vote to change the Company's name marking a break in the Company's exclusive geographic focus on Asia, and on Lithium.

On 24 January 2025, the Company issued 1,270,239 shares at A$0.0531 per share to GEM Facility forming a part of the A$35 million Capital Commitment Agreement.

On 20 February 2025, the Company announced that it had updated the terms of its convertible notes. As per the terms, the Company retains the option to repay the notes, or part thereof, at its election, at any time with 10 days' notice. The investors have the option to convert their convertible notes at any time into the Company's shares at A$0.075 per share.

On 28 February 2025, the Company requested for a voluntary suspension in its securities from ASX, effective immediately, whilst the Company prepares Chapter 11 submissions to ASX in relation to a proposed transaction to acquire an advanced exploration project in the prolific Maricunga Gold Belt, Chile.

On 4 March 2025, the Company prepared a Chapter 11 submission to ASX in relation to a proposed transaction to acquire an advanced exploration project in the prolific Maricunga Gold Belt, Chile.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Flagship Minerals Limited (Formerly known as Pan Asia Metals Limited)
Notes to the financial statements
31 December 2024

Note 28. Earnings per share

	Consolidated	
	2024	**2023**
	US$	**US$**
Loss after income tax attributable to the owners of Flagship Minerals Limited	(2,185,237)	(3,339,284)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	182,491,593	156,395,398
Weighted average number of ordinary shares used in calculating diluted earnings per share	182,491,593	156,395,398
	Cents	**Cents**
Basic loss per share	(1.20)	(2.14)
Diluted loss per share	(1.20)	(2.14)

Basic loss per share
Basic loss per share is calculated by dividing the loss attributable to the owners of Flagship Minerals Limited by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share
As the Consolidated Entity incurred a loss after income tax, any potential ordinary shares are anti-dilutive for both the years ended 31 December 2024 and 2023.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP MINERALS LIMITED
(FORMERLY KNOWN AS PAN ASIA METALS LIMITED)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Flagship Minerals Limited (the "Company") and its subsidiaries (collectively, the "Consolidated Entity"), which comprise the consolidated statement of financial position of the Consolidated Entity and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Consolidated Entity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Consolidated Entity and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Consolidated Entity and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Consolidated Entity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Consolidated Entity in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics applicable to Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP MINERALS LIMITED
(FORMERLY KNOWN AS PAN ASIA METALS LIMITED)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

1. Carrying value and capitalisation of exploration and evaluation assets	
Refer to Note 2 and Note 13	**How our audit addressed it**
The Consolidated Entity has incurred exploration and evaluation costs for exploration projects in South-East Asia over several years, which have been capitalised in the statement of financial position in accordance with its accounting policies. The carrying value of the exploration and evaluation assets amounted to approximately US$12,486,869 (2023: US$11,999,831). There is a risk that the Consolidated Entity may lose or relinquish its rights to explore and evaluate those areas of interest and therefore the amounts capitalised in the statement of financial position from the current year and historical periods may no longer be recoverable. Management has also assessed whether there are any facts and circumstances which suggest that the carrying amount of the assets may be impaired. During the current year, management assessed that there are no facts and circumstances which suggest that the carrying amount of the assets are impaired, and as such, no impairment charge was recognised in relation to exploration and evaluation assets. Due to the significance of exploration and evaluation assets, coupled with the high degree of management's judgement and assumptions in determining whether there are any indicators of impairment, we identified this as a key audit matter.	Our audit procedures included the following: • Evaluated and assessed the management's basis and judgement in its review of existence of impairment indicators on the exploration and evaluation assets of the Consolidated Entity, considering, inter alia, the following points: - Rights to explore in the relevant exploration license; - Intention to carry out exploration and evaluation activities in the relevant exploration area; and - Ability to finance any planned future exploration and evaluation activities and its operations. • Obtained an understanding of, and where applicable verified, the relevant supporting documents for the underlying contractual entitlements to explore and evaluate each area of interest. • Performed assessment on the recognition and measurement of exploration expenditure in accordance with the relevant provisions of SFRS (I) 6. • Reviewed and assessed the adequacy and appropriateness of the Consolidated Entity's disclosures in the financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements with respect to the Consolidated Entity's and the Company's ability to continue as going concerns. During the financial year ended 31 December 2024, the Consolidated Entity reported a net loss of US$2,185,237. As at 31 December 2024, the Consolidated Entity has cash at bank and deposits of US$144,089 and the Consolidated Entity's and the Company's current liabilities exceeded their current assets by US$1,579,050 and US$999,444 respectively.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Consolidated Entity's and the Company's ability to continue as going concerns. Nevertheless, for the reasons disclosed in Note 1 to the financial statements, the Directors are of the view that it is appropriate for the financial statements of the Company to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP MINERALS LIMITED
(FORMERLY KNOWN AS PAN ASIA METALS LIMITED)

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for other information. The other information comprises the Directors' statement
and other sections of the annual report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial statements of the Company for the financial year ended 31 December 2023 were audited by another independent auditor who expressed an unmodified opinion with a material uncertainty for going concern paragraph on those statements on 28 March 2024.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Consolidated Entity's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP MINERALS LIMITED
(FORMERLY KNOWN AS PAN ASIA METALS LIMITED)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLAGSHIP MINERALS LIMITED
(FORMERLY KNOWN AS PAN ASIA METALS LIMITED)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Loh Ji Kin.

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Public Accountants and Chartered Accountants

Singapore

28 March 2025

Tenement and Option Schedule

The information set out below was applicable as at 10 March, 2025.

Tenement/ application	Holder/ applicant	% held	Granted	Term (i) (years)	Area (km^2)	Country
RK Lithium Project (ii)						
SPLA 1/2567	SIM	100	Re-application	5	20.1	Thailand
SPLA 2/2567	SIM	100	Re-application	5	22.0	Thailand
KT Geothermal Lithium and Hard Rock Lithium/Tin Project						
DSPL1/2567	PAM2	100	29-Mar-2024	5	8.2	Thailand
DSPL2/2567	PAM2	100	29-Mar-2024	5	10.2	Thailand
DSPLA3	PAM2	100	Application	5	7.8	Thailand
DSPLA4	PAM2	100	Application	5	3.8	Thailand
DSPLA5	PAM2	100	Application	5	14.7	Thailand
Khao Soon Tungsten Project (iii)						
TSPLA 1/2549	TMV	100	Application	5	11.0	Thailand

SIM: Siam Industrial Metal Co. Ltd.; PAM2: Pan Asia 2 Metals (Thailand) Co. Ltd.; TMV: Thai Mineral Ventures Co. Ltd. SIM, PAM2, and TMV are 100% held subsidiaries of the Company or a 100% held subsidiary of one of the Company's 100% held subsidiaries.

(i) For Application and Re-application areas, the term of 5 years will begin upon approval of the application and its conversion into a license, at which point a 'Granted' date will pe provided in the above table.

(ii)The SPLA 1/2567 application area is expected to be reduced from 20.1Km2 to ~14.5-16.0Km2 and the SPLA2/2567 application area reduced from 22.0Km2 to ~16.0-17.5Km2 once expected carveouts have been applied. See FLG ASX Release titled 'RK Lithium Project - License Re-Application' and dated 22 February, 2022.

(iii) Thai Goldfields NL (TGF) will receive a A$2m cash payment upon first WO3 concentrate production being achieved for a tungsten project on Special Prospecting License Application No.1/2549 (TSPLA 1/2549) or its successor title over the historic Khao Soon Tungsten Mine and a A$2m cash payment upon first WO3 concentrate production being achieved for a project on any tenement abutting TSPLA 1/2549 or any successor title.
David Docherty is a Director of Flagship Minerals and TGF.

Option Agreement Schedule as at 10 March 2025.

Parties

	Option Agreement 1	Option Agreement 2	Option Agreement 3
Project	Tama Atacama Lithium	Tama Atacama Lithium	Rosario Copper
Purchaser	Flagship Minerals Limited through its Chilean Subsidiaries		
Project Concessions	Dolores North (~222km^2) Dolores South (~96km^2)	Pozon (~158km^2) Pink (~550km^2) Ramatidos (northern portion of project area, approx. ~110km^2)	Comprise 4 Exploitation Concessions with an area of ~5.4km^2 and 9 Exploration Concessions with an area of ~19km^2.

Key Commercial Terms

Term	3 Years + 1 additional year by mutual Agreement[1]	3 Years + 1 additional year by mutual Agreement(1)	3 Years + 1 additional year by mutual Agreement(1)
Term Start	December 2023	December 2023	September 2024
Earn-in	100%	100%	100%
Management	Flagship	Flagship	Flagship
Licensing	Meet all obligations including annual licensing payments to maintain titles in good standing		
Minimum Annual Spend	Not applicable	Not applicable	
Option Payments	Dec '24: US$100,000	Dec '24: US$100,000	Sep '25: US$100,000
Payment via 50% cash and 50% FLG shares at FLG's options[2]	Dec '25: US$100,000 Dec '26: US$100,000[1]	Dec '25: US$100,000 Dec '26: US$100,000[1]	Sep '26: US$100,000 Sep '27: US$100,000[1]
Option Exercise	Dec '26: US$2,000,000[3]	Dec '26: US$2,000,000[3]	Dec '27: US$2,000,000[2][3]
Royalty	Not applicable	Not applicable	Not applicable

1. By mutual agreement FLG can seek an extension of the term of the Option Agreement by 1 year, and if extended FLG would be required to pay an additional Option Payment of US$100,000.
2. Payments can be made in cash or 50% cash and 50% FLG shares at FLG's option.
3. FLG can exercise the US$2 million Option Payment early, upon which no further annual payments of US$100,000 will be payable.

Shareholder Information

In accordance with ASX Listing Rule 4.10, the Directors provide the following information as at 7 March 2025.

Stock Exchange Quotation

The Company's shares are quoted on the Australian Securities Exchange (ASX) under the code FLG.

Securities

Type	Security	Number of Securities	Number of Security Holders
ASX Listed	Fully paid ordinary shares (FLG)	203,594,215	1,745
Unlisted	Options expiring 19 November 2026 exercisable at $0.15	5,493,407	24
Unlisted	Options expiring 19 November 2029 exercisable at $0.125	10,000,000	1
Unlisted	Options expiring 19 November 2029 exercisable at $0.20	10,000,000	1

Top 20 largest shareholders

Rank	Name	07 Mar 2025	% of units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,686,778	17.53
2	CITICORP NOMINEES PTY LIMITED	17,384,744	8.54
3	SYDNEY EQUITIES PTY LTD	17,096,440	8.40
4	BNP PARIBAS NOMS PTY LTD	11,728,669	5.76
5	MR PAUL DAVID LOCK	10,502,527	5.16
6	HOLICARL PTY LTD	6,976,744	3.43
7	NETWEALTH INVESTMENTS LIMITED	6,748,207	3.31
8	MR DAVID JOHN HOBBY	6,680,527	3.28
9	THAI GOLDFIELDS NL	4,932,461	2.42
10	MR THANASAK CHANYAPOON	3,993,089	1.96
11	ARROWTOWN INVESTMENTS PTY LTD	3,333,333	1.64
12	BNP PARIBAS NOMINEES PTY LTD	2,436,420	1.20
13	GRUPO RAJO O SOCIEDAD MINERA RAJO SPA	2,405,697	1.18
14	NETWEALTH INVESTMENTS LIMITED	2,378,810	1.17
15	MR PETER KARAS & MRS CHRISTINA KARAS	1,694,568	0.83
16	BEARAY PTY LIMITED	1,426,924	0.70
17	JPR HOLDINGS PTY LTD	1,330,000	0.65
18	GEM GLOBAL YIELD LLC SCS	1,270,239	0.62
19	GRUPO RAJO O SOCIEDAD MINERA RAJO SPA	1,234,568	0.61
20	JURRAH INVESTMENTS PTY LTD	1,181,111	0.58
Total		**140,421,856**	**68.97**
Balance of register		**63,172,359**	**31.03**
Grand total		**203,594,215**	**100.00**

Shareholder Information

Substantial Shareholders

A substantial shareholder is one who has a relevant interest in 5 per cent or more of the total issued shares in the Company.

Securities

Rank	Name	07 Mar 2025	% of units
1*	MR PAUL DAVID LOCK	47,169,194	23.17
2*	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,686,778	17.53
3	CITICORP NOMINEES PTY LIMITED	17,384,744	8.54
4	SYDNEY EQUITIES PTY LTD	17,096,440	8.40
5	BNP PARIBAS NOMS PTY LTD	11,728,669	5.76
Total		**129,065,825**	**63.41**
Balance of register		**74,528,390**	**36.59**
Grand total		**203,594,215**	**100.00**

*Paul Lock's shareholding of 10,502,527 shares plus 36,666,667 shares held by HSBC Custody and other custodians on behalf of Global Emerging Markets (GEM) as escrow and loan shares in relation to the A$35M equity facility that FLG has with GEM.

Voting Rights

Under the Company's Constitution, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hand unless before, or on declaration of the result of the show of hands, a poll is demanded by the Chairman, or a member or members with not less than 5% of total voting rights.

On a show of hands, each member present at a meeting in person or by proxy has one vote and, on a poll, each member (or proxy) has one vote for each share held.

Distribution Schedule

Range	Securities	%	Number of Security Holders	%
100,001 and Over	182,140,890	89.46	163	9.34
10,001 to 100,000	16,987,497	8.34	511	29.28
5,001 to 10,000	2,771,980	1.36	332	19.03
1,001 to 5,000	1,585,738	0.78	582	33.35
1 to 1,000	108,110	0.05	157	9.00
Total	**203,594,215**	**100.00**	**1,745**	**100.00**
Unmarketable Parcels	4,730,298	2.32	1,096	62.81

Shareholder Information

Unmarketable Parcel Holders

FLG has 1,096 shareholders holding less than a marketable parcel of 11,111 shares each (i.e. less than $500 per parcel of shares) based on the closing price of AUD $0.045 on 27 February 2025 representing a total of 4,730,298 shares or 2.32% of shares outstanding.

Option Holdings

Option Series	No. Issued	Strike Price	Term (Yr)	Expiry	%
15c Call Options	5,493,407	0.150	2	13 Nov 2026	21.5%
12.5c Call Options	10,000,000	0.125	5	19 Nov 2029	39.2%
15c Call Options	10,000,000	0.150	5	19 Nov 2029	39.2%
Total	**25,493,407**				**100.0%**
Shares Outstanding	203,594,215	2.32	1,096	Options as a % of Shares Outstanding	12.5%

On-Market Buy-Back

There is no current on-market buy-back of any securities.

Corporate Directory

In accordance with ASX Listing Rule 4.10, the Directors provide the following information as at 7 March, 2010.

Directors	Mr Paul Lock (Executive Chairman and Managing Director) Mr David Hobby (Executive Director and Technical Director) Mr David Docherty (Non-Executive Director) Mr Thanasak Chanyapoon (Non-Executive Director)
Company Secretaries	Ms Elissa Hansen (Australia) Ms Fiza Alwi (Singapore)
Registered office	77 Robinson Road, #06-03, Robinson 77, Singapore 068896
Principal place of business	Level M, 388 George Street, Sydney, NSW, 2000, Australia Level 23, 52 Thaniya Plaza, Zone B, Silom Road, Suriyawong, Bangkok, Thailand, 10500
Share register	Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000
Bankers	DBS Bank Limited, Singapore, 12 Marina Boulevard, Level 3 MBFC Tower 3 Singapore 018982 Westpac Banking Corp., Australia, Royal Exchange, Cnr Pitt & Bridge St Sydney NSW 2000
Legal Advisors	Steinepreis Paganin, Level 6, 99 William Street, Melbourne VIC 3000
Accountants	Vistra Australia, Level 4, 100 Albert Road, Melbourne VIC 3205
Auditors	CLA Global TS Public Accounting Corporation, 80 Robinson Road, #25-00 Singapore 068898
Stock exchange listing	Flagship Minerals Limited's shares are listed on the Australian Securities Exchange (ASX code: FLG)
Website	www.flagshipminerals.com

ASX code

FLG

flagshipminerals.com