FLAGSHIP MINERALS

Metals that Matter.

ASX Announcement | 14 April 2025

Pantanillo Gold Project

Advanced Large Scale Oxide Gold Project - Maricunga Gold Belt, Chile

Binding Option Agreement to Purchase 100%

HIGHLIGHTS

- **Flagship Minerals secures the Pantanillo Gold Project in northern Chile**
- **Pantanillo hosts 47.4Mt @ 0.69g/t Au for 1.05Moz Au – QFE[1] of mineralisation**
- **QFE is supported by NI 43-101 and 20,531m of DDH and RC drilling**
- **Pantanillo is located in Chile's prolific Maricunga Gold Belt, one of Chile's leading gold provinces**
- **Gold majors Barrick, Newmont, Kinross, Goldfields and others active in the region**
- **Gold production in the Belt is derived from open cut mines and heap leach processing**
- **Pantanillo is at the centre of the Belt, which is ~200km long and hosts >65Moz Au QFE[1]**
- **Pantanillo mineralisation open down dip and along strike, QFE[1] is 0.5km^2 of 110km^2 concession area**
- **Hochschild's Volcan Au project with >11Moz Au QFE[1] is situated ~10km to the northwest**
- **Rio2's Fenix Au project with >5.7Moz Au QFE[1] ~40km to the north under construction**

(1) The qualifying foreign estimates (QFE) are not reported in accordance with the JORC Code (2012). The Competent Person has not done sufficient work to classify the qualifying foreign estimates in accordance with the JORC Code (2012) and it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.

Flagship Minerals' Managing Director, Paul Lock, commented:

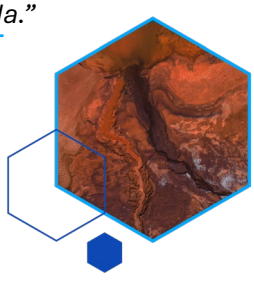
"*Securing the Pantanillo Gold Project marks an important milestone, hosting a qualifying foreign estimate of 47.4Mt @ 0.69g/t Au for 1.05Moz Au that is amenable to open cut mining and heap leach processing, the project provides Flagship a material gold inventory and leapfrogs the company several steps closer to feasibility and production. Pantanillo is well situated, in the centre of the prolific Maricunga Gold Belt (MGB) and sitting adjacent to several substantial projects, including Newmont-Barrick's 27Moz Au Norte Abierto gold project ~40km to the southwest, Kinross' 10.7Moz Au Maricunga gold project ~25km to the west, Hochschild's 11Moz Au Volcan gold project ~10km to the northwest, and Rio2's 5.7Moz Au Fenix gold project ~40km to the north.*

What attracts Flagship to Pantanillo? It is the advanced stage of the project, the production history of the MGB, the presence of multiple tier 1 gold producers nearby, and the demonstrated low production costs of oxide gold projects in the MGB, the most recent example with a market capitalisation of ~CAD325 million being TSX listed RIO2's Fenix Gold Project (TSXV: RIO) currently under construction, with a 0.48g/t Au head grade, an AISC of $1,237/oz Au, and an initial capital requirement of ~US$117m. Pantanillo is de-risked from an exploration perspective, it has all the merits of a strategically well situated project, it has the potential to be low cost from a capital intensity and opex perspective, and it positions Flagship very well in the current gold price environment.

Pantanillo's 1.05Moz Au mineralisation is classed as a qualifying foreign estimate (QFE) as it has not been prepared in accordance with the JORC Code (2012) guidelines but instead has been prepared in accordance with Canadian Institute of Mining Metallurgy and Petroleum (CIM) standards and the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), the latter being a Canadian securities regulatory instrument that governs the manner that TSX listed companies can disclose mining-related information in Canada."

Flagship Minerals Limited
77 Robinson Road #06-00, Robinson 77, Singapore 068896
Level M, 388 George Street, Sydney, NSW, 2000

ASX: FLG flagshipminerals.com



Flagship Minerals Limited (ASX: FLG) (“**Flagship**”, “**FLG**” or ”**Company**”) is pleased to advise that it has entered into a binding Option Agreement to Purchase 100% of the Pantanillo Gold Project. Pantanillo is an advanced gold exploration project located in the Maricunga Gold Belt in Northern Chile (see Figures 1 and 2), it hosts a 47.4Mt @ 0.69g/t Au for 1.05Moz Au qualifying foreign estimate (QFE), with approximately 98% of the QFE amenable to heap leach processing.

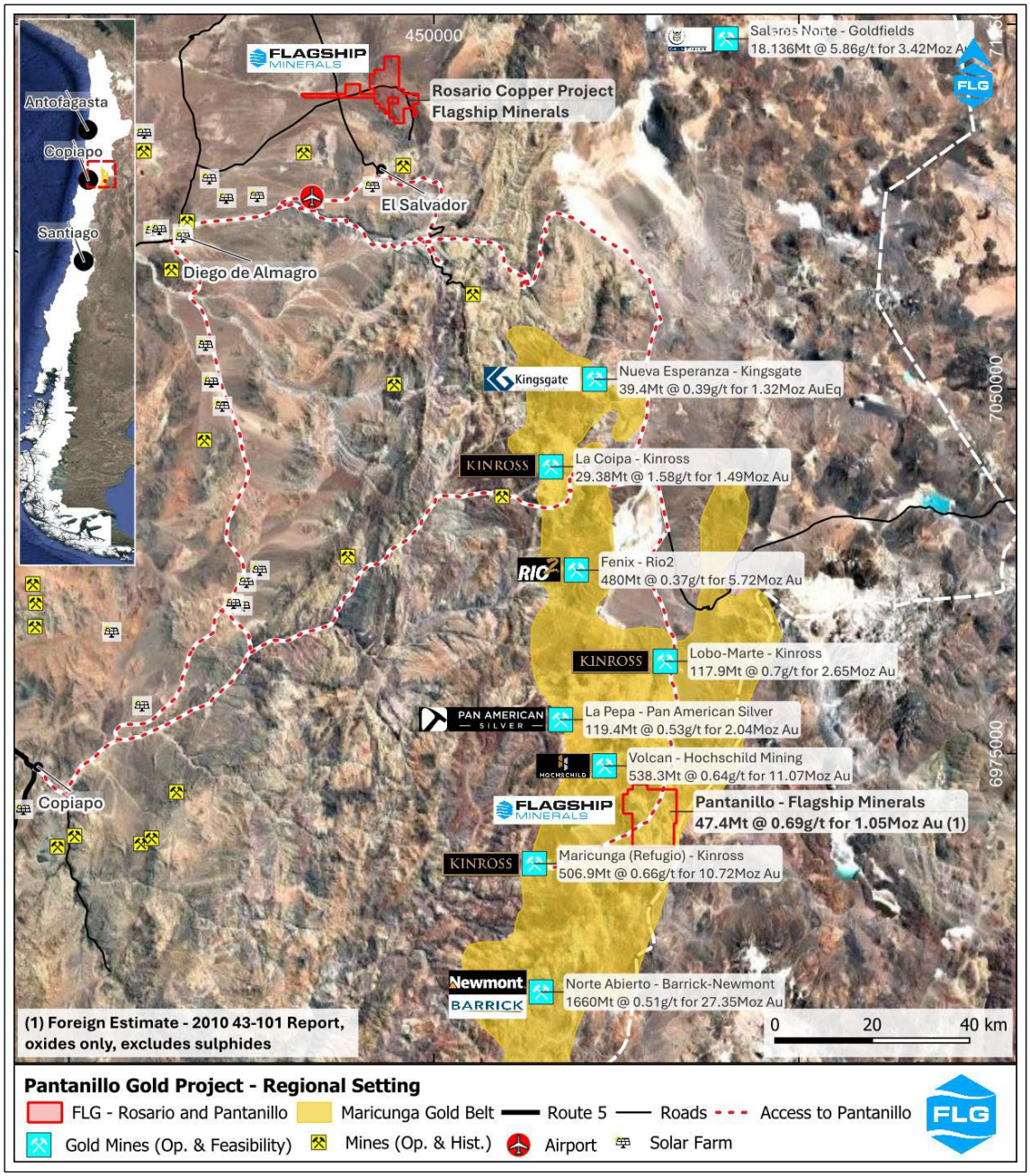


Figure 1: Pantanillo Gold Project – Regional Map and Proximity to Flagship’s Rosario Copper Project

Overview

The Pantanillo Gold Project (Pantanillo) is located approximately 125 km due east of the city of Copiapo, Chile, in the prolific Maricunga Gold Belt (MGB). The MGB is characterized by epithermal gold +/- silver and porphyry gold +/- copper deposits that are Oligocene - Miocene in age and often associated with extinct strata-volcanoes.

The MGB hosts over 65Moz of gold resources including several world-class multi-million-ounce gold deposits such as the Salares Norte, La Coipa, Fenix, Marte-Lobo, La Pepa, and Abierto Norte deposits. Major gold companies Newmont, Barrick, Kinross and GoldFields are active in the region along with a host of other companies, small and large, private and public (See Figures 1 and 2, and Appendix 2).

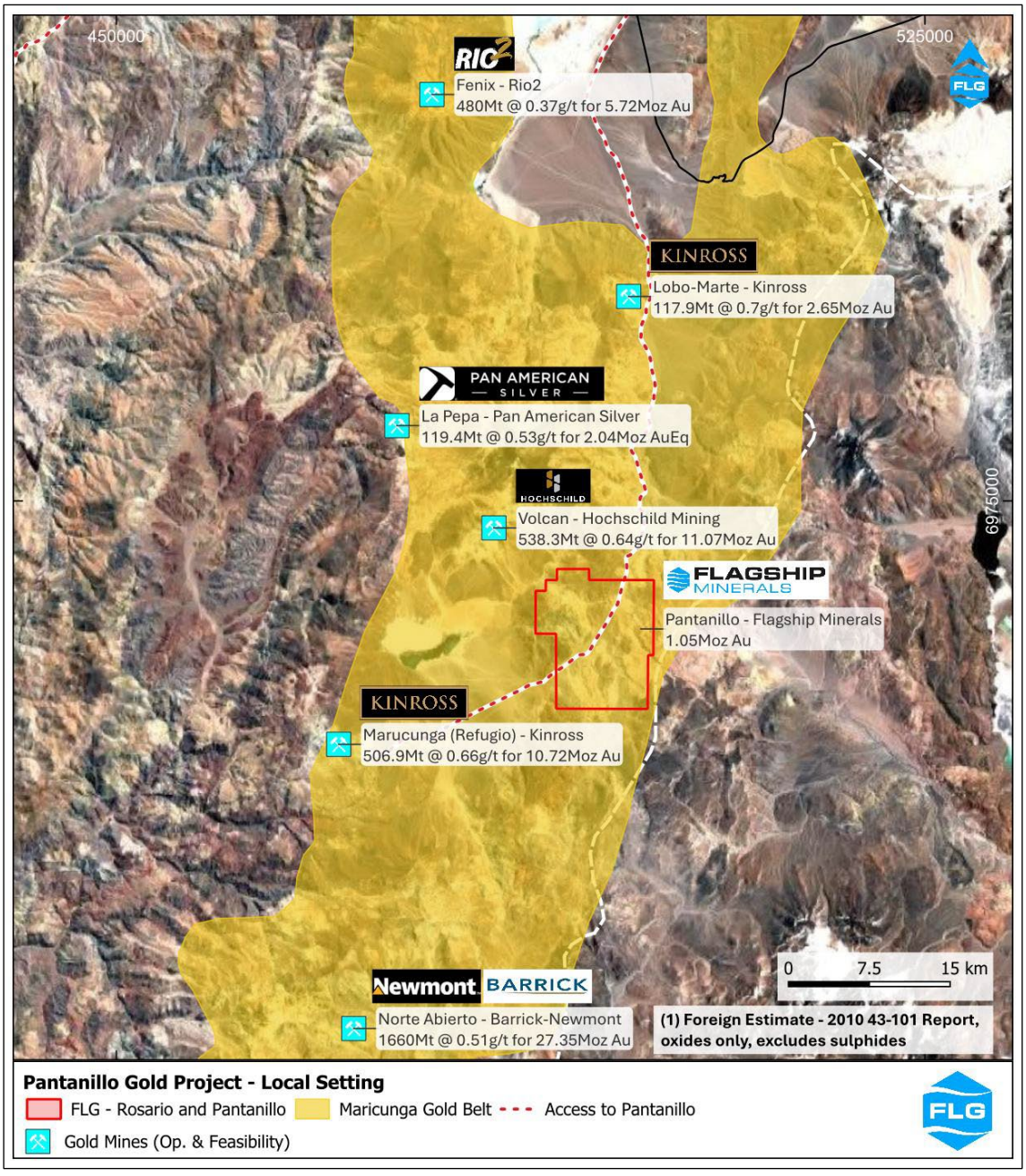


Figure 2: Pantanillo Gold Project – Local Map

The Exploitation Concessions for the Pantanillo project cover an area of approximately 110km^2. The project is devoid of vegetation and occurs at elevations of 4000-4600m. Access to, and throughout the project area is considered excellent. The nearest major centre is the mining city of Copiapo which has a population of roughly 175,000. The city is located approximately 215km by road to the west of the project. Copiapo has excellent services and infrastructure with multiple daily flights to and from Santiago.

Previous Mining and Exploration

Historical production has not been reported within the Pantanillo project boundaries, although it appears that Pirquineros (artisanal miners) have targeted certain outcropping silica "ledges" that may contain gold values exceeding 5 g/t Au, for 'toll' processing in Tierra Amarilla and Copiapó.

In the early 1980's Anaconda reportedly conducted exploration and some drilling. However, none of this data survives.

Modern exploration commenced in 1983 and has been conducted by Anglo American, Empresa Minera Mantos Blancos (EMMB), a Chilean subsidiary of Anglo American, Kinross Gold Corp. (Kinross), Fortune Valley Resources (FVR) and Orosur Mining Inc (Orosur).

Work completed has included geological mapping, soil and rock geochemical surveys, ground magnetics, trenching, reverse circulation (RC) drilling, diamond core drilling (DD), metallurgical testwork and supporting studies. This culminated in the reporting of a qualifying foreign estimate (QFE) of mineralisation of 47.4 Million tonnes @ 0.69g/t Au, as broken down in Table 1. The QFE has an effective date of July 9, 2010, and is reported at a lower cutoff of 0.3g/t Au.

Table 1. Breakdown of the qualifying foreign estimate of mineralisation

Type	Measured[1] (Mt)	Au (g/t)	Indicated[1] (Mt)	Au (g/t)	Inferred[1] (Mt)	Au (g/t)	Total (Mt)	Au (g/t)	Au (koz)
Oxide	19.81	0.72	1.75	0.55	0.10	0.39	21.66	0.70	487.5
Mixed	16.01	0.70	8.34	0.65	0.20	0.62	24.55	0.68	536.7
Sulphide	0.75	0.72	0.44	0.68	0	0	1.19	0.69	26.4
Total	**36.57**	**0.71**	**10.53**	**0.64**	**0.30**	**0.53**	**47.40**	**0.69**	**1,050.6**
%	*77.2%*		*22.2%*		*0.6%*		*100%*		

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

Selected drilling results reported by previous explorers are shown in the Table 2 below. A full list of drillhole collar information and gold intersections is provided in Appendix 4.

Table 2. Selected Drilling Results (as reported by previous explorers)

Hole-ID	Drilled Co. Year	From (m)	To (m)	Intercept (m)	Au (g/t)	Hole type
ARDDHPN-02*	Kinross 2006	524	684	**160**	0.70	DD
DDHPN02	Anglo Am 1988	144	243	99	0.79	DD
DDHPN06	Anglo Am 1988	42	130	88	0.98	DD
DDH-PN-10	Kinross 2008	66	130	64	1.13	DD
DDH-PN-10	Kinross 2008	168	284	116	0.80	DD
DDH-PN-16	Kinross 2007	64	102	38	1.69	DD
DDH-PN-16	Kinross 2007	126	264	**138**	1.26	DD
PN-02	Kinross 2008	128	338	**210**	0.80	DD
PN-03	Kinross 2008	12	210	**198**	0.77	DD
PN-04	Kinross 2008	138	228	90	0.93	DD
PN-04*	Kinross 2008	346	476	130	0.71	DD
PN-06*	Kinross 2008	292	460	**168**	0.88	DD
PN-08	Kinross 2008	164	246	82	1.13	DD
PN-08*	Kinross 2008	310	452	**142**	1.13	DD
PN-09*	Kinross 2008	312	428	116	0.85	DD
PNN-10-01DDH	Orosur 2010	130	201.4	71.4	0.94	DD
PNN-10-03DDH	Orosur 2010	26	92	66	0.93	DD
PNN-10-04DDH	Orosur 2010	150	224	**74**	1.38	DD
PNN-10-06DDH	Orosur 2010	82	122	40	1.37	DD
PNN-10-15DDH	Orosur 2010	180	221	41	1.50	DD
SR97PN04	EMMB 1998	44	174	**130**	0.79	RC
SR97PN05	EMMB 1998	6	72	66	1.21	RC
SR97PN12	EMMB 1998	60	221	**161**	1.23	RC
SR97PN16	EMMB 1998	56	200	**144**	0.81	RC
SR97PN17	EMMB 1998	80	228	**148**	0.77	RC

* Intersection contains sulphide mineralisation

The QFE is based upon 71 drillholes drilled between 1988 and 2010. The QFE was developed and reported at a 0.30g/t Au lower cutoff. The QFE almost exclusively targets mineralisation that is amenable to open cut mining and heap leach processing. Oxide material extends up to180m below surface , with mixed material below extending up to 310m below surface. Sulphide/fresh mineralisation extends below the mixed zone and has been intersected in drilling up to 600m below surface in hole ARDDHPN-02 as shown in Table 2. Technical details for the QFE are provided in Appendix 5, being JORC Table 1.

The Pantanillo gold deposit is over 850m long and between 200m-600m wide, and remains open along strike and down-dip. The mineralised zone is ~0.5km^2, less than 0.5% of the total concession area of ~110km^2. The mineralised zone strikes NE-SW and dips at 30-45 deg to the southwest (see Figures 3 and 4).

Mineralisation is hosted in weathered and altered andesitic porphyry with sheeted and stockwork quartz veins. Oxide zones contain kaolinite, alunite, with limonite/goethite and hematite after pyrite. Fresh rock has a chlorite +/- magnetite +/- pyrite +/- quartz alteration assemblage, with denser vein swarms, local breccia zones and late quartz-alunite veins hosting mineralisation, commonly with higher gold grades.

Figure 3 (level plan) and Figure 4 (cross section) provide some information regarding the QFE block model and associated drilling.

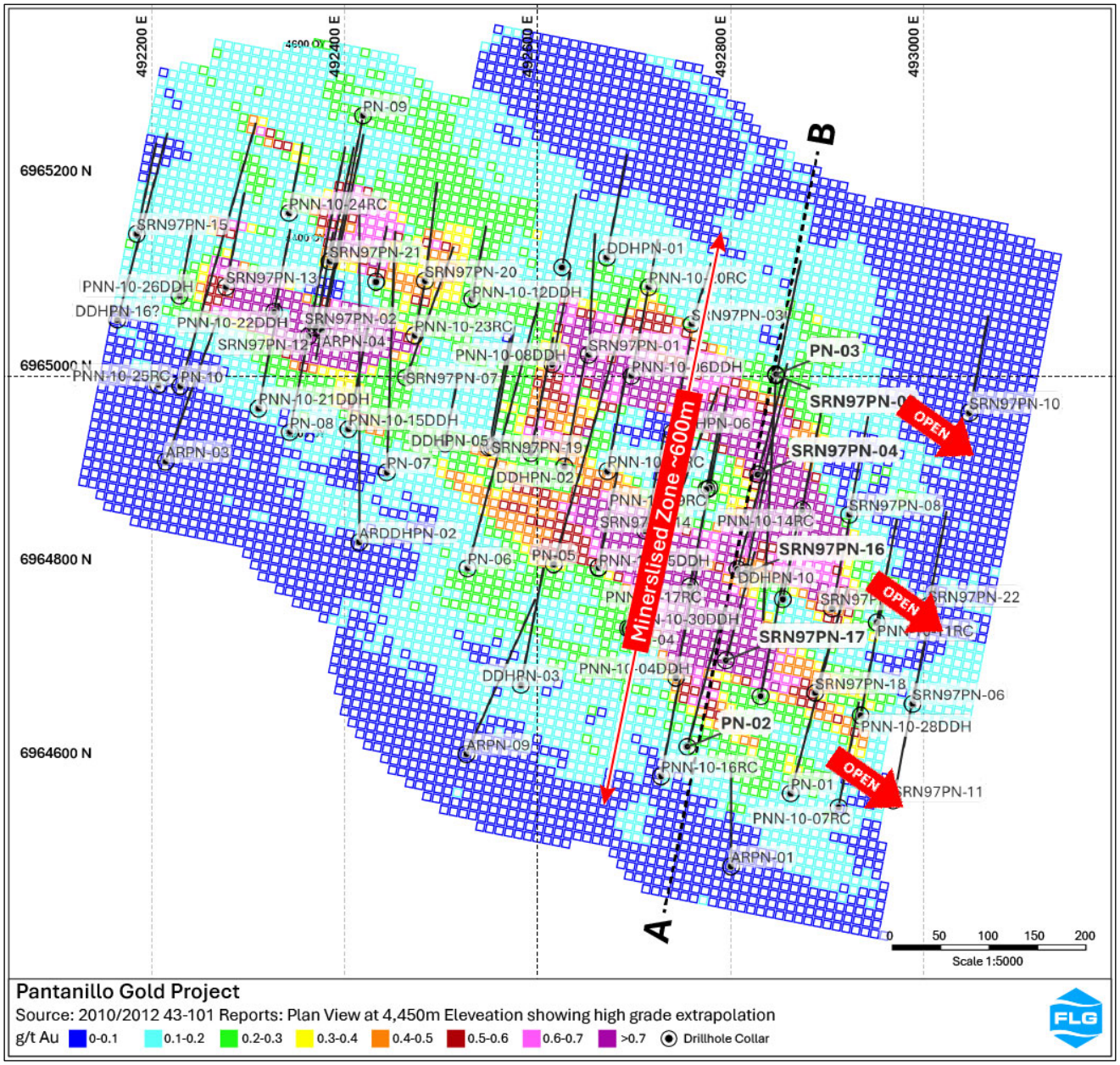


Figure 3: Pantanillo Gold Project – Block Model, Plan View 4450mASL

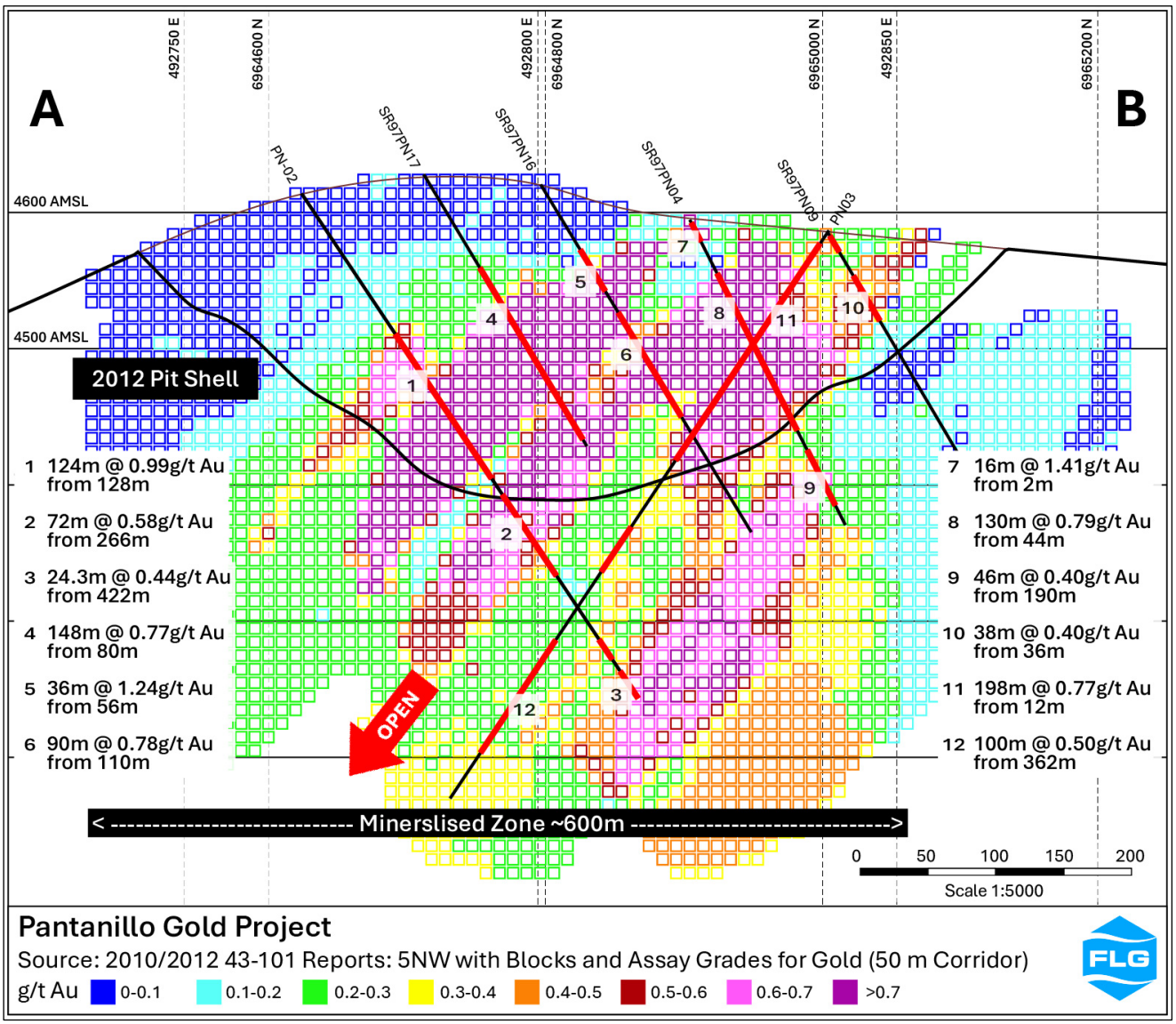


Figure 4: Pantanillo Gold Project – Cross Section

Strategy and Work Plan

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

Nearby projects, such as the Fenix Gold Project owned by RIO2 provides a useful benchmark, where construction has recently commenced. Fenix is an oxide gold project slated to produce 1.32 Million ounces of gold over a 16 year mine life, it has a 0.48g/t head grade and an average life of mine all in sustainable costs of US$1,237/oz Au[2].

Flagship's work plan for the Pantanillo Gold Project will focus on the following:

- Conducting the necessary work to convert and increase the existing qualifying foreign estimate to Mineral Resources reported in accordance with the JORC Code (2012). This will include:
    - A Comprehensive desktop review of the supporting data to the three previously published NI 43-101 Technical Reports, see Appendix 4;
    - Validation of the existing drillhole data, which may include re-assaying drill core;
    - Subject to the outcomes in the above two points, Confirmatory drilling may be required, which would involve twinning several drill holes. As the average depth of the 75 previously drilled holes listed in Appendix 3 is 261.5m, a twinning program of 4-10 holes would require 1,000-2,500m of diamond drilling;
    - Infill drilling will be required to prepare for a JORC(2012) compliant Mineral Resource and appropriate feasibility work to convert this into an Ore Reserve. It is too early to estimate the meters required as this will be subject to the outcomes in the above three points. A total of 20,531m has been drilled and given the nature of the mineralisation an additional 25-50% or 5,000-10,000m of drilling may be required, but this is a highly subjective estimate at this point in time; and
    - Extensional drilling and other supportive work to increase the current 47.4Mt @ 0.69g/t Au for 1.05Moz Au QFE along strike and at depth. An estimate of metres required can not be provided at this point.
- Additional metallurgical testwork and other project studies for input into the new resource estimate and initial techno-economic evaluation.

The drilling season starts in October 2025 and Flagship intends to be positioned to start drilling at Pantanillo at this time.

The Pantanillo deposit has significant additional exploration potential for both oxide and higher grade sulphide mineralisation. Oxide potential exists along strike and in areas proximal to the existing deposit. Sulphide potential is located in deeper zones down-dip/plunge of the oxide deposit to the southwest. Some sulphide drill intersections are shown in Table 1, generally being intersections > 380m. The deepest hole (ARDDHPN-02) drilled so far, intersected 160m @ 0.70g/t Au from 524m to 684m. All sulphide mineralisation remains open for potential extensions.

Further potential for additional mineralisation also exists below post mineralisation cover to the southeast of Pantanillo. Outside of the Pantanillo deposit, exploration potential remains in the Pantanillo Central, Quebrada Pantanillo and Oro 52 prospects. Aster imagery shows intense alunite alteration, across the Pantanillo Central, Quebrada Pantanillo and Oro 52 targets (see Figure 5). Limited drilling has been conducted at some of these

[2] For details on Rio2's Fenix Gold Project, see: https://www.rio2.com/post/rio2-completes-feasibility-study-for-the-fenix-gold-project.

targets. The alunite alteration is typically associated with advanced argillic alteration caps that commonly overly gold-bearing porphyry-type deposits like Pantanillo and other gold deposits in the region.

Exploration potential throughout the broader project area of over 100km^2 will also be assessed. The occurrence of magnetite and pyrite in the fresh mineralisation provides a good co-incident geophysical target utilising magnetics and Induced Polarisation.

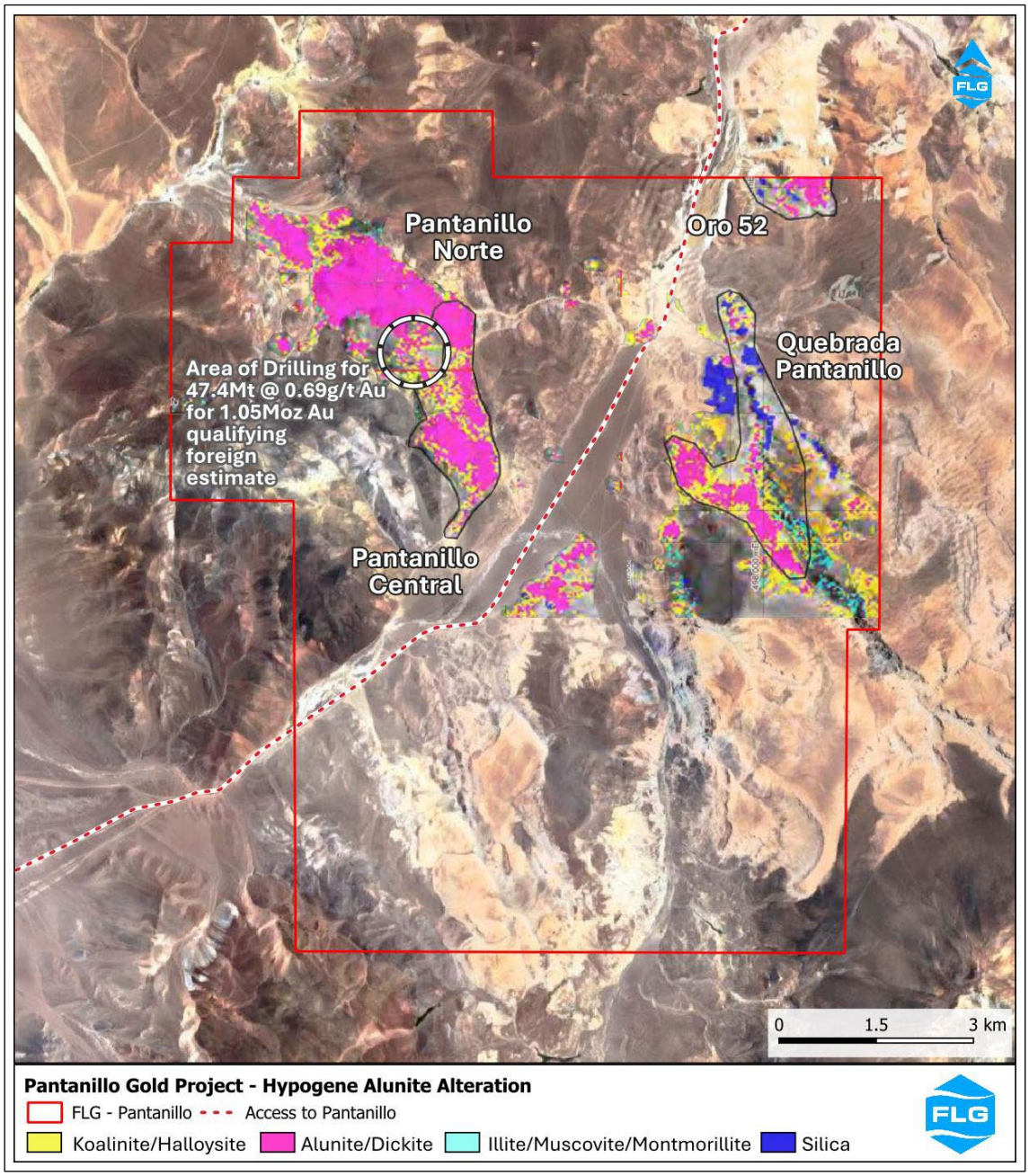


Figure 5: Pantanillo Gold Project – Aster Imaging & Exploration Potential

Transaction Economics

Flagship entered into a binding Memorandum of Understanding (MOU) on the 27th of February to conduct due diligence, which has been completed. The MOU required a non-refundable payment of US$100,000 to the vendor, which has been paid.

Flagship entered into a binding Option Agreement to purchase 100% of the Pantanillo Gold Project on the 10th of April, 2025. The Option Agreement required a non-refundable payment of US$100,000 to the vendor, which has been paid. Thereafter Flagship will be required to pay annual payments and concession maintenance fees.

The total option fee payable is US$12,600,000, including the above US$200,000 in MOU and Option fees. A further US$1,400,000 in annual option fees is payable on the 1st through 4th anniversaries of the Option Agreement, with the final $11,000,000 payable on the 5th anniversary.

Exercise of the option requires a final payment of US$11,000,000 by the 5th anniversary of the Option Agreement, at which point Flagship will be transferred 100% ownership in the Project.

Should Flagship elect not to make any of the 4 annual option payments or should it not exercise its option with the final US$11,000,000 on or before the 5th anniversary of the Option Agreement, Flagship will retain a 0% interest in the Project and the Company would have no ability to recover any payments made, including the US$200,000 paid to date.

The Agreement is purposely back ended, providing Flagship the time to assess the Project before it commits to the larger option payments at the 3rd and 4th anniversaries, and Flagship plans to have completed the conversion of the current 47.4Mt @ 0.69g/t Au for 1.05Moz Au – QFE of mineralisation to a JORC (2012) compliant Mineral Resource and have completed feasibility studies well before the 5th anniversary when the final US$11,000,000 option payment is due.Flagship may pay the annual option payments in cash or, subject to an agreement between the Company and the Vendor, a combination of cash and shares with the share price based on the average share price for the five business days prior to the payment. Should Flagship elect to pay some of an annual option fee in shares, the Company will seek shareholder approval for the issue of shares.

The maximum number of shares to be issued to the Vendor will be determined by the proportion of the option fee to be paid in cash and the share price at the time. Given there are five anniversary payments due over a five year period and the proportion of the option fee to be settled in shares (if any) will be determined by the Company and the Vendor each year prior to the payment becoming due, it is difficult to determine what share price would be used and the maximum number of shares that could be issued to the Vendor and any estimate would be based on a number of assumptions which would be far from accurate. However, based on the last close price for Flagship shares (A$0.044) and assuming 90% of the remaining options fees (US$12,400,000) are settled via the issue of new shares, at the current conversion rate of USD1.00 to AUD1.61, the maximum number of securities that could be issued to the vendor would be 408,354,545 shares. Note Flagship would obtain all necessary regulatory approvals prior to issuing any shares to the vendor that would take their shareholding above 19.9% of issued capital.

Flagship will seek shareholder approval prior to any issuance of shares to the vendor and the resolution put to shareholders to approve such an issue would include all details around the issue, including the share price (or how it would be determined) and the number to be issued.

Under the Option Agreement Flagship is not obligated to meet minimum annual expenditure requirements or minimum activity requirements such as minimum drilling, providing Flagship maximum flexibility

The Option Agreement also facilitates a 2% NSR payable to the Vendor, for which Flagship has the option to repurchase one half (1% NSR) for US$5,000,000.

The Option Agreement fee structure is detailed in Appendix 1.

Capital Raising

Flagship is in discussions with certain equity market advisors and brokers to complete an equity placement before the end of April. Terms and conditions, including pricing, of a capital raising have yet to be determined. Subject to terms and market conditions the Company intends to raise $3 million. As at 11 April, 2025, Flagship's indicative sources and uses for funds raised is as per the following table:

Item	Amount (A$)
Existing Cash as at 11 April, 2025	$ 139,966
Proceeds of Capital Raising	$3,000,000
Total	**$3,139,966**
Estimated cost of Pantanillo Gold Project transaction	$ 26,070
Expenditure on existing projects (including Tama Atacama option payments)	$1,450,000
Expenditure on Pantanillo Gold Project	$ 663,896
Working Capital & Corporate Administration	$1,000,000
Total	**$3,139,966**

The above table is a statement of current intentions as at the date of this announcement. Intervening events may alter the way funds are ultimately applied by the Company.

Conclusion

The Pantanillo Gold Project marks an important milestone for Flagship, being situated in a prolific gold belt and surrounded by tier 1 gold producers, and hosting a qualifying foreign estimate of 47.4Mt @ 0.69g/t Au for 1.05Moz Au that is amenable to open cut mining and heap leach processing, the project positions Flagship to advance rapidly through to feasibility and thereafter production in a strong gold price market environment.

We look forward to keeping our shareholders updated with our progress.

- Ends –

Authorised by the Board of Directors

For further information please contact:

Paul Lock
Managing Director
ceo@flagshipminerals.com

Elissa Hansen
Company Secretary
cosec@flagshipminerals.com

Phone: +61 2 7228 7994

Appendix 1 – Option Agreement Terms

Option Agreement Terms		
Date	10 April, 2025	
Term	5 Years	
Earn-in	100%	
Vendor	Compañía Minera Atahualpa SpA	
Management	Flagship Minerals	
Licensing	Meet all obligations including annual licensing payments to maintain titles in good standing	
Minimum Annual Spend	No minimum expenditure set	
Minimum Annual Drilling	No minimum meters set	
Option Payment Schedule	Binding MOU: Option Agreement: Anniversary 1: Anniversary 2: Anniversary 3: Anniversary 4: Anniversary 5:	US$100,000 [PAID] US$100,000 [PAID] US$200,000 US$300,000 US$400,000 US$500,000 US$11,000,000
Option Payment Terms	Cash or, subject to agreement between Flagship Minerals and the Vendor, a combination of cash and shares with the share price based on the average share price for the 5 business days prior to payment.	
Royalty	2% NSR with 50% buyback option[1]	
[1]Flagship has an option to buy back 1% of the NSR for US$5,000,000		

Appendix 2.

Major projects and project owners on the Maricunga Golds Belt

Project	Owner	Altitude	Metals	Tonnes (M)	Au (g/t)	Au Moz
Pantanillo	**Flagship Minerals**[1]	**4000-4600**	**Au**	**47.4**[2]	**0.69**[2]	**1.05**[2]
	[1]Binding Option Agreement to Purchase; [2]Ni 43-101 based qualifying foreign estimate					
Salares Norte	Goldfields	4300	Au, Ag	18.136	5.86	3.42
	https://www.goldfields.com/pdf/investors/integrated-annual-reports/2023/gold-fields-mrmr-2023-supplement.pdf					
Nueva Esperanza	Kingsgate	4100	Au, Ag	39.4	0.39	1.32[3]
	https://www.kingsgate.com.au/resources/ [3] 39.4Mt @ 0.39g/t Au for 0.49Moz and 66g/t Ag for 83.4Moz = 1.32Moz AuEq @ $3,000/oz Au and $30/oz Ag					
La Coipa	Kinross	4200	Au	29.38	1.58	1.49
	https://www.kinross.com/news-and-investors/news-releases/press-release-details/2025/Kinross-reports-2024-fourth-quarter-and-full-year-results/default.aspx					
Fenix	Rio2	4500	Au, Ag	480	0.37	5.72
	https://www.rio2.com/post/rio2-completes-feasibility-study-for-the-fenix-gold-project					
Lobo-Marte	Kinross	4200	Au, Ag	117.9	0.70	2.65
	https://www.kinross.com/news-and-investors/news-releases/press-release-details/2025/Kinross-reports-2024-fourth-quarter-and-full-year-results/default.aspx					
La Pepa	Pan American Silver	4200	Au	119.4	0.53	2.04
	https://panamericansilver.com/operations-2/reserves-and-resources/					
Volcan	Hochschild Mining	4900	Au, Cu	538.3	0.64	11.07
	https://www.hochschildmining.com/where-we-operate/reserves-resources/					
Maricunga (Refugio)	Kinross	4500	Au	506.9	0.66	10.72
	https://www.kinross.com/news-and-investors/news-releases/press-release-details/2025/Kinross-reports-2024-fourth-quarter-and-full-year-results/default.aspx					
Norte Abierto	Barrick-Newmont	4400	Au, Ag, Cu	1660	0.51	27.35
	https://s25.q4cdn.com/322814910/files/doc_news/2025/01/Barrick-Grows-Gold-and-Copper-Reserves-Significantly-Setting-It-Apart-From-Peers-as-It-Positions-for-Growth.pdf					

Appendix 3 – Drillhole Collars and Drillhole Intersections

Table 1 – Drillhole Collars

Hole ID	East	North	RL (mASL)	Dip	Azimuth (mag)	Depth (m)	Comp.	Hole Type
SRN97PN-01	492652.8	6965020.9	4608	-60	3	250	Anglo	RC
SRN97PN-02	492370.0	6965049.0	4638	-60	10	200	Anglo	RC
SRN97PN-03	492759.5	6965052.6	4591	-60	18	132	Anglo	RC
SRN97PN-04	492828.3	6964897.3	4597	-60	15	236	Anglo	RC
SRN97PN-05	492905.4	6964757.9	4591	-60	11	216	Anglo	RC
SRN97PN-06	492989.0	6964659.0	4566	-60	11	245	Anglo	RC
SRN97PN-07	492463.4	6964997.4	4634	-55	20	250	Anglo	RC
SRN97PN-08	492923.2	6964855.5	4575	-60	11	206	Anglo	RC
SRN97PN-09	492847.5	6964999.4	4582	-60	12	242	Anglo	RC
SRN97PN-10	493047.9	6964961.0	4558	-60	11	204	Anglo	RC
SRN97PN-11	492968.7	6964558.8	4568	-60	11	250	Anglo	RC
SRN97PN-12	492362.0	6965040.0	4640	-60	11	230	Anglo	RC
SRN97PN-13	492276.5	6965091.1	4644	-60	11	198	Anglo	RC
SRN97PN-14	492711.7	6964838.4	4627	-60	11	202	Anglo	RC
SRN97PN-15	492183.9	6965146.2	4648	-60	12	192	Anglo	RC
SRN97PN-16	492815.8	6964795.2	4613	-60	12	216	Anglo	RC
SRN97PN-17	492795.2	6964704.2	4616	-60	15	232	Anglo	RC
SRN97PN-18	492887.9	6964670.6	4594	-60	17	228	Anglo	RC
SRN97PN-19	492552.0	6964926.0	4640	-60	11	250	Anglo	RC
SRN97PN-20	492483.0	6965097.4	4626	-60	7	204	Anglo	RC
SRN97PN-21	492384.0	6965118.0	4632	-60	12	240	Anglo	RC
SRN97PN-22	493005.1	6964760.6	4578	-60	11	198	Anglo	RC
ARDDHPN-02	492414.7	6964826.7	4660	-60	0	700	Kinross	RD
ARPN-01	492800.5	6964490.4	4573	-70	0	300	Kinross	RC
ARPN-03	492213.9	6964910.6	4643	-65	20	380	Kinross	RC
ARPN-04	492376.0	6965046.0	4643	-60	12	415	Kinross	RC
ARPN-06	491752.8	6964894.1	4669	-65	0	350	Kinross	RC
ARPN-09	492525.9	6964606.9	4585	-60	24	350	Kinross	RC
PN-01	492862.4	6964566.2	4585	-60	15	416	Kinross	DD
PN-02	492755.2	6964614.7	4607	-60	15	297	Kinross	DD
PN-03	492847.1	6965000.7	4582	-53	183	427	Kinross	DD
PN-04	492696.5	6964737.0	4630	-54	20	446	Kinross	DD

Hole ID	East	North	RL (mASL)	Dip	Azimuth (mag)	Depth (m)	Comp.	Hole Type
PN-05	492616.5	6964804.0	4593	-55	16	502	Kinross	DD
PN-06	492527.1	6964799.8	4644	-54	15	520	Kinross	DD
PN-07	492443.3	6964899.5	4641	-55	2	435	Kinross	DD
PN-08	492342.6	6964940.9	4645	-55	11	524	Kinross	DD
PN-09	492418.7	6965269.0	4624	-59	191	498	Kinross	DD
PN-10	492229.1	6964988.4	4652	-58	16	534	Kinross	DD
PNN-10-01DDH	492854.2	6964767.6	4604	-60	11	201	Orosur	DD
PNN-10-02DDH	492831.3	6964666.9	-15	-60	11	254	Orosur	DD
PNN-10-03DDH	492778.0	6964883.0	4570	-60	11	194	Orosur	DD
PNN-10-04DDH	492743.4	6964686.4	4600	-60	11	258	Orosur	DD
PNN-10-05DDH	492663.4	6964800.9	4638	-60	11	234	Orosur	DD
PNN-10-06DDH	492697.2	6964999.0	4606	-60	11	196	Orosur	DD
PNN-10-07RC	492912.1	6964551.4	4576	-60	11	222	Orosur	RC
PNN-10-08DDH	492615.0	6965011.2	4615	-60	11	192	Orosur	DD
PNN-10-09DDH	492625.1	6965111.5	4608	-60	11	154	Orosur	DD
PNN-10-10DDH	492503.9	6964929.3	4629	-60	11	144	Orosur	DD
PNN-10-11RC	492951.9	6964743.7	4585	-60	11	216	Orosur	RC
PNN-10-12DDH	492531.8	6965078.9	4622	-60	11	152	Orosur	DD
PNN-10-13DDH	492432.1	6965096.4	4630	-60	11	116	Orosur	DD
PNN-10-14RC	492874.2	6964860.3	4567	-60	11	210	Orosur	RC
PNN-10-15DDH	492403.5	6964944.1	4629	-60	11	216	Orosur	DD
PNN-10-16RC	492727.9	6964584.0	4596	-60	11	204	Orosur	RC
PNN-10-17RC	492757.8	6964781.1	4630	-60	11	254	Orosur	RC
PNN-10-18RC	492672.3	6964900.7	4625	-60	11	214	Orosur	RC
PNN-10-19RC	492775.0	6964881.5	4610	-60	11	160	Orosur	RC
PNN-10-20RC	492715.1	6965091.0	4595	-60	11	100	Orosur	RC
PNN-10-21DDH	492310.2	6964965.5	4646	-60	11	220	Orosur	DD
PNN-10-22DDH	492326.4	6965065.4	4643	-60	11	172	Orosur	DD
PNN-10-23RC	492472.2	6965040.8	4631	-60	11	146	Orosur	RC
PNN-10-24RC	492341.8	6965167.8	4633	-60	11	148	Orosur	RC
PNN-10-25RC	492206.1	6964989.6	4643	-85	11	150	Orosur	RC
PNN-10-26DDH	492228.3	6965082.2	4649	-60	11	146	Orosur	DD
PNN-10-27DDH	492592.8	6964919.5	4625	-60	11	242	Orosur	DD
PNN-10-28DDH	492935.0	6964647.0	4581	-60	11	234	Orosur	DD
PNN-10-29DDH	492662.9	6964800.3	4638	-60	11	148	Orosur	DD

Hole ID	East	North	RL (mASL)	Dip	Azimuth (mag)	Depth (m)	Comp.	Hole Type
PNN-10-30DDH	492693.9	6964737.6	4632	-80	11	267	Orosur	DD
DDHPN-01*	492671.6	6965122.0	4601	-60	11	216	Anglo	DD
DDHPN-02*	492627.5	6964905.4	4630	-60	11	250	Anglo	DD
DDHPN-03*	492582.4	6964679.0	4615	-60	11	246	Anglo	DD
DDHPN-05*	492549.0	6964925.3	4634	-60	11	228	Anglo	DD
DDHPN-06*	492740.0	6964941.0	4607	-60	11	198	Anglo	DD
DDHPN-10*	492807.2	6964798.9	4570	-60	15	400	Kinross	DD
DDHPN-16*	492163.7	6965057.0	4657	-60	15	400	Kinross	DD

* Holes excluded from QFE

Table 2 – Drillhole Intersections

Hole ID	Comp. / Year	From (m)	To (m)	Intercept (m)	Au g/t	Hole Type
DDHPN02	Anglo Am 1988	42.4	47.9	5.5	1.24	DD
DDHPN02	Anglo Am 1988	92	116	24	0.49	DD
DDHPN02	Anglo Am 1988	144	243	99	0.79	DD
DDHPN03	Anglo Am 1988	54	62	8	0.65	DD
DDHPN03	Anglo Am 1988	200	246	46	0.58	DD
DDHPN06	Anglo Am 1988	14.5	52	37.5	0.72	DD
DDHPN06	Anglo Am 1988	42	130	88	0.98	DD
DDHPN06	Anglo Am 1988	78	156.7	78.7	0.72	DD
SR97PN01	EMMB 1997-1998	4	72	68	0.64	RC
SR97PN01	EMMB 1997-1998	82	110	28	0.44	RC
SR97PN01	EMMB 1997-1998	244	250	6	1.15	RC
SR97PN02	EMMB 1997-1998	148	164	16	0.71	RC
SR97PN03	EMMB 1997-1998	18	38	20	0.68	RC
SR97PN03	EMMB 1997-1998	50	70	20	0.87	RC
SR97PN04	EMMB 1997-1998	2	18	16	1.41	RC
SR97PN04	EMMB 1997-1998	44	174	130	0.79	RC
SR97PN04	EMMB 1997-1998	190	236	46	0.40	RC
SR97PN05	EMMB 1997-1998	6	72	66	1.21	RC
SR97PN05	EMMB 1997-1998	82	174	92	0.60	RC
SR97PN07	EMMB 1997-1998	124	146	22	0.59	RC
SR97PN07	EMMB 1997-1998	178	238	60	0.49	RC
SR97PN08	EMMB 1997-1998	40	56	16	0.49	RC

Hole ID	Comp. / Year	From (m)	To (m)	Intercept (m)	Au g/t	Hole Type
SR97PN09	EMMB 1997-1998	2	16	14	0.58	RC
SR97PN09	EMMB 1997-1998	36	74	38	0.40	RC
SR97PN12	EMMB 1997-1998	30	48	18	0.63	RC
SR97PN12	EMMB 1997-1998	60	221	161	1.23	RC
SR97PN13	EMMB 1997-1998	52	80	28	0.45	RC
SR97PN13	EMMB 1997-1998	86	114	28	0.72	RC
SR97PN13	EMMB 1997-1998	130	148	18	0.49	RC
SR97PN13	EMMB 1997-1998	156	174	18	0.60	RC
SR97PN14	EMMB 1997-1998	76	156	80	0.60	RC
SR97PN16	EMMB 1997-1998	56	92	36	1.24	RC
SR97PN16	EMMB 1997-1998	110	200	90	0.78	RC
SR97PN17	EMMB 1997-1998	80	228	148	0.77	RC
SR97PN18	EMMB 1997-1998	60	118	58	0.64	RC
SR97PN18	EMMB 1997-1998	146	214	68	0.54	RC
SR97PN19	EMMB 1997-1998	140	232	92	0.38	RC
SR97PN20	EMMB 1997-1998	56	80	24	0.44	RC
SR97PN20	EMMB 1997-1998	144	156	12	0.72	RC
SR97PN21	EMMB 1997-1998	14	22	8	1.72	RC
SR97PN21	EMMB 1997-1998	62	86	24	1.04	RC
SR97PN21	EMMB 1997-1998	142	164	22	0.54	RC
SR97PN21	EMMB 1997-1998	172	196	24	0.63	RC
ARDDHPN-02	Kinross 2006	150	162	12	0.71	RD
ARDDHPN-02	Kinross 2006	260	274	14	0.67	RD
ARDDHPN-02	Kinross 2006	320	368	48	0.40	RD
ARDDHPN-02	Kinross 2006	472	684	212	0.66	RD
ARDDHPN-02	*Kinross 2006*	*524*	*684*	*160*	*0.70*	*RD*
ARPN-03	Kinross 2006	340	390	50	0.45	RC
ARPN-04	Kinross 2006	36	46	10	2.93	RC
ARPN-09	Kinross 2006	28	38	10	0.65	RC
ARPN-09	Kinross 2006	272	312	40	0.44	RC
DDH-PN-16	Kinross 2006	64	102	38	1.69	DD
DDH-PN-16	Kinross 2006	126	264	138	1.26	DD
DDH-PN-16	Kinross 2006	280	297.1	17.1	0.54	DD
DDH-PN-10	Kinross 2007	42	60	18	0.70	DD
DDH-PN-10	Kinross 2007	66	130	64	1.13	DD

Hole ID	Comp. / Year	From (m)	To (m)	Intercept (m)	Au g/t	Hole Type
DDH-PN-10	Kinross 2007	168	284	116	0.80	DD
DDH-PN-10	Kinross 2007	294	306	12	0.65	DD
DDH-PN-10	Kinross 2007	316	362	46	0.42	DD
PN-01	Kinross 2007	66	72	6	0.80	DD
PN-01	Kinross 2007	96	114	18	0.43	DD
PN-01	Kinross 2007	156	204	48	0.44	DD
PN-01	Kinross 2007	292	340	48	0.53	DD
PN-02	Kinross 2007	128	252	124	0.99	DD
PN-02	Kinross 2007	266	338	72	0.58	DD
PN-02	Kinross 2007	394	412	18	0.45	DD
PN-02	Kinross 2007	422	446.3	24.3	0.44	DD
PN-03	Kinross 2007	12	210	198	0.77	DD
PN-03	Kinross 2007	262	302	40	0.47	DD
PN-03	Kinross 2007	362	462	100	0.50	DD
PN-04	Kinross 2007	72	78	6	1.02	DD
PN-04	Kinross 2007	88	100	12	1.01	DD
PN-04	Kinross 2007	138	228	90	0.93	DD
PN-04	Kinross 2007	346	476	130	0.71	DD
PN-04	Kinross 2007	486	502	16	0.52	DD
PN-05	Kinross 2007	124	232	108	0.54	DD
PN-05	Kinross 2007	240	258	18	0.71	DD
PN-05	Kinross 2007	336	424	88	0.53	DD
PN-06	Kinross 2008	146	152	6	1.24	DD
PN-06	Kinross 2008	264	284	20	0.44	DD
PN-06	Kinross 2008	292	460	168	0.88	DD
PN-07	Kinross 2008	158	224	66	0.36	DD
PN-07	Kinross 2008	368	498	130	0.56	DD
PN-08	Kinross 2008	164	246	82	1.13	DD
PN-08	Kinross 2008	310	452	142	1.13	DD
PN-09	Kinross 2008	142	168	26	0.52	DD
PN-09	Kinross 2008	174	232	58	0.94	DD
PN-09	Kinross 2008	312	428	116	0.85	DD
PN-09	Kinross 2008	474	494	20	0.43	DD
PN-10	Kinross 2008	182	200	18	1.09	DD
PN-10	Kinross 2008	206	272	66	0.47	DD

Hole ID	Comp. / Year	From (m)	To (m)	Intercept (m)	Au g/t	Hole Type
PN-10	Kinross 2008	282	360	78	0.80	DD
PN-10	Kinross 2008	376	426	50	0.61	DD
PNN-10-01DDH	Orosur 2010	60	72	12	1.41	DD
PNN-10-01DDH	Orosur 2010	130	201.4	71.4	0.94	DD
PNN-10-02DDH	Orosur 2010	108	162	54	0.53	DD
PNN-10-02DDH	Orosur 2010	202	240	38	0.77	DD
PNN-10-03DDH	Orosur 2010	26	92	66	0.93	DD
PNN-10-03DDH	Orosur 2010	140	195.9	55.9	0.79	DD
PNN-10-04DDH	Orosur 2010	150	224	74	1.38	DD
PNN-10-04DDH	Orosur 2010	230	257.5	27.5	0.99	DD
PNN-10-05DDH	Orosur 2010	48	54	6	1.00	DD
PNN-10-05DDH	Orosur 2010	140	224	84	0.53	DD
PNN-10-06DDH	Orosur 2010	4	76	72	0.55	DD
PNN-10-06DDH	Orosur 2010	82	122	40	1.37	DD
PNN-10-06DDH	Orosur 2010	140	168	28	0.52	DD
PNN-10-07RC	Orosur 2010	130	167	37	0.48	RC
PNN-10-08DDH	Orosur 2010	42	100	58	0.57	DD
PNN-10-09DDH	Orosur 2010	124	132	8	2.23	DD
PNN-10-10DDH	Orosur 2010	22	30	8	0.93	DD
PNN-10-11RC	Orosur 2010	14	44	30	0.56	RC
PNN-10-12DDH	Orosur 2010	124	156	32	0.51	DD
PNN-10-14RC	Orosur 2010	47	101	54	0.68	RC
PNN-10-14RC	Orosur 2010	111	126	15	0.66	RC
PNN-10-15DDH	Orosur 2010	0	20	20	1.32	DD
PNN-10-15DDH	Orosur 2010	180	221	41	1.50	DD
PNN-10-16RC	Orosur 2010	77	107	30	0.46	RC
PNN-10-16RC	Orosur 2010	169	200	31	0.38	RC
PNN-10-17RC	Orosur 2010	116	184	68	0.97	RC
PNN-10-18RC	Orosur 2010	59	133	74	0.94	RC
PNN-10-18RC	Orosur 2010	144	200	56	0.58	RC
PNN-10-19RC	Orosur 2010	2	34	32	1.09	RC
PNN-10-19RC	Orosur 2010	44	114	70	0.93	RC
PNN-10-20RC	Orosur 2010	3	32	29	0.94	RC
PNN-10-20RC	Orosur 2010	38	56	18	0.55	RC
PNN-10-21DDH	Orosur 2010	188	218.5	30.5	1.00	DD

Hole ID	Comp. / Year	From (m)	To (m)	Intercept (m)	Au g/t	Hole Type
PNN-10-22DDH	Orosur 2010	78	106	28	1.17	DD
PNN-10-22DDH	Orosur 2010	160	175.1	15.1	0.59	DD
PNN-10-23RC	Orosur 2010	28	137	109	0.37	DD
PNN-10-24RC	Orosur 2010	27	87	60	0.41	DD
PNN-10-27DDH	Orosur 2010	24	30	6	1.82	DD
PNN-10-27DDH	Orosur 2010	82	162	80	0.62	DD
PNN-10-27DDH	Orosur 2010	170	200	30	0.45	DD
PNN-10-27DDH	Orosur 2010	230	250	20	0.93	DD
PNN-10-29DDH	Orosur 2010	84	92	8	1.11	DD
PNN-10-30DDH	Orosur 2010	202	266	64	0.81	DD

Appendix 4 - ASX Listing Rule Chapter 5. Clauses 5.10 to 5.12.10 and 5.22 (b) and (c)

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 2. Foreign estimate of mineralisation

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

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

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

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

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

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

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

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

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

Table 3. Classification for foreign estimate of mineralisation

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

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

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

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

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

Competent Person Statement

The Exploration Results and information in this announcement reported under Listing Rule 5.12 that relates to foreign estimates of mineralisation at the Pantanillos Project is based on and fairly represents information compiled by Mr David Hobby, and is an accurate representation of the available data and studies for the Project. Mr Hobby is a Member of the Australasian Institute of Mining and Metallurgy and is an employee and Executive Director of Flagship Minerals Limited. Mr Hobby has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results and Mineral Resources, and Ore Reserves. Mr Hobby consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

References

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

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

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Appendix 5 - JORC Code, 2012 Edition – Table 1 Pantanillo AMEC QFE 2010

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Anglo American RC drilling acquired 2m RC split samples and 2m DD ½ core samples • Kinross RC drilling acquired 2m RC split samples and 2m DD ½ core samples Whole samples were crushed, and a 1kg split was pulverized. Samples assayed for Au by fire assay with 50g charge, and Cu, as well as cyanide soluble copper and cyanide soluble gold • Orosur drilling: 1m split RC samples, 2m ½ core DD samples. Samples assayed by 50g fire assay plus Cu and multielements by ICPAES.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Anglo was all RC drilling. Kinross drilled 5 ¾ inch RC and HQ diamond core. Orosur drilled 5 ½ inch RC and HQ3 diamond core
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No records for Anglo drilling. Kinross did not record RC recovery, Kinross stated HQ core recoveries >90% in all but two holes. • Orosur RC recoveries by weight estimated average recovery of 86%. Core recoveries from HQ3 stated as 93% average.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• The quantity and quality of lithological and geotechnical data collected by the Kinross and Orosur personnel are sufficient to support Mineral Resource estimation in the opinion of the QPs. All core was photographed. • All core was photographed and 100% of all intersections are assumed to be logged, as QP

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	did not identify logging as an issue.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Anglo procedures are unknown • All ½ core samples were sawn on cut line • All RC samples were riffle split • Kinross RC and core samples were crushed to 100% <2mm, a 1kg sub-sample was split off and pulverized to 85% <0.075mm. QC procedures are unknown at this point. • Orosur RC and core samples were crushed to 100% <12mm with this sample split in half. One spit was crushed to 80% < 2mm with a spilit 500g sub-sample then pulverized to 85% <0.075mm. • For Orosur drilling field duplicates were inserted at 2.8% ratio. • In all cases sample sizes are considered appropriate
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Anglo American/EMMB methods are not documented, other than the analysis was conducted by GEOLABS. • Kinross samples assayed by ALS Chemex in La Serena for Au by method AA24, which is fire assay with 50g charge and AAS finish, and Cu by method AA61 which is four acid digestion and AAS finish). These would be considered total extraction. Cyanide soluble copper and cyanide soluble gold analysis were also performed, using 20g aliquot with AAS finish. These methods are considered partial. Kinross QA/QC during the 2006 drilling program, the QC program implemented by Kinross included the analysis of pulp duplicates with a frequency of one duplicate in 20 samples (5%). In 2007, blanks and three reference materials were also inserted at irregular frequencies, but the detailed QC data were not available to the QP. • During the 2008 drilling program, Kinross implemented a QC program consisting of the insertion of four SRMs (5.2%), pulp blanks (4.5%) and pulp duplicates (4.1%). AMEC processed the available QC data. The pulp duplicate error rate was 2.5%, reasonable considering an acceptable duplicate error rate limit of 10%. Most SRM values were in control (only one outlier for one of the SRMs) and the bias values ranged between -0.3% and 3.6%. • Orosur samples assayed by ACME with 50g fire assay for gold with AAS finish plus ICPAES for copper and 33 other elements with 4-acid

Criteria	JORC Code explanation	Commentary
		digestion. These methods considered total extraction for metals of interest. The Orosur QC protocol included the insertion of 425 control samples for 2,925 ordinary samples, as follows: 83 twin (and field duplicate) samples (2.8% average insertion rate), 185 pulp duplicates (6.3% average insertion rate), 99 coarse blanks (2.6% average insertion rate), and 80 reference material samples belonging to four standard reference materials (SRMs) prepared by CDN (2.7% average insertion rate). The programs did not include the resubmission of check samples to a secondary laboratory. • According to the QP, the QA/QC program results do not indicate any problems with the analytical programs and the data appear to be sufficiently precise and accurate for Mineral Resource estimation purposes. • Drill data were checked for the Anglo American program by resubmission of 100 Anglo pulps As a result of this resampling test, AMEC is of the opinion that the Anglo American assay data appear to be sufficiently precise and accurate for Mineral Resource estimation purposes. • A total of 16 drill samples from the Kinross 2006 program were subjected to independent FA assays in ALS Chemex and Acme using 50 g aliquots, and most of values gave only small differences from original assays.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• AMEC checked hard copy lab assay reports for gold against the assay 'database' provided by Orosur and found no material issues. • There is no discussion about twinned holes by AMEC. However, in the 2009 NI 43/101 does show an RC hole twinned with a diamond hole. The results of the same 50m interval in both holes showed a 238% grade increase from the RC to the DDH intersection, 0.99 to 2.38g/t Au respectively, However, a review of RC v DD intersections would appear to indicate limited if any assay bias. • Orosur provided AMEC with Microsoft Excel® files with survey, assay and lithology data corresponding to Anglo American, Kinross and Orosur drilling campaigns. AMEC reviewed, completed and validated the available information, and prepared a comprehensive database, which was the basis for the current resource estimation. • AMEC performed a review of selected drill collar,

Criteria	JORC Code explanation	Commentary
		down-hole survey, data, lithology records and assay data incorporated into Orosur's database. A review of potential contamination of the RC drill data was undertaken, in addition to a QA/QC review. • AMEC considers that a reasonable level of verification has been completed during the 2010 data review and no material issues would have been left unidentified from the verification programs undertaken. No problems with the database, sampling protocols, flowsheets, check analysis program, or data storage were identified that were sufficient to preclude the use of the database for estimation purposes.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Collar surveys were performed for the Kinross and Orosur drill programs by registered surveyors using differential GPS equipment. No information is available on the collar survey methods for the Anglo American drilling. Down-hole survey methods included a gyroscope/accelerometer (Kinross programs) and Reflex down-hole dip and magnetic azimuth survey equipment (Orosur program). • All the project coordinates were subsequently transformed into the WGS-84 19S system from PSAD 56. • AMEC received a digital topography from Orosur as 5 m- and 10 m-spaced contour lines that were the product of photo-interpretation. AMEC imported the contour lines into GEMS® and compared the surveyed drill-hole collar elevations against the topographic surface, and found that significant differences did occur for all drill holes. with 60% of the differences above 10 m. AMEC updated portions of the topographic surface using surveyed drill-hole collar elevations as a preliminary fix; however, AMEC recommends that a new digital topographic surface be generated to correct any problems and enable an accurate topographic clip to the block model.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drilling grid was approximately 50 m spaced sections with 50m-100m hole spacing. AMEC considered this adequate for the "resources' reported. • The nominal sample length for assays was 2 m, corresponding to 82.6% of total samples; 17.0% of the samples are less than 2 m long, and only 0.4% of the samples are longer than 2 m. For

Criteria	JORC Code explanation	Commentary
		estimation purposes, the original assayed interval length was used to honour the grade-shell contacts and variability observed in the deposit.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill orientations are generally appropriate for the mineralisation style, and have been drilled at orientations that are optimal/near optimal for the orientation of mineralisation for the bulk of the deposit area. • Some holes were drilled in the opposite direction and are sub-parallel to the key mineralised structures. However, grades in these holes are not materially different to other holes drilled orthogonal to mineralisation on that cross section mor the block model grades..
Sample security	• *The measures taken to ensure sample security.*	• AMEC state, sample security appears to be appropriate for gold–copper porphyry deposits for the Anglo American and Kinross drill programs, and are appropriate for the 2010 Orosur drill program for the purposes of Mineral Resource estimation on the Pantanillo Norte deposit.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Independent data audits have been conducted, and indicate that the sample collection and database entry procedures are acceptable

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Pantanillo Project comprises 3 exploitation concessions corresponding to an area of 11,000 hectares the ("**Mining Rights**"). These Mining Rights are exclusively held by Compañía Minera Atahualpa SpA ("CMA"). The Concessions are GUILLERMO ANTONIO 1 AL 400, GABRIELA 1 AL 1000 and CECILIA 1 AL 950. Flagship has a 5-year Option agreement to acquire a 100% interest in the project or a total consideration of $US 12.6 Million. • The tenure is secure as long as annual fees and rents are paid to the Government. • Project development will require submission of a full Environmental Impact Statement (EIS). The Project is situated in an area of environmental significance and is adjacent the Nevado Tres Cruces National Park. Certain sectors are

Criteria	JORC Code explanation	Commentary
		classed as Ramsar sites. An application to modify the Ramsar site boundaries was made in 2009. Consequently, any Project development activities will require consideration of endemic flora and fauna, wetlands, Astaburuaga River, the proximity of the Project to Nevado Tres Cruces National Park, its biological corridor and proposed buffer extensions.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• In the early 1980s, Anaconda conducted initial exploration activities on the project; however, no details were available on these programs. Modern exploration has been conducted by Anglo American, Kinross, and Orosur Mining Inc. Work completed in the period 1983 to 2011 has included geological mapping, soil and rock geochemical surveys, trenching, Quickbird topography, reverse circulation (RC) and core drilling, ground magnetics, Mineral Resource estimation, metallurgical testwork and project studies . In the opinion of the AMEC QPs, the exploration programs completed to date are appropriate to the style of mineralisation within the project. The Pantanillo deposit may have additional exploration potential for sulphide mineralization down-dip to the southwest, and below the ignimbritic cover in the southeast. Other prospects in the project area also need follow-up. Much of this data has not been seen by Flagship.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Maricunga belt represents a 200 km long by 50 km wide metallogenic district, located along a NNE-SSW-trending chain of Upper-Oligocene to Mid-Miocene age andesitic to dacitic volcanoes running along the Argentine-Chile border. The volcanoplutonic arc developed on a Pennsylvanian to Triassic basement composed of granitoids and intermediate to silicic volcanic rocks, overlain by Mesozoic to early Tertiary continental volcanic and clastic rocks. Subsequent erosion of late Tertiary volcanoes exposed the frequently hydrothermally altered sub-volcanic porphyry stocks The overall geological setting of the Maricunga belt corresponds to compounded, interfingering, discontinuous and texturally highly variable strato-volcanic accumulations. Although active volcanism is present in Northern and Southern Chile, there is no ‘recent’ volcanic activity in the

Criteria	JORC Code explanation	Commentary
		Maricunga belt. • The Property is located in the central part of the Maricunga Belt, directly between the Maricunga Mine (Ex-Refugio) and the Marte-Lobo project, both owned and operated by Kinross. The Maricunga Belt hosts numerous porphyry and epithermal style Au and Au-Cu style deposits. • The Pantanillo gold deposit is over 850m long and between 200m-600m wide and remains open along strike and down-dip. The mineralised zone strikes NE-SW and dips at 30-45 deg to the southwest Mineralisation is hosted in weathered and altered andesitic porphyry with sheeted and stockwork quartz veins. Oxide zones contain kaolinite, alunite, with limonite/goethite and hematite after pyrite. Fresh rock has a chlorite +/- magnetite +/- pyrite +/- quartz alteration assemblage, with denser vein swarms, local breccia zones and late quartz-alunite veins hosting mineralisation, commonly with higher gold grades. •
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drill hole information is provided in the document
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• The drillhole intersections are weighted averages reported at downhole widths. The basis of reporting the intersections is not stated. However, it is fair to assume a lower cutoff of around 0.30g/t Au (maybe allowing for some internal dilution) has been used to generate the broader intersections, with contained higher grade zones also being reported at maybe>=0.5g/t Au. Examples of these intersections are shown in the document.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Mineralized zone over 850 m long and strikes in a 300 degree direction and is 200-600 m wide, dipping 30° to 45° to the southwest. The drilling is generally oriented between 0 and 20 degrees or N-NNE. Hole dips are generally 60 degrees, some slightly steeper and shallower. Most of the mineralised intersections are estimated to be approximately75-90% of true width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A cross section and level plan are shown in the report as Figures 3 and 4. • Drill intersections are also reported in the document
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All data currently available to the Company that relates to drilling has been reported most of which is available in the Ni43/101 reports that are referenced in the document, with links provided.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The drilling data and QFE reported is supported by metallurgical testwork of drill samples which have indicated much of the mineralisation is amenable to heap leach treatment after crushing to 80% -25mm. Bulk density measurements have been performed and sufficient drill core has been geotechnically logged. An assessment of copper and arsenic has been undertaken as potentially deleterious or contaminating substances. No material issues were identified.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Key activities proposed to ensure the qualifying foreign estimate complies with the JORC Code (2012 Edition) will include: Detailed verification and validation of information contained in the NI 43-101 report, particularly information relating to the drillhole database including sampling and assaying QA/QC, verification re-sampling and assaying of available ½ drill-core and sample pulps, verification of location/survey data, improving the geological model relevant to the mineralisation, verification of density measurements applied to the different styles of mineralisation as well modelling of the oxide, mixed and fresh rock components of the mineralisation • The completion of additional diamond core drilling will be required to assist in validating the

Criteria	JORC Code explanation	Commentary
		historical drill data that will be applied to a new Mineral Resource estimate. The application of updated modifying factors, such as metallurgical testwork on new drill core will assist in determining cut-off parameters. Pit optimisations may also be conducted on the new Mineral Resource leading to further technical studies to potentially define Ore Reserves.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• During 2010, AMEC performed a review of selected drill collar, down-hole survey, data, lithology records and assay data incorporated into Orosur's database. A review of potential contamination of the RC drill data was undertaken, in addition to a QA/QC review. AMEC considers that a reasonable level of verification has been completed during the 2010 data review and no material issues would have been left unidentified from the verification programs undertaken. No problems with the database, sampling protocols, flowsheets, check analysis program, or data storage were identified that were sufficient to preclude the use of the database for estimation purposes.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Some of the QP's of the 2010&2102 NI 43/101 reports visted the project. • Flagship personnel have not visited the project, bas yet.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• AMEC was provided with vertical sections with interpreted models representing the Pantanillo Norte lithologic, mineralization, grade-shell and alteration domains. AMEC digitized the models from the vertical sections and prepared level plans for the grade shell. Sections were oriented at 011° azimuth (NNE) and spaced 50 m apart. Bench plans were created at 50 m intervals. • AMEC reconciled the interpreted shapes on vertical sections and level plans, and constructed solid models for the main lithological units: breccia ledge (BXG), intrusive breccia (BXI), and andesitic porphyry (VAN_PO). AMEC did not complete a new interpretation for the lithological

Criteria	JORC Code explanation	Commentary
		model, but constructed more robust lithological solids based upon the reconciled vertical sections and level plans. Similarly, solids for mineralization units were constructed for leached (MET), oxide (OXI), mixed (MIX), sulphide (SUL) mineralization units, as well as a 0.30ppm gold grade shell. Alteration solids were not created at this time, as the interpreted sections needed additional refinement for conceptual reasonableness. The lithological, mineralization and grade-shell solids provided the support for the estimation domains. The three-dimensional block model was coded for lithology, mineralization and grade shell using the solids for each. Sub-blocks were coded on a whole block basis based upon the centroid location. Later, the sub-block model was regularized, and estimation was done based on the percentage of the block within the grade shell. In order to validate the three-dimensional lithological model, AMEC back-tagged drill holes with the lithology solids and compared the total length of each domain from the original logs to the total length obtained from the interpreted model. It is AMEC's opinion that the differences are acceptable for this level of study. • AMEC defined the estimation domains using the lithology, mineralization and grade shell three-dimensional models. Gold, copper and arsenic estimation domains were based on the combination of lithology and mineralization domains, inside and outside the grade shell. The combinations were obtained based on cumulative probability distributions, basic statistics and contact analysis.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Oxide, mixed, and sulphide gold mineralization is developed in sheeted and stockwork quartz veins hosted in a hydrothermally-altered andesite porphyry in a sub-surface volcanic centre. A 0.30 g/t Au grade-shell representation of the mineralization at the Project shows two main, very irregular bodies, and a series of smaller bodies, which taken as a whole develop into a broad mineralized zone over 850 m long (in a northwest–southeast direction) and 300 m width, dipping 30° to 45° to the southwest. Mineralization has been tested to 600 m depth, and remains open at depth. There is also potential for strike extensions in the oxide-mixed zone.

Criteria	JORC Code explanation	Commentary
		• Oxide and mixed mineralisation extends to a maximum of 310m below surface. The pit constrained resource essentially considers only oxide and mixed mineralisation that is amenable to heap leach processing.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Using geological interpretations prepared by Orosur, AMEC digitized the lithological and mineralization models, as well as the 0.30ppm gold grade-shell model in vertical sections, and level plans for the grade shells. Sections were oriented at 011° azimuth (NNE), and spaced 50 m apart. Bench plans were created at 50 m intervals. • The lithology and mineralization, especially the HS ledge breccias, are controls of gold, copper and arsenic distribution in the deposit. However, the interpreted models solely were not enough to explain the spatial distribution of relatively higher grades, therefore, a grade shell at 0.30ppm Au was used to constrain grade estimation. Estimation domains are based in the combination of lithology, mineralization and a three-dimension grade shell model. The spatial analysis show good grade continuity in the orientation of the mineralized body, correlograms were calculated and model in this direction. Search orientation was set in the same orientation and ordinary kriging was used for grade estimation of Au, Cu and As. The block model consists of regular blocks (10 m x 10 m x 10 m) and is rotated at 11.12° azimuth• Validation of the block model shows a good global and local agreement between the OK estimates and the Nearest Neighbor model, and smoothing is controlled. AMEC used the Sage2001 software to construct down-the-hole and directional correlograms for the gold, copper and arsenic estimation units. • Higher-grade mineralization ranging from 0.8-1.2ppm across all domains is constrained in space by applying a maximum search ellipse of 15m. . • AMEC classified the mineral resources in the Measured, Indicated and Inferred categories based on sample number, data quality, drill-hole density and good variographic fit. The QFE is classified in accordance with the 2010 CIM Code.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• AMEC determined reasonable prospects of economic extraction by applying preliminary economics for open pit mining methods. Mining and process costs and process recoveries were estimated from benchmark studies of similar projects and operations in Chile. A lower cutoff of 0.3g/t Au was adopted to reflect reasonable prospects of economic extraction above the lower cutoff.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Typical drill and blast open pit mining methods are assumed. The grade blocks in the block model are maximum 10m x 10m x 10m, and smaller where grade is constrained to a geological boundary. AMEC applied a Mining Dilution Fraction of 1. Although the nature of this is unclear.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• The limited metallurgical studies available on orientation samples indicated that the Pantanillo Norte oxide could be highly amenable to cyanide leaching, as might be expected. The sulphide zones gave poor cyanide leach results and the mixed “ores” were in-between. It should be noted that the recoveries may have been partially influenced by the “head grade” of the samples which was higher in the oxide and mixed material. For the pit constrained Mineral Resource, the following Au recoveries were applied. Oxide 75%, Mixed 65%, Sulphide 50%.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The Property is located within the Pantanillo Biologic Corridor, a Priority Site for Biodiversity Conservation. These sites are where conservation is regarded as a process of integration of sustainable productive practices with biodiversity conservation . The Property is also situated 2.5 km from the Nevado Tres Cruces National Park, an environmentally protected area , and 1 km from the Laguna del Negro Francisco and Laguna Santa Rosa Lacustrine Complex, a RAMSAR site. The Project’s development area is subject to various environmental protection instruments, which in most cases would involve the Project's entry into the Environmental Impact Evaluation System, specifically through the preparation of an Environmental Impact Study. Flagship notes

Criteria	JORC Code explanation	Commentary
		there are several projects in the planning or construction stage in relatively close proximity to Pantanillo, including the Volcan Project 10km NW of Pantanillo.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The density database includes 235 determinations conducted by AA and Kinross on 11 cm to 27 cm core fragments (19 cm on average), apparently using the water displacement method; however, details about the determination methods were not available to AMEC. During the 2010 campaign, Orosur submitted 154 samples for density determination to ACME. The G8SG method of water displacement method with paraffin coating was used on 6 cm to 30 cm core fragments (17 cm on average). All density samples (AA, Kinross and Orosur) were classified by rock type and according to the mineralization type, as follows: MET (weathered), OX (oxide), MIX (mixed) and SULF (sulphide). The bulk density of the weathered rock types is significantly lower than the other rock types, oxide, mixed and sulphide mineralization types are progressively more dense, and a correlation between sample depth and density exists. These relationships are all natural consequences of the weathering process and seem to be the most important controls on bulk density for the Pantanillo deposit. • AMEC is of the opinion that Orosur used a proper density determination method, and that a reasonable quantity of determinations have been made for each major lithology and mineralization type. However, AMEC recommends that during the future drilling campaigns additional density samples be obtained, so that the density coverage is improved. The following densities (t/m^3) were used to estimate the QFE and are based on the degree of weathering and oxidation as modelled. Weathered rock=2.15. oxide=2.40, mixed=2.47 and sulphide=2.59.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the*	• Grade and volume continuity are considered through the use of the kriging parameters. For the Property, AMEC used the number of drill holes and the average distance of samples used to estimate a block, as well as the distance of the closest sample to define Measured, Indicated and Inferred blocks. Additionally, the number of drill holes and the number of samples used to ensure two drill holes were considered to

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	Competent Person's view of the deposit.	estimate blocks classified as Measured. The kriging parameters used in the first pass did not ensure that two drill holes be used in grade estimation. The classification parameters are shown in the Table below. **Parameters for Open-Pit Resource Classification** **Category** / **No. of Drill holes** / **Distance to Closest Samp (m)** **Measured** / At least two / 0 to 50 **Indicated** / At least two / 50 to 100 **Inferred** / No restriction / No restriction •
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• AMEC validated the Pantanillo Norte model using summary statistics to check for global estimation bias, drift analysis, smoothing assessment and visual inspection. For validation purposes, AMEC generated a nearest neighbour model (NN) using 10 m composites in order to verify that kriged estimates honoured the drill-hole data. The NN model provides a declustered distribution of drill-hole data, and is commonly used for validating the grade estimation. Validation of the block model shows a good global and local agreement between the OK estimates and the NN model, and smoothing is controlled. • AMEC completed a visual inspection comparing grades of composites and blocks in vertical sections and plan views. AMEC concluded that the grade estimate reasonably represents the assays grades, and that grade extrapolation is well controlled.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared*	• There are numerous inherent uncertainties in the estimation of mineral resources. The accuracy of the mineral resource estimation is a function of the quality of available data and of engineering and geological interpretation and judgment. • The QFE and associated NI 43/101 report do not discuss aspects of relative accuracy/confidence. • The QFE is classified by the QP as Measured, Indicated and Inferred which reflects the confidence levels of the estimate, as described.

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	with production data, where available.	