

14 October 2026

Flying the Flag in the Maricunga

NEED TO KNOW

- Flagship's Isidora Project hosts a 2.1Moz Au pit constrained Resource in Chile's richly endowed Maricunga Gold Belt
- MRE update targeted for late 2026 set to grow Resource further with heap-leach studies underway and dump leach to follow
- Whipsaw adds a 0.51Bt to 1.02Bt copper JORC Exploration Target in Canada, with an ASX spin-out under evaluation

2.1Moz secured in a major gold belt: The Isidora Gold Project lies in the Maricunga Gold Belt in northern Chile. It hosts a maiden JORC Resource of 115.2Mt @ 0.56g/t Au for 2.1Moz, with an elevated 91% of ounces Measured and Indicated, reflecting the extent of historic drilling. Total acquisition consideration is US\$12.6M, equating to US\$6/oz, with a favourable structure deferring 87% of the total to 2030. Isidora is surrounded by a number of +10Moz deposits owned by major global miners including Kinross, Barrick, Gold Fields and Newmont; Rio Tinto and NGEx are also active in the area. FLG has secured a strong foothold in a region endowed with +65Moz of gold

An oxide-first development in a proven heap leach district: 40% of the Resource (0.84Moz) is oxide and mixed material amenable to heap leaching. This supports a low capital intensity development plan. Growth potential in oxides is clear and an additional 1.25Moz in sulphides adds longer term optionality. Leach test work returned an attractive 82.7% oxide gold recovery at a coarse grind. Rio2's Fenix (5.7Moz @ 0.48g/t Au, DFS AISC US\$1,237/oz) is a direct dump leach analogue, ramping up 45km to the north.

Copper optionality plus potential divestments in the pipeline: The Whipsaw Copper Project in British Columbia hosts a drill supported Exploration Target of 0.51Bt to 1.02Bt @ 0.2% to 0.4% CuEq, 17km from Hudbay's Copper Mountain mine and south of Teck's Highland Valley copper mine. It has been secured via a A\$6.5M option deal with a potential ASX spin-out under evaluation. The Rosario oxide copper-silver project adds early-stage Chilean copper. The A\$5.8M RK Lithium sale and a planned tungsten divestment highlight non-dilutive funding options for FLG.

Investment Thesis

A golden entry point to a prolific belt at a deep discount: FLG offers exposure to a 2.1Moz, (91% M&I) gold Resource in one of the world's most endowed gold belts at an EV of under A\$25/oz, well below comparable gold explorer/developer peers. The development plan is clear, a conventional open pit heap leach operation, with the next 12 months bringing an MRE update (late 2026), pilot scale metallurgical testwork and a PFS (2027). With Xinhai positioned as a supportive strategic investor and EPC partner, copper optionality included via Whipsaw and Rosario, and the potential for near-term tungsten divestments, we see multiple paths to a re-rating for FLG.

Valuation & Risks: A\$0.55

We value FLG at \$0.55. For Isidora we apply an EV/oz multiple from a peer group of +1Moz Resource explorers/developers across multiple jurisdictions. We value Whipsaw and Khao Soon based on low-end peer group multiples applied to the bottom of the Exploration Target ranges. Key risks include commodity prices, funding, exploration/development risks, and permitting.

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Materials

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Flagship Minerals Limited (FLG) is a gold and copper explorer and developer. Its flagship asset is the 100%-optioned Isidora Gold Project in the Maricunga Gold Belt, northern Chile, where a JORC Resource of 115.2Mt @ 0.56g/t Au for 2.1Moz was reported in May 2026. FLG is targeting an oxide heap leach start-up with sulphides for longer term growth, a PFS is in progress. The portfolio also includes the Whipsaw Copper Project in British Columbia, hosting a 0.51Bt to 1.02Bt Exploration Target, and the Rosario oxide copper-silver project in Chile. The legacy Thai Khao Soon tungsten project is to be divested. FLG trades well below its gold explorer/developer peers. As it advances its flagship projects we see this discount narrowing materially.

Valuation	A\$0.55
Current price	A\$0.14
Market cap	A\$47M
Cash on hand	A\$7.0M (31 July pro-forma)

Upcoming Catalysts / Next News

Period	
H2 2026	Isidora drilling results
Q4 2026	Heap leach testwork results
Late 2026	Isidora MRE update
2026/2027	Khao Soon Tungsten divestment
2027	Isidora PFS and EIA submission

Share Price (A\$)



Source: FactSet, MST Access

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Financial Summary

Figure 1: FLG Minerals Financial Summary

FLAGSHIP MINERALS										FLG.AX
Year end 30 June										
MARKET DATA										
Share Price	A\$/sh									0.14
52 week high/low	A\$/sh									0.13 - 0.33
Valuation	A\$/sh									0.55
Market Cap (A\$m)	A\$m									47
FY26 Y/E Net Cash / (Debt) (A\$m)	A\$m									7
Enterprise Value (A\$m)	A\$m									40
Shares on Issue	m									347
Options/Performance shares	m									31
Other Equity (Assumed raise)	m									50
Fully Diluted Shares on Issue	m									428
Valuation (fully diluted share count)										
Isidora							A\$m		A\$ps	
Whipsaw							188		0.44	
Khao Soon							31		0.07	
NPV of outstanding option payments							8		0.02	
Add: Cash from options							(14)		(0)	
Add: Net Cash (A\$m as at 31 Dec 2026)							16		0.04	
FLG Equity Valuation - Diluted							7		0.02	
							236		0.55	
INVESTMENT FUNDAMENTALS (June Y/E)										
EPS Reported (undiluted)	cps	FY24A	FY25A	FY26E	FY27E	FY28E				
OpCF/Share	A\$	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)				
FCF/Share	A\$	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)				
FCF Yield	%	-4%	-5%	3%	-10%	-10%				
Book Value / Share	A\$	0.01	0.00	0.00	0.00	0.00				
Year End Shares	m	311	347	402	402	402				
Net Cash / (Debt)	A\$m	(1)	1	11	7	2				
EV/EBITDA	x	nm	nm	nm	nm	nm				
Net Cash (Debt) / Enterprise Value	x	(0.0)	0.0	0.3	0.2	0.1				
Net Cash (Debt)/ Equity	%	nm	nm	nm	nm	nm				
Resource - Isidora Norte										
Resource	Mt						Au		Au	
Oxide	14.1						g/t		koz	
Mixed	31.6						0.49		223	
Sulphide	69.5						0.62		621	
Total Resource	115.2						0.56		1249	
Exploration Target - Whipsaw Copper										
Resource	CuEq	Cu	Mo	Ag	Au					
Mt	%	%	g/t	g/t	g/t					
Total Target	512-1,024	0.20-0.40	0.14-0.23	86-147	1.0-2.0	0.01-0.02				
Management & Board ownership										
Shares	Perf Rights	Options								
(m)	(m)	(m)								
Mr Paul Lock (Chairman & MD)	73.7								0.74	
Mr David Hobby (Technical Director)	8.2									
Mr David Docherty (NED)	24.8									
Mr Frank Chanyapoon (NED)	6.7									
Mr John Zhang (NED)	27.0									
12-Month Relative Performance vs S&P/ASX Metals & Mining										
Profit & Loss (US\$m)										
Revenue		FY24A	FY25A	FY26E	FY27E	FY28E				
Expenses		(2.1)	(2.5)	(4.5)	(4.5)	(4.5)				
EBITDA		(2.1)	(2.5)	(4.5)	(4.5)	(4.5)				
D&A		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)				
EBIT		(2.1)	(2.6)	(4.5)	(4.5)	(4.5)				
Net Interest Expense / (Revenue)		(0.1)	(0.1)	0.1	0.0	0.0				
Tax		-	-	-	-	-				
NPAT		(2.2)	(2.7)	(4.4)	(4.5)	(4.5)				
Exceptionals		(0.2)	(0.6)	-	-	-				
NPAT attributable to FLG		(2.4)	(3.3)	(4.4)	(4.5)	(4.5)				
Balance Sheet (US\$m)										
Cash		FY24A	FY25A	FY26E	FY27E	FY28E				
Trade & Receivables		0.1	1.4	11.4	6.9	2.4				
Inventory		0.5	0.7	2.3	2.3	2.3				
PP&E		-	-	-	-	-				
Exploration & Evaluation Assets		0.0	0.0	0.0	0.0	(0.0)				
Other		12.5	13.3	0.9	0.9	0.9				
Assets		0.1	0.2	0.1	0.1	0.2				
Liabilities		13.2	15.6	14.8	10.3	5.8				
Net Assets		1.2	1.3	1.5	1.5	1.5				
Cashflow (US\$m)		FY24A	FY25A	FY26E	FY27E	FY28E				
Operating Receipts & Payments		(1.2)	(1.4)	(4.5)	(4.5)	(4.5)				
Interest		(0.1)	(0.1)	0.1	-	-				
Tax		-	-	-	-	-				
Other		(0.4)	(0.7)	0.0	0.0	0.0				
Net Cash From Operations		(1.6)	(2.3)	(4.4)	(4.5)	(4.5)				
Capex		(0.5)	(0.2)	(0.0)	(0.0)	(0.0)				
Payments for E&E		(0.5)	(0.2)	(0.0)	(0.0)	(0.0)				
Other		0.5	0.2	5.8	0.0	0.0				
Free Cash Flow		(2.1)	(2.5)	1.4	(4.5)	(4.5)				
Equity raise (net of cost)		1.1	3.4	7.2	-	-				
Borrowings drawn/(repaid)		1.0	0.4	-	-	-				
Other		0.0	(0.0)	-	-	-				
Net Increase / (Decrease) in Cash		0.1	1.2	8.6	(4.5)	(4.5)				

Source: MST, FLG

A 2.1Moz Golden Foothold in Elephant Country

FLG is a gold and copper developer, the flagship asset is the Isidora Gold Project (formerly Pantanillo) in the Maricunga Gold Belt of northern Chile. In May 2026 FLG reported a maiden JORC Resource at Isidora of 115.2Mt @ 0.56g/t Au for 2.1Moz, over 90% of which sits in the Measured and Indicated categories. FLG is now advancing a heap leach development concept, with pilot scale metallurgical testwork underway, an MRE update targeted for late 2026 and a PFS in progress. Alongside gold, the June 2026 Whipsaw acquisition adds a billion tonne scale copper Exploration Target in British Columbia for a potential spin-out. The sale of the legacy Thai lithium assets for US\$4.0M cash has supported funding, while the remaining Thai high-grade tungsten asset is also a divestment candidate.

Trading on an EV/Oz of A\$25/oz based on Isidora alone, FLG trades at a major discount to gold explorer/developer peers. With a number of important catalysts set to be delivered across resource development, metallurgical test work, mining studies and permitting, we see this discount narrowing materially.

Figure 2: Asset Portfolio Summary

Asset	Location	Ownership	Stage	Comments
Isidora Gold	Maricunga Belt, Chile	Option over 100%	Resource / pre-PFS	115.2Mt @ 0.56g/t Au for 2.1Moz
Whipsaw Copper	British Columbia, Canada	Option over 100%	Exploration Target	0.51-1.02Bt @ 0.2-0.4% CuEq (ET)
Rosario Copper	Atacama, Chile	Option over 100%	Early exploration	~15km of Cu-Ag trends, chips to 8.9% Cu
Khao Soon Tungsten	Southern Thailand	100%, held for sale	Divestment	Sale process in progress
RK Lithium	Southern Thailand	Sold Jun 2026	Divested	US\$4.0M cash, received in full Jul 2026

Source: MST, FLG

Isidora - Major scale secured for cents on the dollar

In April 2025 FLG entered a binding five-year option agreement with Compania Minera Atahualpa (CMA) to acquire 100% of the Isidora project for total consideration of US\$12.6M. Payments were structured with an initial US\$200k payment, staged instalments totalling ~US\$1.4M over four years, and a back-ended US\$11M payment on exercise by April 2030. A 2% NSR remains in place, half of which FLG can buy back for US\$5.0M. In August 2025 FLG separately secured the complete Anglo American exploration dataset, including 32,827m of drilling across 148 holes including ~14,000m of diamond core, 2,151 geochemical samples, ground magnetics and technical reports, for US\$100k upfront, US\$750k staged over two years and US\$1M payable only on option exercise. FLG estimates replicating this dataset would cost US\$15M to US\$20M and take four to five years. Over 12,000m of the Anglo drilling was previously unavailable and sat outside the historical NI 43-101 resource estimate.

Isidora has been secured at an acquisition cost of US\$5.9 per Resource ounce, with around 87% of the consideration deferred to 2030. The structure preserves funds for technical work and gives FLG a long runway to prove and de-risk the project before needing to commit the final US\$11M. FLG is likely to wrap this final payment, alongside the US\$1M due to Anglo for the dataset, into any potential project finance facility, an attractive approach further reducing potential equity dilution from the acquisitions.

Oxide heap leach start-up, sulphides add growth

The Resource is comprised of 0.84Moz of oxide and mixed material (40% of the contained gold) and 1.25Moz of sulphide (60%). Mineralisation starts at surface and the oxide and mixed zones extend to around 300m below surface, supporting a conventional open pit. There is clear scope to grow the oxide/mixed Resource base through targeted drilling which is set to get underway later in 2026.

FLG's development focus is a heap-leach operation on the oxide and mixed material, producing dore through a standard ADR and electrowinning circuit. The extensive sulphide inventory provides the option for a later CIL/CIP (carbon-in-leach, carbon-in-pulp) expansion. FLG has framed the target as an operation capable of delivering over 100kozpa over more than a decade. Studies are underway to firm this up.

Elephant country: the Maricunga opportunity

Isidora lies in the centre of the Maricunga Gold Belt, a 200km long district on the Chile-Argentina border hosting an endowment of the order of 100Moz, with ~65Moz in resource across six multi-million ounce projects within 45km of Isidora. Kinross' Maricunga (10.2Moz) and Lobo-Marte (12.0Moz) lie either side of the project, Barrick and Newmont's Norte Abierto (27Moz) lies to the south, and Rio2's Fenix (5.7Moz), a run-of-mine dump leach operation currently ramping up sits 45km north at ~5,000m altitude. Fenix is an instructive analogue: a 0.48g/t Reserve grade dump leach operation with an anticipated AISC of US\$1,237/oz (2023 DFS) and a current market capitalisation of ~A\$2.0B. NGEx Minerals, capitalised at around C\$5.5B, holds the Valle Ancho gold-copper project 2km east of Isidora across the Argentine border, underlining major miners' interest in the region.

Copper optionality: Whipsaw and Rosario

The June 2026 Whipsaw acquisition adds a large porphyry copper system 17km west of Hudbay's Copper Mountain mine in British Columbia. The drill supported Exploration Target of 0.51Bt to 1.02Bt @ 0.2% to 0.4% CuEq compares with Copper Mountain's 814Mt @ 0.24% Cu resource. Whipsaw has been structured similarly to Isidora, it was secured from private vendors for A\$350k cash plus A\$500k scrip upfront with A\$5.65M in semi-annual option payments payable over two years at FLG's election. FLG is evaluating a spin-out into a standalone ASX listed copper vehicle, potentially via an in-specie distribution. This would deliver value for FLG shareholders without diverting funding from Isidora.

Rosario, an oxide copper-silver project 10km from Codelco's El Salvador operation, provides a second copper option with rock chips containing up to 8.9% Cu across ~15km of combined trend strike.

Timely tungsten divestment to follow completed lithium divestment

FLG has monetised its Thai lithium assets at a constructive point in the cycle, selling RK Lithium for US\$4.0M cash in June 2026. The full consideration was received in July providing a meaningful boost to FLG's cash balance. Focus now turns to the Khao Soon tungsten project also in Thailand, where a JORC compliant Exploration Target of 22-40Mt @ 0.15 - 0.30% WO₃ has been recently released. FLG is in advanced discussions to sell this asset at a particularly opportune time. Chinese export restrictions and Western critical minerals policies have lifted the strategic value of non-Chinese tungsten supply, and a high-grade, shallow, open pit asset in a stable jurisdiction is likely to carry a premium value.

In combination, the asset divestments focus the Flagship story on the gold/copper portfolio across North and South America. Furthermore, they will largely fund the Isidora work program as well as the Whipsaw instalments without the need for additional equity. Advancing its exploration portfolio while minimising equity dilution is an impressive outcome.

Xinhai brings strategic capability across metallurgy, EPC and funding

Shandong Xinhai Mining Technology & Equipment (Xinhai), a global mineral processing EPC group with more than 500 EPC contracts delivered and a growing Latin American footprint, completed due diligence on Isidora in late 2025 and is now a ~7% shareholder with board representation. Xinhai is running validation and optimisation heap leach testwork with FLG, and the relationship is intended to extend across plant design and potentially construction and collaboration on capital funding solutions. For a company of FLG's size, having an experienced processing and construction group engaged at board level helps de-risk the study and execution phases, and it also provides a non-traditional funding channel.

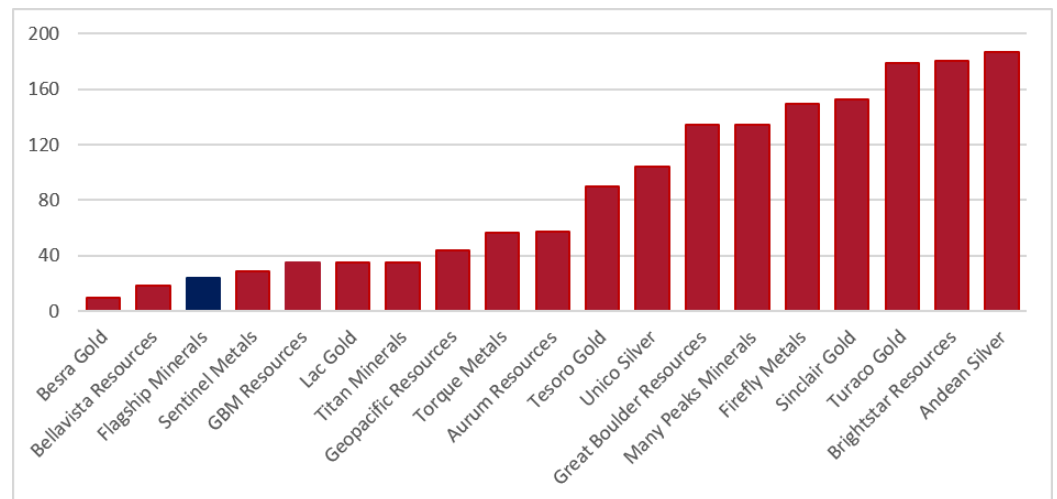
Valuation: A\$0.55

FLG has successfully secured its broad asset base through strategically attractive low-cost option structures with the bulk of the consideration deferred until post material project de-risking will have occurred. We do not believe this advantageous structure and the value on offer in the broader asset base is being valued by the market. We value FLG at A\$0.55 based on peer group multiples. For the flagship Isidora Gold Project we apply a A\$90/oz multiple based on a peer group of +1Moz developers/explorers based in a range of jurisdictions. For Whipsaw and Khao Soon we apply very conservative copper and tungsten sector multiples to the low end of the Exploration Target ranges. It is clear that as FLG advances its projects that a material re-rating opportunity exists. We look for near term catalysts including Isidora drilling, Resource updates, and studies, as well as the Khao Soon tungsten divestment, to start to see this value more fully realised.

Valuation A\$0.55

Our valuation for FLG is primarily driven by Isidora as this is the most advanced project within the portfolio. We adopt a peer comparison approach to its valuation. Our peer group reflects earlier stage +1Moz precious metal focused explorers and developers. We have included a number of non-Australian based assets to ensure it reflects a broad jurisdiction range. The average Resource multiple across this group is A\$90/oz. We apply this to the current Isidora Resource base of 2.1Moz.

Figure 3: Peer Comparison - EV/oz (includes Isidora only for FLG)



Source: MST

For Whipsaw we apply a conservative low-end of the copper sector EV/t multiple of A\$30/t to the bottom end of the JORC Exploration Target contained Cu range (1.0Mt). We exclude Rosario (Chile copper) from our valuation. We deduct the NPV of the remaining option payments (~A\$14m) from our valuation. For Khao Soon, we adopt a low-end peer group multiple of A\$250/t applied to the bottom end of the Exploration Target range. Producing tungsten companies such as Almonty Industries, EQ Resources and Group 6 trade on multiples of A\$8,000-\$16,000/t. Earlier stage explorers and developers (including Northcliff, Tungsten Mining, Fireweed Metals) trade from A\$700-1700/t. We also factor in an equity raising of A\$10m at \$0.20 to support ongoing exploration and development activity.

Figure 4: Flagship Valuation

Valuation		A\$m	A\$ps
Isidora			
Resource (Au Equiv Moz)	2.1		
EV/Oz Au Equiv (A\$/oz)	90		
Isidora Valuation (100%, A\$m)		\$188	0.44
Whipsaw			
Low End Exploration Target Range (Cu Mt)	1.0		
EV/t Cu (A\$/t)	30		
Whipsaw Valuation (100%, A\$m)		\$31	0.07
Khao Soon			
Low End Exploration Target Range (WO3 Mt)	0.03		
EV/t WO3 (A\$/mtu)	250		
Khao Soon Valuation (100%, A\$m)		\$8	0.02
Total Asset Value		\$227	0.53
Add: Cash from Options/Equity Raise in FD shares		\$16	0.04
Add: Net Cash (A\$m as at 31 Dec 2026)		\$7	0.02
Less: NPV future option payments on Isidora/Whipsaw		-\$14	-0.03
FLG Equity Valuation - Diluted		\$236	0.55
Current shares outstanding (m)	347		
Shares from assumed equity raise	50		
Outstanding options/perf rights (m)	31		
Fully diluted shares on issue (m)	428		

Source: MST

Beyond the discount to peer group multiples, we see the strategic location of Isidora as a key element of the investment case. Global majors including Kinross, Barrick-Newmont, Gold Fields and NGEx all hold ground in or adjacent to the Maricunga belt. Consolidation of advanced oxide ounces near existing and planned infrastructure has clear logic.

The clearest development analogue to Isidora is Rio2 with its Fenix project in the Maricunga. This is currently at ramp up stage, having successfully worked through funding and approvals. Its current market capitalisation is ~A\$2.0b. In Australia, Saturn Metals Apollo Hill offers a local heap leach comparison. It hosts a 2.8Moz 0.51g/t Resource, it is currently working through a DFS and approvals. Saturn Metals has a market capitalisation of A\$350M, and is trading on an EV/oz of Resource of ~A\$110/oz. We note that while Rio2's 2023 DFS capex and AISC for Fenix was US\$117M and US\$1,237/oz Au (A\$167M / A\$1,767/oz Au @0.70), Saturn's capex and AISC for Apollo Hill is A\$408M and A\$2,464/oz Au for a similar production profile, showing the potential advantages that constructing and operating in Chile present. As Isidora advances through permitting, studies and funding, the re-rating opportunity is clear.

Key Catalysts

The next 12 months carry a particularly dense catalyst schedule for a company of FLG's size, this reflects the broad opportunity set that has been established:

- **Isidora Drilling:** Isidora infill and extensional drilling results through H2 2026, targeting unclassified mineralisation inside the current pit shell and extensions along strike to grow the oxide/mixed component of the Resource.
- **Leach test work:** Pilot scale heap leach testwork results in Q4 2026 or early 2027, confirming the dump leach and crushed heap leach recovery assumptions that drive the development concept.
- **Resource update:** An MRE update in late 2026 or early 2027, with FLG targeting growth in the oxide and mixed inventory that would extend the heap leach phase.
- **Isidora PFS:** This has been guided by FLG for 2027, it will establish operating and capital costs and production parameters, highlighting the valuation case
- **Environmental Approvals:** EIA baseline completion and targeted submission to the Chilean SEIA in 2027.
- **Divestments:** A process is underway to divest the Khao Soon Tungsten sale, this could add further funding. We see scope for a positive outcome here given the attractive grade of the asset and the critical nature of the commodity. Strategic options are also being assessed for Whipsaw, this would be subject to further shareholder and regulatory approvals, but may also be an efficient way to realise value for FLG shareholders.

Key risks

- **Commodity price:** The investment case is primarily leveraged to the gold price, volatility here will impact FLG valuation.
- **Asset Tenure:** FLG does not yet own its key assets. Isidora is held under option from CMA with US\$11M payable on exercise by April 2030 (or earlier at FLG's discretion), Whipsaw and Rosario are similarly optioned, and the concessions remain with the vendors until the options are exercised. Failure to fund the staged option payments or the final exercise amounts would compromise the projects. While this is a risk, the risk is not dissimilar to a standard farm-in agreement, albeit the FLG options are more back-ended. We see the structure as particularly attractive for a company the size of FLG, it secures large-scale assets, with very limited upfront cost and gives FLG the opportunity to extensively de-risk its projects before committing to a full purchase. It also has the ability to build funding the final payments into any project finance package.
- **Funding:** Cash of A\$7.0M funds the current drilling, testwork and study program but additional funding will ultimately be required for option exercise and project development. We note that the option exercise can be incorporated into a project financing package.
- **Exploration and development risk:** The success of FLG will depend largely on its ability to move the projects successfully through studies and approvals phases. To help ensure success here, FLG has established a strong in-country team with proven ability in permitting and mine operation.

- **Permitting and environment:** The Isidora boundary lies +2.5km from the Nevado Tres Cruces National Park and the Isidora Norte MRE itself is a further 4km from this. There are Ramsar listed wetlands nearby that the EIA will need to consider along with standard factors such as native species. We note the constructive district precedent (Rio2), that Kinross's Lobo Marte is also adjacent to the same wetlands, and the improving policy environment in Chile. Water supply is also a challenge in the region, with a third-party desalination solution the likely option to support regional development although FLG has the option to truck water in for Isidora as an interim solution, again we note the constructive district precedent with this approach utilised by Rio2.
- **Jurisdiction:** Chile is a Tier 1 mining jurisdiction with recently improved policy sentiment, but royalty settings, permitting timelines and political cycles remain key value drivers and variables to watch. Whipsaw introduces BC permitting and First Nations consultation processes at the exploration stage.

Company Overview and Corporate History

Flagship Minerals (FLG) is a Singapore incorporated, ASX listed gold and copper explorer and developer with offices in Sydney and Santiago. The company listed on the ASX in October 2020 as Pan Asia Metals (PAM), a Southeast Asian lithium and tungsten explorer, raising approximately A\$4M at A\$0.20 per share. Its founding assets were the Reung Kiet (RK) lepidolite lithium project and the Khao Soon tungsten project in southern Thailand, with an early-stage NSW tungsten interest. Over 2021 to 2023 PAM advanced RK through drilling and early study work during strong lithium markets, then began broadening geographically

The move into Chile first began in December 2023 with binding option agreements over the Tama Atacama lithium brine project in the Pampa del Tamarugal basin, which grew into a ~1,535km² landholding and was, on area, one of the largest pre-drill lithium brine positions in South America. In July and August 2024 PAM added the Rosario oxide copper-silver project near El Salvador, its first move beyond lithium and tungsten.

The company was renamed to Flagship Minerals from Pan Asia Metals (PAM) in January 2025 and it has since executed an impressive series of transactions building out its gold and copper portfolio. In April 2025 FLG optioned the Pantanillo Gold Project (renamed Isidora in May 2026), an advanced but dormant oxide gold deposit with a 1.05Moz NI 43-101 Resource estimate from 2010, incorporating a heavily long dated payment schedule. In June 2025, rather than continuing option payments, FLG walked away from the Tama Atacama lithium option agreements, demonstrating the flexibility that option agreements provide given that FLG incurred minimal dilution through this transaction, and the discipline of management to walk away. In August 2025 FLG secured the complete Anglo American exploration dataset for Pantanillo (Isidora), this transaction underpinned FLG's ability to double the Resource to 2.1Moz Au without additional drilling. Xinhai completed due diligence and moved onto the register and the board through late 2025, environmental baseline work began in December 2025, and the maiden 2.1Moz Resource followed in May 2026. The June 2026 Whipsaw option and the US\$4.0M RK Lithium sale furthered the transition into a pure gold and copper company, with the Khao Soon tungsten sale the remaining step to deliver this transition.

Figure 5: Key Historic Milestones & Transactions

Date	Transaction	Key terms
Oct-20	ASX IPO (as PAM)	Raised ~A\$4M at A\$0.20; Thai lithium (RK) and tungsten (Khao Soon) portfolio
Dec-23	Tama Atacama Li options	Binding options over 100% from the Rajo Partnership across ~1,135km ² ; annual option payments of US\$100k per agreement; project area grew to ~1,535km ² with a further MoU
Jul/Aug 2024	Rosario Cu-Ag option	Option to acquire 100%; holding extended to ~86km ² in Nov 2024
Nov-24	GEM equity facility	A\$35M, 4-year capital commitment facility with Global Emerging Markets; escrow share arrangements apply
Jan-25	Rename to Flagship (FLG)	Approved 31 Dec 2024; break from Asia-only, lithium-only positioning
Apr-25	Pantanillo (Isidora) option	Option over 100% from CMA for US\$12.6M total: US\$200k initial, ~US\$1.4M staged over 4 years, US\$11M on exercise by Apr 2030; 2% NSR with 50% buy-back for US\$5.0M
Jun-25	Tama Atacama exit	Option agreements not proceeded with following strategic review of lithium holdings
Aug-25	Anglo dataset acquisition	Full Pantanillo dataset (32,827m / 148 holes, ~14,000m core, 2,151 geochem samples, ground magnetics, reports); US\$100k initial, US\$750k over 2 years, US\$1M on option exercise by Apr 2030; replication value US\$15-20M
Jun-26	Whipsaw Cu option	Option over 100% via Whipsaw Copper Limited; A\$350k cash, A\$500k shares paid; A\$5.65M over 2 years (A\$3.65M cash, A\$2.0M cash or shares at FLG election); 2% NSR with 50% buy-back for A\$3M; A\$5M milestone on declaring a 300Mt MRE @ 0.40% CuEq
Jun-26	RK Lithium sale	100% sold to a Thai syndicate led by Pendulum Auto Co for US\$4.0M (~A\$5.8M) cash; received in full Jul 2026; FLG assisting licence re-applications to Mar 2027
In progress	Khao Soon Tungsten sale	Divestment in advanced discussion; FLG owes Thai Goldfields 2 x A\$2M contingent payments on first WO3 production

Source: MST, FLG

The structure across these transactions has been consistent: small upfront payments, with staged and deferred consideration weighted to comfortably beyond a project de-risking timeframe, plus vendor royalties with partial buy-backs. FLG has also demonstrated discipline in its approach through exits from positions that no longer clear the company's hurdles. FLG's stated strategy is to hold projects capable of bottom-third cost curve positions in Tier 1, infrastructure rich settings, and the portfolio development to date has reflected this.

Balance Sheet & Register

FLG has ~346.6M shares on issue as at October 2026. Cash on hand stands at A\$7.0M, incorporating the \$2.75M May 2026 strategic placement, the first tranche of RK Lithium sale proceeds (A\$2.9m), and the final RK payment (A\$2.9M) which was received in July 2026. The company holds no interest-bearing debt. Around 31M options are on issue across four tranches with strikes from 12c to 28c and expiries from November 2026 to November 2029, worth ~A\$5.6M if exercised, with the November 2028 tranche subject to VWAP hurdles.

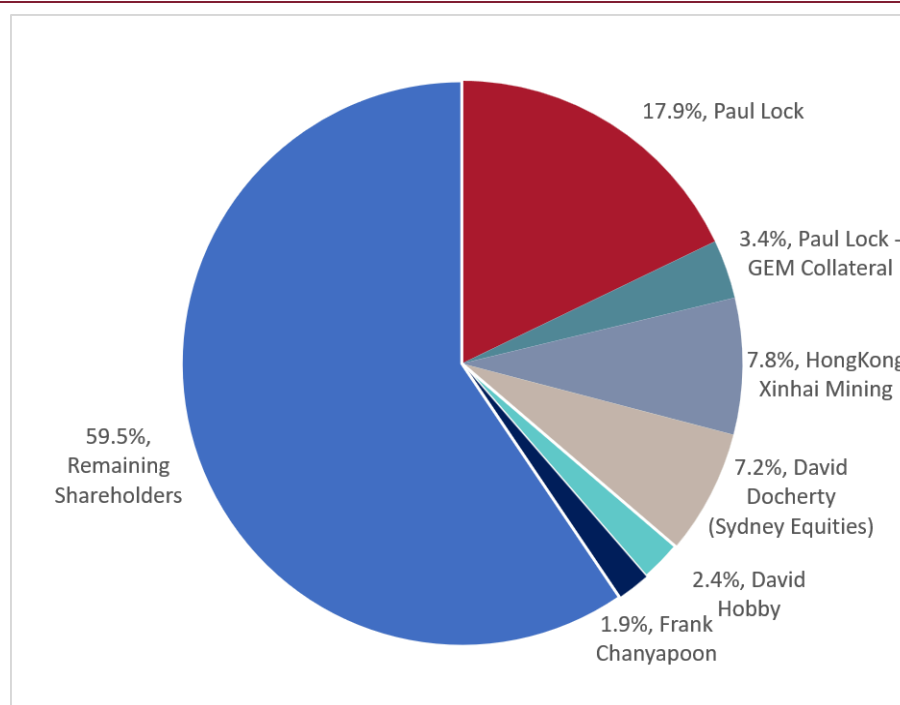
The register is tightly held. Managing Director Paul Lock is the largest holder with a disclosed 21.3% interest (73.7M shares, which includes 11.7M shares held via Citicorp Nominees as collateral on behalf of Global Emerging Markets Group (GEM) as part of its facility agreement). Xinhai holds 27.0M shares (7.8%). Director David Docherty, holds 7.2%, with board and management collectively holding approximately 41% of the register. The elevated board and management weighting brings strong shareholder alignment to the FLG business, although it does have an impact on liquidity.

Figure 6: FLG Securities on Issue

Shares	(m)			
Total ordinary shares on issue	346.6			
Options		Exercise	Expiry	Cash on exercise
FLGAL	4.9	0.15	13-Nov-26	0.7
FLGAA	7.1	0.12	25-Jul-27	0.9
FLGAB	2.3	0.16	28-Nov-28	0.4
FLGAC	2.3	0.20	28-Nov-28	0.5
FLGAD	2.3	0.24	28-Nov-28	0.5
FLGAE	2.3	0.28	28-Nov-28	0.6
FLGAN	10.0	0.20	19-Nov-29	2.0
Total Options On Issue	31.0			
Total dilutive options and performance rights	31.0			
Fully diluted shares on issue	377.6			

Source: FLG, MST

Figure 7: Register - Strong board and management interest



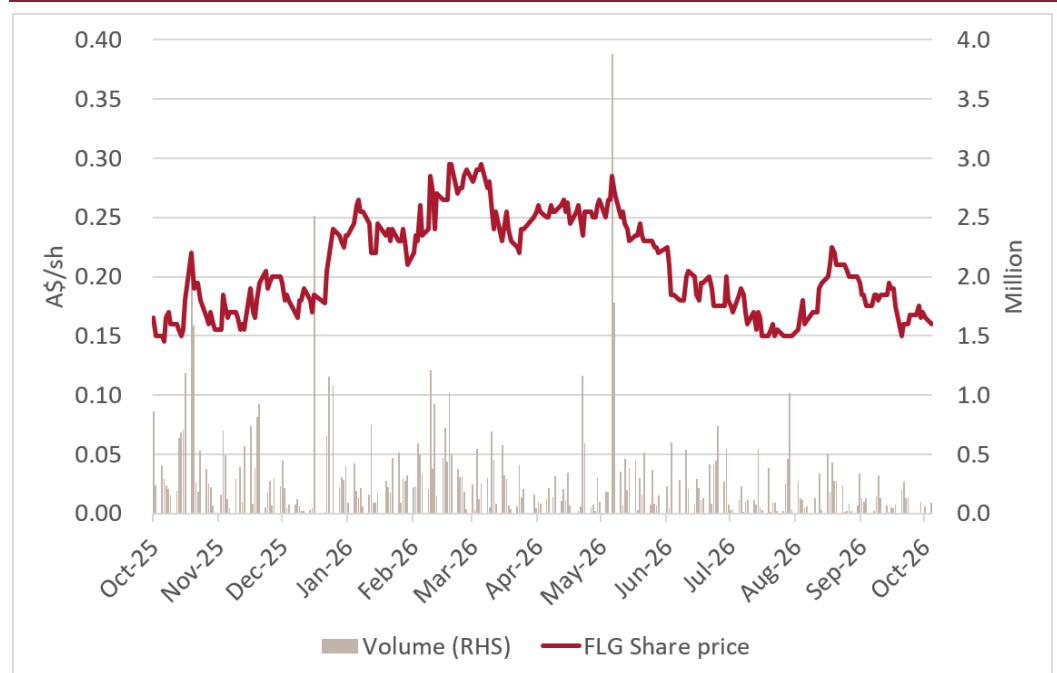
Source: FLG, MST

Funding strategy has limited dilution

FLG has raised in comparatively small increments through its transition into gold and copper. A A\$1.25M placement was completed in mid-2025 at A\$0.06 with one-for-two A\$0.12 options. A placement of approximately A\$4M followed in October 2025 as the Isisdora work program scaled up, this introduced Xinhai onto the register, taking a A\$2.5M interest. A A\$2.75M placement was then completed in May 2026 at A\$0.25 per share, a premium to recent trading in the days following the maiden Resource. The US\$4.0M RK Lithium sale in June 2026 was the single largest funding event of the period, this could be exceeded by the proposed Khao Soon divestment.

In addition to this, FLG has two standby equity-based facilities available. The GEM facility provides a further A\$35M of committed standby equity, although drawdowns would see shares issued at a discount to prevailing market prices. We do not anticipate FLG utilising this facility. There is also an ATM facility held with Alpha Investment Partners for up to A\$10M, we also see a low likelihood of this being utilised (but it would rank ahead of the GEM facility if needed). Neither of these facilities has any cost to FLG to leave in place, nor is there any obligation to utilise them.

Figure 8: Share price and volume history



Source: FactSet

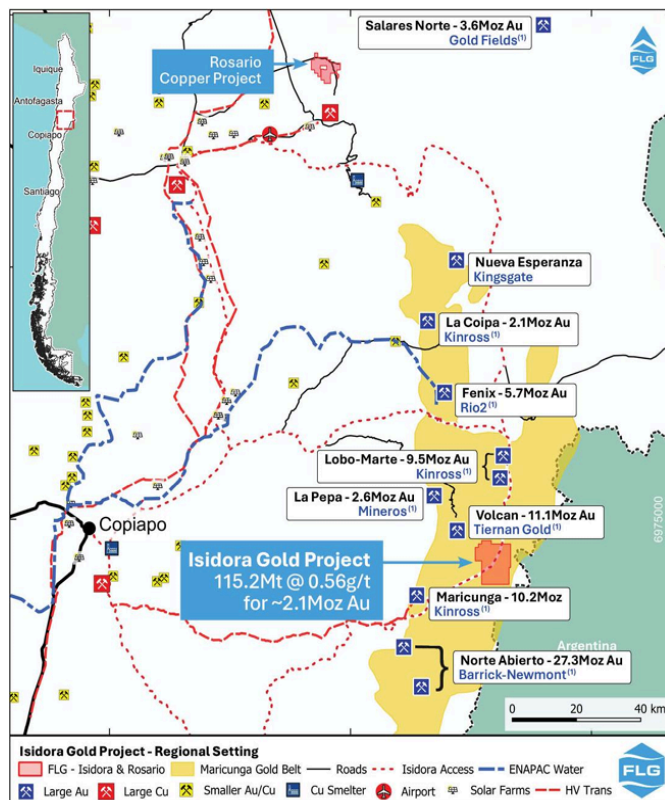
The Isidora Gold Project

Isidora is an advanced oxide gold project under option in the central Maricunga Gold Belt, Atacama region, northern Chile. It hosts a 2.1Moz Au pit-optimised Resource, with a PFS in progress.

The project lies approximately 120km east of Copiapo, in the communes of Copiapo and Tierra Amarilla, at around 4,200m altitude. Access is by road from Copiapo, a major regional mining centre with air links to Santiago. The tenure covers 127km², comprising two Exploitation Concessions of 2,500ha (Guillermo Antonio 1/400 and Gabriela 1/1000), and 34 Exploration Concessions (Atahualpa 1 to 34, 120km²) held by vendor CMA, over which FLG holds its option to acquire 100%. The recent addition of 7km² is held by FLG. Tenure is secure subject to annual fees to the Chilean government and option payments to the vendor.

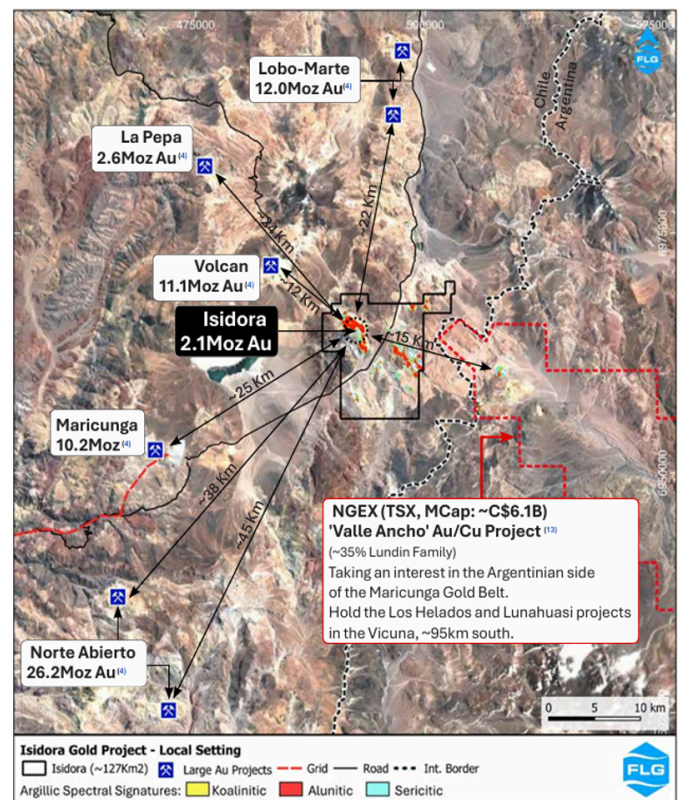
Isidora has an established presence under its former name Pantanillo. Anaconda conducted initial work in the early 1980s. Anglo American drilled the first holes in 1988 and returned with EMMB in 1997-98. Kinross drilled diamond core through 2006-08, and Orosur Mining completed successive RC and diamond programs over 2010-12, publishing an NI 43-101 resource of 47.4Mt @ 0.69g/t Au for 1.05Moz in October 2010. The project then sat dormant through the post-2012 gold downturn. FLG took physical control of the Anglo warehouse in Copiapo in November 2025. This delivered core, pulps and original records, enabling re-logging, re-assay and metallurgical sampling to take place underpinning the step up in Resource to 2.1Moz reported in May 2026. In total the Resource is underpinned by 22,767m of drilling across 90 holes. This sits within a broader project dataset of 32,827m across 148 holes.

Figure 9: Isidora Project - Regional Setting



Source: FLG

Figure 10: Isidora Project - Local Setting



Source: FLG

Geology and mineralisation

The Maricunga belt is a 200km by 50km metallogenic district along a chain of late Oligocene to mid Miocene volcanoes on the Chile-Argentina border, hosting numerous gold-rich porphyry and high sulphidation epithermal deposits. Isidora sits on the eastern flank of the Azufre-Copiapo volcanic complex, with gold hosted in weathered and altered andesitic porphyry carrying sheeted to stockwork quartz veins and breccia zones, a classic Maricunga porphyry gold style. The Isidora Norte deposit is over 1.2km long, 600m to 900m wide and remains open along strike and down dip, striking northwest-southeast and dipping 35 to 55 degrees southwest.

An oxidised and mixed profile extends from surface to depths of roughly 40m to 190m depending on position, grading into a mixed zone to around 280m to 300m, with fresh sulphide rock beneath. Oxide mineralisation carries kaolinite, alunite and iron oxides after pyrite, while the fresh rock carries chlorite-magnetite-pyrite alteration with denser vein swarms that commonly host higher gold grades. The deposit is effectively a large, zoned bulk tonnage system with soft, leachable material on top, harder and slightly higher grade sulphides beneath.

Mineral Resource

The current JORC Resource, announced in May 2026, stands at 115.2Mt @ 0.56g/t Au for 2,093koz. Confidence is high with 72% of ounces Measured and 91% Measured and Indicated, reflecting close spaced historical drilling (nominally 50m sections with infill to 25m) and extensive QAQC verification, including re-assay of 100 Anglo pulps. The Resource is constrained within an optimised pit shell using a US\$3,646/oz gold price, which was around 25% below spot at the time, with effective cut-offs of 0.16g/t (oxide), 0.27g/t (mixed) and 0.31g/t (sulphide). Mineralisation begins at surface, the pit shell runs to ~400m depth. FLG reports that large volumes of unclassified mineralisation remain inside the shell as infill targets, potentially setting up for further Resource growth (see Figure 13).

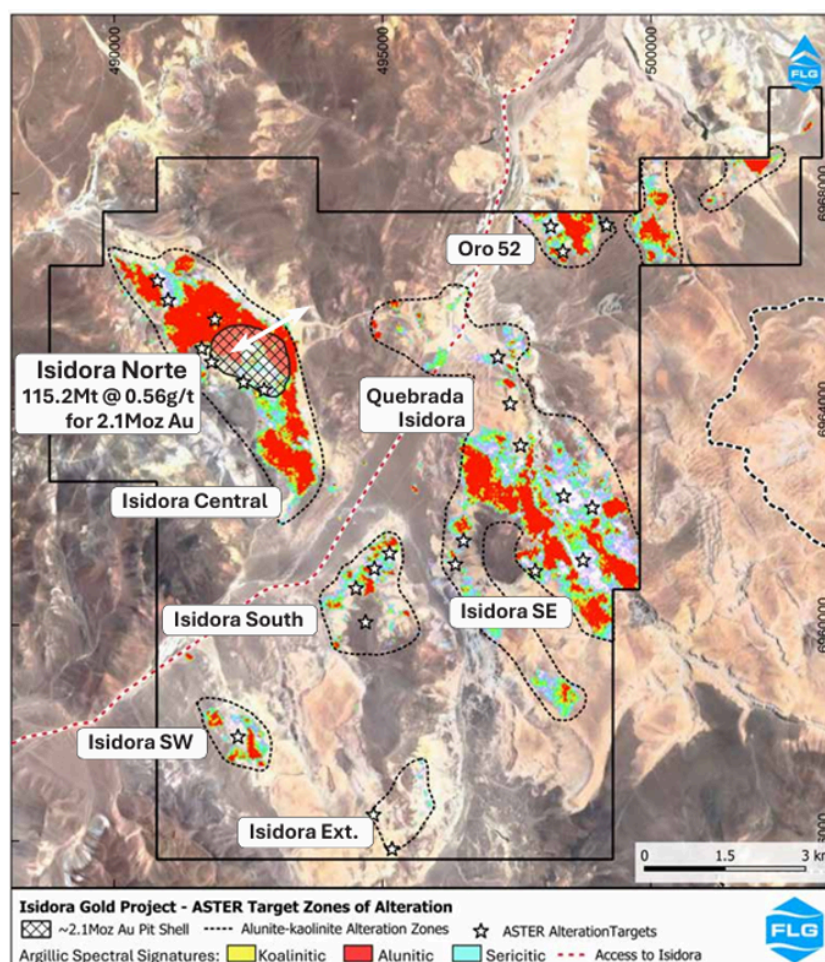
Figure 11: Isidora Norte Mineral Resource by weathering zone and category

Type	Measured		Indicated		Inferred		Total		
	Mt	Au (g/t)	Mt	Au (g/t)	Mt	Au (g/t)	Mt	Au (g/t)	Au (koz)
Oxide	5.99	0.48	5.43	0.49	2.68	0.51	14.10	0.49	223
Mixed	16.07	0.60	10.04	0.62	5.44	0.64	31.60	0.62	621
Sulphide	62.20	0.55	5.60	0.62	1.74	0.61	69.54	0.56	1249
Total	84.26	0.56	21.07	0.59	9.86	0.60	115.2	0.56	2,093

Source: FLG, MST

Relative to the prior 2010 NI 43-101 estimate, total tonnes rose 143% and ounces doubled, reflecting the additional data obtained by FLG.

Figure 12: Isidora Resource and local target areas



Source: FLG

Project Parameters

The Isidora PFS is underway, at present detailed project parameters have not been reported, however, FLG has outlined a broad development concept and the Resource estimate incorporates high level information which we can also use to start to illustrate the potential development pathway for Isidora. We summarise this below:

Production concept

FLG's stated concept when acquiring the project was an open pit, heap leach operation producing around 100kozpa over more than 10 years, with a dump/heap leach start-up on the 0.84Moz oxide and mixed inventory and the 1.25Moz sulphide inventory underpinning a later CIL/CIP phase.

Mining

The planned mining method is conventional open pit drill and blast, load and haul. The conceptual pit shell is approximately 1.5km long, up to 1km wide and up to 400m deep. Mining costs assumed in the pit optimisation for the Resource were US\$3.90/t (oxide), US\$4.10/t (mixed) and US\$4.50/t (sulphide). With mineralisation from surface and a soft, weathered upper profile, the early strip should be modest helping support relatively low mining costs.

Processing and metallurgy

The flowsheet concept would be a conventional dump/heap leach operation. Oxide material would be hauled direct from the pit to the leach pad potentially without crushing (a dump leach). Mixed material would be crushed, stacked and leached (traditional heap leach). Both streams would be irrigated and feed into a standard carbon adsorption, desorption and recovery (ADR) circuit, followed by electrowinning and smelting to gold dore on site. The sulphide inventory would likely require a later stage grinding circuit, possibly with flotation, and fine grind CIL/CIP leaching.

Historical column leach testwork showed 82.7% oxide gold recovery at a coarse P80 -25mm crush and 79.8% in bottle rolls, with recoveries above 80% inside 30 days, well above the 50% to 75% typical of heap leach peers. Mixed material returned 53.3% to 57.8%. Recent testwork on sulphide mineralisation indicates cyanide leach recoveries around 80%.

FLG completed a dedicated metallurgical drilling and trenching program in June 2026, with four large diameter PQ diamond holes (600.5m) and surface trenching providing samples for pilot scale heap leach testwork due to complete in Q4 2026 or early 2027. The focus here will be to seek to optimise crush size, recovery, and residence time as well as assessing whether dump leaching can be utilised on any of the mixed material. If possible, this would further reduce capital and operating costs, however, it would likely involve a trade-off of lower recoveries which may not be optimal at current gold price levels. We note that Rio2 conducted the same tests in a ~US\$2,000/oz gold price environment, with dump leach recoveries dropping to ~75% and removing the need for a crusher.

Operating and capital costs

The pit optimisation inputs in the MRE adopted C1 costs of US\$13.70/t for dump leach oxide material (where no crushing/grinding is required), US\$17.40/t for crushed heap leach mixed material and US\$27.00/t for sulphide CIL/CIP. We note these are high level estimates suitable for a Resource estimation, likely based on benchmarking or estimates. We would anticipate them to be subject to fairly material change as full engineering work progress for the PFS. Ahead of completing the formal studies, we can look at Rio2's Fenix operation (run-of-mine dump leach, 0.48g/t Reserve grade, ~5,000m altitude) as an analogous operation. This reported a DFS AISC of US\$1,237/oz. FLG management has flagged it is targeting Isidora costs below US\$1,500/oz. Recovery test work will be key to delivering to this target.

Capital costs will be assessed in future studies, but typically heap leach operations can be built with attractive capital intensities. Rio2's nearby Fenix operation is a 7.3Mtpa operation with initial capital of US\$117M and LOM capital (including subsequent leach pad expansions) of US\$205M. The study outlines production of around 91kozpa over 17 years.

The Isidora Infrastructure Setting

- **Power:** Grid connections serve the wider Copiapo mining region and heap leach operations are modest power consumers relative to concentrators. Further considerations on power will likely be developed in the PFS. We note that Gold Fields' Salaras Norte, which is at a similar altitude, utilises an off-grid hybrid microgrid system that combines diesel generators and solar power supplied that is managed by Aggreko under a 10-year service contract.

- **Transport:** The project is ~120km by road east of Copiapo, a substantial mining services city with an airport, workforce and supply chains built around the Atacama copper and gold industry. Access is via established regional roads serving the Maricunga operations. The 4,200m altitude is an operational consideration, but nothing unusual in an Andean context.
- **Water:** Water is a genuine constraint on Maricunga development as it is across much of Chile. Regional water scarcity makes securing new extraction rights unlikely, so an industrial supply must be secured. The likely solution is shared desalination infrastructure from the coast. FLG announced the approval of the ENAPAC Rute Este pipeline in November 2025 as a significant milestone for the belt's gold projects, with pipeline offtake the most likely base case for supply. With the scale of development potential in the Maricunga we see a solution as being developed, however it brings an additional development hurdle outside of FLG's control. The pipeline itself has EIA approval, however, funding remains a hurdle. Trucked water from the nearby Copiapo (128km away from Isidora) supplies the Rio2 Fenix operation, highlighting an alternative solution, however, this would be a higher cost solution (the Fenix Technical Study estimated water supply costs at US\$199/oz, 16% of the operation's total US\$1,237/oz AISC). FLG states that this is the downside case and could be a pathway for initial production years until an alternate water source such as the ENAPAC pipeline is secured.

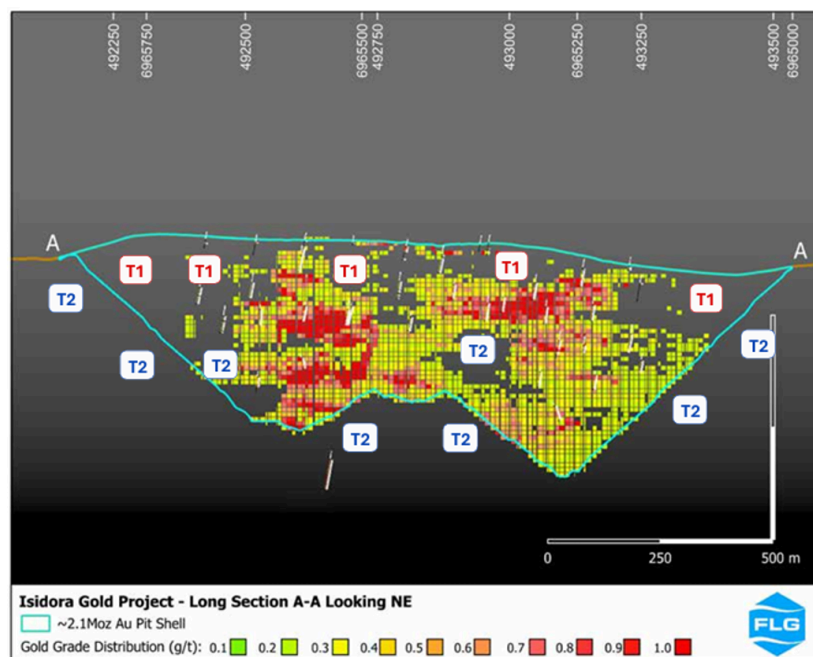
Approvals and permitting

Development requires a full Environmental Impact Assessment (EIA) through Chile's SEIA system plus sectoral permits. The project is adjacent to the Nevado Tres Cruces National Park and certain nearby sectors are Ramsar listed (sensitive wetlands) but the company advises that the Project's EIA envelope is >3km from the park and 1.5km from the Ramsar site. Nevertheless, this drives the need for the full EIA and broader baseline work rather than lighter alternatives available in Chile. FLG began baseline environmental studies in December 2025, and the standard requirement of four seasonal campaigns sets the development timeline. An EIA submission is targeted for 2027. We note that all mining projects need to go through this process in Chile and Rio2's Fenix project was recently approved. FLG has already engaged directly with the Chilean Ministry of Mining, presenting the project to the Undersecretary in July 2026. Regional precedent is positive with a comparable heap leach project in the belt (Fenix) fully approved in October 2024 and now in production. Chilean mining policy sentiment has also improved, with the current administration publicly supportive of development.

Resource Growth: Drilling to rapidly build the oxide base

The initial growth case is clear and very low cost. The current pit shell contains large volumes of drilled but unclassified mineralisation. Infill drilling should be expected to directly convert this into the Resource. Around the shell, the deposit is open along strike and down dip, with the deepest historical hole ending in mineralisation (296m @ 0.56g/t Au from 404m, including 72m @ 0.98g/t from 562m).

Figure 13: Isidora cross section highlighting Resource growth targets (priority 1 and 2)



Source: FLG

Standout historical intersections beneath and around the current Resource include 493m @ 0.53g/t Au from 9m and 20m @ 4.48g/t Au from 148m. FLG's rig moved from metallurgical to extensional drilling in July 2026, and the MRE update targeted for late 2026 or early 2027 is aimed at growing the oxide and mixed, heap leachable inventory.

More broadly, the deposit sits inside a gold-in-soil anomaly ~5km long and up to 1.2km wide, supported by copper and molybdenum pathfinders, that is largely undrilled outside Isidora Norte. There are also a number of ASTER (Advanced Spaceborne Thermal Emission and Reflection Radiometer, a technique to infer surface alteration mineralisation) targets including an alteration ~5km long and up to 2km wide plus eight smaller targets across the 127km² holding, encouragingly responses here are comparable to regional deposits.

Next steps

- H2 2026: infill and extensional drilling in and around the pit shell; ongoing EIA baseline campaigns.
- Q4 2026 / early 2027: pilot scale heap leach and dump leach testwork results (with Xinhai), feeding process design.
- Late 2026 / early 2027: MRE update targeting oxide and mixed inventory growth.
- 2027: PFS completion and EIA submission to the SEIA; option payments continue with exercise open to April 2030.

Isidora in the Maricunga Context

The Maricunga Gold Belt hosts one of the largest concentrations of undeveloped bulk tonnage gold in the Americas, with around 65Moz in resource across the six +5Moz projects within 45km of Isidora and a district endowment of the order of 100Moz. The belt's deposits match Isidora's characteristics: large, low grade, oxide capped porphyry systems amenable to low strip open pits and heap leaching. Development constraints have been the gold price and water. With gold rebasing higher and movement on the ENAPAC desalinated water pipeline, the region is being unlocked. Fenix has demonstrated construction and ramp-up at 5,000m. Kinross is progressing Lobo-Marte, with the current Kast administration commentary backing this ~US\$3B project. NGEx has aggressively built a land position at Valle Ancho, 2km east across the border in Argentina. FLG offers a rare sub-A\$100M market cap entry point into the district.

Figure 14: Maricunga Gold Belt Projects

Project	Owner	Resource	Stage	Distance
Norte Abierto	Barrick-Newmont	27Moz Au	Feasibility	~38km
Lobo-Marte	Kinross	12.0Moz Au	Feasibility	~22km
Volcan	Tiernan Gold	11.1Moz Au	PEA/Feasibility	~12km
Maricunga (ex-Refugio)	Kinross	10.2Moz Au	Care and maintenance	~25km
Fenix	Rio2	5.7Moz Au	Production ramp-up	~45km
La Pepa	Mineros	2.6Moz Au	Feasibility	~24km
Isidora	FLG	2.1Moz Au	Resource / pre-PFS	

Source: MST, FLG

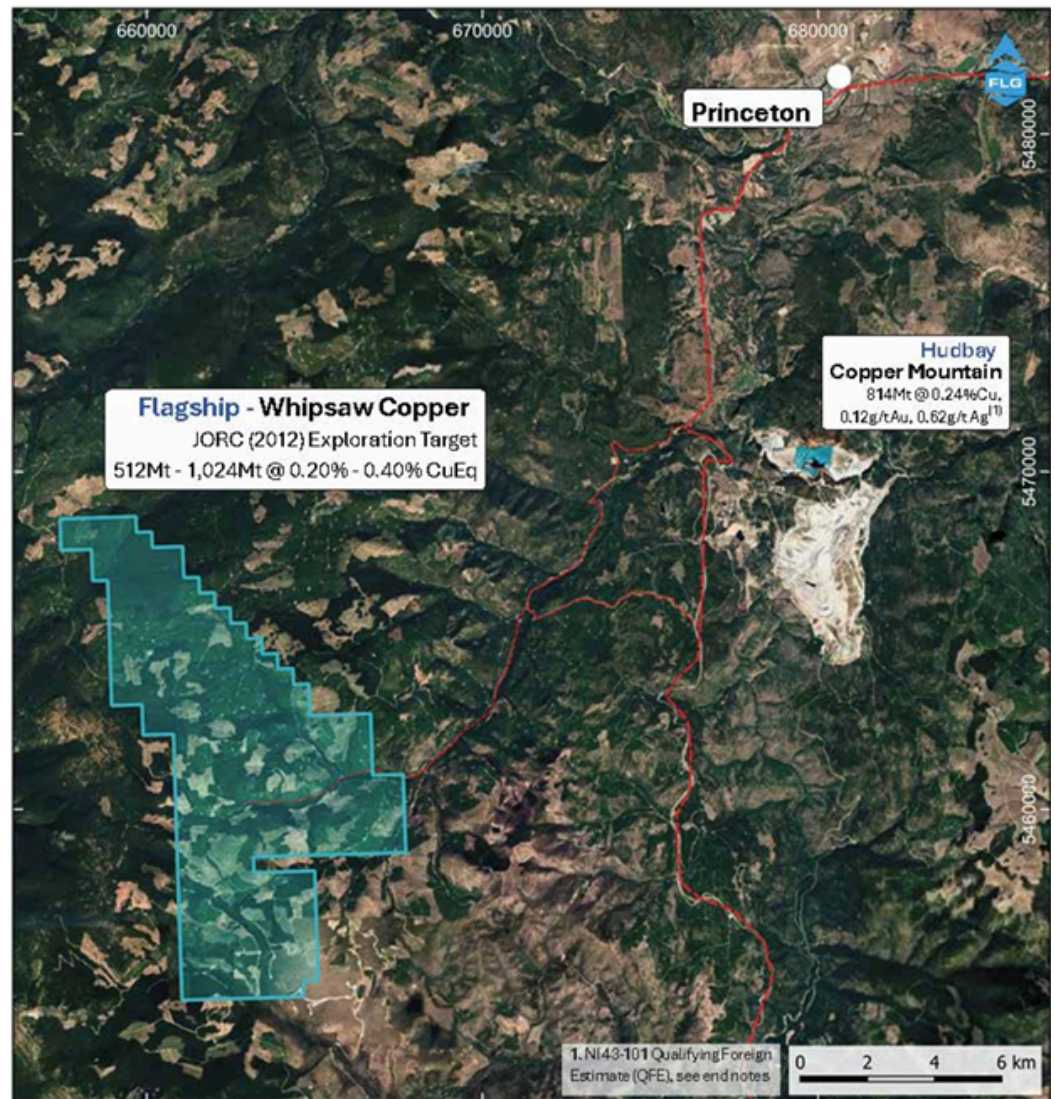
Chilean policy setting improving

The Chilean policy setting has shifted materially in favour of new development over the past 12 months. Law 21,770, the framework law on sectoral authorisations, was published in September 2025, and the associated Office of Sectoral Authorisations and Investment began operating on 1 January 2026, alongside amendments to the SEIA regulation that took effect the same month. The Kast administration, which took office in March 2026, has placed the economy and mining portfolios under a single minister and issued a first day decree directing the resolution of 50 pending administrative claims covering ~US\$16B of investment within 90 days. In April 2026 it presented the National Reconstruction and Economic Development Bill, which would cut the corporate tax rate from 27% to 23% by 2029, introduce a 25-year tax invariability regime shielding major projects from future royalty increases, and address permitting bottlenecks through limits on environmental review rounds, caps on injunctions and statutory deadlines for approvals. This has reduced the required pipeline from 55 approvals to just 13 permits and 18 technical declarations.

The Whipsaw Copper Project

Whipsaw was acquired under option in June 2026 through FLG's Canadian subsidiary Whipsaw Copper Limited. It is a large-scale porphyry copper project in southern British Columbia, ~17km west of Hudbay's operating Copper Mountain mine and ~160km east of Vancouver. The setting is about as infrastructure rich as porphyry copper can get: sealed highway access, grid hydro power, an operating 16Mtpa mill within trucking distance and a deep BC mining labour pool. Geologically the project sits within the Copper Mountain intrusive suite of the Quesnel terrane, with mineralisation classic porphyry style chalcopryite and bornite associated with B-type quartz veinlets, stockworks and fine biotite alteration. It is adjacent to Copper Mountain (Resource of 814Mt @ 0.24% Cu, 0.12g/t Au, 0.62g/t Ag), Teck's huge Highland Valley operation (Resource 2,220Mt @ 0.26% Cu) is 115km away.

Figure 15: Whipsaw Copper Project Area (access roads in red)



Source: FLG

The mineralised system is ~3.7km long and up to 1.2km wide, it has been defined by historical drilling (58 holes), soil geochemistry, mapping and geophysics. This extensive existing data underpins a particularly robust JORC Exploration Target of 0.51Bt to 1.02Bt at 0.2% to 0.4% CuEq (0.14% to 0.23% Cu, 86ppm to 147ppm Mo, 1ppm to 2ppm Ag, 0.01ppm to 0.02ppm Au). Historical intervals are long and consistent with the grade range:

- 283.47m @ 0.28% CuEq from 70.1m,
- 193.70m @ 0.30% CuEq from 4.42m and
- 182.88m @ 0.30% CuEq from 6.1m,

The deal terms are consistent with other FLG transactions.

- A very modest A\$350k cash plus A\$500k in shares paid to secure the option
- A\$5.65M to be paid in four equal semi-annual instalments over two years, split A\$3.65M cash and A\$2.0M in shares,
- The vendors retain a 2% NSR, half of which can be re-purchased for A\$3M,
- A A\$5M milestone payment is triggered on declaring a Mineral Resource of at least 300Mt at 0.40% CuEq.

Delivering the Resource milestone would be a company making outcome. Title will pass to FLG upon completion of the A\$5.65M instalment payments.

FLG has flagged that it is evaluating a spin-out of Whipsaw into a standalone ASX listed copper vehicle potentially via an in-specie distribution to FLG shareholders. We see the spin-out as attractive: a billion tonne copper target in BC, Canada could certainly underpin an ASX listed entity, and its separate jurisdiction relative to Isidora would likely attract a more diverse investor base.

Figure 16: Whipsaw JORC Exploration Target

	Tonnes (Mt)	CuEq (%)	Cu (%)	Mo (g/t)	Ag (g/t)	Au (g/t)
	Lower / Upper	Lower / Upper	Lower / Upper	Lower / Upper	Lower / Upper	Lower / Upper
Exploration Target	512-1,024	0.20-0.40	0.14-0.23	86-147	1.0-2.0	0.01-0.02

Source: FLG

British Columbia and Canadian policy settings improving

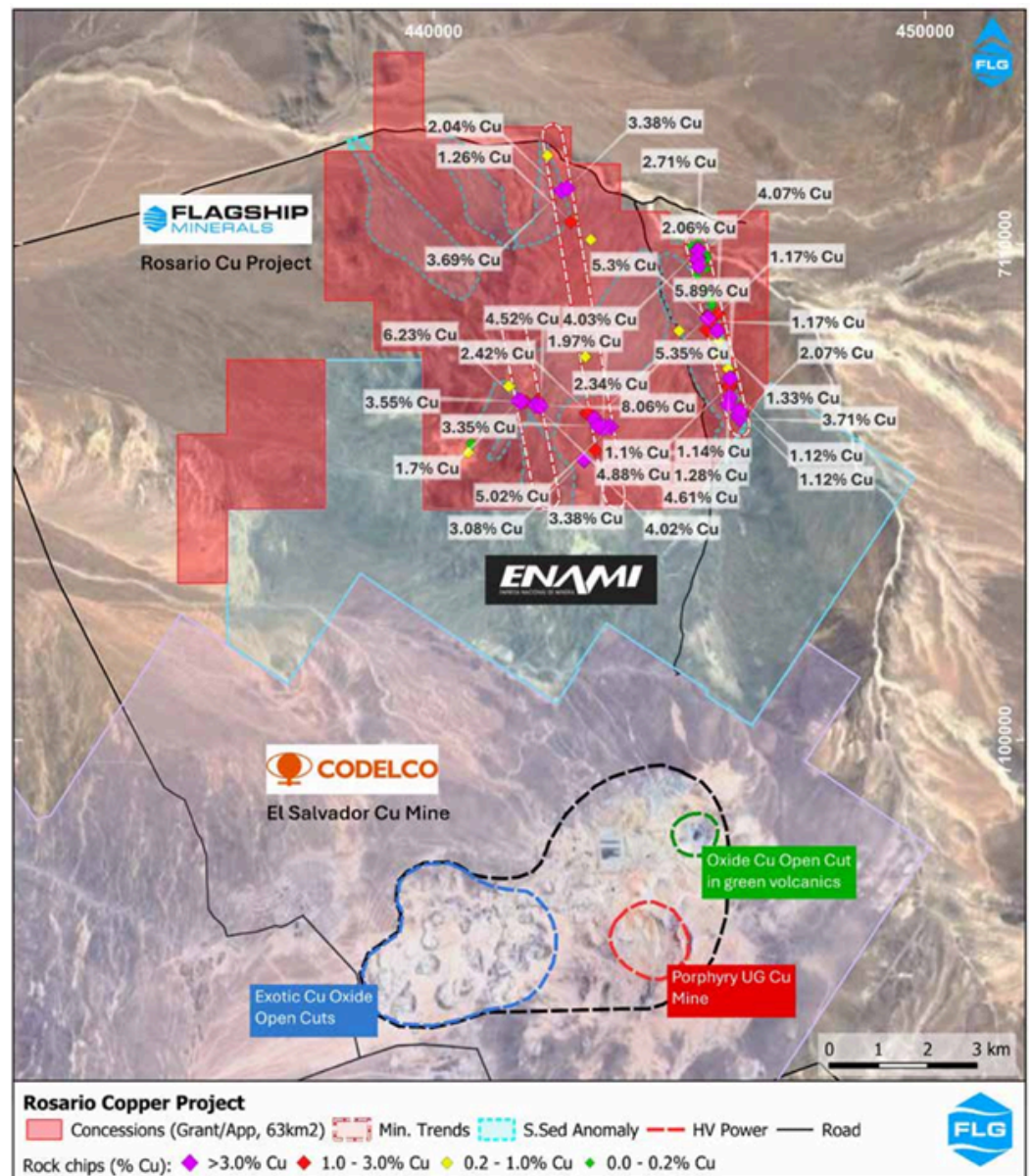
The Whipsaw project introduces BC permitting and First Nations consultation processes to work through. In this context, it is worth noting that the recent approvals of FLG's Mineral Claim (Exploration Licence) applications were completed in about 3 months from lodgement, as well as the recent approval of Hudbay's New Ingerbelle expansion at Copper Mountain 17km from Whipsaw. This aligns with recent reporting that soon after taking office, Canada's Prime Minister Mark Carney began implementing mining-policy changes with the BC provincial government led by David Eby moving in tandem, pushing a mining revival to transform the province into a leading mining jurisdiction.

The Rosario Copper Project

Rosario is an early stage, high grade oxide copper-silver project in the Atacama region, ~120km east of the port of Chanaral and 10km north of Codelco's El Salvador mine and town (population ~7,000), at ~2,500m altitude with sealed road access to within 10km. FLG holds an option to acquire 100% (signed August 2024) over a holding that was extended to ~86km² in November 2024, then reduced to 43km² following field work, and recently increased to 63km² in the Q2 2026, demonstrating active management of this asset. The project sits in the Chilean coastal manto copper environment, with three prospective trends carrying a combined strike of ~15km and interpreted mineralised zone widths of 20m to 200m.

First pass surface work in 2024 was very encouraging delivering rock chip assays up to 8.9% Cu, with 50% of samples above 0.10% Cu averaging 2.06% Cu and 12ppm Ag, and a third of samples above 0.75% Cu averaging 3.15% Cu and 18ppm Ag. An IP geophysics program and initial oxide metallurgical testwork were completed in late 2024, and six new copper targets were identified in January 2025. Rosario has subsequently sat behind Isidora in the FLG work queue, given that project's more advanced nature. The planned program is trenching across the Rosario East trend to expose mineralisation for drill targeting, followed by first pass RC drilling and bulk metallurgical sampling. High grade copper oxides 10km from an operating Codelco mine and smelter district is an attractive exploration option, and Rosario adds a Chilean element to the broader FLG copper strategy.

Figure 17: Rosario Copper Project



Source: FLG

Thailand Divestments: RK Lithium and Khao Soon Tungsten

The Southeast Asian legacy portfolio is in its final stage of monetisation. In June 2026 FLG executed a binding sale of the RK Lithium Project to a Thai syndicate led by privately held Pendulum Auto Co for US\$4.0M (~A\$5.8M) cash. The full consideration was received by 21 July 2026. FLG will assist the purchaser with the re-application of exploration licences over RK and BT through to March 2027, described as a standard process already underway. Disposing of this asset in a timely fashion to support funding the shift in focus towards gold and copper was a well-executed move by FLG.

Khao Soon could deliver a surprise

Khao Soon, which FLG describes as one of the largest tungsten exploration projects in Southeast Asia, remains 100% owned and is in advanced divestment discussions, with FLG guiding to a sale in 2026. Two contingent obligations remain in place: FLG owes Thai Goldfields NL A\$2M on first WO₃ production from the original Khao Soon licence area and a further A\$2M on first production from adjoining licences. FLG director David Docherty is a director of Thai Goldfields. Completion of the Khao Soon sale would finish the transition to a pure gold and copper company and add further non-dilutive cash to fund advancing of those projects.

Project and scale

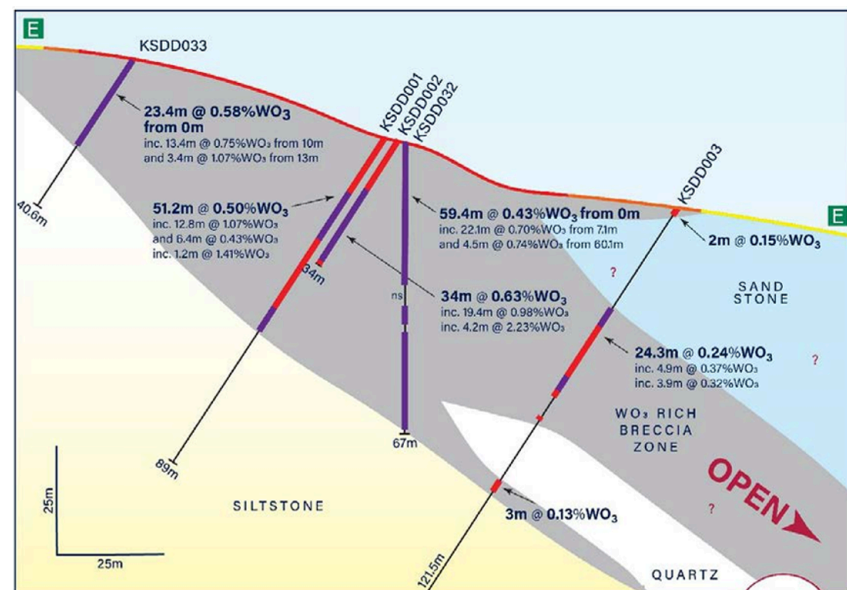
Khao Soon is a wolframite-style tungsten project ~600km south of Bangkok in Nakhon Si Thammarat Province, held 100% through two contiguous Special Prospecting Licences plus one application covering ~33km². It is an historical high-grade producing asset. The project-wide JORC Exploration Target is 22Mt to 40Mt @ 0.15% to 0.30% WO₃, aligned with typical global ex-China grades.

Drilling and grades

PAM drilled 10 holes for 828m at Than Pho West over late 2020, with assays reported February and April 2021. Highlights from the drilling included

- 20.1m @ 0.74% WO₃ from 48.6m, including 5.0m @ 1.1%
- 23.4m @ 0.58% WO₃ from surface including 13.5m @ 0.75%
- 32.9m @ 0.53% WO₃ from surface including 7.5m @ 1.22%
- 13.1m @ 0.51% WO₃ from surface including 4.6m @ 0.97%
- 45.8m @ 0.32% WO₃ from 2.8m including 15.4m @ 0.57%
- 46.5m @ 0.32% WO₃ from 34.4m
- 54m @ 0.25% WO₃ from 25.6m

Figure 18: Khao Soon cross section showing drilling



Source: FLG

Geometry is attractive with mineralisation shallow dipping from surface, true widths reach 63m at Than Pho West, and it remains open along strike and at depth. There is also a lateritic regolith component with tungsten in thick weathered profiles at or near surface. That points to a low strip open pit with potential for free-dig material near surface.

Untested upside

Than Pho West sits on a WO_3 soil anomaly over 1km long. Target 2 is a separate anomaly ~450m by 150m. Rabbit and Than Pho Ridge are also captured in the Exploration Targets and were never drill tested. Last Hill, 1.3km north-northwest of Than Pho West, is a large soil anomaly that has never been drilled.

Why divestment could deliver an upside surprise

Tungsten is a designated critical mineral in most Western jurisdictions and Chinese supply dominance plus export restrictions have sharply raised the strategic value of non-Chinese sources. A shallow, open pitable, high-grade, district scale tungsten position is now a much more attractive asset than it would have been 12 months ago.

Board and Management

The board is founder-led and strongly aligned through equity. It brings genuine technical, processing and construction capability as well extensive corporate and financial markets experience all of which will be central to moving the business forward.

Paul Lock - Chairman and Managing Director (founder)

Paul Lock is the founder of Flagship Minerals. Before founding Flagship Minerals, he served as a corporate adviser at Everspring Partners and worked in various roles in corporate advisory and leveraged/project finance at the Commonwealth Bank of Australia with considerable exposure to mining. He also has experience as a derivatives trader and high-yield bond investor at Rothschild & Co. and worked in the commodity trading division at Marubeni Corporation.

Paul holds a Master of Political Economy from Sydney University and a Master of Business Administration from Macquarie Graduate School of Management, and is also a member of AusIMM

David Docherty - Non-Executive Director

David has a lifetime of resource sector expertise. Beginning with stockbroking in London, he transitioned to an analyst role at Slater Walker London in 1965, where he played a pivotal role in financing the Mt Windarra nickel discovery and numerous other resource assets. In 1984-87, David led Sedimentary Holdings as CEO, successfully overseeing the transformation of the Cracow Gold Mine in Queensland. In 1987, David entered the Thai resource sector, contributing to the discovery of the Chatree Gold Mine, a cornerstone asset of Kingsgate Consolidated. In 2002, he assumed the role of CEO at Thai Goldfields NL, focusing on Thai SPL applications with a rich history involving Newmont, Ivanhoe Mining, Phelps Dodge, Oxiana, and Tigers Realm Minerals.

Thanasak (Frank) Chanyapoon - Non-Executive Director

Frank, a Partner at The Capital Law Office, a prominent Bangkok-based legal firm, brings over 25 years of expertise in tax law and corporate matters to his practice. His extensive experience includes positions at prestigious firms such as Baker & McKenzie, Bangkok, and Linklaters, Bangkok. Thanasak also co-founded LawAlliance Limited, specialising in Thailand tax laws and double tax treaties involving Thailand.

Since 2008, Frank has served as a special lecturer in various tax law subjects at the Faculty of Law, Chulalongkorn University, and the Faculty of Business Administration, Kasetsart University. Additionally, he holds the role of NED at Cal-Comp Electronics PLC, a publicly listed company on the Stock Exchange of Thailand. Frank's qualifications encompass a Master's degree in law (LL.M.), a Certificate of American and International Law, and a Bachelor's degree in law (LL.B. (Hons)).

John Zhang - Non-Executive Director

Zhongyi (John) Zhang is a key representative and one of Shandong Xinhai Mining Technology & Equipment Inc's. ("Xinhai") major shareholders. Xinhai is a global minerals EPC services firm to the mining industry and a shareholder of Flagship Minerals Limited. John has substantial experience in machine learning and the use of industry specific large language models for the creation of specialised Artificial Intelligence applications. John also has substantial experience in mining and processing technologies, EPC, and investment, and has played a key role in developing Xinhai's services business in 102 countries and Xinhai's resources business in 7 countries.

Mr Zhang has a Bachelor and Master degree of Mathematics from the University of Oxford and is an Industry MBA Mentor at the University of International Business and Economics in China.

David Hobby - Technical Director and Chief Geologist

With over 30 years of experience as an Economic Geologist, David has a diverse background working across geological terrains globally, from Australia and Asia to South America, the USA, and Africa. Notable projects under his purview include the Adelong Gold Project, Broula King Gold Project, Webb's Silver Project, and the Woodlawn Zn-Cu project. Since 2013, David has concentrated on Southeast Asia, where he combines his geological expertise with project management, environmental stewardship, safety, and effective stakeholder engagement.

David's extensive professional credentials encompass 24 years of AusIMM membership, including his designation as a Competent Person under the JORC Code for various mineral deposit styles. He has also made significant contributions to the industry through publications and presentations at conferences and seminars. David's versatile expertise extends to his prior role as a member of the NSW Minerals Council's Metalliferous Mining Committee.

Personal disclosures

Chris Drew received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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Flagship Minerals Ltd (FLG.AX) | Price A\$0.14 | Valuation A\$0.55;

Price and valuation as at 14 October 2026 (not covered)*

Additional disclosures

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