



Flynn Gold Limited

ABN 82 644 122 216

31 December 2021

Half year financial report

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Directors

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

Company secretaries

Ms Melanie Leydin (resigned on 29 October 2021)
Mr Mathew Watkins

Registered office

Level 4
96-100 Albert Road
South Melbourne VIC 3205

Principal place of business

Level 4
96-100 Albert Road
South Melbourne VIC 3205

Share register

Computershare Investor Services Pty. Ltd.
Yarra Falls 452 Johnston Street
Abbotsford Victoria 3067
Ph: 1300 850 505

Auditor

William Buck
Level 20, 181 William Street
Melbourne, VIC 3000

Stock exchange listing

Flynn Gold Limited shares are listed on the Australian Securities Exchange (ASX code: FG1)

HALF YEAR REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2021

HIGHLIGHTS

Golden Ridge Project: Brilliant Prospect Drilling

- Drilling continued throughout the second half 2021. Preliminary assay results received from drilling include best intercepts of:
 - BRDD002: **26.5m @ 1g/t Au** from 79.0m
Incl: **5.5m @ 2.7 g/t Au** from 97.0m
Incl: **0.5m @ 12.2 g/t Au** from 99.5m
 - BRDD003: **13m @ 2.86 g/t Au** from 194.0m
Incl: **6.0m @ 5.77 g/t Au** from 194.0m
Incl: **0.5m @ 56.3 g/t Au** from 195.0m
 - BRDD003: **38.0m @ 1.34 g/t Au** from 111.0m
Incl: **1.0m @ 9.05 g/t Au** from 111.0m
And **3.0m @ 8.88 g/t Au** from 146.0m
Incl: **1.0m @ 11.7 g/t Au** from 146.0m
 - BRDD003: **0.5m @ 17.9 g/t Au** from 157.0m
 - BRDD006: **1 m @ 18.95g/t Au** from 30.4 m
 - BRDD006: **1 m @ 1.12 g/t Au** from 239 m
 - BRDD001: **1.5 m @ 1.4g/t Au** from 0.7 m
- Revised 3D model for Brilliant has identified a steep south-westerly plunge to the main gold mineralised zone – now being targeting by drilling.

Golden Ridge Project: Mapping and Sampling and IP geophysics

- Best rock chip assays from 202 samples collected at individual prospects include **152g/t Au** from Brilliant, **8.31 g/t Au** in the Link Zone, **61.0g/t Au** from Trafalgar, **19.4g/t Au** from Double Event, **67.1g/t Au** from Queen of the Earth, and **31.0 g/t Au** from Kensington.
- Results continue to support an extensive gold system at the Golden Ridge Project.
- IP survey identified large-scale chargeability anomalies coincident with anomalous gold in rock and soil sampling

Portland Gold Project: Exploration Targeting

- Final assays from 2020 drilling program and completion of detailed geological analysis and exploration targeting. Five prospective anticlinal structures with a total combined strike length of 38 km are recognised, less than 5% of which has been previously tested by drilling.

Cameron Tin Project: Exploration Targeting

- Completed review confirmed the potential for tin-tungsten mineralisation within the Company's Cameron Tin tenement in northeast Tasmania, a region of historical tin mining and prospecting.
- Significant Sn-W assays from reconnaissance rock chip sampling at the Harden's Ravine and Star Hill prospects.

Regional Gold Projects (Tasmania)

- Exploration field work commenced at Mangana Gold Project.
- Desktop review and exploration targeting commenced for the Lisle and Lyndhurst Gold Projects in northeast Tasmania.
- New tenement EL16/2021 (Bendover Hill) was granted during the period and comprises approximately 200km². The tenement includes numerous known tin prospects and strategically covers the northern contact zone of the Golden Ridge granodiorite.

Exploration continued across the Company's suite of gold and base metal exploration projects in Tasmania during the period. The Company's main exploration focus continued to be at the Golden Ridge project in Tasmania where drilling at the Brilliant prospect continues. Activities were also carried out on the Portland Gold, Cameron Tin, Mangana Gold, Lisle and Lyndhurst projects.

GOLDEN RIDGE PROJECT, TASMANIA

BRILLIANT PROSPECT DRILLING UPDATE

Diamond drilling continued at the Brilliant prospect throughout the second half of 2021 with a total of eleven diamond drill holes completed for 3,201.6m. Long turn-around times continue to be experienced at the assay laboratories.

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 has been amended to target interpreted plunge extensions.

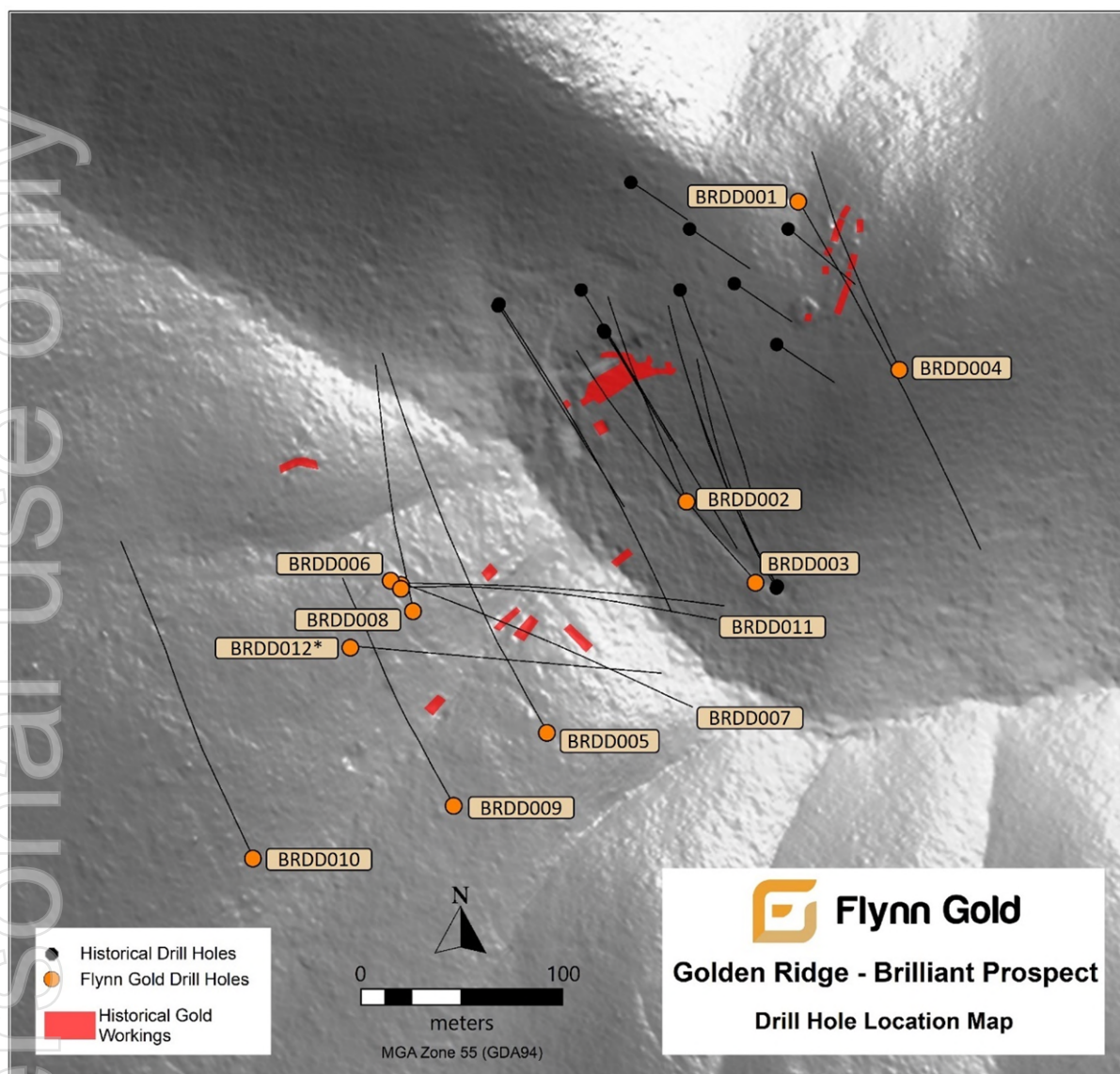


Figure 1. Drillhole location plan for Brilliant prospect, Golden Ridge Project. BRDD012 is in progress.

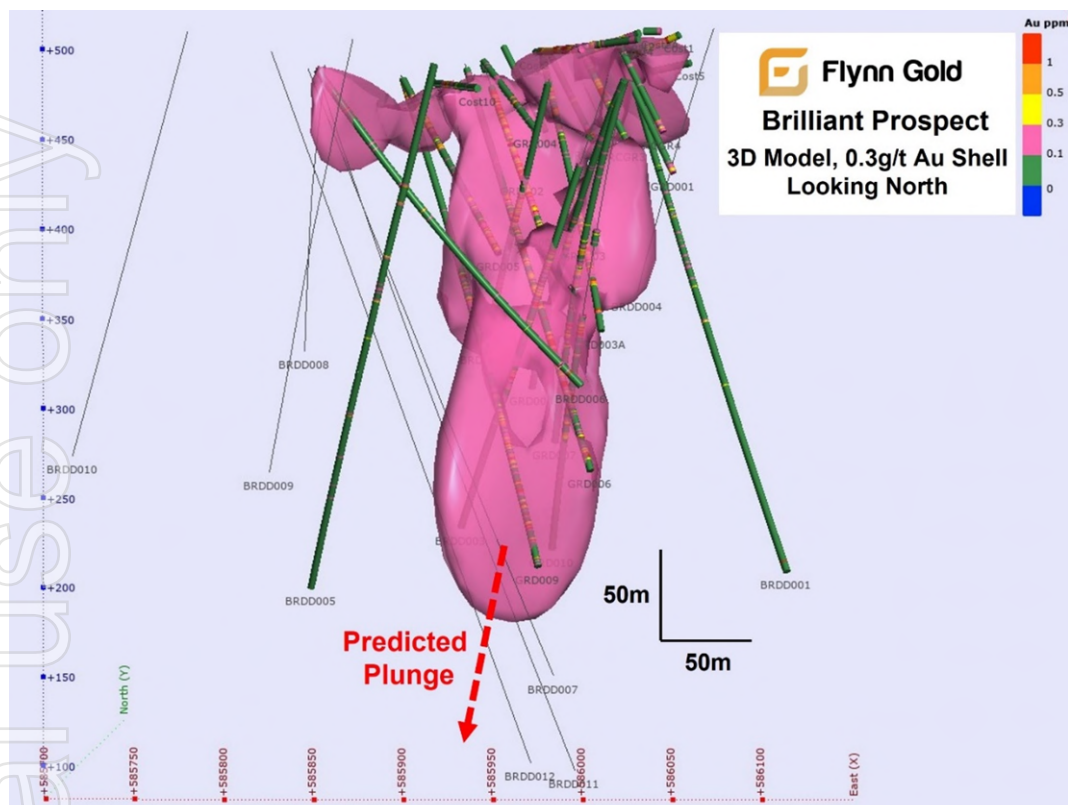


Figure 2. Brilliant prospect 3D model (Leapfrog) showing 0.3 g/t Au cut-off shell and drill holes.



Figure 3. Example of arsenopyrite mineralised veins in BRDD011 – intercepted in the predicted down-plunge extension zone.

Details of drill hole locations completed during the period by the Company are summarised in Table 1 below and significant drill hole intercepts for gold are summarised in Table 2.

Drillhole ID	Easting GDA94	Northing GDA94	mRL (ahd)	Azimuth (Grid)	Dip	Final Length (m)	Prospect	Type	Company
BRDD001	586040	5415768	520	150	-63	378.6	Brilliant	DD	Flynn Gold
BRDD002	585985	5415615	500	330	-58	195.8	Brilliant	DD	Flynn Gold
BRDD003	586019	5415583	495	315	-65	309.0	Brilliant	DD	Flynn Gold
BRDD004	586090	5415685	537	330	-55	201.0	Brilliant	DD	Flynn Gold
BRDD005	595916	5415506	499	330	-63	378.0	Brilliant	DD	Flynn Gold
BRDD006	585840	5415575	503	90	-55	249.6	Brilliant	DD	Flynn Gold
BRDD007	585839	5415581	503	110	-65	399.8	Brilliant	DD	Flynn Gold
BRDD008	585850	5415566	504	347	-55	222	Brilliant	DD	Flynn Gold
BRDD009	585870	5415470	510	332	-64	282.8	Brilliant	DD	Flynn Gold
BRDD010	585771	5415444	510	330	-54	222	Brilliant	DD	Flynn Gold
BRDD011	585844	5415577	503	90	-72	451.1	Brilliant	DD	Flynn Gold
BRDD012	585819	5415548	553	95	-70	Ongoing	Brilliant	DD	Flynn Gold

Table 1. Brilliant prospect drill hole location and summary data.

Prospect	Type	Drillhole ID	From m	To m	Interval m	Au g/t
Brilliant	DD	BRDD001	0.7	2.2	1.5	1.42
Brilliant	DD	BRDD002	79.0	105.5	26.5	1.00
		including	95.0	100.5	5.5	2.69
		including	99.5	100.0	0.5	12.20
Brilliant	DD	BRDD002	118.5	123	4.5	0.31
Brilliant	DD	BRDD002	143	148	5.5	0.49
Brilliant	DD	BRDD003	111	149	38	1.34
		including	111	112	1	9.05
		and	132	133	1	4.41
		and	146	149	3	8.88
		including	146	147	1	11.7
Brilliant	DD	BRDD003	157	157.5	0.5	17.9
Brilliant	DD	BRDD003	175.9	176.3	0.4	1.36
Brilliant	DD	BRDD003	194	207	13	2.86
		including	194	200	6	5.77
		including	195	195.5	0.5	56.3
Brilliant	DD	BRDD003	206	207	1	1.54
Brilliant	DD	BRDD003	225.7	226.1	0.4	4.33
Brilliant	DD	BRDD003	231	232	1	0.97
Brilliant	DD	BRDD004	Assays pending			
Brilliant	DD	BRDD005	77	78	1	0.6
Brilliant	DD	BRDD005	88	89	1	0.51
Brilliant	DD	BRDD005	124	125	1	0.4
Brilliant	DD	BRDD005	155	156	1	0.44
Brilliant	DD	BRDD005	181	182	1	0.4
Brilliant	DD	BRDD005	238	239	1	0.75

Brilliant	DD	BRDD006	30.4	31.4	1	18.95
Brilliant	DD	BRDD006	107	108	1	0.65
Brilliant	DD	BRDD006	239	240	1	1.12
Brilliant	DD	BRDD007	Assays pending			
Brilliant	DD	BRDD008	Assays pending			
Brilliant	DD	BRDD009	Assays pending			
Brilliant	DD	BRDD010	Core being processed			
Brilliant	DD	BRDD011	Assays pending			

Table 2: Brilliant prospect significant drillhole intercepts. Reported grades are calculated as weighted averages. Wider composite intercepts use a 0.3g/t Au cut-off grade, while the higher grade included intercepts use a 1.0 g/t Au cut-off grade. Intercepts are downhole intervals. DD = diamond drillhole.

GOLDEN RIDGE DISTRICT MAPPING AND SAMPLING AND IP GEOPHYSICS

The Company announced the results of preliminary gold assays from 202 reconnaissance rock chip samples taken during geological mapping and rock chip sampling campaigns that were completed over the Golden Ridge Project area during the period.

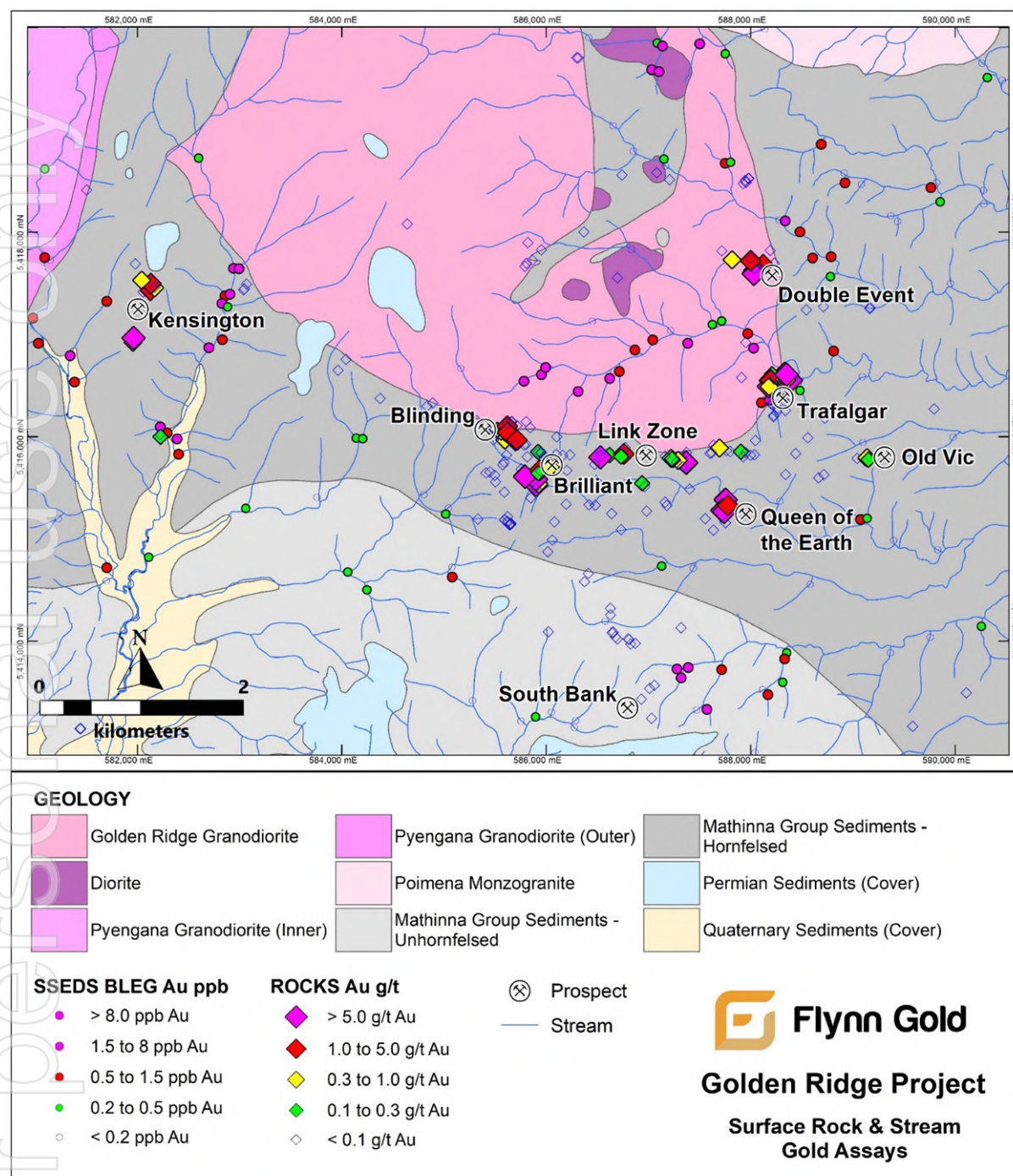


Figure 4. Simplified geology plan and compiled reconnaissance rock and stream sediment chemistry gold assays (recent and historical¹ data) from the Golden Ridge Project.

In addition to the reconnaissance mapping and rock chip sampling 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.

Preliminary interpretation of the GAIP survey results shown in Figure 5 indicates that extensive zones of anomalous chargeability are associated both with areas of known mineralisation (ie., Brilliant, Link Zone and Trafalgar prospects) as well as areas yet to be explored (indicated by anomaly areas “GRC-2” and “GRC-3” in Figure 5).

Brilliant and Trafalgar are the only two prospects which have been subject to any drilling and both drill programmes have intersected gold mineralisation. 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 (labelled “GRC-3” in Figure 7) has no soil sampling or rock chip coverage. Similarly, chargeability anomaly “GRC-2”, occurring within granodiorite bedrock, has no ground exploration coverage other than stream sediment anomalism. These areas will be targeted for follow-up ground exploration programs. The results from the GAIP survey are encouraging. Ground-truthing of the GAIP anomalies with follow-up mapping and sampling is also planned.

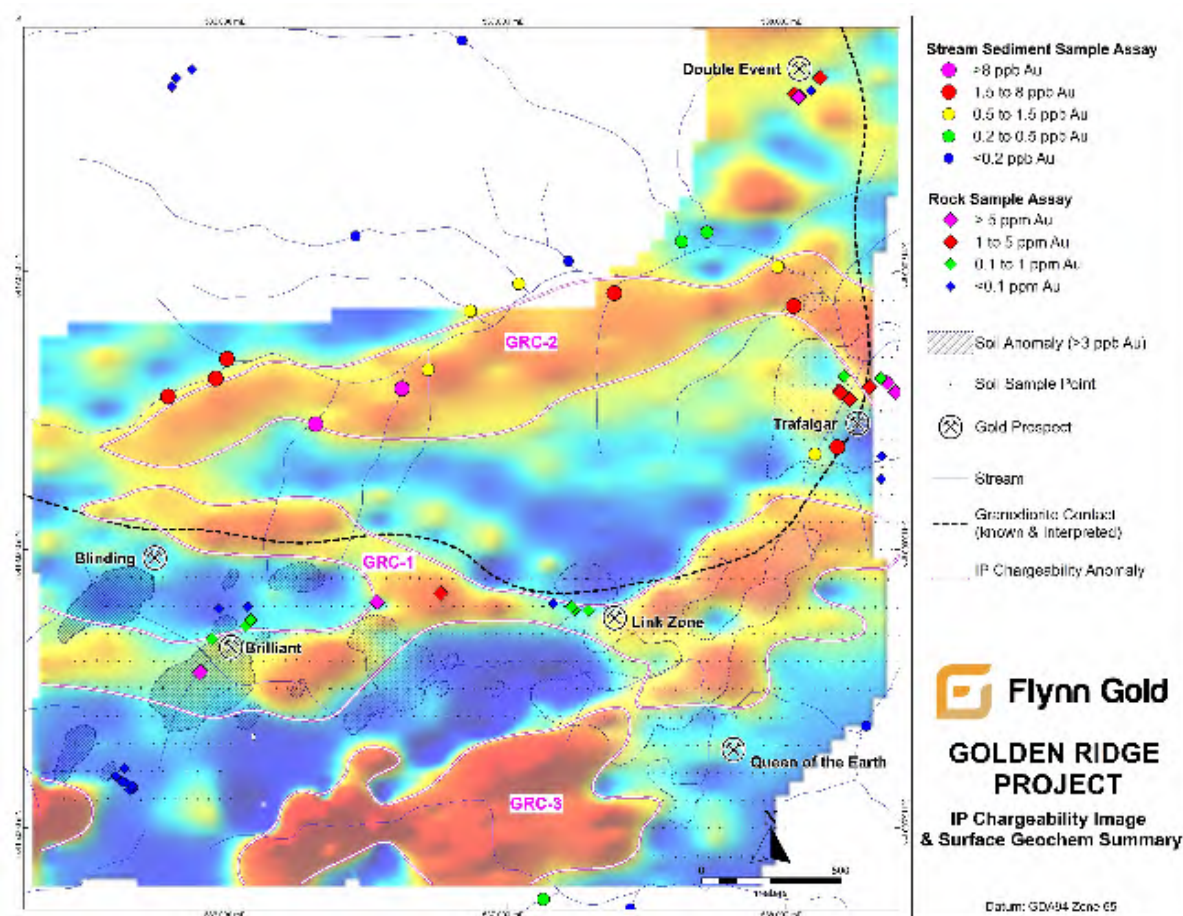


Figure 5: Golden Ridge IP Chargeability (GAIP) plan view with surface geochemistry summary. Soil sampling does not extend over the full strike length of the extensive northeast-trending chargeability anomalies GRC-2 and GRC-3.

CAMERON TIN PROJECT, TASMANIA

A review completed during the period³ identified multiple prospective tin and tungsten exploration targets within the Company's Cameron Tin tenement in northeast Tasmania (Figure 6), a region of historical tin mining and prospecting. Reconnaissance outcrop sampling at the Hardens Ravine target area have returned assays up to a

maximum of 0.96% Sn and 2.3% WO₃ from individual samples and defines an initial target area of up to 2km x 2 km. 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% WO₃. Additional target areas were identified at Woods Flat, South Mount, Wyniford and Tallewang (Figure 6), with further field mapping and sampling planned.

The results of the review are considered encouraging with the potential for bedrock tin-tungsten mineralisation recognised in areas of historical alluvial mining. Future work on the Cameron Tin Project targets will follow a systematic exploration strategy including continued geological mapping, soil sampling, costeaning and possible scout drilling.

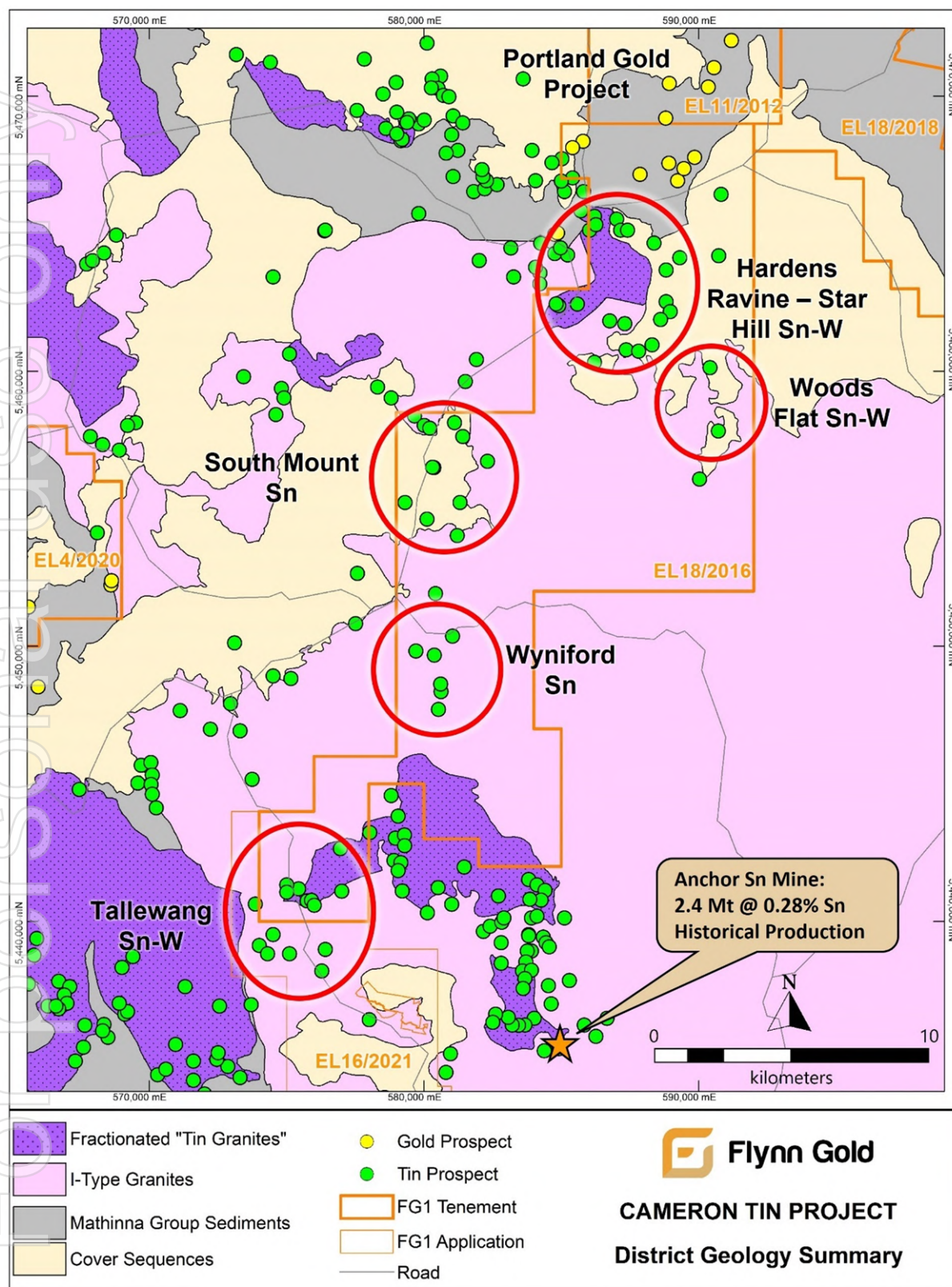


Figure 6. Regional geology of the Cameron Tin Project highlighting identified priority target areas

PORTLAND GOLD PROJECT, TASMANIA

Geological analysis and interpretation of results from the Company's 14-hole diamond drilling programme at Portland has confirmed the presence of stratigraphic and structural settings prospective for gold mineralisation, with strong similarities to Victorian-style orogenic gold systems including Ballarat East, Castlemaine, and Fosterville. The reader is referred to the ASX announcement 13 October 2021² for further details.

Five prospective tightly folded anticlines with a total combined strike length of 38 km are identified at Portland (Figure 7). 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 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.

Final assays received from Portland returned anomalous gold intersections in most drill holes with significant mineralised intercepts comprising:

GFDD004:

- **1.4m @ 9.66 g/t Au from 45.6m, including**
 - **0.6m @ 20.3 g/t Au from 45.6m**

GFDD002:

- **0.5m @ 12.75 g/t Au from 18.4m**

GFDD006:

- **0.8m @ 2.0 g.t Au from 8.2m**

GFDD005:

- **0.5m @ 1.0 g.t Au from 87.8m**

With the confirmation of a district-scale gold system with favourable geological settings for high-grade gold mineralisation, and the tenor of results being generated at this early stage of exploration, the Company believes there is considerable potential to discover a large-scale high-grade gold system at Portland.

The Company is preparing to expand its exploration drilling programs, and is planning step-out, infill and deeper drilling at Portland for Q2-Q3 2022 (subject to drill rig availability, landowner access and government approvals) to further scope the extent of the mineralising system. Follow-up drilling programmes are planned to initially target the Grand Flaneur – Blue Bell trend at the northern end of the Rushy Lagoon anticline (Figures 8-11) targeting anticlinal structures at depth.

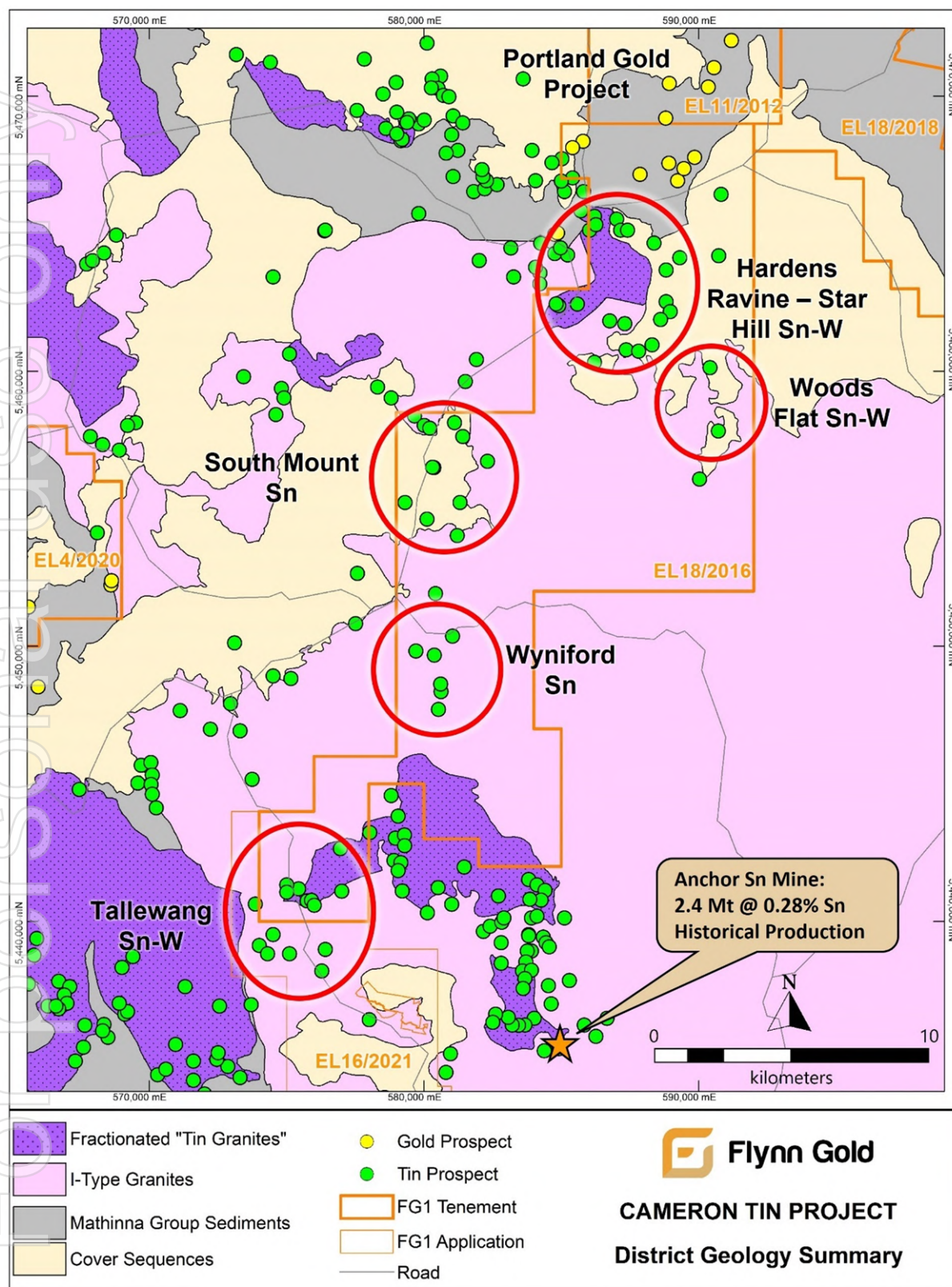


Figure 7: Regional geology of the Portland Project highlighting the five prospective anticlinal trends and locations of known gold prospects with superimposed structural section interpretations.

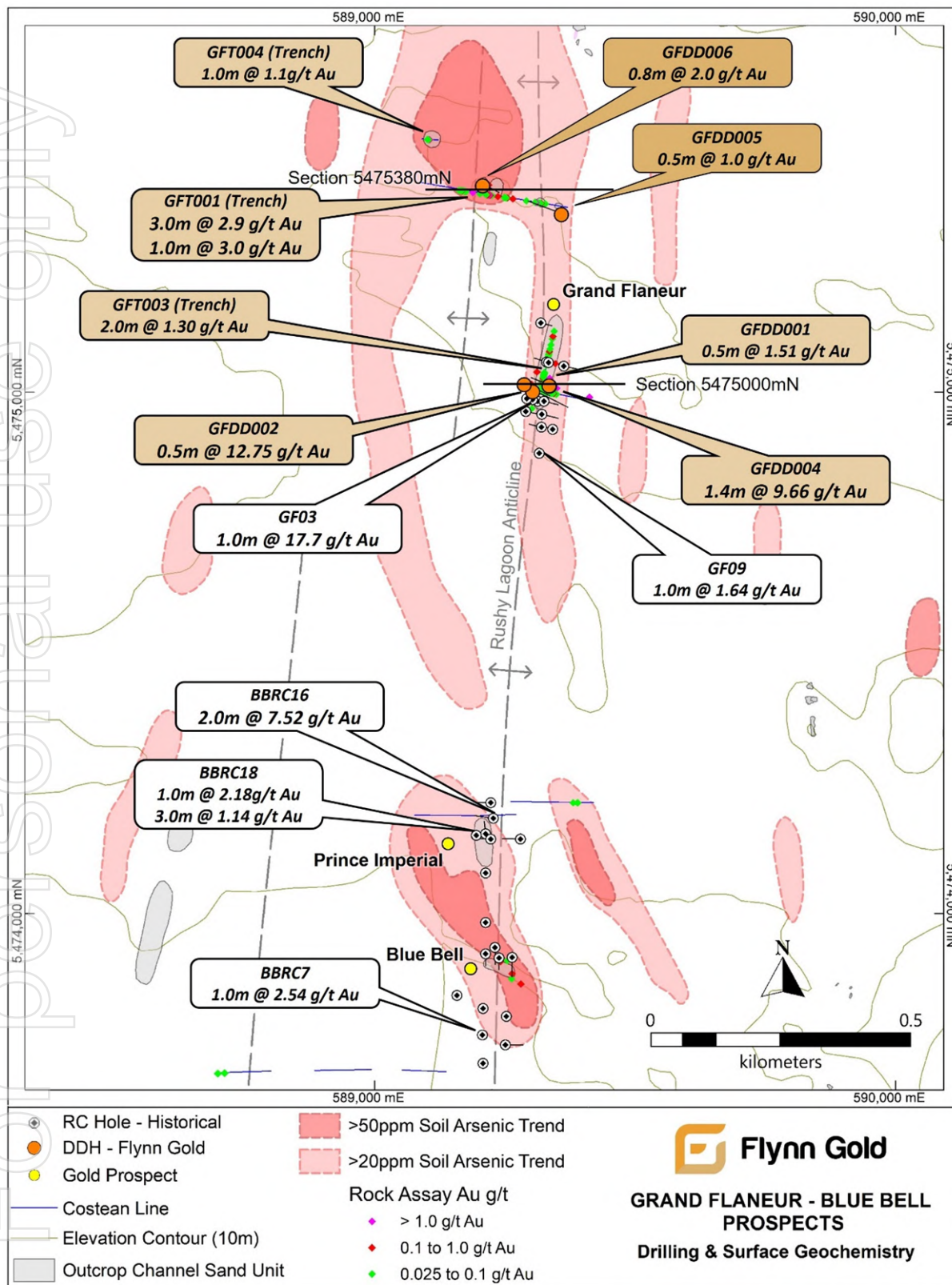


Figure 8: Drill hole and surface geochemistry summary plan for the Grand Flaneur prospect, Portland Gold Project, Tasmania. Significant and anomalous mineralised intercepts reported as downhole intervals.

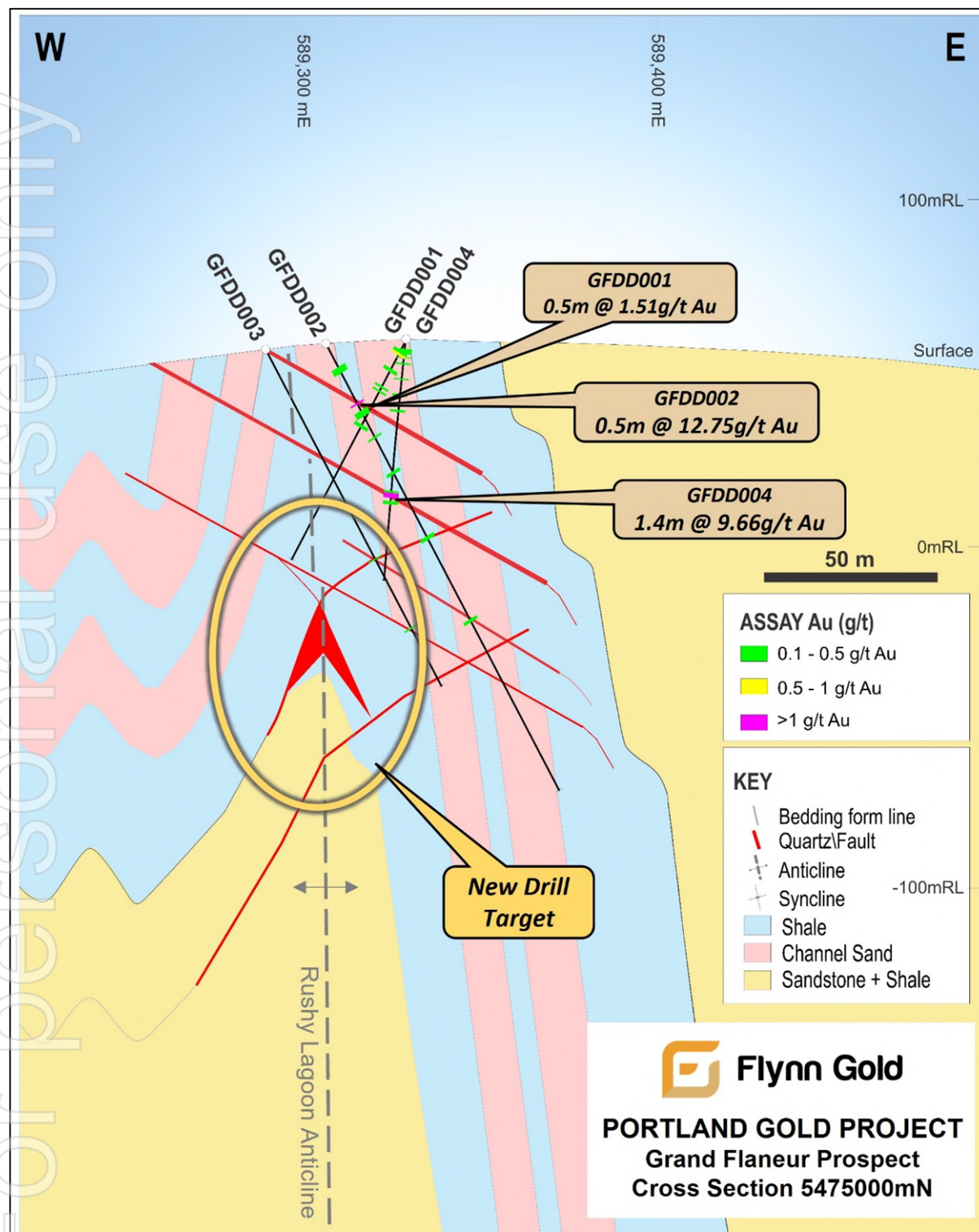


Figure 9: Drill section 5475000mN highlighting results from drilling and trenching at FG1's Grand Flaneur prospect, Portland Gold Project. Significant and anomalous mineralised intercepts reported as downhole intervals.

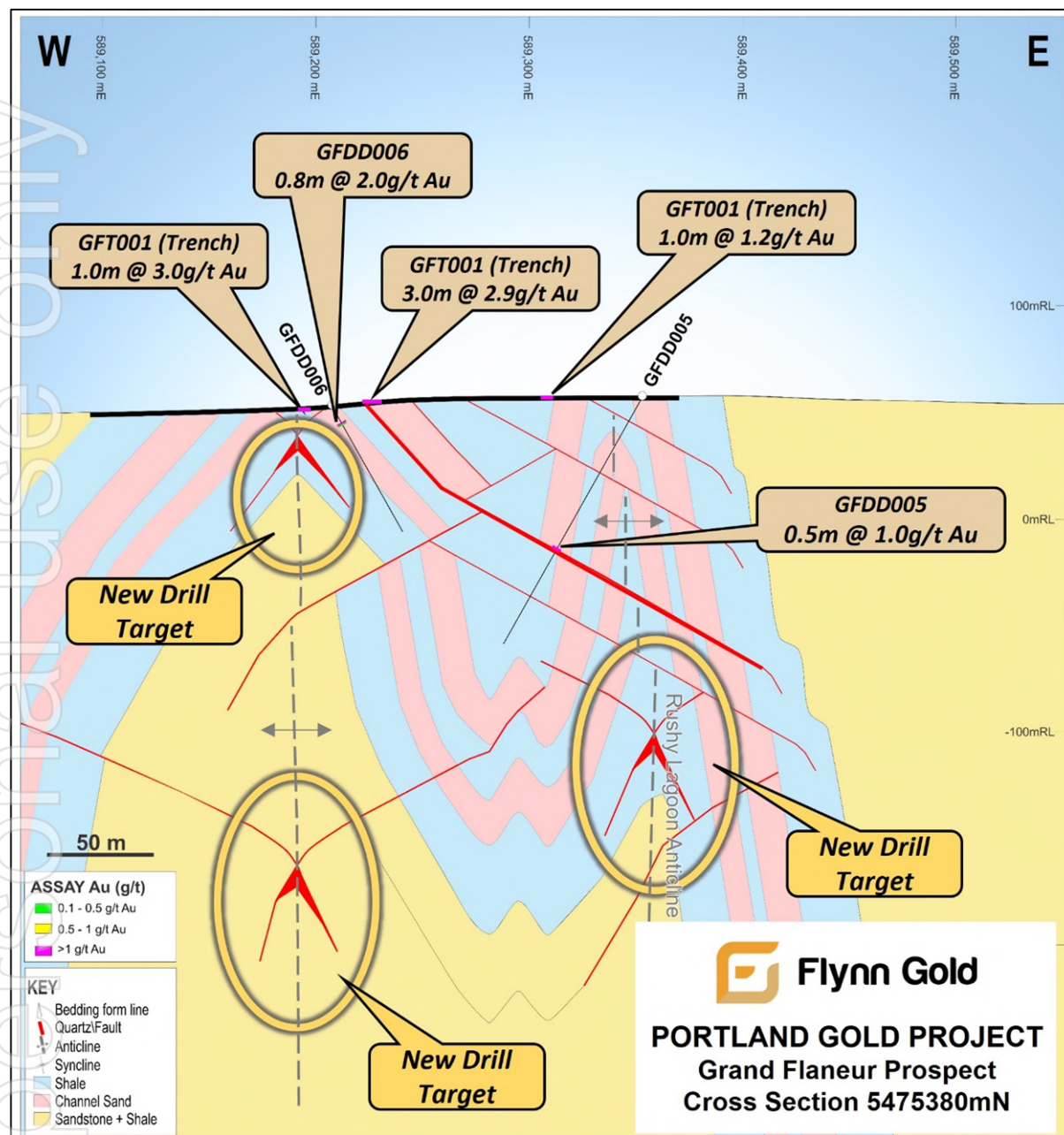


Figure 10: Drill section 5475380mN highlighting results from drilling and trenching at FG1's Grand Flaneur prospect, Portland Gold Project. Significant and anomalous mineralised intercepts reported as downhole intervals.



Figure 11: Photograph of drill core from GFDD004, Grand Flaneur prospect, showing quartz-sulphide veining in strongly ferrous carbonate altered silicified channel sand host unit. Interval shown includes **1.4m @ 9.66 g/t Au from 45.6m**.

MANGANA GOLD PROJECT, TASMANIA

The Company commenced exploration activities at the Mangana Gold Project during the period. Initial work has included reconnaissance mapping and sampling (assay results pending), with a focus on geological mapping, surveying historical gold workings, and digitising historical mine plans and sections. Results of this ongoing work will be used to generate 3D models that will drive focussed exploration targeting.

The Company's Mangana tenement covers 149 km² centred 6 km northwest of the town of Fingal and 65 km east of Launceston and includes the historical Mangana goldfield comprising historical surface and underground workings over a combined strike of >15 km. 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.

REGIONAL GOLD PROJECTS, TASMANIA

Desktop review and exploration targeting programs were commenced for the Lisle and Lyndhurst Gold projects during the period. Priority targets will be followed up with mapping and surface sampling programs during 2022.

The Lisle Gold Project (EL3/2020) covers an area of 247 km² centred 30 km 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 197 km² centred 65 km 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.

The Company has increased its exploration footprint in the highly prospective NE Tasmanian district this period with the application of EL16/2021 (Bendover Hill). The application area covers approximately 200 km² and extends from the northern border of the Golden Ridge tenement (EL17/2018) north to the southern border of the Cameron Tin tenement (EL18/2016). The tenement includes numerous known tin prospects and strategically covers the northern contact zone of the Golden Ridge granodiorite (Figure 12).

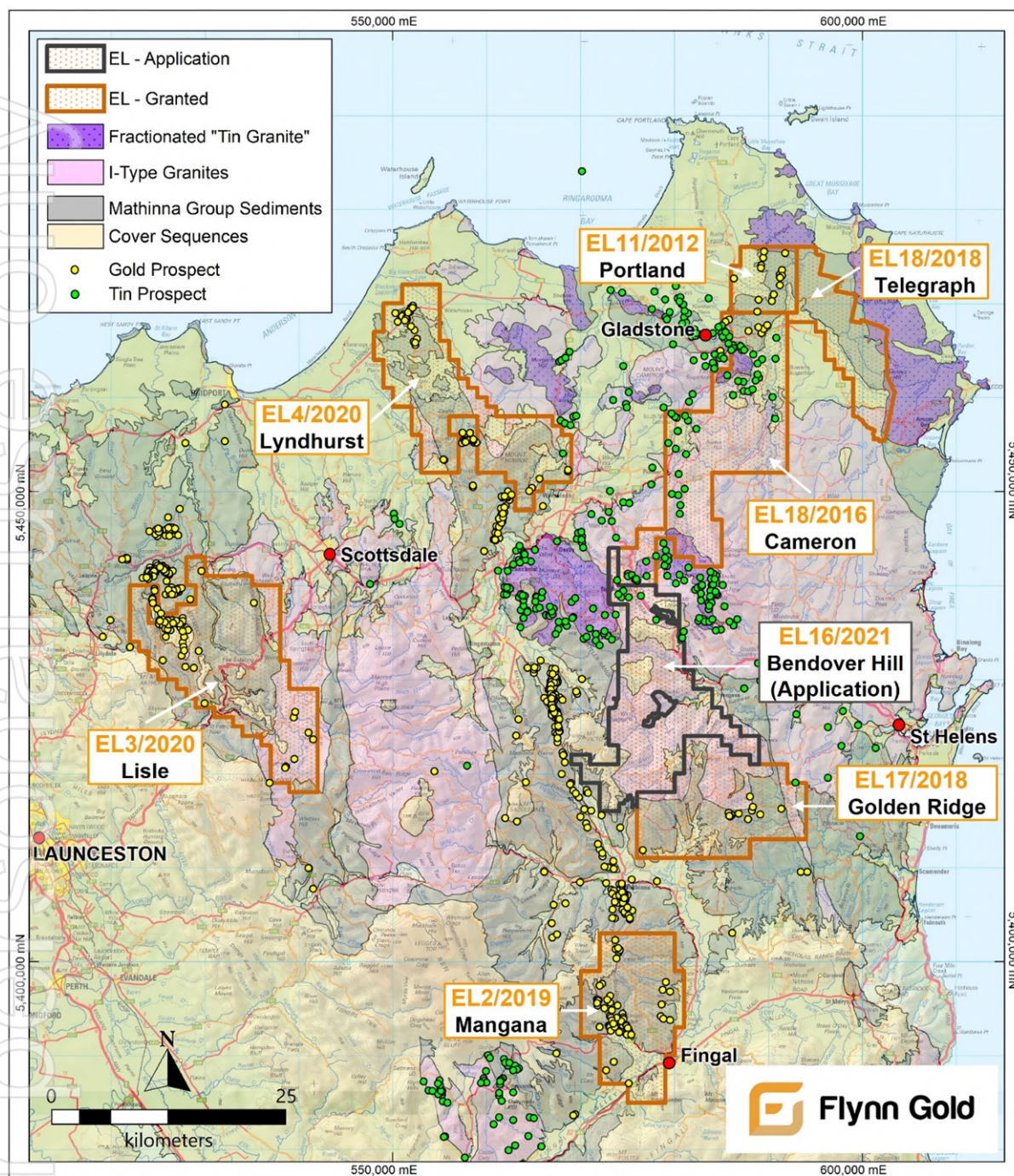


Figure 12. FG1 tenement locations, northeast Tasmania, with simplified regional geology.

WA PROJECTS

Subsequent to the end of the period the Company announced⁵ that its tenement application E45-5055 located 70km south of Port Hedland in the Pilbara region of Western Australia has been granted.

E45-5055 (Mt. Dove) comprises approximately 67 km² (21 blocks) and is one of three tenements and applications that make up the Company's Mt Dove project which is located immediately adjacent to De Grey's Mallina gold project that hosts the 6.8 Moz Hemi gold deposit. The Company is planning exploration programmes to target intrusive-related gold, shear-hosted gold and lithium mineralisation.



Figure 13: Location map of the Company's Pilbara tenements and applications.

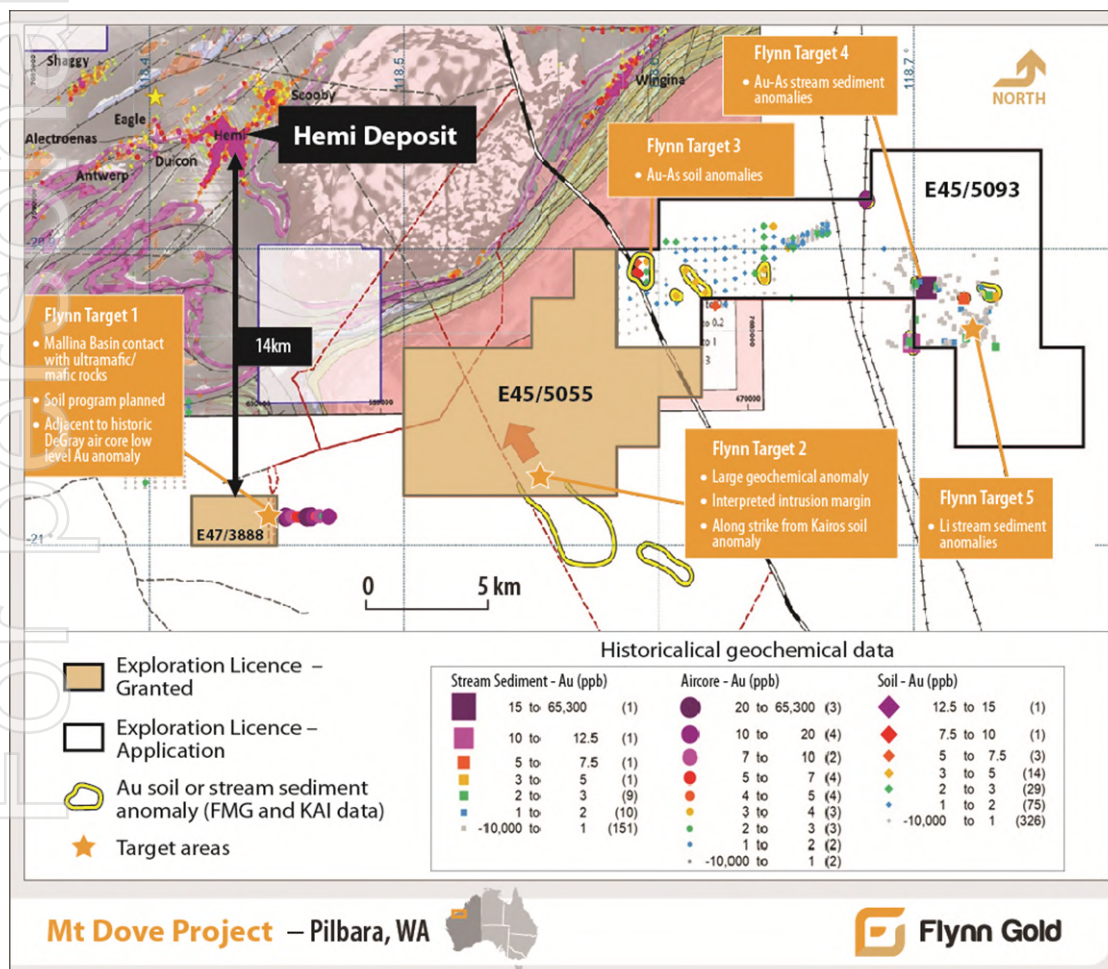


Figure 14: Location map of the Mt. Dove project relative to De Grey's Hemi gold deposit.

Forward Looking and Cautionary Statements

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “predict”, “foresee”, “proposed”, “aim”, “target”, “opportunity”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements

References

¹FG1: ASX 15 June 2021 (Prospectus)

²FG1: ASX 13 October 2021

³FG1: ASX 18 October 2021

⁴FG1: ASX 19 November 2021

⁵FG1: ASX 4 January 2022

The directors present their report, together with the 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 at the end of, or during, the period ended 31 December 2021.

Flynn Gold Limited (the Company) was incorporated 7 September 2020. Consequently these are the first whole interim financial statements of the Company and the comparative cash flow and profit or loss results expressed in these financial statements are for the period of the Company's incorporation through to 31 December 2020.

Directors

The names of Directors of the company in office at any time during or since the end of the period are:

Mr Clive Duncan (Non-Executive Chairperson)
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.

Share based payment

On 20 August 2021, 180,000 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry date on 2 September 2025, of which 50% of total performance rights vest and become exercisable on 30 June 2022 if the employees are still employed by the Company; and 50% of total performance rights vest and become exercisable on 30 June 2023 if the employees are still employed by the Company. As at 31 December 2021, 90,000 performance rights lapsed because certain vesting conditions were not met.

The fair value of the performance right is based on closing share price of the Company at the grant date (\$0.16) with the assumption that the service condition will be met.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,825,674 (31 December 2020: \$2,813,864).

The loss for the half year ended 31 December 2021 is primarily driven by:

- Exploration and evaluation expenses of \$1,449,581 (2020: \$2,615,722); and
- Corporate and administrative expenses of \$380,383 (2020: \$241,705) including share based payment of \$4,460.
- Offset by other income of the Company earned during the year of \$147,937.

Cash and cash equivalents at 31 December 2021 was \$6,983,308 (30 June 2021: \$9,340,718).

Net assets at 31 December 2021 were \$6,952,177 (30 June 2021: \$8,773,391) with working capital of \$6,885,728 (30 June 2021: \$8,707,349).

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

Significant changes in the state of affairs

On 19 August 2021, the Company settled all of the deferred consideration payable of \$228,000 as at 30 June 2021.

There were no other significant changes in the state of affairs of the consolidated entity during the financial period.

Matters subsequent to the end of the financial period

On 4 January 2022, a term deposit of \$4,500,000 included in cash and cash equivalents matured, of which \$4,000,000 was reinvested in a 3 months term deposit maturing in April 2022.

No other matter or circumstance has arisen since 31 December 2021 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.

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.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Clive Duncan
Non-Executive Chairperson

10 March 2022
Melbourne

**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 half-year ended 31 December 2021 there have been:

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

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



N. S. Benbow
Director

Melbourne, 10th March 2022

ACCOUNTANTS & ADVISORS

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Flynn Gold Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2021



		Consolidated	For the
		31 December	period from
		2021	7 September
		\$	2020 to 31
	Note		December
			2020
			\$
Revenue			
Other income	4	4,290	43,563
Expenses			
Corporate and administrative expenses	5	(380,383)	(241,705)
Exploration and evaluation expenditure	6	(1,449,581)	(2,615,722)
		<u>(1,825,674)</u>	<u>(2,813,864)</u>
Loss before income tax expense		(1,825,674)	(2,813,864)
Income tax expense		-	-
Loss after income tax expense for the period attributable to the owners of Flynn Gold Limited		(1,825,674)	(2,813,864)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to the owners of Flynn Gold Limited		<u>(1,825,674)</u>	<u>(2,813,864)</u>
		Cents	Cents
Basic loss per share	12	(1.92)	(14.81)
Diluted loss per share	12	(1.92)	(14.81)

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

		Consolidated 31 December 2021 \$	30 June 2021 \$
Note			
	Assets		
	Current assets		
	Cash and cash equivalents	6,983,308	9,340,718
	Other receivables	93,003	103,697
	Other current assets	9,069	28,468
	Total current assets	7,085,380	9,472,883
	Non-current assets		
	Security deposits	31,745	31,745
	Property, plant and equipment	10,674	9,613
	Right-of-use assets	64,308	75,393
	Total non-current assets	106,727	116,751
	Total assets	7,192,107	9,589,634
	Liabilities		
	Current liabilities		
	Trade and other payables	7 163,079	734,765
	Lease liabilities	28,375	25,255
	Employee benefits	8,198	5,514
	Total current liabilities	199,652	765,534
	Non-current liabilities		
	Lease liabilities	39,425	50,460
	Employee benefits	853	249
	Total non-current liabilities	40,278	50,709
	Total liabilities	239,930	816,243
	Net assets	6,952,177	8,773,391
	Equity		
	Issued capital	8 12,952,779	12,952,779
	Reserves	502,424	497,964
	Accumulated losses	(6,503,026)	(4,677,352)
	Total equity	6,952,177	8,773,391

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

Flynn Gold Limited
Statement of changes in equity
For the period ended 31 December 2021



Consolidated

	Issued capital \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 7 September 2020	-	-	-
Loss after income tax expense for the period	-	(2,813,864)	(2,813,864)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(2,813,864)	(2,813,864)
<i>Transactions with owners in their capacity as owners:</i>			
Issue of shares for acquisition of Kingfisher Exploration Pty Ltd	1,625,637	-	1,625,637
Balance at 31 December 2020	<u>1,625,637</u>	<u>(2,813,864)</u>	<u>(1,188,227)</u>

Consolidated

	Issued capital \$	Share based Payments \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	12,952,779	497,964	(4,677,352)	8,773,391
Loss after income tax expense for the period	-	-	(1,825,674)	(1,825,674)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(1,825,674)	(1,825,674)
<i>Transactions with owners in their capacity as owners:</i>				
Vesting of Share based payments	-	4,460	-	4,460
Balance at 31 December 2021	<u>12,952,779</u>	<u>502,424</u>	<u>(6,503,026)</u>	<u>6,952,177</u>

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

Flynn Gold Limited
Statement of cash flows
For the period ended 31 December 2021



	Consolidated	
	For the	
	period from	
	7 September	
	2020 to 31	
	December	
	31 December	2020
	2021	2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(855,588)	(165,291)
Payments for exploration expenditure (inclusive of GST)	(1,496,261)	(346,050)
	(2,351,849)	(511,341)
Interest received	4,290	-
Interest and other finance costs paid	(1,112)	-
Net cash used in operating activities	(2,348,671)	(511,341)
Cash flows from investing activities		
Cash acquired on acquisition of Kingfisher Exploration	-	201
Payments for property, plant and equipment	(1,383)	(3,000)
Net cash used in investing activities	(1,383)	(2,799)
Cash flows from financing activities		
Proceeds from issue of converting notes	-	2,000,000
Repayment of borrowings	(7,915)	-
Net cash from/(used in) financing activities	(7,915)	2,000,000
Net increase/(decrease) in cash and cash equivalents	(2,357,969)	1,485,860
Cash and cash equivalents at the beginning of the financial period	9,340,718	-
Effects of exchange rate changes on cash and cash equivalents	559	-
Cash and cash equivalents at the end of the financial period	<u>6,983,308</u>	<u>1,485,860</u>

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

Note 1. General information

The financial statements cover Flynn Gold Limited as a consolidated entity consisting of Flynn Gold Limited (the 'Company') and the entity it controlled at the end of, or during, the period.

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 10 March 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the period ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

Note 3. 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.

Note 4. Other income

	31 December 2021 \$	Consolidated For the period from 7 September 2020 to 31 December 2020 \$
Forgiveness of loan	-	43,563
Interest income	4,290	-
Other income	<u>4,290</u>	<u>43,563</u>

On 31 December 2020, the Company entered into a "Memorandum Regarding Restructure Arrangements" deed (the "Deed") with Pacific Trends Resources Pty Ltd and Pacific Trends Resources Holdings Pty Ltd. 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 of \$43,563 was completely forgiven and recognised in the statement of profit or loss.

Note 5. Corporate and administrative expenses

	31 December 2021 \$	Consolidated For the period from 7 September 2020 to 31 December 2020 \$
Employee benefit expenses	99,384	31,217
Insurance	19,699	-
Listing and acquisition costs	63,687	742
Marketing and advertising fees	8,440	2,550
Professional service fees	136,545	205,877
Rent and outgoings	12,583	-
Share based payment	4,460	-
Other expenses	20,850	1,295
Depreciation and amortisation expenses	13,625	24
Finance cost	1,110	-
	<u>380,383</u>	<u>241,705</u>

Note 6. Exploration and evaluation expenditure

	31 December 2021 \$	Consolidated For the period from 7 September 2020 to 31 December 2020 \$
Drilling costs	416,669	39,170
Exploration acquisition	10,055	678,447
Employee benefit expense	289,606	-
Overheads and other charges	153,081	249,543
Share settled exploration expenditure	-	1,625,637
Software licenses subscriptions	61,947	-
Landholder duty	92,382	-
Geology expenses	396,732	21,360
Rental	29,109	1,565
	<u>1,449,581</u>	<u>2,615,722</u>

Note 7. Trade and other payables

	31 December 2021 \$	Consolidated 30 June 2021 \$
<i>Current liabilities</i>		
Trade payables	77,075	418,762
Deferred consideration for acquisition of Kingfisher Exploration	-	228,000
Other payables and accruals	86,004	88,003
	<u>163,079</u>	<u>734,765</u>

Note 8. Issued capital

	31 December 2021 Shares	30 June 2021 Shares	Consolidated 31 December 2021 \$	30 June 2021 \$
Ordinary shares - fully paid	<u>95,083,248</u>	<u>95,083,248</u>	<u>12,952,779</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.

Note 9. Dividends

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

Note 10. Contingent liabilities

With the exception of the matter below, the consolidated entity had no contingent liabilities at 31 December 2021

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 11. Events after the reporting period

On 4 January 2022, a term deposit of \$4,500,000 included in cash and cash equivalents matured, of which \$4,000,000 was reinvested in a 3 months term deposit maturing in April 2022.

No other matter or circumstance has arisen since 31 December 2021 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 12. Loss per share

	31 December 2021 \$	Consolidated For the period from 7 September 2020 to 31 December 2020 \$
Loss after income tax attributable to the owners of Flynn Gold Limited	(1,825,674)	(2,813,864)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	95,083,248	18,996,339
Weighted average number of ordinary shares used in calculating diluted earnings per share	95,083,248	18,996,339
	Cents	Cents
Basic loss per share	(1.92)	(14.81)
Diluted loss per share	(1.92)	(14.81)

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

Note 13. Share Based payments

Set out below are summaries of performance right granted during the current financial year:

Grant Date	Expiry Date	Exercise price \$	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the end of the year
20/08/2021	02/09/2025	-	-	180,000	-	(90,000)	90,000

On 20 August 2021, 180,000 performance rights were issued to employees of the Company in accordance with the Employee Incentive Plan with expiry date on 2 September 2025, of which 50% of total performance rights vest and become exercisable on 30 June 2022 if the employees are still employed by the Company; and 50% of total performance rights vest and become exercisable on 30 June 2023 if the employees are still employed by the Company. As at 31 December 2021, 90,000 performance rights lapsed because certain vesting conditions were not met.

The fair value of the performance right is based on closing share price of the Company at the grant date (\$0.16) with the assumption that the service condition will be met.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial period 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Clive Duncan
Non-Executive Chairperson

10 March 2022
Melbourne

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Flynn Gold Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Flynn Gold Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Financial Report

The directors of the (Company) are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

A handwritten signature in black ink, appearing to read 'N. S. Benbow'.

N. S. Benbow
Director

Melbourne, 10th March 2022