



**Flynn Gold Limited**

ABN 82 644 122 216

**30 June 2022**

**Annual Report**

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| Corporate directory                                                     | 3  |
| Chair's letter                                                          | 4  |
| Operations review July 2021 – June 2022                                 | 5  |
| Directors' report                                                       | 15 |
| Auditor's independence declaration                                      | 28 |
| Consolidated statement of profit or loss and other comprehensive income | 29 |
| Consolidated statement of financial position                            | 30 |
| Consolidated statement of changes in equity                             | 31 |
| Consolidated statement of cash flows                                    | 32 |
| Notes to the consolidated financial statements                          | 33 |
| Directors' declaration                                                  | 51 |
| Independent auditor's report to the members of Flynn Gold Limited       | 52 |
| Shareholder information                                                 | 55 |

|                                  |                                                                                                                                                                                                                               |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors                        | Mr Clive Duncan (Non-Executive Chair)<br>Mr Samuel Garrett (Executive Director)<br>Mr John Forwood (Non-Executive Director)                                                                                                   |
| Company secretary                | Mr Mathew Watkins                                                                                                                                                                                                             |
| Notice of annual general meeting | The Company will hold its Annual General Meeting of shareholders on 9 November 2022.                                                                                                                                          |
| Registered office                | Level 4<br>96-100 Albert Road<br>South Melbourne VIC 3205<br>Ph: (03) 9692 7222<br>Fax: (03) 9077 9233                                                                                                                        |
| Principal place of business      | Level 4<br>96-100 Albert Road<br>South Melbourne VIC 3205<br>Ph: (03) 9692 7222<br>Fax: (03) 9077 9233                                                                                                                        |
| Share register                   | Computershare Investor Services Pty. Ltd.<br>Yarra Falls 452 Johnston Street<br>Abbotsford Victoria 3067<br>Ph: 1300 850 505                                                                                                  |
| Auditor                          | William Buck<br>Level 20, 181 William Street<br>Melbourne, VIC 3000                                                                                                                                                           |
| Stock exchange listing           | Flynn Gold Limited shares are listed on the Australian Securities Exchange (ASX code: FG1)                                                                                                                                    |
| Website                          | <a href="https://flynnngold.com.au/">https://flynnngold.com.au/</a>                                                                                                                                                           |
| Corporate Governance Statement   | Corporate governance statements are available on the Company's website. Please refer to <a href="https://flynnngold.com.au/corporate/corporate-governance-2/">https://flynnngold.com.au/corporate/corporate-governance-2/</a> |

Dear Shareholders

It is a pleasure that I present Flynn Gold Ltd's (ASX: FG1) 2022 Annual Report to you. The 2022 reporting period was our first full financial year since listing on the Australian Securities Exchange (ASX) in June 2021 and I believe the Company can reflect on what has been achieved with pride.

The period has been highlighted by growing momentum at Flynn Gold's exploration projects in the Tier 1 mining jurisdictions in which we operate – Tasmania and Western Australia. Over the past year, we successfully commenced and reported promising results from our initial exploration programs while also expanding our project landholding, despite the ongoing impact of the COVID-19 pandemic and tight demand for industry services and skills.

In Northeast Tasmania, we are beginning to take advantage of our dominant position in an underexplored area of Australia. Significant progress has been made on the proposed exploration programs at our two key projects in this region – Golden Ridge and Portland – which provides encouragement for the ongoing projects we are conducting.

We are increasingly confident about the potential that is emerging at both projects and optimistic that our early-mover advantage in Northeast Tasmania will pay off as drilling continues.

Our position in Western Australia has been further cemented since our Initial Public Offering (IPO) with the expansion of our portfolio in the Pilbara and Yilgarn regions. Notably, the Company secured an additional 1,232km<sup>2</sup> of gold and lithium exploration tenure in early 2022, enabling us to build the strategic portfolio we have aimed to establish in the state.

With our Western Australian footprint growing, Flynn now finds itself well placed to ramp up exploration in the state targeting hard rock lithium pegmatites and intrusive related gold deposits.

Flynn Gold is fortunate to own projects in two quality operating and investment jurisdictions, in fact, Western Australia and Tasmania are regularly rated as the two lowest-risk states to operate in across Australia. Both states enjoy a stable political and regulatory environment with government and local community support for mining projects.

These aspects of Tasmania and Western Australia, along with the operational and corporate progress made by Flynn Gold over the past year, will set a strong foundation for us to reach the company goals we have set.

Thank you to the Flynn Gold team for their efforts in helping to achieve such a momentous year that has set up an exciting future. We look forward to another eventful year ahead and will keep you updated on our activities.

Yours Sincerely



Mr Clive Duncan

Chair

## 1. Company Background

Flynn Gold ('Flynn' or the 'Company') is an Australian mineral exploration company with a portfolio of strategic exploration projects in established Australian mineral provinces. With a focus on gold exploration, the Company has 100% owned projects located in the northeast of Tasmania and is establishing a portfolio of gold-lithium exploration assets in the Pilbara and Yilgarn regions of Western Australia. The Company also owns prospective zinc-silver projects on Tasmania's mineral-rich west coast.

The Company has 100% rights to:

- 8 granted tenements in NE Tasmania; (for 1,329km<sup>2</sup>)
- 2 granted tenements in west Tasmania (for 133km<sup>2</sup>)
- 5 granted tenement and 9 tenement applications in the Pilbara region of WA; and
- 7 granted tenements and 12 tenement applications in the Yilgarn region on WA.

During the past 12 months, the Company's primary exploration focus has been on northeast Tasmania, where there are recognised similarities between this region and the geology and gold mineralisation styles observed in the Victorian Goldfields on the mainland of Australia.

The exploration strategy for the northeast Tasmanian projects is to focus on discovering new gold mineralisation using structural interpretation, geological mapping, geochemistry, costeaning and drilling. Target selection and testing will utilise a model-driven approach, based on the ore genesis models.

In western Tasmania, the primary focus of exploration is for high grade, lode and/or vein hosted sulphide base metals deposits. A subsidiary target is for medium to large tonnage "Irish-style" carbonate-hosted Zn-Pb-Ag deposits hosted within the Ordovician Gordon Limestone such as along the Austral trend.

Flynn Gold now has 4 gold-lithium projects in Western Australia, that are strategically located in districts hosting large gold and lithium deposits or in districts that the Company considers relatively under-explored for lithium.

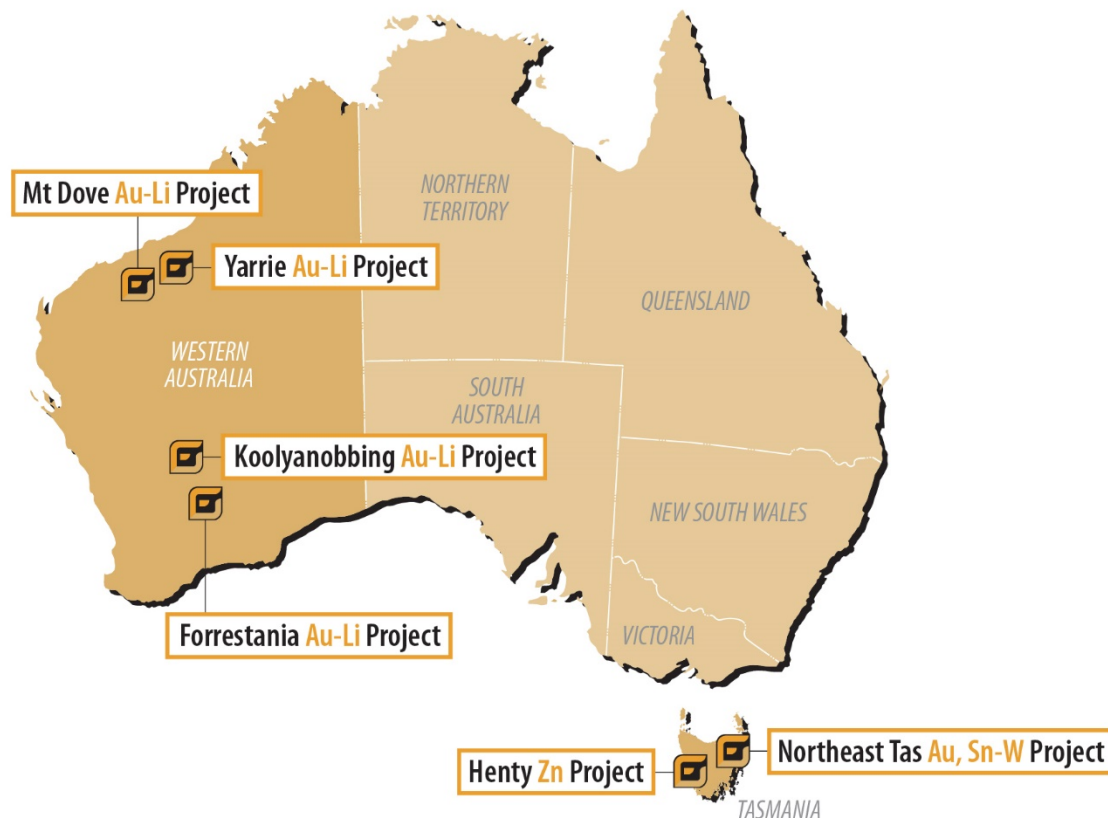


Figure 1 Location of Flynn Gold projects

## 2. Golden Ridge Project

The Golden Ridge Project is located 75km east of Launceston in northeast Tasmania, under a single exploration licence, EL17/2018 (167km<sup>2</sup>). The Company is targeting Intrusive Related Gold System (IRGS) style mineralisation.

Since acquiring Golden Ridge in 2019, the Flynn Gold team has undertaken extensive data review and reconnaissance mapping and sampling programs over the tenement. Positive results from surface rock chip sampling have indicated that the gold mineralisation system at Golden Ridge is significantly more extensive than previously recognised and the Company has defined several prospects over an 8km long zone, which it plans to systematically test and develop.

During the past 12 months the Company carried out diamond drilling (DD) at both the Brilliant and Trafalgar Prospects. Extensive regional mapping, geophysics and geochemical sampling programs were also carried out across 8 prospects.

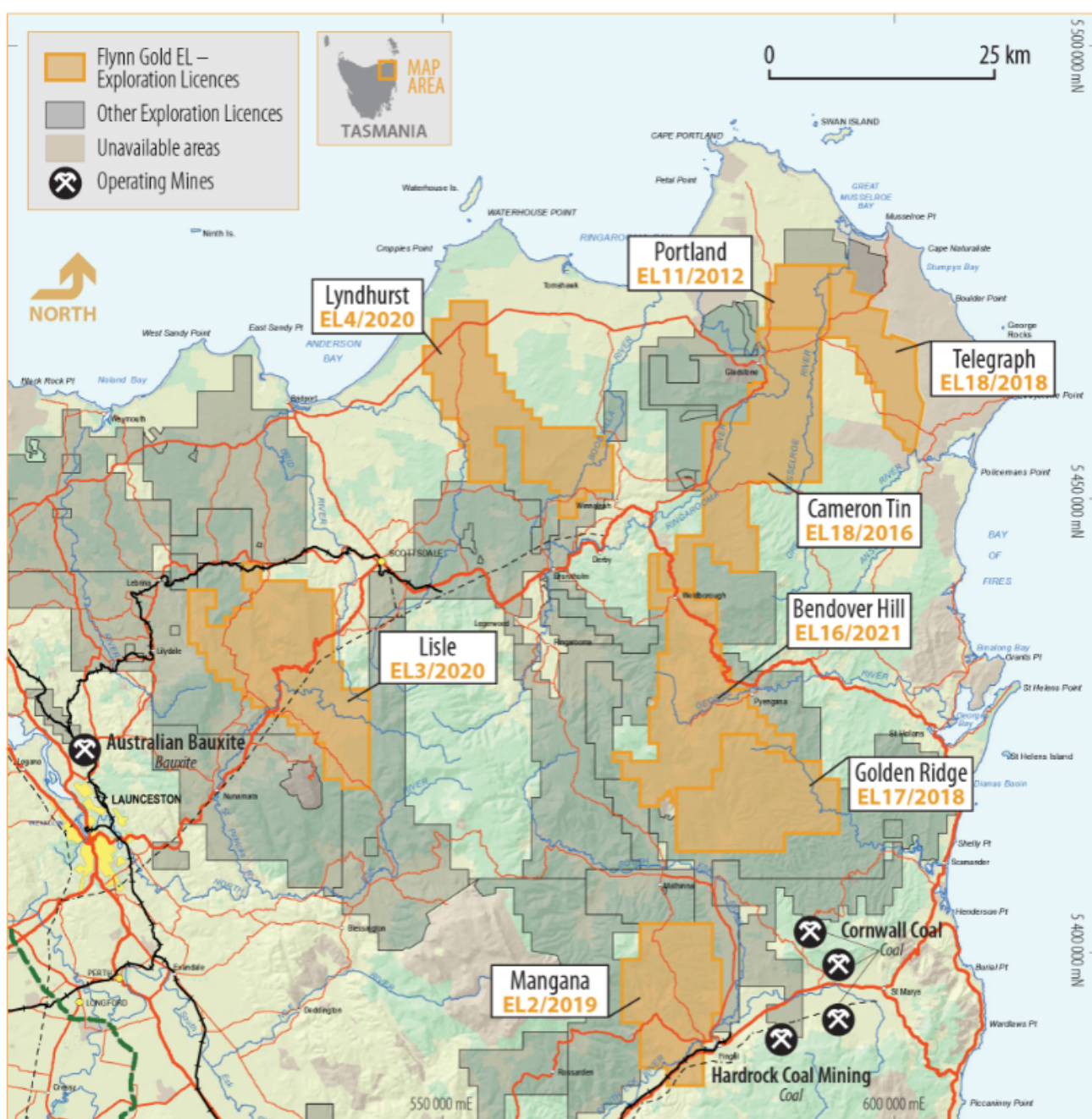


Figure 2 Northeast Tasmania tenement location



## 2.1 Brilliant Prospect Diamond Drilling

Phase 1 diamond drilling program commenced at the Brilliant Prospect in April 2021 and was completed in April 2022. The program comprised 14 holes (4,222m) and was designed to confirm gold grades in historical drill holes, test the continuity of mineralisation, provide structural data and to test for strike extensions to the known mineralisation. The prospect was tested over a 350m strike length and to a maximum vertical depth of approximately 400m from surface.

Gold mineralisation at Brilliant is associated with structurally controlled sheeted quartz-sulphide veins. The steeply dipping vein sets are hosted within shallow-dipping biotite-hornfelsed sediments of the Mathinna Group. Structural logging work by Flynn was used to optimise ongoing drillhole targeting as the program continued. New 3D modelling utilising down hole structural data and available assays has resulted in an improved understanding of the distribution of gold mineralisation at Brilliant. In particular, the evolving 3D model has identified a steep south-westerly plunge to the main gold mineralised zone at Brilliant and the drilling program was amended to target interpreted plunge extensions.

During the year, there were long wait times for assays to be returned from the laboratory, with assay turn-around times in the order of 3-4 months. Several drill holes returned significant assays, which are summarised below <sup>3,8</sup>:

| Hole ID | Depth From (m) | Interval (m) | Grade (g/t gold) |
|---------|----------------|--------------|------------------|
| BRDD001 | 0.7            | 1.5          | 1.4              |
| BRDD002 | 79             | 26.5         | 1.0              |
| BRDD002 | 117.5          | 5.5          | 0.28             |
| BRDD002 | 143            | 5            | 0.49             |
| BRDD003 | 111            | 38           | 1.34             |
| BRDD003 | 157            | 0.5          | 17.9             |
| BRDD003 | 175.9          | 0.4          | 1.36             |
| BRDD003 | 194            | 13           | 2.86             |
| BRDD003 | 206            | 1            | 1.54             |
| BRDD003 | 225.7          | 0.4          | 4.33             |
| BRDD003 | 231            | 1            | 0.97             |
| BRDD004 | 36.6           | 13.4         | 0.95             |
| BRDD004 | 104            | 3            | 1.1              |
| BRDD006 | 30.4           | 1            | 18.95            |
| BRDD006 | 107            | 1            | 0.65             |
| BRDD006 | 239            | 1            | 1.12             |
| BRDD007 | 24.1           | 9.9          | 0.41             |
| BRDD011 | 25             | 5            | 2.93             |
| BRDD011 | 58.7           | 1            | 1.27             |
| BRDD011 | 283            | 1            | 2.3              |

Results received (thus far) from Phase 1 of the drilling are considered encouraging with multiple new near-surface zones of mineralisation identified along strike from historical drilling.

## 2.2 Trafalgar Prospect Diamond Drilling

In May 2022, a diamond drilling program commenced at the Trafalgar prospect, Golden Ridge<sup>3</sup>. The planned drill program was designed to test the mineralised granodiorite-hornfels contact over a strike length of 250m.

The first drill hole (TFDD002) has targeted extensions of an historical drill intercept of **5.0m @ 12.56g/t Au (TFD001)**<sup>17</sup> and to provide important stratigraphic, structural, and mineralogical information towards advancing our understanding of the mineralisation system at Trafalgar.

Post June 2022 quarter, Flynn announced that the first assay results from sampling of TFDD002 had been received<sup>1</sup>. The results represent preliminary assays from selective, partial sampling of TFDD002 from a zone prioritised for assay. The sampled interval (157.0 to 168.0m) returned significant mineralisation including:

- **5.4m @ 10.63g/t Au from 160.1m**; including **1.9m @ 19.88g/t Au from 160.1m**; including 0.4m @ 52.20g/t Au from 161.60m, and
- **2.0m @ 9.02g/t Au from 163.5m**; including **0.35m @ 35.10g/t Au from 165.15m**.

The reported mineralisation is associated with quartz-sulphide (pyrite-arsenopyrite-galena) visible gold bearing veins and vein breccia hosted in biotite-hornfelsed sediments of the Mathinna Group located proximal to the contact with the Golden Ridge granodiorite (at 206m downhole). Structural logging of the orientated core indicates that the mineralised vein set strikes ENE-WSW and dips steeply to the SE. These structural orientations are consistent with other mineralised veins observed and sampled<sup>1</sup> in outcrop and historical workings in the broader Trafalgar prospect area.

A second, parallel zone of significant visual veining and mineralisation has been observed further downhole in TFDD002 between 264 to 297m. This zone comprises variably intense quartz-sulphide veining and heavily disseminated sulphides hosted in altered granodiorite. It is consistent with (and proximal to) the granodiorite hosted high-grade mineralisation intercepted in historical drill hole TFD001.

Further zones of quartz veining occur throughout TFDD002 in both the granodiorite and adjacent hornfels. These zones are currently being logged and sampled and further results will be reported as assays are received.

### **2.3 Golden Ridge Project: Regional Mapping and Sampling**

Assays were received for 202 rock chip samples collected during a district mapping campaign<sup>10</sup>.

The best rock chip assays from individual prospects include 152g/t gold from Brilliant, 8.31g/t gold in the Link Zone, 61.0g/t gold from Trafalgar, 19.4g/t gold from Double Event, 67.1g/t gold from Queen of the Earth, and 31.0 g/t gold from Kensington. These results continue to support an extensive gold system at the Golden Ridge Project.

### **2.4 Golden Ridge Gradient Array IP Survey**

A 37 line-km gradient array induced polarisation (GAIP) survey was completed by Khumsup Geophysics over the main target areas at Golden Ridge during July-August 2021<sup>11</sup>.

Interpretation of the GAIP survey results indicated that extensive zones of anomalous chargeability are associated both with areas of known mineralisation (Brilliant, Link Zone and Trafalgar prospects) as well as areas yet to be explored. At Link Zone the chargeability anomaly is coincident with gold-in-soil anomalism (>3ppb Au) and has never been drilled.

Extending to the southwest of Link Zone, the highest order chargeability anomaly in the survey has no soil sampling or rock chip coverage. Similarly, there is a chargeability anomaly occurring within granodiorite bedrock, that has no on ground exploration coverage other than stream sediment anomalism. These areas will be targeted for follow-up ground exploration programs in the coming year.

### **2.5 Golden Ridge Dipole-Dipole IP Survey and Geochemical Survey**

During the June 2022 quarter, four dipole-dipole Induced Polarisation (IP) survey lines were completed over the Brilliant and Trafalgar prospects. Each IP line was approximately 2.5km in length, orientated N-S, and designed to test the granodiorite-hornfels contact zone in areas of known (drilled) mineralisation as well as testing gradient array resistivity and induced polarisation survey (GAIP) anomalies identified previously within the main body of granodiorite north of the contact.

The correlation of dipole-dipole IP responses to known mineralisation at both the Brilliant and Trafalgar prospect areas is considered encouraging and warrants further follow-up exploration.

In addition to the dipole-dipole IP survey at Golden Ridge, an orientation survey of ultrafine (UFF) soil sampling was trialled along the IP lines. The technique is designed to “see through” areas of thin-moderate cover such as on the steep mountain slopes at Golden Ridge where outcrop is commonly masked by thick cover of transported soils and scree, which makes these areas unsuitable for conventional soil sampling. Results from the trial UFF soil sampling along the IP lines will be used to prioritise IP drill targets.



### **3. Portland Project**

The Portland Gold Project covers an area of 370km<sup>2</sup> and comprises three adjacent tenements: Portland (EL11/2012), Telegraph (EL18/2018) and Cameron Tin (EL18/2016). The Project is considered to have potential for high grade orogenic gold mineralisation.

Reconnaissance mapping, geochemical surveys and costean sampling program over EL11/2012 has confirmed the presence of anomalous gold zones which are associated with district-scale structures and occur along more than 30km of combined strike of the structures. Costeaning and drilling at the Grand Flaneur and Windy Ridge prospects has confirmed the exploration model at the prospect scale.

Detailed geological and structural analysis of soil, trench and drill core data, undertaken in conjunction with Victorian orogenic gold expert and consultant Dr Rodney Boucher, significantly improved the Company's understanding of the stratigraphic and structural controls to high-grade gold mineralisation at the Portland Gold Project and confirms strong similarities to Victorian-style orogenic gold systems including Ballarat East, Castlemaine, and Fosterville.

Five prospective, tightly folded anticlines with a total combined strike length of approximately 38km are identified at Portland. Of these, the Rushy Lagoon Anticline is currently considered a standout priority, with historical high-grade gold prospects and anomalous Au-As-Sb occurring along the length of its 10 km strike. Exploration of the anticlinal trends at Portland is still in its infancy with less than 5% of the strike having been tested by drilling and the Company considers the outcomes of the maiden diamond drilling and geological review to be encouraging.

#### **3.1 Grand Flaneur Diamond Drilling (EL11/2012)**

The Grand Flaneur prospect is located at the northern end of the 7.5km long, NNE-trending Rushy Lagoon anticlinal trend linking this prospect with other historical prospects of Nibbler, Portland, Bluebell and Prince Imperial.

In March 2022, Phase 2 diamond drilling program commenced at the Grand Flaneur prospect to test down-dip and strike extensions to known mineralisation, as well as testing deep conceptual "saddle reef" type targets interpreted from previous drilling.

The drilling program was ongoing at the end of June 2022, with logging and sampling of core underway.

A planned IP survey at Grand Flaneur was postponed due to bad weather and ground access conditions.

### **4. Cameron Tin (EL18/2016) Project**

Tasmania is a world-class tin-tungsten province with major skarn (Western Tasmania) and vein-greisen (Eastern Tasmania) type deposits associated with post-orogenic Devonian aged granitic plutons. Flynn's Cameron Tin Project is located within the Eastern Tin Province of Tasmania where historical tin production was derived mainly from alluvial placer deposits, while primary deposits of vein tin-tungsten and tin greisen types have also been exploited at numerous localities.

The Cameron Tin project (EL18/2016) also incorporates the southern extension of the Portland orogenic gold system. The southern EL18/2016 boundary is located 7km north of the second largest known primary tin deposit in eastern Tasmania, the Anchor deposit (2.4Mt @ 0.28% Sn). Within the project area, numerous alluvial tin mining areas have been the focus of past production and exploration. Exploration for primary "hard rock" tin deposits has been very limited, despite their obvious potential.

During the year, the Company's geology team has reviewed and prioritised multiple target areas considered prospective for primary tin-tungsten mineralisation<sup>12</sup>. While some of these targets have been previously recognised, historical exploration for primary mineralisation remains limited and no targets have previously been drill tested.

Reconnaissance outcrop sampling by the Company in the Hardens Ravine target area have returned assays up to a maximum of 0.96% Sn and 2.3% WO<sub>3</sub> from individual samples and defines an initial target area of up to 2km x 2km. Outcrop sampling in the Star Hill target area has returned anomalous Sn-W results up to a maximum of 3.2% Sn and 2.1% WO<sub>3</sub>. Results to date are considered encouraging confirming the potential for bedrock tin mineralisation in areas of historical alluvial mining with associated tungsten which was previously unrecognised in the area.

Additional target areas identified for tin-tungsten mineralisation within the Cameron Tin licence include Woods Flat, South Mount, Wyniford and Tallewang with further field mapping and sampling planned.

## 5. Mangana Gold (EL2/2019) Project

Flynn's Mangana tenement covers 149km<sup>2</sup> centred 6km northwest of the town of Fingal and 65km east of Launceston and includes the historical Mangana goldfield comprising historical surface and underground workings over a combined strike of over 15km. Bedrock geology is primarily Mathinna Group turbidite sediments which are bounded to the east and west by granitic intrusions. The northwest trending Mathinna Group sediments are generally steep dipping to the southwest and are overprinted by major faults and shears which also strike northwest. Regionally, these structures are interpreted to be genetically related to gold mineralisation evidenced by extensive historical gold fields aligned within the shear zones.

Flynn commenced exploration activities at the Mangana Gold Project during the December 2021 Quarter. Initial work included reconnaissance mapping and sampling (assay results pending), and surveying and digitising of historical mine plans and sections. Results of this ongoing work will be used to generate 3D models that will drive focussed exploration targeting and drill hole planning.

## 6. Henty Project Exploration Activity Update

During the year, work on the regional 3D geological model (Leapfrog Geo) continued for the Company's Zn-Ag project at Zeehan on the west coast of Tasmania including EL03/2018 (Henty North) and EL06/2015 (Henty South). A large amount of historical data exists for the two ELs and work has progressed in gathering relevant information from historical reports and databases, including the Company's historical drilling program at Grieves Siding<sup>4</sup>. The modelling will be used to design the forward exploration programs including drill targeting for Irish type and Carbonate Replacement type Zn-Ag deposits.

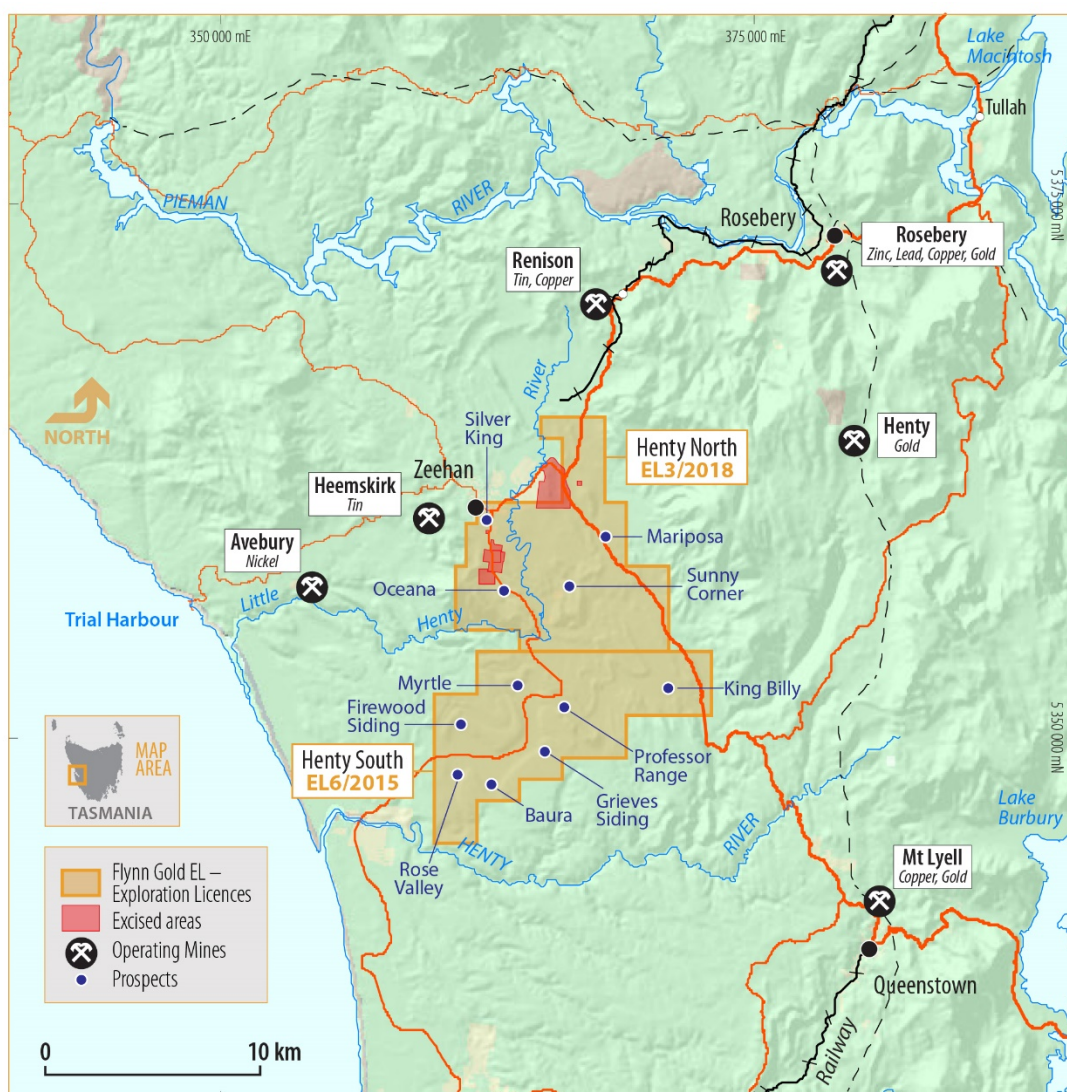


Figure 3 – Henty Zinc Project location

## **7. Regional Gold Projects, NE Tasmania**

The Lisle Gold Project (EL3/2020) covers an area of 247km<sup>2</sup> centred 30km northeast of Launceston mostly underlain by Ordovician turbidite sequences and Devonian granitic intrusives. The project area covers the historical Lisle goldfield and is considered to have potential for IRGS targets similar to Golden Ridge with intrusives forming subdued basin surrounded by high ridges of silicified hornfelsed sediments.

The Lyndhurst Gold Project (EL4/2020) covers an area of 197km<sup>2</sup> centred 65km northeast of Launceston. The project area captures the northern end of the Mangana-Lyndhurst gold belt and is considered prospective for both orogenic gold and IRGS type deposits with extensive contacts between Devonian granites and younger Palaeozoic sediments.

Desktop reviews and exploration targeting programs were commenced for the Lisle and Lyndhurst Gold projects during the year. Priority targets will be followed up with mapping and surface sampling programs during the second half of 2022.

## **8. WA Exploration Update**

Since the Company's IPO in June 2021, Flynn has moved to increase its tenement position in underexplored Au-Li districts in WA where it now has 4 Au-Li projects (totalling 1,232 km<sup>2</sup>) strategically located in either districts hosting large gold and lithium deposits or districts that it considers relatively under-explored for lithium. The project areas include:

- Mt. Dove Au-Li Project, Pilbara
- Yarrie Au-Li Project, Pilbara
- Koolyanobbing Au-Li Project, Yilgarn
- Forrestania Au-Li Project, Yilgarn

### **8.1 Mount Dove Au-Li Project, Pilbara WA**

The Mt Dove Project, located 70km south of Port Hedland in the Pilbara region of Western Australia, comprises 2 granted licences (E45/5055, E47/3888 for approximately 74km<sup>2</sup>) and a further 9 tenement applications. Flynn's Pilbara Au-Li projects are located near the large newly discovered gold deposit at Hemi (De Grey Mining Ltd, ASX: DEG) and near large lithium mines at Pilgangoora and Wodgina.

On ground exploration at the Mt Dove Gold-Lithium Project began in June 2022, with an ultrafine (UFF) soil and reconnaissance mapping survey of E47/3888 and E45/5055. The survey is designed to provide a broad (400 x 400m) first pass multi-element geochemical test and "see through" shallow sand cover that dominates the project area for the two exploration licences.

Kairos Minerals Ltd (ASX: KAI) announced anomalous Au-Li results for a UFF survey in their ground that immediately borders the southern margin of E45/5055. As a result, a small portion of E45/5055 has been designed with a slightly more detailed (400 x 200m) sampling grid to better test the potential of the KAI soil and aircore anomaly to extend into Flynn's tenement.

The work programs are targeting Hemi-style intrusive related gold mineralisation and structurally controlled gold mineralisation, as well as pegmatite-hosted lithium mineralisation. Assay results for the UFF soil sampling program are pending.

### **8.2 Koolyanobbing Gold-Lithium Project, Yilgarn WA**

During the year, 7 tenements have been granted (for approximately 131km<sup>2</sup>) to the Company which make up its 100% owned Koolyanobbing Au-Li project in the Yilgarn of Western Australia.

The Koolyanobbing Au-Li project located 100km north of Southern Cross is prospective for Au, Li and Fe mineralisation associated with the Marda-Diemals greenstone belt. Two additional tenement applications are pending grant.

The Marda-Diemals greenstone belt, which is considered prospective for lithium pegmatites, intrusive-related gold systems (IRGS) as well as high-grade gold lodes includes known gold and iron deposits (such as Marda Au and Windarling Fe). The belt is considered underexplored for Li by comparison with other greenstones in the Yilgarn and Pilbara cratons.

Reconnaissance exploration field work, including ground geophysics and mapping-sampling programs, is planned to commence in the second half of 2022. The work is proposed to define potential targets for follow-up RAB or aircore drilling.



Flynn has made applications for an additional 10 tenements targeting Au-Li mineralisation associated with both the Forresteria and Lake Johnston greenstone belts located southeast of Southern Cross in the Yilgarn Craton. The two greenstone belts have become the focus of intense Li exploration due to the discovery of the world-class Mt. Holland lithium deposit (189 Mt @ 1.5% Li<sub>2</sub>O) and the known Li occurrences at Mt. Day, Medcalf and Lake Percy.

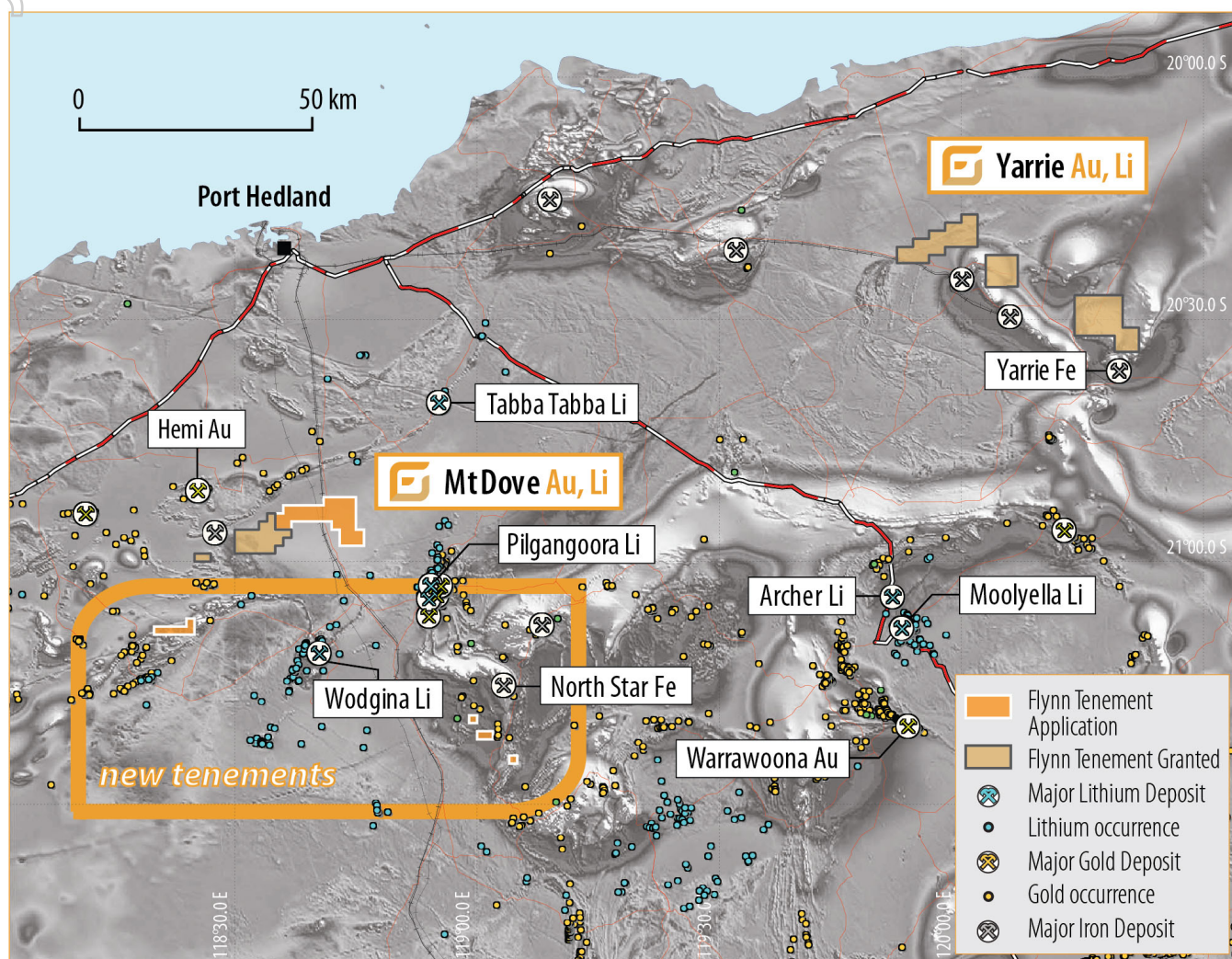


Figure 4 – Pilbara gold and lithium projects



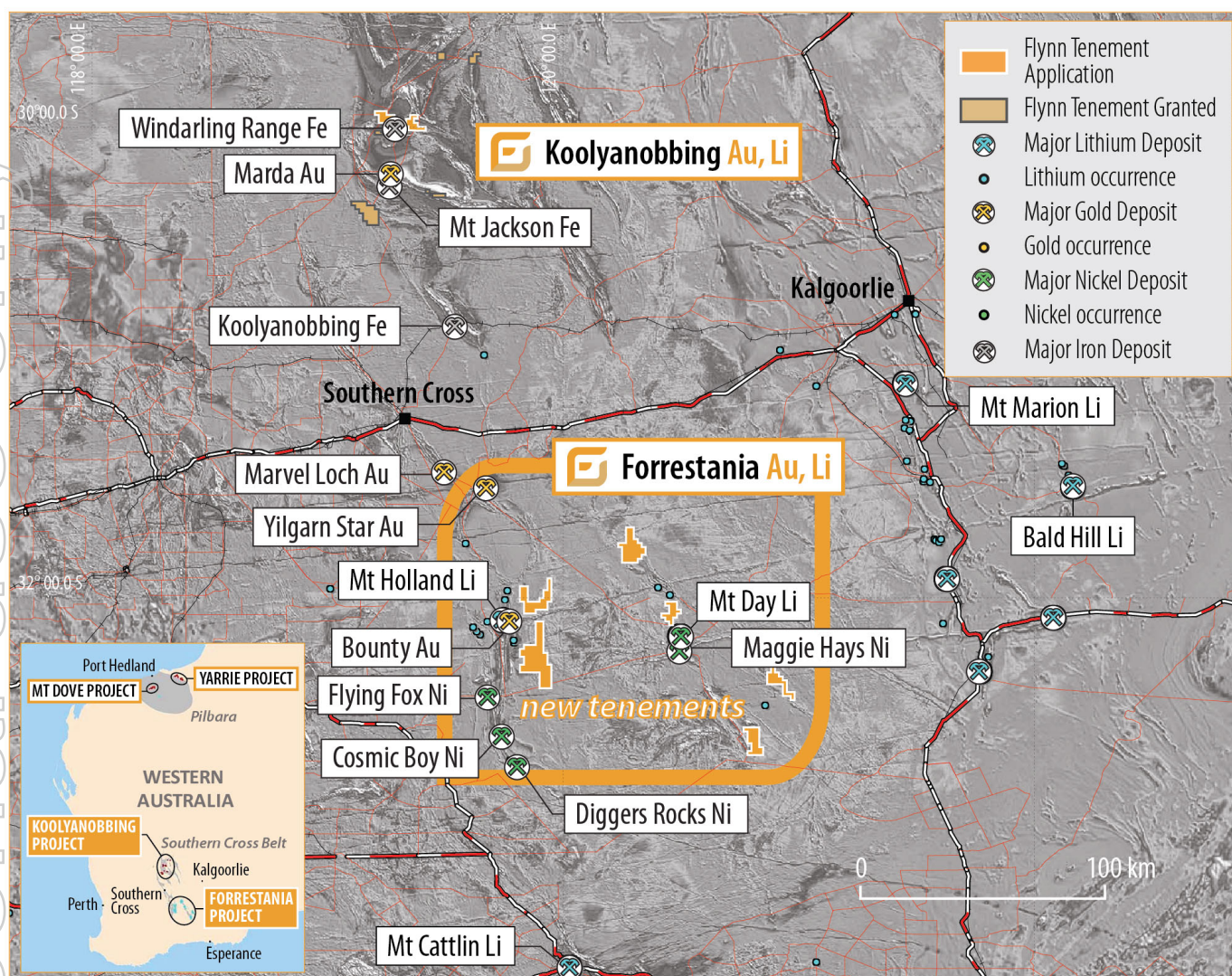


Figure 5 – South Cross Belt gold and lithium projects

## References

- <sup>1</sup> FG1: ASX Announcement June 2022 Quarterly Activities Report, dated 29 July 2022.
- <sup>2</sup> FG1: ASX Announcement Maiden Drill Hole at Trafalgar Intersects 5.4m @ 10.63g/t Gold, dated 5 July 2022.
- <sup>3</sup> FG1: ASX Announcement Trafalgar Drilling Commences, Multiple IP Targets Identified, dated 25 May 2022.
- <sup>4</sup> FG1: ASX Announcement March 2022 Quarterly Activities Report, dated 29 April 2022.
- <sup>5</sup> FG1: ASX Announcement Phase 2 Drilling Program Commences at Portland Gold Project, dated 31 March 2022.
- <sup>7</sup> FG1: ASX Announcement Gold-Lithium Project Tenements Granted in Yilgarn WA, dated 7 March 2022.
- <sup>8</sup> FG1: ASX Announcement December 2021 Quarterly Activities Report, dated 31 January 2022.
- <sup>9</sup> FG1: ASX Announcement New Tenement Granted in the Pilbara Region of WA, dated 4 January 2022.
- <sup>10</sup> FG1: ASX Announcement High Grade Gold in Golden Ridge Rock Chips, dated 19 November 2021.
- <sup>11</sup> FG1: ASX Announcement September 2021 Quarterly Activities Report, dated 29 October 2021.
- <sup>12</sup> FG1: ASX Announcement Tin-Tungsten Potential Highlighted at Cameron Project, dated 18 October 2021.

<sup>13</sup> FG1: ASX Announcement Orogenic Gold System Confirmed at Portland, dated 13 October 2021.

<sup>14</sup> FG1: ASX Announcement FG1 Hits More High-Grade Gold at Brilliant, dated 24 September 2021.

<sup>15</sup> FG1: ASX Announcement First Drill Core Assays Confirm Visible Gold NE TAS, dated 27 August 2021.

<sup>16</sup> FG1: ASX Announcement June 2021 Quarterly Activities Report, dated 29 July 2021.

<sup>17</sup> FG1: ASX Announcement Prospectus, dated 15 June 2021.

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The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Flynn Gold Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled as at and for the year. The comparative cash flow and profit or loss results expressed in these consolidated financial statements are covering the period from the date of incorporation, being 7 September 2020 through to and including 30 June 2021.

### **Directors**

The following persons were directors of Flynn Gold Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Clive Duncan (Non-Executive Chair)  
Mr Samuel Garrett (Executive Director)  
Mr John Forwood (Non-Executive Director)

### **Principal activities**

The principal activity of the consolidated entity is an Australian mineral exploration company with a portfolio of exploration projects in Tasmania and WA. The Company has a number of 100% owned projects located in northeast Tasmania and is establishing a portfolio of gold exploration assets in the Pilbara and Yilgarn regions of Western Australia. The Company also has prospective tin projects within its northeast Tasmania gold project, as well as two zinc-silver tenements on Tasmania's mineral rich west coast.

### **Dividends**

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

### **Review of operations**

#### **Financial performance**

The loss for the Consolidated Entity after providing for income tax amounted to \$3,868,635 for the year ended 30 June 2022 (2021: loss of \$4,677,352).

The loss for the reporting period is primarily driven by:

- Exploration and evaluation expenses of \$3,093,422 (2021: \$3,421,855);
- Corporate and administrative expenses of \$786,892 (2021: \$1,403,434);
- Offset by other income of the Company earned during the year of \$11,679 (2021: \$147,937).

Cash and cash equivalents at 30 June 2022 was \$5,356,721 (2021: \$9,340,718).

Net assets at 30 June 2022 were \$4,904,756 (2021: \$8,773,391) with working capital of \$4,838,038 (2021: \$8,707,349).

Refer to the preceding "Operations Review" section for further details on the operations of the company.

### **Significant changes in the state of affairs**

On 20 August 2021, 180,000 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates on 2 September 2025, of which 50% of which vest and become exercisable on 30 June 2022 if still employed by the Company; and the remaining 50% become exercisable on 30 June 2023 if the employees still employed by the Company. As at 30 June 2022, all performance rights lapsed due to certain vesting conditions were not met.

On 9 November 2021, 80,000 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates on 8 November 2025, of which 50% of which vest and become exercisable on 30 June 2022 if still employed by the Company; and the remaining 50% become exercisable on 30 June 2023 if the employees still employed by the Company.

On 11 November 2021, 80,000 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates on 10 November 2025, of which 50% of which vest and become exercisable on 30 June 2022 if still employed by the Company; and the remaining 50% become exercisable on 30 June 2023 if the employees still employed by the Company.

On 10 June 2022, 240,000 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates on 9 June 2026, of which 50% of which vest and become exercisable on 30 June 2023 if still employed by the Company; and the remaining 50% become exercisable on 30 June 2024 if the employees still employed by the Company.

On 15 June 2022, 119,700 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates on 14 June 2026, of which 50% of which vest and become exercisable on 30 June 2023 if still employed by the Company; and the remaining 50% become exercisable on 30 June 2024 if the employees still employed by the Company.

On 16 June 2022, 151,200 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates on 15 June 2026, of which 50% of which vest and become exercisable on 31 July 2023 if still employed by the Company; and the remaining 50% become exercisable on 31 July 2024 if the employees still employed by the Company.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

### **Matters subsequent to the end of the financial year**

On 27 July 2022, 813,700 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates between November 2025 and July 2026, of which 50% vest and become exercisable on the first financial year end date since the commencement date of the employment if still employed by the Company; and the remaining 50% become exercisable second financial year end date if the employees still employed by the Company. 670,900 of the total performance rights issued were granted during the year ended 30 June 2022.

On 3 August 2022, the Company granted 400,000 unlisted share options to a consultant of the Company. The options are exercisable immediately at \$0.2 per option and expire on 2 August 2025. These options were issued on 24 August 2022.

On 22 August 2022, the Company announced the appointment of Mr Neil Marston as the Company's Chief Executive Officer, with effect from 24 August 2022.

On 9 September 2022, the Company issued 2,400,000 performance rights to the incoming Chief Executive Officer, of which 800,000 performance rights are exercisable upon the 30-day VWAP of the Company's share price being equal to or greater than \$0.15 per share; 800,000 performance rights are exercisable upon the 30-day VWAP of the Company's share price being equal to or greater than \$0.25 per share; and 800,000 performance rights to vest upon the 30-day VWAP of the Company's share price being equal to or greater than \$0.35 per share. The performance rights were granted on 19 August 2022 and expire on 8 September 2025.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

### **Likely developments and expected results of operations**

The Company will continue to develop its current portfolio of tenements to create long term sustainable wealth for its shareholders. The Company may if beneficial to all shareholders seek joint venture partners from time to time should the right opportunity arise.

### **Environmental regulation**

The Company holds controlling interests in a number of exploration tenements across Australia. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the Company has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

### **Information on directors**

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                     | Mr Clive Duncan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Title:                    | Non-Executive Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Experience and expertise: | Clive was a Senior Executive with the Wesfarmers-owned household hardware chain Bunnings Group where he worked in various capacities for over 40 years. As an Executive Director of the board of Bunnings Group, Clive gained extensive experience within multiple functions, including corporate/business development, mergers and acquisitions, business integrations, sales and profit growth, corporate governance, stakeholder relationships, strategy development, retail operations, merchandising, marketing and store development programs. |

Over his extensive career with the Bunnings Group, Clive was a key executive contributor to the establishment and continued development of the company into one of Australia's most recognisable and successful retail organisations.

Clive has been an investor in Pacific Trends Resources and Flynn Gold from an early stage.

Clive has completed the Harvard Program for Management Development at the Harvard Business School, and Finance for Non-Finance Executives at the London Business School. Clive is a Member of the Australian Institute of Company Directors (AICD).

|                                      |                                      |
|--------------------------------------|--------------------------------------|
| Other current directorships:         | Nil                                  |
| Former directorships (last 3 years): | Nil                                  |
| Special responsibilities:            | Nil                                  |
| Interests in shares:                 | 2,824,009 fully paid ordinary shares |
| Interests in options:                | Nil                                  |

Name: Mr Samuel Garrett  
 Title: Executive Director  
 Experience and expertise: Sam has over 30 years of exploration management, project assessment and operations experience for both multi-national and junior mining and exploration companies, including roles with Phelps Dodge Corporation and Cyprus Gold. Sam has worked in eleven countries covering a broad range of geological environments. He is a specialist in copper and gold exploration with additional experience in iron ore, base metals and other specialist commodities.

Sam was a co-founder of Pacific Trends Resources, the resources focused investment company that initially acquired the exploration interests currently owned by Flynn Gold.

Highlights of Sam's career include discovery credits for the Havieron prospect, now owned by AIM listed Greatland Gold (and subject to farm in by ASX listed Newcrest Mining Limited), the Tujuh Bukit gold-silver-copper mine in Indonesia currently operated by Merdeka Copper Gold, and the Mt Elliot copper mine in Queensland (Cyprus Gold). He was also the owner and developer of a successful industrial minerals mine in Queensland, Australia.

Sam's technical studies were undertaken at the University of Tasmania where, following an undergraduate Bachelors Degree in Science (Geology), he went on to Honours (First Class) and a Masters of Economic Geology. In 2011, Sam was awarded a Masters of Applied Finance from Macquarie University.

Sam is a Member of the Australian Institute of Company Directors (AICD), the Australian Institute of Geoscientists (AIG) and the Society of Economic Geologists (SEG).

Other current directorships: Nil  
 Former directorships (last 3 years): Nil  
 Special responsibilities: Nil  
 Interests in shares: 1,686,680 fully paid ordinary shares  
 Interests in options: Nil  
 Interests in rights: 1,000,000 performance rights subject to various vesting conditions detailed later in this directors report.

Name: Mr John Forwood  
 Title: Non-Executive Director  
 Experience and expertise: John is a qualified lawyer and geologist with over 20 years' experience in the financing of global resources projects. Since 2016, John has been Chief Investment Officer of the Lowell Resources Fund (listed on the ASX, LRT.AX), and Director of Lowell Resources Management Pty Ltd, the manager of the Lowell Resources Trust.

John was previously Director and Vice-President of RMB Resources Ltd (RMB), a subsidiary of Johannesburg Stock Exchange listed FirstRand Limited, an international finance house managing investments in the global resources industry. John has provided financing solutions for some of Australia's most significant gold mining.

John was a manager of the Telluride Investment Trust, a fund owned by RMB which invested in the international junior mining sector.

Prior to his career in finance, John had technical geological roles in Australia, Africa and Asia.

John is a Member of the MAusIMM, the Society of Exploration Geologists, and the Australian Institute of Geoscientists.

Other current directorships: Sipa Resources Limited (ASX: SRI)  
 Former directorships (last 3 years): Nil  
 Special responsibilities: Nil  
 Interests in shares: 753,495 fully paid ordinary shares  
 Interests in options: Nil



'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### **Company secretary**

*Mr Mathew Watkins - B. Bus. (Acc) CA*

Mathew is a Chartered Accountant who has extensive ASX experience within several industry sectors including Biotechnology, Bioscience, Resources and Information Technology. He specialises in ASX statutory reporting, ASX compliance, Corporate Governance and board and secretarial support. Mr Watkins is appointed Company Secretary on a number of ASX listed Companies. Mathew has vast experience working with listed entities and brings a strong background of working with growing companies within the resources sector.

### **Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

|                   | Full Board |      |
|-------------------|------------|------|
|                   | Attended   | Held |
| Mr Clive Duncan   | 9          | 9    |
| Mr Samuel Garrett | 8          | 9    |
| Mr John Forwood   | 9          | 9    |

Held: represents the number of meetings held during the time the director held office.

Due to the size and nature of the Company the Board fulfils the role of both the Audit & Risk Committee and Nomination & Remunerations Committee.

### **Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### **Principles used to determine the nature and amount of remuneration**

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having remuneration framework linked to the goals of shareholders
- focusing on sustained growth in shareholder wealth, consisting of growth in share price
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. No remuneration consultant was used during the financial year.

The Chair's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives as at the date of this report however they're eligible to participate in the Company's Equity Incentive Plan should the Board deem appropriate noting any securities will be subject to shareholder approval.

For additional duties in assisting management beyond the normal time commitments of Non-Executive Directors, Non-Executive Directors are paid at a rate that is agreed upon by the two parties, with the amounts approved by other Directors.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination by shareholders was on 12 November 2020, where the shareholders approved a maximum annual aggregate remuneration of \$400,000.

#### *Executive remuneration*

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation, are reviewed annually by the Board based on individual, the overall performance of the Consolidated entity and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include safety targets, financial performance, exploration targets and other items the Board deems appropriate from time to time.

The long-term incentive ('LTI') includes share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market.

#### *Consolidated entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to the performance of the Consolidated entity. This is achieved through consideration of those actions including but not limited to the identification, analysis, acquisition and development of tenements which enhance shareholder wealth. A portion of the LTI's are linked to share price targets being met.

*Voting and comments made at the Company's 2021 Annual General Meeting ('AGM')*

At the 2021 AGM, 99.31% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors of Flynn Gold Limited:

- Mr Clive Duncan (Non-Executive Chair)
- Mr Samuel Garrett (Executive Director)
- Mr John Forwood (Non-Executive Director)

And the following person:

- Sean Westbrook (Exploration Manager)

|                                        | Short-term benefits  |            |              | Post-employment benefits | Long-term benefits | Share-based payments |                |
|----------------------------------------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|----------------|
|                                        | Cash salary and fees | Cash bonus | Annual leave | Super-annuation          | Long service leave | Equity-settled       | Total          |
|                                        | \$                   | \$         | \$           | \$                       | \$                 | \$                   | \$             |
| <b>30 June 2022</b>                    |                      |            |              |                          |                    |                      |                |
| <i>Non-Executive Directors:</i>        |                      |            |              |                          |                    |                      |                |
| Clive Duncan                           | 58,873               | -          | -            | -                        | -                  | -                    | 58,873         |
| John Forwood                           | 35,578               | -          | -            | 3,558                    | -                  | -                    | 39,136         |
| <i>Executive Directors:</i>            |                      |            |              |                          |                    |                      |                |
| Samuel Garrett                         | 145,984              | -          | 397          | 14,598                   | 974                | -                    | 161,953        |
| <i>Other Key Management Personnel:</i> |                      |            |              |                          |                    |                      |                |
| Sean Westbrook                         | 142,202              | -          | -            | -                        | -                  | -                    | 142,202        |
|                                        | <u>382,637</u>       | <u>-</u>   | <u>397</u>   | <u>18,156</u>            | <u>974</u>         | <u>-</u>             | <u>402,164</u> |

|                                                             | Short-term benefits  |               |              | Post-employment benefits | Long-term benefits | Share-based payments |                |
|-------------------------------------------------------------|----------------------|---------------|--------------|--------------------------|--------------------|----------------------|----------------|
|                                                             | Cash salary and fees | Cash bonus    | Annual leave | Super-annuation          | Long service leave | Equity-settled       | Total          |
| <b>For the period from 7 September 2020 to 30 June 2021</b> | \$                   | \$            | \$           | \$                       | \$                 | \$                   | \$             |
| <i>Non-Executive Directors:</i>                             |                      |               |              |                          |                    |                      |                |
| Clive Duncan                                                | 31,250               | -             | -            | -                        | -                  | -                    | 31,250         |
| John Forwood*                                               | 66,531               | -             | -            | 1,844                    | -                  | 50,000               | 118,375        |
| Colin Bourke**                                              | -                    | -             | -            | -                        | -                  | -                    | -              |
| Geoffrey Treweek**                                          | 7,763                | -             | -            | -                        | -                  | -                    | 7,763          |
| <i>Executive Directors:</i>                                 |                      |               |              |                          |                    |                      |                |
| Samuel Garrett***                                           | 121,189              | 32,500        | 5,513        | 6,810                    | 249                | 252,154              | 418,415        |
| <i>Other Key Management Personnel:</i>                      |                      |               |              |                          |                    |                      |                |
| Sean Westbrook                                              | 87,004               | -             | -            | -                        | -                  | 100,000              | 187,004        |
|                                                             | <u>313,737</u>       | <u>32,500</u> | <u>5,513</u> | <u>8,654</u>             | <u>249</u>         | <u>402,154</u>       | <u>762,807</u> |

\* Included in cash salary and fees are \$21,250 of director fees (including superannuation) and \$47,125 for consulting services provided.

\*\* Both Mr Bourke and Mr Treweek resigned 16 February 2021.

\*\*\* Metal Ventures Pty Ltd is an entity associated with Mr Samuel Garrett. \$49,500 was paid as professional fees. Mr Samuel Garrett was granted a cash bonus in the form of a Short Term Incentive (STI) under the terms of his employment contract for the financial year ending 30 June 2021 which was approved by the Board noting this was accrued within the financial year and paid subsequent to year end.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

|                                        | Fixed remuneration                                   |              | At risk - STI                                        |              | At risk - LTI                                        |              |
|----------------------------------------|------------------------------------------------------|--------------|------------------------------------------------------|--------------|------------------------------------------------------|--------------|
|                                        | For the period from 7 September 2020 to 30 June 2021 |              | For the period from 7 September 2020 to 30 June 2021 |              | For the period from 7 September 2020 to 30 June 2021 |              |
| Name                                   | 30 June 2022                                         | 30 June 2021 | 30 June 2022                                         | 30 June 2021 | 30 June 2022                                         | 30 June 2021 |
| <i>Non-Executive Directors:</i>        |                                                      |              |                                                      |              |                                                      |              |
| Clive Duncan                           | 100%                                                 | 100%         | -                                                    | -            | -                                                    | -            |
| John Forwood                           | 100%                                                 | 56%          | -                                                    | -            | -                                                    | 44%          |
| Geoffrey Treweek*                      | -                                                    | 100%         | -                                                    | -            | -                                                    | -            |
| <i>Executive Directors:</i>            |                                                      |              |                                                      |              |                                                      |              |
| Samuel Garrett                         | 100%                                                 | 30%          | -                                                    | 8%           | -                                                    | 62%          |
| <i>Other Key Management Personnel:</i> |                                                      |              |                                                      |              |                                                      |              |
| Sean Westbrook                         | 100%                                                 | 47%          | -                                                    | -            | -                                                    | 53%          |

\* Mr Treweek resigned 16 February 2021.



### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

|                      |                                                                                                                                                                                                                                                                                                                                                     |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                | Mr Samuel Garrett                                                                                                                                                                                                                                                                                                                                   |
| Title:               | Executive Director                                                                                                                                                                                                                                                                                                                                  |
| Agreement commenced: | 1 January 2021                                                                                                                                                                                                                                                                                                                                      |
| Term of agreement:   | Ongoing                                                                                                                                                                                                                                                                                                                                             |
| Details:             | Remuneration of \$260,000 per annum (including superannuation) which will be paid on a pro-rata basis of the time worked for the Company should Mr Garrett not work as a fully time equivalent. The salary will be reviewed each year and will not be reduced, with any increase determined by the Board, being payable effective 1 July each year. |

In addition to the salary noted above, Mr Garrett is also eligible to receive up to a maximum of 50% of his salary during the relevant assessment period as a short term incentive. The level of short term incentive payable shall be assessed against established and agreed key performance indicators determined by the Board.

Mr Garrett will be entitled to participate in the Company's Employee Incentive Plan from time to time at the discretion of the Board.

Termination by employee or employer with three months' notice, or shorter may be agreed upon.

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                | Mr John Forwood                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Title:               | Consultant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Agreement commenced: | 1 February 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Term of agreement:   | Ongoing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Details:             | Remunerated at a rate of \$1,250 per day. The consulting agreement may be terminated by the Company by giving Mr Forwood 14 days' notice in writing, or immediately without notice in the event that Mr Forwood commits a serious or persistent breach of the agreement that continues unremedied for 14 days or such other reasonable period determined by the Board following receipt by Mr Forwood of a breach notice, is convicted of a serious criminal offence or becomes bankrupt. |

Mr Forwood may terminate the agreement if the Company commits any breach of the agreement, which remains unrectified within 14 days of receipt of written notice, or, for the convenience of Mr Forwood on the giving of 14 days written notice.

The agreement was not utilised during the year ended 30 June 2022.

|                      |                                                                                                                                                                                                                                                                                                                      |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                | Mr Sean Westbrook                                                                                                                                                                                                                                                                                                    |
| Title:               | Exploration Manager                                                                                                                                                                                                                                                                                                  |
| Agreement commenced: | 1 January 2022                                                                                                                                                                                                                                                                                                       |
| Term of agreement:   | 12 months                                                                                                                                                                                                                                                                                                            |
| Details:             | The Company has entered into an independent contractor agreement with Orettek Pty Ltd ("Orettek"), a company associated with Mr Sean Westbrook. The Company pays at a rate of \$1,150 per day (or pro-rata per day). Either Orettek or the Company may terminate the agreement by giving 28 days' notice in writing. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

#### Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

**Performance rights**

There were no performance rights over ordinary shares issued to directors and other key management personnel, other than Samuel Garrett (which were granted during the 2021 financial year), details of which are outlined below, as part of compensation that were outstanding as at 30 June 2022.

| Grant date    | Vesting date                       | Expiry date      | Number of performance rights issued | Share price hurdle for vesting \$ | Fair value per performance right at grant date \$ |
|---------------|------------------------------------|------------------|-------------------------------------|-----------------------------------|---------------------------------------------------|
| 16 March 2021 | Upon achievement of vesting hurdle | of 16 March 2024 | 150,000                             | 0.30                              | 0.1797                                            |
| 16 March 2021 | Upon achievement of vesting hurdle | of 16 March 2024 | 200,000                             | 0.45                              | 0.1601                                            |
| 16 March 2021 | Upon achievement of vesting hurdle | of 16 March 2024 | 250,000                             | 0.55                              | 0.1491                                            |
| 16 March 2021 | Upon achievement of vesting hurdle | of 16 March 2024 | 400,000                             | 0.65                              | 0.1397                                            |

The Performance Rights noted above were issued to Mr Samuel Garrett under his employment contract under the Company Equity Incentive Plan. The Performance Rights were issued in four tranches, vest and automatically convert into shares subject to continuous service and achieving a 30-day volume weighted average price on ASX (VWAP) at or above the share price hurdles noted above.

There were no other performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the period ended 30 June 2022.

**Additional information**

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|                                          | 30 June 2022 | For the period from 7 September 2020 to 30 June 2021 |
|------------------------------------------|--------------|------------------------------------------------------|
| Share price at financial year end (\$)   | 0.10         | 0.15                                                 |
| Basic loss per share (cents per share)   | (4.07)       | (13.30)                                              |
| Diluted loss per share (cents per share) | (4.07)       | (13.30)                                              |

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

|                        | Balance at the start of the year | Received as part of remuneration | Additions | Disposals/ other | Balance at the end of the year |
|------------------------|----------------------------------|----------------------------------|-----------|------------------|--------------------------------|
| <b>Ordinary shares</b> |                                  |                                  |           |                  |                                |
| Mr Clive Duncan        | 2,824,009                        | -                                | -         | -                | 2,824,009                      |
| Mr Samuel Garrett      | 1,686,680                        | -                                | -         | -                | 1,686,680                      |
| Mr John Forwood        | 753,495                          | -                                | -         | -                | 753,495                        |
| Mr Sean Westbrook      | 663,680                          | -                                | -         | -                | 663,680                        |
|                        | 5,927,864                        | -                                | -         | -                | 5,927,864                      |

*Performance rights holding*

The number of performance rights over ordinary shares in the Company held during the financial period by each director and other members of key management personnel of the Consolidated entity, including their personally related parties, is set out below:

|                                                | Balance at<br>the start of<br>the year | Granted  | Exercised | Expired/<br>forfeited/<br>other | Balance at<br>the end of<br>the year |
|------------------------------------------------|----------------------------------------|----------|-----------|---------------------------------|--------------------------------------|
| <i>Performance rights over ordinary shares</i> |                                        |          |           |                                 |                                      |
| Mr Clive Duncan                                | -                                      | -        | -         | -                               | -                                    |
| Mr Samuel Garrett                              | 1,000,000                              | -        | -         | -                               | 1,000,000                            |
| Mr John Forwood                                | -                                      | -        | -         | -                               | -                                    |
| Mr Sean Westbrook                              | -                                      | -        | -         | -                               | -                                    |
|                                                | <u>1,000,000</u>                       | <u>-</u> | <u>-</u>  | <u>-</u>                        | <u>1,000,000</u>                     |

*Trade and other payables to related parties*

The following balances in relation to transactions with related parties were outstanding at the 30 June 2022 and is subsequently settled prior to the date of this report.

|                                             | Consolidated<br>2022<br>\$ |
|---------------------------------------------|----------------------------|
| Trade and other payables to related parties |                            |
| Directors fee payable to Clive Duncan       | <u>5,831</u>               |

***This concludes the remuneration report, which has been audited.***

**Shares under option**

As of the date of this report, shares under option is comprised of 3,000,000 unlisted options issued to the Lead Manager under the Broker Options Offer, over fully paid ordinary shares with an exercise price of \$0.25 (25 cents), expiring 3 years from listing date; and 400,000 unlisted options issued to a consultant, over fully paid ordinary shares with an exercise price of \$0.20 (20 cents), expiring 3 years from the grant date.

**Shares under performance rights**

Unissued ordinary shares of Flynn Gold Limited under performance rights as at the date of this report are as follows:

| Grant date       | Expiry date      | Share price<br>hurdle<br>\$ | Number of<br>performance<br>rights issued |
|------------------|------------------|-----------------------------|-------------------------------------------|
| 16 March 2021    | 16 March 2024    | \$0.30                      | 150,000                                   |
| 16 March 2021    | 16 March 2024    | \$0.45                      | 200,000                                   |
| 16 March 2021    | 16 March 2024    | \$0.55                      | 250,000                                   |
| 16 March 2021    | 16 March 2024    | \$0.65                      | 400,000                                   |
| 11 November 2021 | 10 November 2025 | \$0.00                      | 80,000                                    |
| 9 November 2021  | 8 November 2025  | \$0.00                      | 80,000                                    |
| 10 June 2022     | 9 June 2026      | \$0.00                      | 240,000                                   |
| 15 June 2022     | 14 June 2026     | \$0.00                      | 119,700                                   |
| 16 June 2022     | 15 June 2026     | \$0.00                      | 151,200                                   |
| 15 July 2022     | 14 July 2026     | \$0.00                      | 71,400                                    |
| 25 July 2022     | 24 July 2026     | \$0.00                      | 71,400                                    |
| 19 August 2022   | 8 September 2025 | \$0.15                      | 800,000                                   |
| 19 August 2022   | 8 September 2025 | \$0.25                      | 800,000                                   |
| 19 August 2022   | 8 September 2025 | \$0.35                      | 800,000                                   |
|                  |                  |                             | <u>4,213,700</u>                          |

The exercise price for the aforementioned performance rights is \$Nil.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

#### **Shares issued on the exercise of options**

There were no ordinary shares of Flynn Gold Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

#### **Shares issued on the exercise of performance rights**

There were no ordinary shares of Flynn Gold Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

#### **Indemnity and insurance of officers**

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

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

#### **Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

#### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

#### **Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

#### **Officers of the Company who are former partners of William Buck Audit (Vic) Pty Ltd**

There are no officers of the Company who are former partners of William Buck Audit (Vic) Pty Ltd.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

#### **Rounding of amounts**

Flynn Gold Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

#### **Auditor**

William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Clive Duncan  
Non-Executive Chair

15 September 2022  
Melbourne

For personal use only



## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FLYNN GOLD LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**J. C. Luckins**  
Director  
Melbourne, 15<sup>th</sup> September 2022

**Flynn Gold Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2022**



|                                                                                                    |    | Consolidated       | For the            |
|----------------------------------------------------------------------------------------------------|----|--------------------|--------------------|
|                                                                                                    |    | 30 June 2022       | period from        |
|                                                                                                    |    | \$                 | 7 September        |
|                                                                                                    |    |                    | 2020 to 30         |
|                                                                                                    |    |                    | June 2021          |
|                                                                                                    |    |                    | \$                 |
| <b>Revenue</b>                                                                                     |    |                    |                    |
| Other income                                                                                       | 5  | 11,679             | 147,937            |
| <b>Expenses</b>                                                                                    |    |                    |                    |
| Corporate and administrative expenses                                                              | 6  | (786,892)          | (1,403,434)        |
| Exploration and evaluation expenditure                                                             | 7  | (3,093,422)        | (3,421,855)        |
|                                                                                                    |    | <u>(3,868,635)</u> | <u>(4,677,352)</u> |
| <b>Loss before income tax expense</b>                                                              |    | (3,868,635)        | (4,677,352)        |
| Income tax expense                                                                                 |    | -                  | -                  |
| <b>Loss after income tax expense for the year attributable to the owners of Flynn Gold Limited</b> |    | (3,868,635)        | (4,677,352)        |
| Other comprehensive income for the year, net of tax                                                |    | -                  | -                  |
| <b>Total comprehensive loss for the year attributable to the owners of Flynn Gold Limited</b>      |    | <u>(3,868,635)</u> | <u>(4,677,352)</u> |
|                                                                                                    |    | <b>Cents</b>       | <b>Cents</b>       |
| Basic loss per share                                                                               | 25 | (4.07)             | (13.30)            |
| Diluted loss per share                                                                             | 25 | (4.07)             | (13.30)            |

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

|                                      |             | <b>Consolidated</b> |                     |
|--------------------------------------|-------------|---------------------|---------------------|
|                                      | <b>Note</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|                                      |             | <b>\$</b>           | <b>\$</b>           |
| <b>Assets</b>                        |             |                     |                     |
| <b>Current assets</b>                |             |                     |                     |
| Cash and cash equivalents            | 8           | 5,356,721           | 9,340,718           |
| Other receivables                    | 9           | 100,691             | 103,697             |
| Other current assets                 |             | 78,898              | 28,468              |
| <b>Total current assets</b>          |             | <b>5,536,310</b>    | <b>9,472,883</b>    |
| <b>Non-current assets</b>            |             |                     |                     |
| Security deposits                    |             | 44,745              | 31,745              |
| Property, plant and equipment        |             | 14,164              | 9,613               |
| Right-of-use assets                  | 10          | 48,789              | 75,393              |
| <b>Total non-current assets</b>      |             | <b>107,698</b>      | <b>116,751</b>      |
| <b>Total assets</b>                  |             | <b>5,644,008</b>    | <b>9,589,634</b>    |
| <b>Liabilities</b>                   |             |                     |                     |
| <b>Current liabilities</b>           |             |                     |                     |
| Trade and other payables             | 11          | 674,390             | 734,765             |
| Lease liabilities                    |             | 15,684              | 25,255              |
| Employee benefits                    |             | 8,198               | 5,514               |
| <b>Total current liabilities</b>     |             | <b>698,272</b>      | <b>765,534</b>      |
| <b>Non-current liabilities</b>       |             |                     |                     |
| Lease liabilities                    |             | 36,966              | 50,460              |
| Employee benefits                    |             | 4,014               | 249                 |
| <b>Total non-current liabilities</b> |             | <b>40,980</b>       | <b>50,709</b>       |
| <b>Total liabilities</b>             |             | <b>739,252</b>      | <b>816,243</b>      |
| <b>Net assets</b>                    |             | <b>4,904,756</b>    | <b>8,773,391</b>    |
| <b>Equity</b>                        |             |                     |                     |
| Issued capital                       | 12          | 12,952,779          | 12,952,779          |
| Reserves                             | 13          | 497,964             | 497,964             |
| Accumulated losses                   |             | (8,545,987)         | (4,677,352)         |
| <b>Total equity</b>                  |             | <b>4,904,756</b>    | <b>8,773,391</b>    |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

| <b>Consolidated</b>                                                                                | <b>Issued capital<br/>\$</b> | <b>Share based payments reserves<br/>\$</b> | <b>Accumulated losses<br/>\$</b> | <b>Total equity<br/>\$</b> |
|----------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------|----------------------------------|----------------------------|
| Balance at 7 September 2020                                                                        | -                            | -                                           | -                                | -                          |
| Loss after income tax expense for the year                                                         | -                            | -                                           | (4,677,352)                      | (4,677,352)                |
| Other comprehensive income for the year, net of tax                                                | -                            | -                                           | -                                | -                          |
| <b>Total comprehensive loss for the year</b>                                                       | <b>-</b>                     | <b>-</b>                                    | <b>(4,677,352)</b>               | <b>(4,677,352)</b>         |
| Shares issued at incorporation to founders, for the acquisition of tenements and the capital raise | 1,596,948                    | -                                           | -                                | 1,596,948                  |
| <i>Transactions with owners in their capacity as owners:</i>                                       |                              |                                             |                                  |                            |
| Contributions of equity, net of transaction costs (note 12)                                        | 11,080,831                   | -                                           | -                                | 11,080,831                 |
| Issue of bonus shares (note 12)                                                                    | 275,000                      | -                                           | -                                | 275,000                    |
| Share-based payments (note 26)                                                                     | -                            | 497,964                                     | -                                | 497,964                    |
| <b>Balance at 30 June 2021</b>                                                                     | <b>12,952,779</b>            | <b>497,964</b>                              | <b>(4,677,352)</b>               | <b>8,773,391</b>           |
| <b>Consolidated</b>                                                                                | <b>Issued capital<br/>\$</b> | <b>Share based payments reserves<br/>\$</b> | <b>Accumulated losses<br/>\$</b> | <b>Total equity<br/>\$</b> |
| Balance at 1 July 2021                                                                             | 12,952,779                   | 497,964                                     | (4,677,352)                      | 8,773,391                  |
| Loss after income tax expense for the year                                                         | -                            | -                                           | (3,868,635)                      | (3,868,635)                |
| Other comprehensive income for the year, net of tax                                                | -                            | -                                           | -                                | -                          |
| <b>Total comprehensive loss for the year</b>                                                       | <b>-</b>                     | <b>-</b>                                    | <b>(3,868,635)</b>               | <b>(3,868,635)</b>         |
| <b>Balance at 30 June 2022</b>                                                                     | <b>12,952,779</b>            | <b>497,964</b>                              | <b>(8,545,987)</b>               | <b>4,904,756</b>           |

|                                                                  |              | Consolidated | For the     |
|------------------------------------------------------------------|--------------|--------------|-------------|
|                                                                  |              |              | period from |
|                                                                  |              |              | 7 September |
|                                                                  |              |              | 2020 to 30  |
|                                                                  |              |              | June 2021   |
| Note                                                             | 30 June 2022 |              |             |
|                                                                  | \$           |              | \$          |
| <b>Cash flows from operating activities</b>                      |              |              |             |
| Proceeds from grants received                                    | -            |              | 100,000     |
| Payments to suppliers and employees                              | (743,052)    |              | (474,412)   |
| Payments for exploration expenditure                             | (3,223,214)  |              | (1,748,281) |
|                                                                  | (3,966,266)  |              | (2,122,693) |
| Interest received                                                | 11,679       |              | -           |
| Net cash used in operating activities                            | 24           | (3,954,587)  | (2,122,693) |
| <b>Cash flows from investing activities</b>                      |              |              |             |
| Payments for property, plant and equipment                       | (6,345)      |              | (9,900)     |
| Cash acquired on acquisition of Kingfisher Exploration           | -            |              | 201         |
| Net cash used in investing activities                            |              | (6,345)      | (9,699)     |
| <b>Cash flows from financing activities</b>                      |              |              |             |
| Proceeds from issue of shares                                    | 12           | -            | 10,000,000  |
| Proceeds from issue of convertible notes                         |              | -            | 2,000,000   |
| Share issue transaction costs                                    |              | -            | (526,890)   |
| Repayment of lease liabilities                                   |              | (23,065)     | -           |
| Net cash from/(used in) financing activities                     |              | (23,065)     | 11,473,110  |
| Net increase/(decrease) in cash and cash equivalents             |              | (3,983,997)  | 9,340,718   |
| Cash and cash equivalents at the beginning of the financial year |              | 9,340,718    | -           |
| Cash and cash equivalents at the end of the financial year       | 8            | 5,356,721    | 9,340,718   |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*



## **Note 1. General information**

The financial statements reflect Flynn Gold Limited as a consolidated entity consisting of Flynn Gold Limited (the 'Company') and the entities it controlled (collectively "the consolidated entity") at the end of, or during, the year. The comparative cash flow and profit or loss results expressed in these financial statements are covering the period from the date of incorporation, being 7 September 2020 through to and including 30 June 2021.

The financial statements are presented in Australian dollars, which is Flynn Gold Limited's functional and presentation currency.

Flynn Gold Limited is a public company, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4  
96-100 Albert Road  
South Melbourne VIC 3205

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 September 2022. The directors have the power to amend and reissue the financial statements.

## **Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### **Historical cost convention**

The financial statements have been prepared under the historical cost convention.

### **Critical accounting estimates**

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

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 21.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Flynn Gold Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Flynn Gold Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

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

## **Note 2. Significant accounting policies (continued)**

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Revenue recognition**

The Consolidated Entity recognises revenue as follows:

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue relates to government grant income and gains on loan forgiveness. This is recognised a point in time when the requirements under the government grant agreement or loan forgiveness deed are reached. Refer to note 5.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

## Note 2. Significant accounting policies (continued)

### *Impairment of financial assets*

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### **Leases**

#### *Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

#### *Accounting for lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be easily determined, the consolidated entity incremental borrowing rate. Generally, the consolidated entity use its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the consolidated entity estimate of the amount expected to be payable under a residual value guarantee, or if the consolidated entity changes its assessment of whether it will exercise a purchase, extension or termination option.

### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

## **Note 2. Significant accounting policies (continued)**

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

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

### **Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred are expensed in full in the statement of profit or loss as they are incurred.

### **Employee benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Non-accumulating sick leave is expensed to profit or loss when incurred.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2022. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## **Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences and carry forward losses only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### **Note 3. Critical accounting judgements, estimates and assumptions (continued)**

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Consolidated Entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Consolidated Entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### *Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### *Share-based payment transactions*

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Any service or non-market performance condition is not reflected in the grant-date fair value of the share based payment. Instead, an estimate is made of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied. Subsequent to initial recognition and measurement, the estimate of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied is revised during the vesting period.

### **Note 4. Operating segments**

#### *Identification of reportable operating segments*

The consolidated entity operates in one segment, being an explorer of gold, which is also the basis on which the board reviews the company's financial information.

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In the current year the board reviews the consolidated entity as one operating segment being mineral exploration within Australia.

All assets and liabilities and operations are based in Australia.

#### *Accounting policy for operating segments*

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Note 5. Other income**

|                          | Consolidated<br>For the<br>period from<br>7 September<br>2020 to 30<br>June 2021 | 30 June 2022 |
|--------------------------|----------------------------------------------------------------------------------|--------------|
|                          | \$                                                                               | \$           |
| Government grants        | 100,000                                                                          | -            |
| Gain on loan forgiveness | 43,563                                                                           | -            |
| Interest income          | 4,374                                                                            | 11,679       |
| Other income             | 147,937                                                                          | 11,679       |

**Note 6. Corporate and administrative expenses**

|                                       | Consolidated<br>For the<br>period from<br>7 September<br>2020 to 30<br>June 2021 | 30 June 2022 |
|---------------------------------------|----------------------------------------------------------------------------------|--------------|
|                                       | \$                                                                               | \$           |
| Professional service fees             | 430,435                                                                          | 345,665      |
| Employee benefit expenses             | 158,637                                                                          | 159,289      |
| Listing and acquisition costs         | 306,112                                                                          | 101,775      |
| Interest expense                      | 387                                                                              | 56,569       |
| Depreciation expense                  | 4,721                                                                            | 30,615       |
| Leases and outgoings expense          | 4,560                                                                            | 19,579       |
| Marketing expenses                    | 18,595                                                                           | 8,440        |
| Share based payment employee expenses | 427,154                                                                          | -            |
| Other expenses                        | 52,833                                                                           | 64,960       |
|                                       | 1,403,434                                                                        | 786,892      |

**Note 7. Exploration and evaluation expenditure**

|                                       | Consolidated<br>For the<br>period from<br>7 September<br>2020 to 30<br>June 2021 | 30 June 2022 |
|---------------------------------------|----------------------------------------------------------------------------------|--------------|
|                                       | \$                                                                               | \$           |
| Drilling costs                        | 202,112                                                                          | 1,106,325    |
| Employee benefits expense             | 213,568                                                                          | 637,566      |
| Geology expenses                      | 198,415                                                                          | 765,828      |
| Overheads and other charges           | 529,191                                                                          | 392,138      |
| Landholder duty                       | -                                                                                | 92,382       |
| Software licenses subscriptions       | -                                                                                | 57,878       |
| Rental                                | 11,684                                                                           | 41,305       |
| Exploration acquisition costs         | 641,248                                                                          | -            |
| Share settled exploration expenditure | 1,625,637                                                                        | -            |
|                                       | 3,421,855                                                                        | 3,093,422    |



**Note 8. Cash and cash equivalents**

|                       | Consolidated<br>30 June 2022 | 30 June 2021     |
|-----------------------|------------------------------|------------------|
|                       | \$                           | \$               |
| <i>Current assets</i> |                              |                  |
| Cash at bank          | 1,356,721                    | 9,340,718        |
| Term deposits         | 4,000,000                    | -                |
|                       | <u>5,356,721</u>             | <u>9,340,718</u> |

*Accounting policy for cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The consolidated entity has legal title to the cash held on trust, as it is held in a bank account to which the consolidated entity is the contractual beneficiary.

**Note 9. Other receivables**

|                                   | Consolidated<br>30 June 2022 | 30 June 2021   |
|-----------------------------------|------------------------------|----------------|
|                                   | \$                           | \$             |
| <i>Current assets</i>             |                              |                |
| Goods and services tax receivable | <u>100,691</u>               | <u>103,697</u> |

*Accounting policy for trade and other receivables*

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Note 10. Right-of-use assets**

|                                   | Consolidated<br>30 June 2022 | 30 June 2021   |
|-----------------------------------|------------------------------|----------------|
|                                   | \$                           | \$             |
| Land and buildings - right-of-use | 79,828                       | 79,828         |
| Less: Accumulated depreciation    | <u>(31,039)</u>              | <u>(4,435)</u> |
|                                   | <u>48,789</u>                | <u>75,393</u>  |

**Note 11. Trade and other payables**

|                                                                  | Consolidated<br>30 June 2022 | 30 June 2021   |
|------------------------------------------------------------------|------------------------------|----------------|
|                                                                  | \$                           | \$             |
| Trade payables                                                   | 500,309                      | 418,762        |
| Deferred consideration for acquisition of Kingfisher Exploration | -                            | 228,000        |
| Other payables and accruals                                      | <u>174,081</u>               | <u>88,003</u>  |
|                                                                  | <u>674,390</u>               | <u>734,765</u> |

Refer to note 15 for further information on financial instruments.

**Note 11. Trade and other payables (continued)**

*Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 12. Issued capital**

|                              | <b>Consolidated</b> |                     |                     |                     |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
|                              | <b>30 June 2022</b> | <b>30 June 2021</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|                              | <b>Shares</b>       | <b>Shares</b>       | <b>\$</b>           | <b>\$</b>           |
| Ordinary shares - fully paid | <u>95,083,248</u>   | <u>95,083,248</u>   | <u>12,952,779</u>   | <u>12,952,779</u>   |

*Movements in ordinary share capital*

| <b>Details</b>                                                                      | <b>Date</b>      | <b>Shares</b>     | <b>Issue price</b> | <b>\$</b>         |
|-------------------------------------------------------------------------------------|------------------|-------------------|--------------------|-------------------|
| Balance                                                                             | 7 September 2020 | -                 |                    | -                 |
| Issue of shares to shareholders of Pacific Trends Resources Pty Ltd pre share split | 7 September 2020 | 7,292             | \$219.00           | 1,596,948         |
| Sub-division of shares on a 1-for-4,092 basis                                       | 13 November 2020 | 30,367,493        | \$0.00             | -                 |
| Issue of shares as consideration for acquisition of Kingfisher Exploration Pty Ltd  | 18 October 2020  | 40                | \$219.00           | 8,760             |
| Issue of shares as consideration for acquisition of Kingfisher Exploration Pty Ltd  | 19 October 2020  | 91                | \$219.00           | 19,929            |
| Issue of shares as bonus shares to directors and employees                          | 13 January 2021  | 1,375,000         | \$0.20             | 275,000           |
| Shares issued                                                                       | 30 April 2021    | 43,553,750        | \$0.20             | 8,710,750         |
| Shares issued                                                                       | 4 May 2021       | 6,446,250         | \$0.20             | 1,289,250         |
| Convertible note conversion                                                         | 15 June 2021     | 13,333,332        | \$0.15             | 2,000,000         |
| Less: Capital raising costs                                                         |                  | -                 | \$0.00             | (947,858)         |
| Balance                                                                             | 30 June 2021     | <u>95,083,248</u> |                    | <u>12,952,779</u> |
| Balance                                                                             | 30 June 2022     | <u>95,083,248</u> |                    | <u>12,952,779</u> |

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

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

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

## **Note 12. Issued capital (continued)**

### *Accounting policy for issued capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Note 13. Reserves**

|                              | <b>Consolidated</b> |                     |
|------------------------------|---------------------|---------------------|
|                              | <b>30 June 2022</b> | <b>30 June 2021</b> |
|                              | <b>\$</b>           | <b>\$</b>           |
| Share-based payments reserve | <u>497,964</u>      | <u>497,964</u>      |

### *Movements in share-based payments reserve*

Movements in the share-based payments reserve during the current financial period are set out below:

| <b>Consolidated</b>                              | Share-based<br>payments<br>reserve<br>\$ |
|--------------------------------------------------|------------------------------------------|
| Balance at 7 September 2020                      | -                                        |
| Equity settled share based payments to employees | 152,154                                  |
| Options issued to brokers                        | <u>345,810</u>                           |
| Balance at 30 June 2021                          | <u>497,964</u>                           |
| Balance at 30 June 2022                          | <u><u>497,964</u></u>                    |

## **Note 14. Dividends**

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

## **Note 15. Financial instruments**

### **Financial risk management objectives**

During the period, the Consolidated Entity was only exposed to two material financial risks - Interest rate risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

### **Liquidity risk**

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

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

With the exception of lease liabilities, all financial liabilities at year end had payment terms due within 30 days.

Details of the contractual maturities of financial instruments are disclosed in notes to these financial statements, including the significant accounting policies set out in note 2.

### **Fair value of financial instruments**

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

**Note 16. Key management personnel disclosures**

*Directors*

The following persons were directors of Flynn Gold Limited during the financial year:

Mr Clive Duncan - Non-Executive Chairman  
 Mr Samuel Garrett - Executive Director  
 Mr John Forwood - Non-Executive Director

*Other key management personnel*

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

Mr Sean Westbrook - Exploration Manager

*Compensation*

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

|                              | <b>Consolidated</b>                                         |                     |
|------------------------------|-------------------------------------------------------------|---------------------|
|                              | <b>For the period from 7 September 2020 to 30 June 2021</b> |                     |
|                              | <b>30 June 2022</b>                                         | <b>30 June 2021</b> |
|                              | <b>\$</b>                                                   | <b>\$</b>           |
| Short-term employee benefits | 383,034                                                     | 351,750             |
| Post-employment benefits     | 18,156                                                      | 8,654               |
| Long-term benefits           | 974                                                         | 249                 |
| Share-based payments         | -                                                           | 402,154             |
|                              | <u>402,164</u>                                              | <u>762,807</u>      |

**Note 17. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the Company:

|                                                          | <b>Consolidated</b>                                         |                     |
|----------------------------------------------------------|-------------------------------------------------------------|---------------------|
|                                                          | <b>For the period from 7 September 2020 to 30 June 2021</b> |                     |
|                                                          | <b>30 June 2022</b>                                         | <b>30 June 2021</b> |
|                                                          | <b>\$</b>                                                   | <b>\$</b>           |
| <i>Audit services - William Buck Audit (Vic) Pty Ltd</i> |                                                             |                     |
| Audit and review of the financial statements             | 29,000                                                      | 29,500              |
| <i>Other services - William Buck Audit (Vic) Pty Ltd</i> |                                                             |                     |
| Investigating Accountant's Report                        | -                                                           | 18,500              |
|                                                          | <u>29,000</u>                                               | <u>48,000</u>       |

## **Note 18. Contingent liabilities**

With the exception of the matter below, the consolidated entity had no contingent liabilities at 30 June 2022 (2021: nil).

The consolidated entity holds a number of exploration licences. The licences are attached to security deposits which were provided when the licences were granted. These security deposits are released once rehabilitation obligations have been discharged.

## **Note 19. Planned exploration expenditure**

|                                             | <b>Consolidated</b> |                     |
|---------------------------------------------|---------------------|---------------------|
|                                             | <b>30 June 2022</b> | <b>30 June 2021</b> |
|                                             | <b>\$</b>           | <b>\$</b>           |
| Minimum exploration expenditure commitments |                     |                     |
| Within one year                             | 969,000             | 1,167,500           |
| One to five years                           | 5,866,400           | 5,581,250           |
|                                             | <u>6,835,400</u>    | <u>6,748,750</u>    |

Licensees may apply for extensions of term beyond the fifth year. These are generally considered on an annual basis.

The minimum expenditure and program are set by negotiation between the licensee and MRT.

In the case of not meeting the commitments, the consolidated entity will seek the approval for extension from the relevant authority to maintain current rights to tenure to exploration and mining tenements.

## **Note 20. Related party transactions**

### *Parent entity*

Flynn Gold Limited is the parent entity.

### *Subsidiaries*

Interests in subsidiaries are set out in note 22.

### *Key management personnel*

No other transactions with related parties other than those disclosed to Key Management Personnel in note 16.

### *Transactions with related parties*

There were no transactions with related parties during the current financial year.

The following transactions occurred with related parties during the period from 7 September 2020 to 30 June 2021.

Metal Ventures Pty Ltd is an entity associated with Mr Samuel Garrett. \$36,575 was paid as professional fees.

During 29 - 31 October 2020, the Company issued 200 convertible notes at a subscription price of \$10,000 to sophisticated investors. The following table details the number of notes that were issued to related parties:

|                                                                     | <b>Notes</b> | <b>\$</b> |
|---------------------------------------------------------------------|--------------|-----------|
| Mr Clive Duncan                                                     | 21           | 210,000   |
| Treweek Investments Pty Ltd (entity associated with Geoff Treweek)  | 1            | 10,000    |
| Undaunted Exploration Pty Ltd (entity associated with John Forwood) | 4            | 40,000    |

### *Transactions with PTR and Pacific Trends Resources Holdings Pty Ltd (PTR Holdings)*

On 7 September 2020, the Company issued 7,292 ordinary shares at a price of \$219 per share (on a pre-share split basis), on the date of incorporation, resulting in a receivable from PTR of \$1,596,948 to be recognised (note 12).

On 17 October 2020, the Company acquired certain assets and rights from PTR for a price of \$1,100,000, resulting in a payable to PTR of that amount.

**Note 20. Related party transactions (continued)**

The Company acquired 100% of the ordinary shares of Kingfisher Exploration Pty Ltd ("Kingfisher") for consideration comprising of cash and shares component. Settlement of the consideration was partly paid by PTR and PTR Holdings, on behalf of the Company, resulting in payables to PTR and PTR Holdings.

On 31 December 2020, the Company entered into a "Memorandum Regarding Restructure Arrangements" deed (the "Deed") with PTR and PTR Holdings. As part of the arrangements and releases recorded in the Deed (which confirm contractual arrangements and releases which existed between all parties as at 31 October 2020), the related party receivables were offset against the related party payables and the net amount of this related party loan was completely forgiven.

The Company was incorporated on 7 September 2020, where it issued 7,292 fully paid ordinary shares at a price of \$219 per share (on a pre-share split basis). The following table details the number of shares that were issued to related parties:

|                                                                                                               | Shares       | \$               |
|---------------------------------------------------------------------------------------------------------------|--------------|------------------|
| Treweek Investments Pty Ltd (Atf G & K Treweek Super Fund) (entity associated with Geoff Treweek)             | 298          | 65,262           |
| Metal Ventures Limited (Atf Garrett Family Trust) (entity associated with Samuel Garrett)                     | 290          | 63,510           |
| Foreign Dimensions Pty Ltd (Atf The Colin & Imelda Bourke Family Trust) (entity associated with Colin Bourke) | 5,022        | 1,099,818        |
| Laura Brigid Bourke (close member of family of Colin Bourke)                                                  | 91           | 19,929           |
| Imelda Aileen Bourke (close member of family of Colin Bourke)                                                 | 91           | 19,929           |
| Emma Audrey Bourke (close member of family of Colin Bourke)                                                   | 91           | 19,929           |
| Undaunted Exploration Pty Ltd (Atf Forwood Family Trust) (entity associated with John Forwood)                | 9            | 1,971            |
| Equity Trustees Ltd ACF Lowell Resources Fund (entity associated with John Forwood)                           | 46           | 10,074           |
| Clive Ian Duncan (Duncan Family A/C)                                                                          | 298          | 65,262           |
| Clive Ian Duncan                                                                                              | 50           | 10,950           |
|                                                                                                               | <u>6,286</u> | <u>1,376,634</u> |

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

|                                       | <b>Consolidated</b> |                     |
|---------------------------------------|---------------------|---------------------|
|                                       | <b>30 June 2022</b> | <b>30 June 2021</b> |
|                                       | \$                  | \$                  |
| Current payables:                     |                     |                     |
| Directors fee payable to Clive Duncan | 5,831               | 11,458              |

*Other transactions with related parties*

There were no other transactions with related parties in the current year.

On 17 October 2020 the Company acquired certain assets and other rights from PTR for a price of \$1,100,000. The acquisition was a non-cash transaction and funded by a loan facility advanced by PTR. The legal property sold in the transaction consisted of rights to areas of interest for the exploration of mineral resources in Tasmania and Western Australia. The \$1,100,000 was fully expensed in accordance with the Company's accounting policy on exploration and evaluation expenditure.

During period from 7 September 2020 to 30 June 2022, PTR also incurred operating expenditure on behalf of the Company, which was also settled by way of cash prior to financial year end, which was also non-interest bearing. The amounts advanced to the Company which were subsequently settled amounted to \$226,975.

Also During period from 7 September 2020 to 30 June 2022, the Company acquired Kingfisher Exploration Pty Ltd ("Kingfisher"). Sean Westbrook had a directorship and part ownership in Kingfisher prior to sale.



**Note 20. Related party transactions (continued)**

*Loans to/from related parties*

There were no loans to/from related parties on issue as at 30 June 2022 and 30 June 2021.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 21. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

|                          | <b>Parent</b>       |                                                             |
|--------------------------|---------------------|-------------------------------------------------------------|
|                          | <b>30 June 2022</b> | <b>For the period from 7 September 2020 to 30 June 2021</b> |
|                          | <b>\$</b>           | <b>\$</b>                                                   |
| Loss after income tax    | (3,868,633)         | (3,308,845)                                                 |
| Total comprehensive loss | (3,868,633)         | (3,308,845)                                                 |

*Statement of financial position*

|                              | <b>Parent</b>       |                     |
|------------------------------|---------------------|---------------------|
|                              | <b>30 June 2022</b> | <b>30 June 2021</b> |
|                              | <b>\$</b>           | <b>\$</b>           |
| Total current assets         | 5,533,492           | 9,470,064           |
| Total assets                 | 6,761,390           | 10,707,015          |
| Total current liabilities    | 447,144             | 514,408             |
| Total liabilities            | 488,124             | 565,117             |
| Equity                       |                     |                     |
| Issued capital               | 12,952,779          | 12,952,779          |
| Share-based payments reserve | 497,964             | 497,964             |
| Accumulated losses           | (7,177,477)         | (3,308,845)         |
| Total equity                 | 6,273,266           | 10,141,898          |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 (2021: nil).

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2022 (2021: nil).

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 (2021: nil).

## **Note 21. Parent entity information (continued)**

### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

## **Note 22. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

| Name                           | Principal place of business /<br>Country of incorporation | Ownership interest |                   |
|--------------------------------|-----------------------------------------------------------|--------------------|-------------------|
|                                |                                                           | 30 June 2022<br>%  | 30 June 2021<br>% |
| Kingfisher Exploration Pty Ltd | Australia                                                 | 100.00%            | 100.00%           |

## **Note 23. Events after the reporting period**

On 27 July 2022, 813,700 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry dates between November 2025 and July 2026, of which 50% vest and become exercisable on the first financial year end date since the commencement date of the employment if still employed by the Company; and the remaining 50% become exercisable second financial year end date if the employees still employed by the Company. 670,900 of the total performance rights issued were granted during the year ended 30 June 2022.

On 3 August 2022, the Company granted 400,000 unlisted share options to a consultant of the Company. The options are exercisable immediately at \$0.2 per option and expire on 2 August 2025. These options were issued on 24 August 2022.

On 22 August 2022, the Company announced the appointment of Mr Neil Marston as the Company's Chief Executive Officer, with effect from 24 August 2022.

On 9 September 2022, the Company issued 2,400,000 performance rights to the incoming Chief Executive Officer, of which 800,000 performance rights are exercisable upon the 30-day VWAP of the Company's share price being equal to or greater than \$0.15 per share; 800,000 performance rights are exercisable upon the 30-day VWAP of the Company's share price being equal to or greater than \$0.25 per share; and 800,000 performance rights to vest upon the 30-day VWAP of the Company's share price being equal to or greater than \$0.35 per share. The performance rights were granted on 19 August 2022 and expire on 8 September 2025.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**Note 24. Reconciliation of loss after income tax to net cash used in operating activities**

|                                                           | Consolidated<br>For the<br>period from<br>7 September<br>2020 to 30<br>June 2021 | 30 June 2022       |
|-----------------------------------------------------------|----------------------------------------------------------------------------------|--------------------|
|                                                           | \$                                                                               | \$                 |
| Loss after income tax expense for the year                | (4,677,352)                                                                      | (3,868,635)        |
| Adjustments for:                                          |                                                                                  |                    |
| Depreciation expense                                      | 287                                                                              | 30,615             |
| Exploration expenditure paid through share-based payments | 1,625,637                                                                        | -                  |
| Payment of bonuses through share issue                    | 275,000                                                                          | -                  |
| Vesting of performance rights                             | 152,154                                                                          | -                  |
| Forgiveness of related party loans                        | (47,937)                                                                         | -                  |
| Change in operating assets and liabilities:               |                                                                                  |                    |
| Decrease/(increase) in trade and other receivables        | (103,697)                                                                        | 3,126              |
| Decrease/(increase) in prepayments                        | (28,468)                                                                         | (50,551)           |
| Decrease/(increase) in security deposits                  | (31,745)                                                                         | (13,000)           |
| Increase/(decrease) in trade and other payables           | 707,665                                                                          | (62,591)           |
| Increase/(decrease) in employee benefits                  | 5,763                                                                            | 6,449              |
| Net cash used in operating activities                     | <u>(2,122,693)</u>                                                               | <u>(3,954,587)</u> |

**Note 25. Loss per share**

|                                                                                       | Consolidated<br>For the<br>period from<br>7 September<br>2020 to 30<br>June 2021 | 30 June 2022       |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------|
|                                                                                       | \$                                                                               | \$                 |
| Loss after income tax attributable to the owners of Flynn Gold Limited                | <u>(4,677,352)</u>                                                               | <u>(3,868,635)</u> |
|                                                                                       | Number                                                                           | Number             |
| Weighted average number of ordinary shares used in calculating basic loss per share   | 35,174,198                                                                       | 95,083,248         |
| Weighted average number of ordinary shares used in calculating diluted loss per share | <u>35,174,198</u>                                                                | <u>95,083,248</u>  |
|                                                                                       | Cents                                                                            | Cents              |
| Basic loss per share                                                                  | (13.30)                                                                          | (4.07)             |
| Diluted loss per share                                                                | (13.30)                                                                          | (4.07)             |

The performance rights and broker options have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted loss per share as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The performance rights are non-dilutive as the consolidated entity has generated a loss for the year.

**Note 25. Loss per share (continued)**

*Accounting policy for loss per share*

*Basic loss per share*

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

*Diluted loss per share*

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

**Note 26. Share-based payments**

*Options*

No options over fully paid ordinary shares were issued during the year ended 30 June 2022.

During the period ended 30 June 2021, 3,000,000 unlisted options over fully paid ordinary shares were issued to the Lead Manager under the Broker Options Offer, with an exercise price of \$0.25 (25 cents), expiring 3 years from listing date. Set out below are summaries of options granted during the period ended 30 June 2021:

30 June 2021

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted   | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|-----------|-----------|---------------------------|--------------------------------|
| 08/02/2021 | 16/06/2024  | \$0.25         | -                                | 3,000,000 | -         | -                         | 3,000,000                      |
|            |             |                | -                                | 3,000,000 | -         | -                         | 3,000,000                      |

The weighted average remaining contractual life of options outstanding at the end of the financial period was 2 years (2021: 3 years).

*Performance rights*

Set out below are summaries of performance rights granted under the plan:

30 June 2022

| Grant date | Expiry date | Hurdle price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|--------------|----------------------------------|---------|-----------|---------------------------|--------------------------------|
| 16/03/2021 | 16/03/2024  | \$0.30       | 150,000                          | -       | -         | -                         | 150,000                        |
| 16/03/2021 | 16/03/2024  | \$0.45       | 200,000                          | -       | -         | -                         | 200,000                        |
| 16/03/2021 | 16/03/2024  | \$0.55       | 250,000                          | -       | -         | -                         | 250,000                        |
| 16/03/2021 | 16/03/2024  | \$0.65       | 400,000                          | -       | -         | -                         | 400,000                        |
| 20/08/2021 | 02/09/2025  | \$0.00       | -                                | 180,000 | -         | (180,000)                 | -                              |
| 09/11/2021 | 08/11/2025  | \$0.00       | -                                | 80,000  | -         | -                         | 80,000                         |
| 11/11/2021 | 10/11/2025  | \$0.00       | -                                | 80,000  | -         | -                         | 80,000                         |
| 10/06/2022 | 09/06/2026  | \$0.00       | -                                | 240,000 | -         | -                         | 240,000                        |
| 15/06/2022 | 14/06/2026  | \$0.00       | -                                | 119,700 | -         | -                         | 119,700                        |
| 16/06/2022 | 15/06/2026  | \$0.00       | -                                | 151,200 | -         | -                         | 151,200                        |
|            |             |              | 1,000,000                        | 850,900 | -         | (180,000)                 | 1,670,900                      |

**Note 26. Share-based payments (continued)**

30 June 2021

| Grant date | Expiry date | Hurdle price | Balance at the start of the year | Granted   | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|--------------|----------------------------------|-----------|-----------|---------------------------|--------------------------------|
| 16/03/2021 | 16/03/2024  | \$0.30       | -                                | 150,000   | -         | -                         | 150,000                        |
| 16/03/2021 | 16/03/2024  | \$0.45       | -                                | 200,000   | -         | -                         | 200,000                        |
| 16/03/2021 | 16/03/2024  | \$0.55       | -                                | 250,000   | -         | -                         | 250,000                        |
| 16/03/2021 | 16/03/2024  | \$0.65       | -                                | 400,000   | -         | -                         | 400,000                        |
|            |             |              | -                                | 1,000,000 | -         | -                         | 1,000,000                      |

The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 2.6 years (2021: 3 years).

The fair value of the performance rights granted during the year ended 30 June 2022 were based on closing share price of the Company on the respective grant dates below:

| Grant date | Expiry date | Share price at grant date | Exercise price | Fair value at grant date |
|------------|-------------|---------------------------|----------------|--------------------------|
| 20/08/2021 | 02/09/2025  | \$0.16                    | \$0.00         | \$28,800                 |
| 09/11/2021 | 08/11/2025  | \$0.17                    | \$0.00         | \$14,000                 |
| 11/11/2021 | 10/11/2025  | \$0.17                    | \$0.00         | \$14,000                 |
| 10/06/2022 | 09/06/2026  | \$0.12                    | \$0.00         | \$28,800                 |
| 15/06/2022 | 14/06/2026  | \$0.12                    | \$0.00         | \$14,364                 |
| 16/06/2022 | 15/06/2026  | \$0.11                    | \$0.00         | \$16,632                 |

**Accounting policy for share-based payments**

Equity-settled and cash-settled share-based compensation benefits are provided to employees and service providers.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and other service providers in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

**Note 26. Share-based payments (continued)**

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Clive Duncan  
Non-Executive Chair

15 September 2022  
Melbourne

**Flynn Gold Ltd**  
**Independent auditor's report to members**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of Flynn Gold Limited (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. We have determined that there are no key audit matters to communicate in our report.

## Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Flynn Gold Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**J. C. Luckins**  
Director  
Melbourne, 15<sup>th</sup> September 2022

The shareholder information set out below was applicable as at 9 September 2022.

# **1. Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

| Holdings ranges      | Number of holders of ordinary shares    | Total Units Held  | % Held %     |
|----------------------|-----------------------------------------|-------------------|--------------|
| 1-1,000              | 12                                      | 2,596             | -            |
| 1,001-5,000          | 54                                      | 192,168           | 0.20%        |
| 5,001 - 10,000       | 120                                     | 1,046,172         | 1.1%         |
| 10,001 - 100,000     | 217                                     | 9,122,673         | 9.59%        |
| 100,001 and over     | 88                                      | 84,719,639        | 89.1%        |
|                      | <u>491</u>                              | <u>95,083,248</u> |              |
|                      | <b>Minimum Parcel Size</b>              | <b>Holders</b>    | <b>Units</b> |
| Unmarketable parcels | 5,264                                   | 73                | 230,934      |
| Holdings ranges      | Number of holders of unlisted options   | Total Units Held  | % Held %     |
| 1-1,000              | -                                       | -                 | -            |
| 1,001-5,000          | -                                       | -                 | -            |
| 5,001 - 10,000       | -                                       | -                 | -            |
| 10,001 - 100,000     | -                                       | -                 | -            |
| 100,001 and over     | 2                                       | 3,400,000         | 100.00%      |
|                      | <u>2</u>                                | <u>3,400,000</u>  |              |
| Holdings ranges      | Number of holders of performance rights | Total Units Held  | % Held %     |
| 1-1,000              | -                                       | -                 | -            |
| 1,001-5,000          | -                                       | -                 | -            |
| 5,001 - 10,000       | -                                       | -                 | -            |
| 10,001 - 100,000     | -                                       | -                 | -            |
| 100,001 and over     | 7                                       | 4,213,700         | 100%         |
|                      | <u>7</u>                                | <u>4,213,700</u>  |              |

## 2. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

|                                                                          | Ordinary Shares   |                          |
|--------------------------------------------------------------------------|-------------------|--------------------------|
|                                                                          | Number Held       | % of Total Shares Issued |
| FOREIGN DIMENSIONS PTY LTD <C & I BOURKE FAMILY A/C>                     | 20,550,024        | 21.61                    |
| BNP PARIBAS NOMS PTY LTD <DRP>                                           | 15,388,259        | 16.18                    |
| COLIN & IMELDA BOURKE SUPERANNUATION FUND PTY LTD <C & I BOURKE S/F A/C> | 6,457,628         | 6.79                     |
| FOREIGN DIMENSIONS PTY LTD                                               | 6,280,494         | 6.61                     |
| EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>                      | 2,833,334         | 2.98                     |
| CLIVE IAN DUNCAN <DUNCAN FAMILY A/C>                                     | 2,619,409         | 2.75                     |
| PJ DAVIS PTY LTD <THE PJ DAVIS A/C>                                      | 2,333,334         | 2.45                     |
| PETER JOHN CHARLES DAVIS                                                 | 1,775,928         | 1.87                     |
| METAL VENTURES PTY LIMITED <GARRETT FAMILY A/C>                          | 1,686,680         | 1.77                     |
| CROFTBANK PTY LTD <WATTS FAMILY SUPER FUND A/C>                          | 1,296,091         | 1.36                     |
| TREWEEK INVESTMENTS PTY LTD <G & K TREWEEK S/FUND A/C>                   | 1,286,083         | 1.35                     |
| PAJ CAPITAL GROUP PTY LTD <PAJ CAPITAL GROUP A/C>                        | 994,000           | 1.05                     |
| MR DOMINIC VIRGARA                                                       | 950,001           | 1.00                     |
| VELCORP INVESTMENTS PTY LTD                                              | 700,001           | 0.74                     |
| VELCORP INVESTMENTS PTY LTD                                              | 699,821           | 0.74                     |
| BRUCE ABRAHAM + DEBBIE ABRAHAM <ABRAHAM FAMILY S/FUND A/C>               | 682,348           | 0.72                     |
| LONGRIDGE PARTNERS PTY LTD                                               | 583,000           | 0.61                     |
| CAIRNGLEN INVESTMENTS PTY LTD                                            | 578,507           | 0.61                     |
| MR SIMON FRANZ COHN                                                      | 550,000           | 0.58                     |
| DAVID CROFTS                                                             | 533,334           | 0.56                     |
|                                                                          | <b>68,778,276</b> | <b>72.33</b>             |

### Unquoted equity securities

|                                                | Number on issue | Number of holders |
|------------------------------------------------|-----------------|-------------------|
| Options over ordinary shares issued            | 3,400,000       | 2                 |
| Performance rights over ordinary shares issued | 4,213,700       | 7                 |

The following person holds 20% or more of unquoted equity securities:

| Name                    | Class                                        | Number held |
|-------------------------|----------------------------------------------|-------------|
| Taycol Nominees Pty Ltd | Unlisted options over ordinary shares issued | 3,000,000   |



### 3. Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

|                                      | Ordinary shares |                          |
|--------------------------------------|-----------------|--------------------------|
|                                      | Number held     | % of total shares issued |
| Colin Bourke and associated entities | 34,047,140      | 35.81                    |

### 4. Director Nomination

The Company will hold its Annual General Meeting of shareholders on Wednesday, 9 November 2022. The Company also advises that in accordance with ASX Listing Rule 14.5 and the Company's constitution the Closing Date for receipt of nominations for the position of Director is Tuesday, 27 September 2022. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on this date at the Company's Registered Office.

The Company notes that the deadline for the nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

### 5. Voting rights

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### *Unlisted options*

The unlisted options on issue do not carry any voting rights.

#### *Performance rights*

The performance rights on issue do not carry any voting rights.

There are no other classes of equity securities.

### 6. Statement in accordance with ASX Listing Rule 4.10.19

The Company confirms that it has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

### 7. Restricted Securities

The Company advises that the following securities are classified as restricted securities on the basis of mandatory disposal restrictions (escrow) imposed by ASX:

| Securities                  | Number     | Restriction Period                         |
|-----------------------------|------------|--------------------------------------------|
| Ordinary Shares             | 31,022,198 | Until 17 June 2023                         |
| Ordinary Shares             | 550,000    | Until 30 September 2022 (Voluntary escrow) |
| Unlisted Options            | 3,000,000  | Until 17 June 2023                         |
| Unlisted Performance Rights | 1,000,000  | Until 17 June 2023                         |

As noted in the Prospectus dated 30 March 2021, 1,300,000 existing Ordinary Shares issued to personnel as remuneration are voluntarily escrowed until 30 September 2022. All of these Ordinary Shares are also subject to mandatory ASX escrow. The mandatory ASX escrow on 550,000 of these Ordinary Shares expired on 13 January 2022 and therefore these 550,000 Ordinary Shares will continue to be voluntarily escrowed until 30 September 2022 following expiration of the mandatory ASX escrow. The remaining 750,000 Ordinary Shares are subject to mandatory ASX escrow for 24 months from quotation and will therefore remain mandatorily ASX escrowed following expiration of the applicable voluntary escrow period.

## **8. Interests in Mining Tenements**

Flynn Gold holds a granted beneficial interest in the following tenements:

| <b>Mining Tenement</b> | <b>Location</b>   | <b>Beneficial<br/>Percentage<br/>held<br/>%</b> | <b>License Description/Notes</b> |
|------------------------|-------------------|-------------------------------------------------|----------------------------------|
| EL11/2012              | Tas               | 100%                                            | Portland Gold                    |
| EL18/2018              | Tas               | 100%                                            | Portland Gold                    |
| EL18/2016              | Tas               | 100%                                            | Portland Gold                    |
| EL17/2018              | Tas               | 100%                                            | Golden Ridge                     |
| EL16/2021              | Tas               | 100%                                            | Bendover Hill                    |
| EL02/2019              | Tas               | 100%                                            | Mangana Gold                     |
| EL3/2020               | Tas               | 100%                                            | Lisle Gold                       |
| EL4/2020               | Tas               | 100%                                            | Lyndhurst Gold                   |
| EL6/2015               | Tas               | 100%                                            | Henty Zinc-Silver                |
| EL3/2018               | Tas               | 100%                                            | Henty Zinc-Silver                |
| E47/3888               | Pilbara, WA       | 100%                                            | Mt Dove West                     |
| E45/5055               | Pilbara, WA       | 100%                                            | Mt Dove                          |
| E45/5730               | Pilbara, WA       | 100%                                            | Yarrie                           |
| E45/5731               | Pilbara, WA       | 100%                                            | Yarrie                           |
| E45/5732               | Pilbara, WA       | 100%                                            | Yarrie                           |
| E77/2730               | Koolyanobbing, WA | 100%                                            | Marda                            |
| E77/2734               | Koolyanobbing, WA | 100%                                            | Windarling West                  |
| E77/2736               | Koolyanobbing, WA | 100%                                            | Mt Jackson                       |
| E77/2737               | Koolyanobbing, WA | 100%                                            | Mt Jackson East                  |
| E77/2738               | Koolyanobbing, WA | 100%                                            | Gwendolyn                        |
| E77/2739               | Koolyanobbing, WA | 100%                                            | Rainy Rocks                      |
| E77/2740               | Koolyanobbing, WA | 100%                                            | Mt Jackson Easterer              |