

ASX Announcement | 01 October 2025

FLAGSHIP SECURES \$4.0 MILLION AND STRATEGIC PARTNER TO ADVANCE PANTANILLO TO FEASIBILITY AND DEVELOPMENT

Placement includes \$2.5m strategic allocation to Xinhai, a global EPC company with substantial expertise in mineral processing and mine construction, facilitating a pathway to final feasibility, funding and construction.

Flagship Minerals Limited (ASX:FLG) (“Flagship” or “the Company”) has secured binding commitments to raise **\$4.0 million** (before costs) via a strongly subscribed share placement, comprising **\$1.5 million to professional and sophisticated investors** and a strategic placement of **\$2.5 million to Shandong Xinhai Mining Technology & Equipment Inc. (“Xinhai”)**, a global process engineering and contracting company specialising in the provision of engineering design, procurement and construction services to the mining industry.

KEY POINTS


- **\$4.0 million raised at \$0.10/share, including:**
 - \$1.5 million placement to professional investors; and
 - \$2.5 million placement to **Xinhai**, a specialist provider of EPC to the mining industry
- **Funding to advance Pantanillo through:**
 - Complete JORC 2012 Mineral Resource Estimate
 - Metallurgical testwork and heap leach processing studies
 - Drilling to expand and infill new Mineral Resource for MRE update in 2026
 - Project work progressing toward feasibility studies.
- **Xinhai will nominate a Non-executive Director to Flagship’s Board**, aligning the two companies and bringing substantial practical knowledge to the Flagship team.
- **Xinhai to provide specialist expertise and services to Flagship** related to metallurgy and mineral processing studies, engineering, procurement, construction (EPC), and project financing.
- **Xinhai and Flagship will align themselves via a strategic partnership**, which will de-risk decision making processes and facilitate accelerated development of the Pantanillo Gold Project.

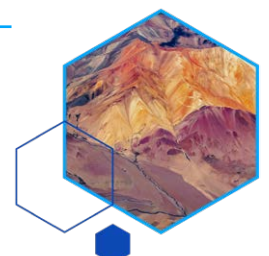
Xinhai is a leading global process engineering and contracting company that specialises in providing engineering design, procurement and construction services to the mining industry. Xinhai has completed more than 500 EPC contracts globally, many including mine construction and mine operation management services. Xinhai has an emerging footprint in Latin America, supplying 30+ copper and gold projects with equipment and 10+ with EPC services.

Flagship Minerals Limited

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Xinhai will nominate a Non-executive Director to Flagship's Board, aligning the two companies and bringing substantial practical knowledge and insight to the Flagship team, de-risking decision making processes and facilitating an accelerated development program for Flagship's advanced Pantanillo Gold Project.

This alignment will be instilled through a strategic partnership agreement which will encapsulate a framework for collaboration between the parties and the provision of specialist expertise and technical services related to metallurgy and mineral processing studies, engineering, procurement, project financing and construction (EPC).

Specifically, Xinhai's equity interest, Board participation and technical expertise will facilitate advancement of Flagship's Pantanillo Gold Project, including:

- Metallurgical testing and mineral processing pathways
- Plant design and construction requirements
- Collaboration on capital funding solutions

Flagship's strategic partnership with Xinhai ensures Flagship is well-supported as it works to de-risk and develop Pantanillo. This may also lead to other gold and copper development opportunities in the future.

Flagship's priority for Pantanillo is 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. Xinhai will position Flagship to accelerate this objective.

Flagship Minerals' Managing Director, Paul Lock, commented:

"Flagship's strategy to move into gold and copper is starting to reward shareholders, with a well priced Placement which breaks the 'attached option cycle' and positions Flagship to take Pantanillo through to initial feasibility.

"We received strong support, with the Placement oversubscribed. Further, we are very pleased to receive support from Xinhai, a progressive, capable and highly experienced process engineering and contracting company servicing global mining. This represents a major step forward for Flagship.

"The strong support received from professional investors and a strategic partnership with Xinhai provides the Company with both the financial capacity and technical firepower to rapidly progress Pantanillo towards development.

"We're excited to move into our next phase of work, including conversion of the current NI 43-101 qualifying foreign estimate to a JORC compliant MRE, heap leach testwork, and development studies — all aimed at unlocking the value of what we believe will be a low-capex, near-term production opportunity in Chile.

"Flagship's strategy 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.

"Xinhai's involvement will help Flagship achieve this."

Placement Details

The Placement will result in the issue of 40 million new fully paid ordinary shares (Shares) in the Company at a price of A\$0.10 per Share (Placement Shares), to raise A\$4 million (before costs), comprising:

A\$1.5m to Professional and Sophisticated Investors via the issue of **15 million Placement Shares**; and

A\$2.5m to Xinhai - Specialist provider of EPC via the issue of **25 million Placement Shares**.

Xinhai's investment will be split into two equal tranches of A\$1.25m (12.5 million Placement Shares), with the 1st tranche paid in accordance with the Indicative Timetable below and the 2nd tranche payable after completion of a site visit to the Pantanillo Gold Project, finalising of a strategic partnership agreement (headline terms agreed) and the appointment of Xinhai's nominated representative as a Non-executive Director to Flagship's Board of Directors.

Twenty (20) million Placement Shares will be issued under the Company's Listing Rule 7.1 placement capacity and 20 million will be issued under the Company's Listing Rule 7.1A placement capacity, with all Placement Shares issued at a price of \$0.10 per Placement Share, which represents:

- a 28.6% discount to the last close price of \$0.140 on 29 September 2025
- a 10.7% discount to the 5-day volume weighted average price (VWAP) of \$0.112
- a 5.7% discount to the 10-day VWAP of \$0.106

A total fee of 6% on gross funds raised is payable.

Claymore Capital acted as Lead Manager. GBA Capital's Anthony Thompson partook in the Placement, representing several Flagship investors.

Use of Funds

Proceeds from the Placement will be applied towards:

Item	Estimate (\$m)
Conversion of NI 43-101 QFE to JORC compliant Mineral Resource Estimate	0.2
Metallurgical testwork and heap leach processing studies	0.5
Drilling to support metallurgical testwork and a subsequent MRE update	1.0
Initial feasibility studies.	0.8
Working Capital	1.5
Total	4.0

Indicative Timetable

An indicative timetable for the Placement is set out below. The timetable remains subject to change at the Company's discretion and is subject to compliance with applicable laws and the ASX Listing Rules.

Event	Date
Placement Book Opens	Tue, 30 Sept 2025
Placement Book Closes (subject to early close)	Tue, 30 Sept 2025
Allocation and confirmation letters due	Tue, 30 Sept 2025
Announcement of Offer and Return to Trading on ASX	Wed, 01 Octo 2025
DvP & Cash Settlement	Mon, 06 October 2025
Allotment and Normal Trading of New Shares	Tue, 07 October 2025

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 where construction is around 40% complete, provide useful benchmarks. Fenix is an oxide gold project slated to produce 1.32 Million ounces of gold over a 17 year mine life, it has a 0.48g/t head grade and an average life of mine AISC of US\$1,237/oz Au¹.

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 validation of the existing drillhole data, confirmatory, infill and extensional drilling as required, as well as other supportive work.
- Additional metallurgical testwork and other project studies for input into techno-economic evaluation.

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.

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. Although 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, limited drilling has been conducted at some of these targets.

¹ For details on Rio2's Fenix Gold Project, see: <https://www.rio2.com/post/rio2-completes-feasibility-study-for-the-fenix-gold-project>.

Exploration potential throughout the broader project area of over 110km² 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.

- Ends -

Authorised by the Board of Directors

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IMPORTANT INFORMATION

Competent Persons Statement - General

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Mr. David Hobby, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Hobby is a fulltime employee, Director and Shareholder of Flagship Minerals Limited. Mr. Hobby has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Hobby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

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

Important

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