

FLYNN GOLD LIMITED

[ABN 82 644 122 216]

("the Company")

RIGHTS ISSUE PROSPECTUS

A renounceable pro-rata rights issue offer of one (1) fully paid ordinary new share (**New Share**) for every two (2) fully paid ordinary shares (**Shares**) held by shareholders with a registered address in Australia or New Zealand as at the Record Date (**Eligible Shareholders**) at an issue price of \$0.03 (3 cents) per New Share to raise up to approximately \$2.46 million before costs.

Every two (2) New Shares will be accompanied by one (1) free-attaching option (**New Option**), with each New Options with an exercise price of \$0.075 (7.5 cents), expiring 30 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company.

The offer of New Shares and free-attaching New Options is referred to as the **Rights Issue**.

The Rights Issue is partially underwritten by Mahe Capital Pty Ltd [ABN 91 634 087 684] [AFSL 517246] (**Underwriter**) for \$750,000 before costs (**Underwritten Amount**). A summary of the material terms of the **Underwriting Agreement** between the Company and the Underwriter is set out in Section 1.2.

This Prospectus also contains an offer of up to a maximum of 4,924,227 New Options to the Underwriter (and/or its nominee(s)) as part fees for underwriting the Rights Issue (**Underwriter Option Offer**).

The Rights Issue and the Underwriter Option Offer are collectively **the Offers**.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

It is important that you read this Prospectus carefully before deciding whether to accept the Rights Issue described in this Prospectus. If you do not understand its contents you should consult your stockbroker, accountant or other professional adviser.

The securities offered under this Prospectus are considered highly speculative

CORPORATE DIRECTORY

Flynn Gold Limited
[ABN 82 644 122 216]

Directors

Clive Duncan – Non-Executive Chair
Neil Marston – Managing Director & CEO
Samuel Garrett – Technical Director
John Forwood – Non-Executive Director

Company Secretary

Mathew Watkins

Registered Office

Level 4, 96 – 100 Albert Road
South Melbourne VIC 3205

Telephone: +61 3 9692 7222

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

ASX Code

FG1

Web Site

www.flynngold.com.au

To view annual reports, shareholder and company information, news announcements, background information on the Company's business and historical information, visit www2.asx.com.au and search code "FG1".

For personal use only

IMPORTANT NOTICES

This prospectus (**Prospectus**) is dated 4 April 2024. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (**ASX**) nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the Offers (or either of them) early, to extend the Closing Date and/or any other dates (by making an announcement of the extension to ASX), or not to proceed with the Offers (or either of them) as described in this Prospectus.

The Offers close at 5:00pm (Melbourne time) on Tuesday, 30 April 2024, which date may change without notice.

This Prospectus is for an offer of continuously quoted securities (the New Shares) and convertible securities to acquire continuously quoted securities (the New Options) and accordingly is not required by the Corporations Act to contain all the information normally required to be set out in a document of this type.

This Prospectus contains and applies to the Offers of New Shares and New Options.

This Prospectus incorporates by reference certain information contained in documents lodged with ASIC. A document incorporated by reference in this Prospectus in this manner may be obtained free of charge from the Company during the application period.

The Company has adopted target market determinations (each a **TMD** and collectively the **TMDs**) for each of the offers of New Options under the Rights Issue and the Underwriter Option Offer. The TMDs are available at the website of the Company, www.flynngold.com.au. By making an application for New Options, an investor warrants that they have read and understood the applicable TMD and that they meet the eligibility criteria of, and fall within the target markets set out in, the applicable TMD.

No person is authorised to give any information or make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the offer of securities.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities law.

No action has been taken to register or qualify the offer of securities made under this Prospectus, or the securities themselves, or otherwise to permit a public offering of the securities offered under this Prospectus, in any jurisdiction outside Australia. The securities offered under this Prospectus have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and

For personal use only

assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent expert advice should be sought before any decision is made to apply for securities under this Prospectus.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

All dates and times are dates and times in Melbourne, Victoria, Australia unless otherwise stated.

The securities offered under this Prospectus are considered highly speculative.

For personal use only

TIMETABLE

Announcement of Rights Issue and lodgement of this Prospectus with ASIC	Thursday, 4 April 2024
“Ex” date	Monday, 8 April 2024
<i>Unless otherwise determined by ASX, rights are quoted on a deferred settlement basis from market open</i>	
Record date to identify shareholders entitled to participate in the Rights Issue (Record Date) at 7:00pm (Melbourne time)	Tuesday, 9 April 2024
Prospectus dispatched with personalised entitlement and acceptance forms	Friday, 12 April 2024
Rights Issue offer opens	
If applicable, deferred settlement trading in rights ends at the close of trading	
Rights trading ends at close of trading	Monday, 22 April 2024
Unless otherwise determined by ASX, securities quoted on a deferred settlement basis from market open	Tuesday, 23 April 2024
Last day to extend the Closing Date (defined below)	Wednesday, 24 April 2024
Closing date of the Offers (Closing Date) at 5:00pm (Melbourne time)	Tuesday, 30 April 2024
Unless ASX otherwise determines, securities quoted on a deferred settlement basis from market open	Tuesday, 7 May 2024
Proposed issue date under the Offers	Tuesday, 7 May 2024

The above dates should be regarded as indicative only and may change without notice. All dates and times are Melbourne, Victoria, Australia time. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company, in consultation with the Underwriter, reserves the right to change the above dates, close the Offers (or either of them) prior to the Closing Date, extend the Closing Date and subsequent dates or not proceed with the Offers (or either of them). The Company reserves the right to extend the Closing Date by making an announcement of the extension to ASX. No securities will be issued on the basis of this Prospectus after 4 May 2025, being the expiry date of this Prospectus.

CONTENTS

1.	Details of the Offers.....	11
2.	Purpose and costs of the Offers	18
3.	Financial effect of the Offers	20
4.	Effect on the Capital Structure of the Company	22
5.	Risks	25
6.	Acceptance Instructions	31
7.	Continuous Disclosure Obligations.....	34
8.	ASX Announcements	36
9.	Terms of securities offered.....	38
10.	Director’s interests	39
11.	Taxation	41
12.	Overseas Investors.....	41
13.	Nominees, Trustees and Custodians – Rights Issue.....	42
14.	Privacy.....	42
15.	Electronic Prospectus	42
16.	Investment Decisions.....	43
17.	Future Performance.....	43
18.	Consents	43
19.	Enquiries	43

KEY INVESTMENT RISKS – SUMMARY

Please read and consider this Prospectus in full and in conjunction with any matters which have or may be referred to in the Company's ASX announcements before applying under the Offers.

Section 5 of this Prospectus contains an overview of some of the key risks associated with investment in the Company, including risks associated with the Offers as set out below:

- Risk of termination of the Underwriting Agreement.
- Value of securities and share market conditions including liquidity risk.
- Potential taxation consequences.
- Dilution risks.
- There being no guarantee that the share price of the Company will be greater than the exercise price of New Options prior to the expiry date of New Options.

Section 5 also includes specific business risks of the Company, a selection of which are set out below:

- Risks in connection with mining exploration activities.
- Risks in respect of the maintenance of tenements.
- Access risks.
- Environmental risks (including climate change risks).
- Mineral resource risk.
- Future capital requirements.
- Risks associated with commodity price fluctuations.

In addition, there are risks of a more general nature, such as economic and market conditions. A more detailed overview of some of the key risks associated with the Company and its operations are set out in section 5 of this Prospectus.

For personal use only

ABOUT THE OFFERS - SUMMARY

The following summary provides only a limited overview of the Offers. Further details are set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding seeking to participate in the Offers (or either of them) or otherwise investing in the Company.

Topic	Summary	For more information see:
RIGHTS ISSUE		
What is the Rights Issue?	<p>The Rights Issue is a partially underwritten renounceable pro rata offer of New Shares to Eligible Shareholders. Eligible Shareholders are offered the opportunity to subscribe for one (1) New Share for every two (2) existing Shares held by the Eligible Shareholder at the Record Date at an issue price of \$0.03 (3 cents) per New Share to raise up to \$2.46 million before costs.</p> <p>Every two (2) New Shares will be accompanied by one (1) New Option with an exercise price of \$0.075 (7.5 cents) and expiring 30 months from issue.</p> <p>Fractional entitlements to New Shares and free-attaching New Options will be rounded up.</p> <p>The Rights Issue is partially underwritten for \$750,000 before costs (being the Underwritten Amount). Further details of the underwriting are set out in Section 1.2.</p>	Sections 1.1 and 1.2
Am I an Eligible Shareholder?	<p>Eligible Shareholders are shareholders of the Company whose address in the Company's share register is in Australia or New Zealand on the Record Date.</p> <p>Further details are set out in Section 1.1.</p>	Section 1.1, 12 and 13
Record Date	The Record Date is 7:00pm (Melbourne time) on 9 April 2024.	Section 1.1
As an Eligible Shareholder, what is my Entitlement?	<p>The Entitlement of an Eligible Shareholder is the number of New Shares and free-attaching New Options that an Eligible Shareholder may subscribe for under the Rights Issue, being one (1) New Share for every two (2) existing Shares held by the Eligible Shareholder at the Record Date, with every two (2) New Share being accompanied by one (1) New Option.</p> <p>The Entitlement of an Eligible Shareholder does not include New Shares and free-attaching New Options an Eligible Shareholder may acquire under the Shortfall.</p>	Sections 1.1 and 1.3
What is the issue price of New Shares?	Each New Share has an issue price of \$0.03 (3 cents).	Section 1.1
What are the terms of the New Shares?	All New Shares issued will be fully paid ordinary shares that rank equally in all respects with the fully paid ordinary shares of the Company already on issue.	Sections 1.1, 9.1 and 9.3

Topic	Summary	For more information see:
What are the terms of New Options?	<p>New Options have an exercise price of \$0.075 (7.5 cents), expire 30 months from issue and otherwise having terms set out in Section 9.2.</p> <p>The Company proposes seeking quotation (listing) of New Options, subject to meeting the requirements of ASX. Further details are set out in Section 1.7.</p> <p>Nothing in this Prospectus is to be construed as stating or implying that the New Options will be quoted (listed) at any particular time, or at all.</p>	Sections 1.7, 9.2 and 9.3
Is the Rights Issue underwritten?	<p>Yes, the Rights Issue is underwritten by Mahe Capital Pty Ltd [ABN 91 634 087 684] [AFSL 517246] (the Underwriter) for \$750,000 before costs (the Underwritten Amount).</p> <p>A summary of the material terms of the Underwriting Agreement between the Company and the Underwriter is set out in Section 1.2.</p>	Section 1.2
How much will the Rights Issue raise?	<p>The Rights Issue will raise up to a maximum of approximately \$2.46 million before costs.</p> <p>The Rights Issue is partially underwritten for the Underwritten Amount and accordingly a minimum of \$750,000 before costs will be raised from the Rights Issue, subject to the Underwriting Agreement not being terminated. A summary of the material terms of the Underwriting Agreement (including termination provisions of the Underwriting Agreement) is set out in Section 1.2.</p>	Sections 1.1, 1.2 and 2
What is the use of funds under the Rights Issue?	<p>Funds raised under the Rights Issue will be applied to explorations and development activities at the projects of the Company in Tasmania and Western Australia and to working capital requirements including meeting the costs of the Offers. Further details of the use of funds are set out in Section 2.1.</p>	Section 2
What if I am not an Eligible Shareholder?	<p>If you are not an Eligible Shareholder, no offer is made to you, and you will not be provided with the opportunity to participate in the Rights Issue. Any New Shares and free-attaching New Options that would have formed your Entitlement had you been an Eligible Shareholder will, together with Entitlements not taken up by Eligible Shareholders, form the shortfall of New Shares and free-attaching New Options not taken up under the Rights Issue (Shortfall).</p>	Sections 1.4, 1.5, 12 and 13
What can I do with my Entitlement?	<p>You can do any of the following with your Entitlement under the Rights Issue:</p> <ul style="list-style-type: none"> • take up all of your Entitlement (by accepting your Entitlement in full); or • take up all of your Entitlement (by accepting your Entitlement in full) and apply for additional New Shares and free-attaching New Options from the Shortfall (if any); or • take up part of your Entitlement (by accepting part of your Entitlement) and allow the balance to lapse (with the balance to form part of the Shortfall); or • trade your Entitlement as described in section 1.3; or • do nothing, in which case all your Entitlement will lapse and form part of the Shortfall. 	Section 6.1

Topic	Summary	For more information see:
How do I take my Entitlement?	<p>If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement (and to apply for New Shares and free-attaching New Options under the Shortfall) you must either:</p> <ul style="list-style-type: none"> • if you have a registered address in Australia, pay by BPAY using the BPAY details in the personalised entitlement and acceptance form (Entitlement and Acceptance Form), so payment is received by no later than 5:00pm (Melbourne time) on the Closing Date; or • if you have a registered address in New Zealand, making payment by electronic funds transfer (EFT) as set out in your Entitlement and Acceptance Form so that payment is received by no later than 5:00pm (Melbourne time) on the Closing Date. <p>The amount payable if you are taking up your full Entitlement is set out in your Entitlement and Acceptance Form. If taking up less than your full Entitlement, the amount payable is calculated by multiplying the number of New Shares you wish to take up under your Entitlement by \$0.03 (3 cents).</p> <p>Eligible Shareholders who take up their Entitlement in full may also apply for additional New Shares and free-attaching New Options from the Shortfall (defined below).</p>	Sections 6.1 to 6.4, 6.7
Can I trade my Entitlement?	Yes, you can trade your Entitlement. Further details are set out in sections 1.3 and 6.5.	Sections 1.3 and 6.5
What happens if I do not take up my Entitlement in full?	Not taking up your Entitlement in full may result in your interest in the Company being diluted. Further details of the potential dilutive impact of the Rights Issue is set out in Section 4.3. The dilutive impact of the Rights Issue depends upon the total amount raised under the Rights Issue.	Section 4.3
How and when will I know if my application was successful?	Holding statements confirming the issue of New Shares and free-attaching New Options under the Rights Issue are anticipated to be dispatched on or about Tuesday, 14 May 2024 (subject to change without notice). The Company reserves the right to issue New Shares and free-attaching New Options from the Shortfall within three months of the Closing Date.	
UNDERWRITER OPTION OFFER		
What is the Underwriter Option Offer?	<p>The Underwriter Option Offer is an offer of up to a maximum of 4,924,227 New Options to the Underwriter (and/or its nominee(s)) as part fees for underwriting the Rights Issue.</p> <p>The number of New Options to be issued under the Underwriter Option Offer is the total amount raised under the Rights Issue multiplied by two.</p>	Section 1.6
What is the purpose of the Underwriter Option Offer?	The purpose of the Underwriter Option Offer is to facilitate the issue of New Options the subject of the Underwriter Option Offer and, in particular, to facilitate the secondary trading of New Options (subject to meeting the quotation requirements of ASX as set out in Section 1.7) and Shares issued on exercise of New Options issued pursuant to the Underwriter Option Offer.	Sections 1.6 and 1.7

Topic	Summary	For more information see:
What are the terms of New Options?	<p>New Options have an exercise price of \$0.075 (7.5 cents), expire 30 months from issue and otherwise having terms set out in Section 9.2.</p> <p>The Company proposes seeking quotation (listing) of New Options, subject to meeting the requirements of ASX. Further details are set out in Section 1.7.</p> <p>Nothing in this Prospectus is to be construed as stating or implying that the New Options will be quoted (listed) at any particular time, or at all.</p>	Sections 1.7, 9.2 and 9.3
Am I eligible to apply under the Underwriter Option Offer?	The offer of New Options under the Underwriter Option Offer is only made to and is capable of acceptance by the Underwriter (and/or its nominee(s)). The Company will provide the Underwriter (and/or its nominee(s)) a personalised application form to apply for New Options pursuant to the Underwriter Option Offer.	Section 6.6
GENERAL		
Are there risks associated with investment in the Company?	There are risks associated with investment in the Company. These include risks relating to the Offers and the New Shares and New Options, risks relating to the Company and risks associated with financial investment generally. Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before deciding to apply for or acquire New Shares and New Options or otherwise making an investment in the Company.	Section 5
What are the taxation implications of receiving securities?	Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.	Section 11
Where can I find more information about the Company?	For more information on the Company please see the Company's website (www.flynngold.com.au) or refer to the Company's ASX announcements (available on the ASX's website www2.asx.com.au , search code "FG1").	Section 7
What if I have questions?	You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for securities under this Prospectus. Questions concerning the Offers (or either of them) can be directed to the Company by email to info@flynngold.com.au .	Section 19

1. Details of the Offers

1.1 The Rights Issue

The Company offers Eligible Shareholders (being shareholders as recorded on the Share Registry records at 7:00pm (Melbourne time) on the Record Date and who have a registered address in Australia or New Zealand) the right to participate in a partially underwritten renounceable pro rata Rights Issue of one (1) New Share for every two (2) existing Shares held at the Record Date (maximum of 82,070,455 New Shares) at an issue price of \$0.03 (3 cents) per New Share to raise up to approximately \$2.46 million before costs.

Every two (2) New Shares will be accompanied by one (1) free-attaching New Option, each New Option with an exercise price of \$0.075 (7.5 cents), expiring 30 months from issue and otherwise having the full terms set out in section 9.2.

New Shares and free-attaching New Options will be issued in response to valid acceptances of Entitlements from Eligible Shareholders. Fractional entitlements to New Shares and free-attaching New Options will be rounded up.

Any New Shares and free-attaching New Options not taken up by Eligible Shareholders will form part of the Shortfall. Eligible Shareholders who take up their Entitlement in full may also apply for New Shares and free-attaching New Options from the Shortfall. Further details are set out in section 1.5.

The Rights Issue is partially underwritten for \$750,000 before costs (**Underwritten Amount**) by the Underwriter. accordingly a minimum of \$750,000 before costs will be raised from the Rights Issue, subject to the Underwriting Agreement not being terminated. Further details of the underwriting are set out in Section 1.2

1.2 Underwriting Agreement

A summary of the material terms of the Underwriting Agreement is set out below:

- The Company has appointed Mahe Capital Pty Ltd [ABN 91 634 087 684] [AFSL 517246] (the Underwriter) to partially underwrite the Rights Issue.
- The Underwriter agrees to partially underwrite the Rights Issue for the Underwritten Amount, being \$750,000 before costs. Applications received from Eligible Shareholders under the Rights Issue (including the Shortfall) reduce the amount payable by the Underwriter.
- The Underwriter is to receive the following fees for partially underwriting the Rights Issue:
 - Two New Options for every one dollar raised under the Rights Issue (maximum of 4,924,227 New Options). These New Options are the subject of the Underwriter Option Offer, further details of which are set out in Section 1.6.
 - \$60,000, which the Underwriter may elect to receive in New Shares and free-attaching New Options on the same terms as the Rights Issue (i.e. 2,000,000 New Shares at an issue price of \$0.03 (3 cents) per New Share and one free-attaching New Option accompanying every two new Shares).
 - 1% of the total amount raised under the Rights Issue, which the Underwriter may elect to receive in New Shares and free-attaching New Options on the same terms as the Rights

For personal use only

Issue (i.e. up to 820,705 New Shares at an issue price of \$0.03 (3 cents) per New Share and one free-attaching New Option accompanying every two new Shares).

- 5% of the Underwritten Amount.
- 5% of any New Shares and free-attaching New Options placed under the Shortfall beyond the Underwritten Amount, including any additional amount which may be placed under the placement capacity available to the Company under the ASX Listing Rules.
- The Company will pay and indemnify the Underwriter against and in relation to all costs and expenses of and incidental to the Rights Issue, provided that the aggregate of all such costs and expenses do not exceed \$1,500 without the prior consent of the Company.
- The Underwriter has the right to terminate the Underwriting Agreement in a range of circumstances as described below. Capitalised terms below not otherwise defined in this Prospectus are as defined in the Underwriting Agreement. References below to the "Offer" are to the Rights Issue:
 - (a) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of this Agreement falling 7% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
 - (b) **(Commodities)**: the price of COMEX gold or NYMEX WTI crude is at any time after the date of this Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
 - (c) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
 - (d) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B and an Appendix 2A in relation to the Underwritten Securities with ASX by the times required by the Listing Rules, the Corporations Act or any other regulations, provided however that the Company is not required to lodge an Appendix 2A and apply for quotation of the New Options where those New Options do not meet the requirements for quotation under Listing Rule 2.5 Condition 6;
 - (e) **(No Official Quotation)**: ASX has advised the Company that it will not or may not grant official quotation to the Underwritten Securities or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to the Shortfall Notice Deadline Date provided that this clause does not apply where New Options are not quoted due solely to the New Options not meeting the requirements for quotation under Listing Rule 2.5 Condition 6;
 - (f) **(Price)**: the Price is greater than the volume weighted average price of Shares calculated over five days after the date of this Agreement;
 - (g) **(Supplementary prospectus)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause 10.2(w), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the

Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter;
- (h) **(Non compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Securities;
- (i) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (j) **(Misleading Announcement):** it transpires that the Company has made a statement via the ASX that is misleading or deceptive or likely to mislead or deceive or there is an omission or missing information that is price sensitive.
- (k) **(Restriction on issue):** the Company is prevented from issuing the Underwritten Securities within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (l) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (m) **(ASIC application):** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (n) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act;
- (o) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;

- (p) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after this Agreement has been signed involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (q) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (r) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (s) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (t) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
- (u) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company is or becomes untrue or incorrect;
- (v) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (w) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (x) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them;
- (y) **(Significant change)**: a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (z) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (aa) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

- (bb) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;
- (cc) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (dd) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (ee) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (ff) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (gg) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (hh) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (ii) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (jj) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the conversion of convertible securities issued in the Company, such convertible securities having been disclosed to the ASX as at the date of this Agreement;
- (kk) **(Breach of Material Contracts)**: any of the Contracts is terminated or substantially modified;
- (ll) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (mm) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other major international financial markets.

- In the event that the Underwriting Agreement is terminated, the Underwriter will receive a fee of \$20,000 as the termination fee.
- The Company provides a wide-ranging indemnity to the Underwriter (and the directors, officers, employees and agents of the Underwriter) in a range of circumstances including but not limited to breach by the Company of the Underwriting Agreement or non-compliance by the Company with legal requirements (including the Listing Rules) in relation to this Prospectus and any supplementary prospectus. The indemnity provided by the Company is subject to typical limitations including but not limited to in respect of liability which results from the wilful default, fraud or gross negligence of the person claiming the indemnity, the Underwriter or any Related Party (as defined in the Underwriting Agreement) other than an act or omission which the Company has expressly approved in writing.
- The Underwriting Agreement otherwise contains terms typical for arrangements of the nature of the Underwriting Agreement.

1.3 Rights Trading

The Rights Issue is renounceable and accordingly Eligible Shareholders will be able to trade their Entitlement. Instructions on how to trade your Entitlement are set out in Section 6.5. Eligible Shareholders who choose not to take up their Entitlement and not to trade their Entitlement will receive no benefit from the Rights Issue and will be diluted from the issue of New Shares (and the issue of shares on exercise of New Options, if any) under the Rights Issue, including pursuant to the Shortfall (if any).

1.4 Non-eligible Foreign Shareholders

Only Eligible Shareholders are eligible to participate in the Rights Issue. The Company has decided that it is unreasonable to make the Rights Issue outside Australia and New Zealand having regard for:

- the number of holders in places where the Rights Issue would be made; and
- the number and value of securities those holders would be offered; and
- the cost of complying with the legal and regulatory requirements of regulatory authorities in those jurisdictions.

The Company will be notifying each of the non-qualifying foreign shareholders of the Rights Issue and advising them that they will not be able to participate in the Rights Issue.

The Company will apply to ASIC under section 615 of the Corporations Act for approval of the Underwriter to act as nominee to arrange the sale of Entitlements that would have been given to non-qualifying foreign shareholders and to account to them for the net proceeds of the sale.

At the date of this Prospectus, a total of 1,983,334 Shares (approximately 1.21% of existing Shares) are held by 5 non-qualifying foreign shareholders in 3 different countries. The shares of non-qualifying foreign shareholders are equivalent to entitlements to apply for and receive a maximum of 991,667 New Shares and 495,834 free-attaching New Options (subject to rounding), being an aggregate amount of approximately \$29,750 at the \$0.03 (3 cents) issue price per New Share. The equivalent entitlements of non-qualifying foreign shareholders will form part of the Shortfall further details of which are set out in section 1.5.

For personal use only

1.5 Shortfall

Any part of your Entitlement not taken up will form part of the Shortfall.

If you are an Eligible Shareholder and you apply for your full Entitlement, you may also apply for more New Shares and free-attaching New Options than the number shown on your Entitlement and Acceptance Form.

To apply for more New Shares and free-attaching New Options than your Entitlement (being an application for New Shares and free-attaching New Options from the Shortfall (**Shortfall Securities**)) please follow the instructions in Section 6 and as contained in your Entitlement and Acceptance Form.

The issue of additional Shortfall Securities in response to applications will depend on there being sufficient Shortfall Securities available after all valid acceptances of Entitlements are fulfilled.

The Directors in conjunction with the Underwriter reserve the right at their absolute discretion and subject to the Corporations Act and Listing Rules, to:

- issue Shortfall Securities at their discretion by applying a policy of allocating Shortfall Securities in a manner that is in the Company's best interests; and
- to reject any application for Shortfall Securities or to issue a lesser number of Shortfall Securities than that applied for.

It is an express term of the Rights Issue that applicants for Shortfall Securities will be bound to accept a lesser number of Shortfall Securities allocated to them than applied for. If a lesser number is allocated, excess application money received will be refunded without interest.

Allocation of the Shortfall Securities will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 1.2. If the Offer is oversubscribed (by take up of entitlements and applications for Shortfall Securities by Eligible Shareholders), a scale back will be applied to applications for Shortfall Securities on a pro-rata basis to the respective shareholdings of Eligible Shareholders, although there is no guarantee that Eligible Shareholders will receive any Shortfall Securities applied for.

The Company reserves the right to offer and issue Shortfall Securities at its discretion on or before the date that is three months after the Closing Date. The Company may seek to place the remaining Shortfall Securities with unrelated professional, sophisticated and other exempt investors who are invited by the Company to subscribe.

1.6 Underwriter Option Offer

The Underwriter Option Offer is an offer of up to a maximum of 4,924,227 New Options to the Underwriter (and/or its nominee(s)) as part fees for the Underwriter underwriting the Rights Issue. The number of New Options to be issued under the Underwriter Option Offer is the total amount raised under the Rights Issue multiplied by two. Further details regarding the underwriting of the Rights Issue are set out in Section 1.2. The full terms of the New Options are set out in Section 9.2.

For personal use only

1.7 ASX Listing

New Shares

The Company will apply to ASX for admission of the New Shares to official quotation within 7 days of the date of this Prospectus. The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or those securities.

If ASX does not grant permission for the Official Quotation of New Shares within 3 months after the date of issue of this Prospectus (or such period as is permitted by the Corporations Act), the Company, in its absolute discretion, will either repay the application monies to applicants without interest or (subject to any necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement prospectus and allow applicants one month to withdraw their application and be repaid their application monies without interest.

New Options

The Company proposes applying for quotation (listing) of New Options. New Options will be unquoted (unlisted) until such time as the Company satisfies the quotation requirements of ASX.

The quotation requirements of ASX in respect of New Options will include:

- There being at least 100,000 New Options on issue; and
- The New Options being held by at least 50 holders with a marketable parcel (being if all New Options held by a holder were exercised in full, the underlying Shares would be a parcel of not less than \$500 based on the closing price of the Shares at the time of purchase (issue) of the New Options).

If official quotation (listing) of New Options is not granted, New Options will be issued as unlisted securities and will not be tradeable on ASX. The fact that ASX may grant official quotation of New Options is not to be taken as an indication of the merits of the Company or the New Options.

Nothing in this Prospectus is to be construed as stating or implying that the New Options will be quoted (listed) at any particular time, or at all.

2. Purpose and costs of the Offers

2.1 Purpose of the Rights Issue

The purpose of the Rights issue is to raise up to \$2.46 million before costs. The Rights Issue is underwritten for the Underwritten Amount. Further details are set out in Section 1.2.

The Company has existing cash on hand of approximately \$1.5 million at the date of this Prospectus. Funds raised under the Rights Issue are proposed to be used, in combination with existing cash on hand, as described below (assuming the maximum amount is raised under the Rights Issue):

For personal use only

IF THE RIGHTS ISSUE IS SUBSCRIBED TO THE UNDERWRITTEN AMOUNT

	Amount (\$ million)
Funds under Rights Issue (underwritten amount)	\$0.75
Existing cash on hand	\$1.53
Total cash post-Rights Issue (maximum)	\$2.28
Use of funds	
Golden Ridge drilling	\$0.75
Other Tasmanian project costs	\$0.975
WA lithium project costs	\$0.3
Working capital	\$0.064
Costs of the Offers (refer Section 2.3 below)	\$0.191
Total	\$2.28

IF THE RIGHTS ISSUE IS FULLY SUBSCRIBED

	Amount (\$ million)
Funds under Rights Issue (maximum)	\$2.46
Existing cash on hand	\$1.53
Total cash post-Rights Issue (maximum)	\$3.99
Use of funds	
Golden Ridge drilling	\$0.75
Other Tasmanian project costs	\$0.975
WA lithium project costs	\$0.3
Working capital	\$1.747
Costs of the Offers (refer Section 2.3 below)	\$0.218
Total	\$3.99

Notes to table:

- (a) *The use of funds described in the table above is indicative only and subject to change.*
 (b) *The above table assumes no funds are raised from conversion of convertible securities.*

The use of funds raised from the Rights Issue will differ if a different amount is raised under the Rights Issue than as set out in the above tables.

2.2 Purpose of the Underwriter Option Offer

The purpose of the Underwriter Option Offer is to facilitate the issue and secondary trading of the New Options the subject of the Underwriter Option Offer (if quotation (listing) of New Options is granted) and further to facilitate the secondary trading of Shares issued on exercise of New Options issued under the Underwriter Option Offer (if any).

For personal use only

2.3 Costs of the Offers

The estimated anticipated costs of the Offers in combination are set out in the following tables:

IF THE RIGHTS ISSUE IS SUBSCRIBED TO THE UNDERWRITTEN AMOUNT

Particulars	Amount
Fee to Underwriter ^(a)	\$105,000
Legal and other corporate costs	\$40,000
Registry fees (including print and postage)	\$31,328
ASIC and ASX Fees ^(b)	\$14,960
TOTAL	\$191,288

Notes to table:

- (a) Includes a 5% fee on the Underwritten Amount and a 1% fee on the total amount received under the Rights Issue, plus \$60,000. The Underwriter may elect to receive these fees in New Shares and free-attaching New Options. Refer Section 1.2 for a summary of the material terms of the Underwriting Agreement including relevant fees.
- (b) Assumes issue and quotation of the maximum of 25,000,000 New Shares and 12,500,000 New Options under the Rights Issue and 1,500,000 New Options under the Underwriter Option Offer. If New Options are not quoted (listed) then the costs of the Offers will be reduced.

IF THE RIGHTS ISSUE IS FULLY SUBSCRIBED

Particulars	Amount
Fee to Underwriter ^(a)	\$122,121
Legal and other corporate costs	\$40,000
Registry fees (including print and postage)	\$31,328
ASIC and ASX Fees ^(b)	\$24,509
TOTAL	\$217,958

Notes to table:

- (a) Includes a 5% fee on the Underwritten Amount and a 1% fee on the total amount received under the Rights Issue, plus \$60,000. The Underwriter may elect to receive these fees in New Shares and free-attaching New Options. The table assumes the Rights Issue is fully subscribed by Eligible Shareholders and accordingly does not include a 5% fee payable to the Underwriter on New Shares and free-attaching New Options placed under the Shortfall beyond the Underwritten Amount. Refer Section 1.2 for a summary of the material terms of the Underwriting Agreement including fees payable by the Company.
- (b) Assumes issue and quotation of the maximum of 82,070,455 New Shares and 41,035,228 New Options under the Rights Issue and the maximum of 4,924,227 New Options under the Underwriter Option Offer. If New Options are not quoted (listed) then the costs of the Offers will be reduced.

The costs of the Offers will differ if a different amount is raised under the Rights Issue than as set out in the above tables.

3. Financial effect of the Offers

If the Rights Issue is subscribed to the Underwritten Amount, it is anticipated the Rights Issue will increase cash reserves of the Company by \$558,712, being \$750,000 (the Underwritten Amount) less anticipated costs of the Offers if the Underwritten Amount is raised of \$191,288.

If the Rights Issue is fully subscribed, it is anticipated the Rights Issue will increase the cash reserves of

For personal use only

the Company by \$2,244,156, being \$2,462,114 (the maximum amount that may be raised under the Rights Issue) less anticipated costs of the Offers if the Rights Issue is fully subscribed of \$217,958. These anticipated costs of the Offers do not include a 5% fee payable to the Underwriter in respect of New Shares and free-attaching New Options placed under the Shortfall beyond the Underwritten Amount and accordingly, if this were to occur, the increase to cash reserves on the Company would be reduced.

No funds will be raised from the issue of New Options under the Underwriter Option Offer, which are being issued as part fees for the Underwriter underwriting the Rights Issue.

A pro forma statement of financial position on the basis of the audited financial statements of the Company for the period ended 30 June 2023 as released to ASX on 21 September 2023 is set out below:

	Reviewed Balance Sheet 31 December 2023	Adjustments for post balance date events ^(1,2,3,4)	Unaudited Pro Forma Balance Sheet at Prospectus Date	Adjustments for Rights Issue subscribed to Underwritten Amount ^(5,7)	Unaudited Pro Forma Balance Sheet post Rights Issue subscribed to Underwritten Amount	Adjustments for Rights Issue fully subscribed ^(6,7)	Unaudited Pro Forma Balance Sheet post Rights Issue fully subscribed
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Assets							
Current assets							
Cash and cash equivalents	1,564,496	(39,533)	1,524,963	558,712	2,083,675	2,244,156	3,769,119
Goods and services tax receivable	103,540		103,540		103,540		103,540
Prepayments	126,558		126,558		126,558		126,558
Total current assets	1,794,594		1,755,061		2,313,773		3,999,217
Non-current assets							
Security deposits	155,320		155,320		155,320		155,320
Plant and equipment	59,305		59,305		59,305		59,305
Right of Use assets	36,838		36,838		36,838		36,838
Total non-current assets	251,463		251,463		251,463		251,463
Total assets	2,046,057		2,006,524		2,565,236		4,250,680
Liabilities							
Current liabilities							
Trade and other payables	742,603	(434,415)	308,188		308,188		308,188
Lease liabilities	15,074	(7,688)	7,386		7,386		7,386
Employee benefits	80,622		80,622		80,622		80,622
Total current liabilities	838,299		396,195		396,195		396,195
Non-current liabilities							
Employee benefits	7,920		7,920		7,920		7,920
Total non-current liabilities	7,920		7,920		7,920		7,920
Total liabilities	846,219		404,115		404,115		404,115
Net assets	1,199,838		1,602,409		2,161,121		3,846,564
Equity							
Issued capital	17,319,454	1,067,000	18,386,454	558,712	18,945,166	2,244,156	20,630,610
Reserves	729,641		729,641	3,582	733,223	11,760	741,401
Accumulated losses	(16,849,257)	(664,429)	(17,513,686)	(3,582)	(17,517,269)	(11,760)	(17,525,446)
Total equity	1,199,838		1,602,409		2,161,121		3,846,564

Notes to pro forma

- (1) On 2 February 2024, following the closure of the non-underwritten SPP, the Company issued 1,908,322 new ordinary shares at \$0.06 (6 cents per share) and raised \$114,500 (gross).
- (2) On 2 February 2024, the Company announced funds totalling \$990,500 (gross) were received for the Tranche 2 placement resulting in an issue of 16,508,335 Shares to Directors and Related Parties at an issue price of \$0.06 per share (6 cents per share), as approved at the Extraordinary General Meeting held on 23 January 2024.
- (3) Transaction costs on placement & SPP of \$38,000.
- (4) Reflects payment of trade creditors and ongoing working capital requirements since balance date and up until end March 2024.
- (5) Reflects \$750,000 (being the Underwritten Amount) less anticipated costs of the Offers of \$191,288 if the Underwritten Amount is raised under the Rights Issue.
- (6) Reflects \$2,462,114 (being the maximum that may be raised under the Rights Issue) less anticipated costs of the Offers of \$217,958 if the maximum is raised under the Rights Issue.
- (7) Represents fair value of broker options issued in connection with the Rights Issue. The value has been calculated using the Black Scholes method.

4. Effect on the Capital Structure of the Company

4.1 Capital Structure

The following tables set out the capital structure of the Company as at the date of this Prospectus and the impact of the Offers on the capital structure of the Company if the Rights Issue is subscribed to the Underwritten Amount or is fully subscribed. The tables assume that no further securities are issued by the Company other than as provided for under the Offers and no existing or proposed convertible securities are exercised into Shares.

SHARES – RIGHTS ISSUE SUBSCRIBED TO THE UNDERWRITTEN AMOUNT

	Number	%
Shares on issue at the date of this Prospectus	164,140,910	86.78%
New Shares under Rights Issue (underwritten amount)	25,000,000	13.22%
Total fully paid ordinary shares post Rights Issue	189,140,910	100%

SHARES – RIGHTS ISSUE FULLY SUBSCRIBED

	Number	%
Shares on issue at the date of this Prospectus	164,140,910	66.67%
New Shares under Rights Issue (maximum)	82,070,455	33.33%
Total fully paid ordinary shares post Rights Issue	246,211,365	100%

For personal use only

If an amount other than the Underwritten Amount or the maximum subscription is raised under the Rights Issue then the figures set out in the above tables will differ.

CONVERTIBLE SECURITIES

The existing and proposed options of the Company are set out in the table below:

Number of options	Expiry Date	Exercise price
3,000,000	16 June 2024	\$0.25
400,000	24 August 2025	\$0.20
Up to 41,035,228* Being the New Options under the Rights Issue	30 months from issue	\$0.075
Up to 4,924,227 Being the New Options under the Underwriter Option Offer	30 months from issue	\$0.075

* Subject to rounding

All existing options are unlisted. As noted in Section 1.7 and elsewhere in this Prospectus, the Company proposes applying for quotation (listing) of New Options subject to meeting the quotation requirements of ASX. Nothing in this Prospectus is to be construed as stating or implying that the New Options will be quoted (listed) at any particular time, or at all.

As referred to in Section 1.2, the Underwriter may elect to receive certain fees in New Shares and free-attaching Options. These New Shares and Options are not offered under this Prospectus and would be in addition to the above.

The Company also has an aggregate of 2,726,850 performance rights on issue at the date of this Prospectus. The milestone(s) for conversion of performance rights is set out in the annual report for the period ended 30 June 2023 released to ASX on 21 September 2023 and available at www.asx.com.au, search code "FG1".

4.2 Substantial shareholder

As at the date of this Prospectus, the Company has one substantial shareholder, being Colin Bourke and his associated entities (**Bourke Holding**). The Bourke Holding holds an aggregate of 59,909,161 fully paid ordinary shares, representing approximately 36.50% of the Shares at the date of this Prospectus. The Company has not received an indication from the Bourke Holding as to what the Bourke Holding intends to do with its Entitlement prior to lodgement of this Prospectus.

4.3 Dilution and control

The potential dilutive impact of the issue of New Shares under the Rights Issue is as follows:

- If all Eligible Shareholders take up their full Entitlements, the Rights Issue will not have a material effect on the control of the Company as all Eligible Shareholders will maintain, or depending on allocation of New Shares from the Shortfall marginally increase, their respective percentage interest in the Company.

For personal use only

- If an Eligible Shareholder takes up their Entitlement in full and applies for and receives New Shares from the Shortfall, the percentage interest in the Company of that Eligible Shareholder will increase.
- If an Eligible Shareholder takes up their full Entitlement and the Rights Issue is not fully subscribed (including following allocation of New Shares from the Shortfall), the percentage interest in the Company of that Eligible Shareholder will increase.
- If an Eligible Shareholders takes up some, but not all, of their Entitlement then the percentage interest in the Company of that Eligible Shareholder may increase, decrease or remain the same depending on the number of New Shares issued under the Rights Issue, including New Shares under the Shortfall.
- To the extent that an Eligible Shareholder does not take up any of their Entitlement (including as a result of trading their entire Entitlement), the percentage interest in the Company of that Eligible Shareholder will be reduced as a result of the issue of New Shares and the Rights Issue and the Shortfall.

All Ineligible Shareholders will be diluted as a result of the Rights Issue.

As noted in Section 1.2, the Underwriter has agreed to underwrite the Rights Issue up to the Underwritten Amount. If no Eligible Shareholder took up their Entitlement and the Underwritten Amount was subscribed for by the Underwriter under the Rights Issue, the Underwriter and its associates would acquire a relevant interest in 13.22% of the issued Shares following completion of the Rights Issue (noting the Underwriter and its associates do not currently hold Shares). As referred to in Section 1.2, the Underwriter may elect to receive certain fees in New Shares and free-attaching Options. If the Underwriter subscribed for the Underwritten Amount under the Rights Issue and elected to receive the fees referred to in Section 1.2 in New Shares and free-attaching New Options, the Underwriter would have a relevant interest in 49.49% of the issued Shares following completion of the Rights Issue (noting the Underwriter and its associates do not currently hold Shares).

Other than the Bourke Holding which holds approximately 36.50% of the Shares at the date of this Prospectus, no other person will by acceptance of their Entitlement, nor will any person through acceptance of New Shares and free-attaching New Options from the Shortfall be permitted to, acquire or increase a relevant interest in 20% or more of the issued Shares. As a result, the Rights Issue will not have a material effect on control of the Company.

Further details with respect to the Bourke Holding are set out in Section 4.2.

Indicative examples of the impact of dilution of the Rights Issue on existing shareholders where a shareholder does not take up their Entitlement (assuming either the Underwritten Amount is raised or if the Rights Issue is fully subscribed) are set out in the following tables:

For personal use only

RIGHTS ISSUE SUBSCRIBED TO THE UNDERWRITTEN AMOUNT

Shareholder (example)	Holding at Record Date	% at Record Date	Entitlement under Rights Issue	Holding if Entitlement not taken up	As % of total shares if Rights Issue subscribed to the Underwritten Amount
A	500,000	0.30%	250,000	500,000	0.26%
B	1,000,000	0.61%	500,000	1,000,000	0.53%
C	2,500,000	1.52%	1,250,000	2,500,000	1.32%
D	5,000,000	3.05%	2,500,000	5,000,000	2.64%
E	7,500,000	4.57%	3,750,000	7,500,000	3.97%
F	10,000,000	6.09%	5,000,000	10,000,000	5.29%

RIGHTS ISSUE FULLY SUBSCRIBED

Shareholder (example)	Holding at Record Date	% at Record Date	Entitlement under Rights Issue	Holding if Entitlement not taken up	As % of total shares if Rights Issue 100% subscribed
A	500,000	0.30%	250,000	500,000	0.20%
B	1,000,000	0.61%	500,000	1,000,000	0.41%
C	2,500,000	1.52%	1,250,000	2,500,000	1.02%
D	5,000,000	3.05%	2,500,000	5,000,000	2.03%
E	7,500,000	4.57%	3,750,000	7,500,000	3.05%
F	10,000,000	6.09%	5,000,000	10,000,000	4.06%

Notes to Tables:

- All percentages are rounded to two decimal places.
- It is assumed the notional Shareholders in the example above do not acquire or dispose of shares.
- The above does not take into account the issue of any additional shares upon exercise of any options (including any New Options) or conversion of performance rights.
- If an amount other than the Underwritten Amount or the maximum subscription is raised under the Rights Issue then the above percentages will differ.

No shareholder will be diluted as a result of the issue of New Options under the Offers until as New Options are exercised into Shares. There is no guarantee a certain number of New Options (or any at all) will be exercised into Shares prior to the expiry date of New Options at a particular time, or at all.

5. Risks

The securities offered under this Prospectus are considered highly speculative. An investment in the Company carries risk. The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in the Prospectus.

This section identifies circumstances the Directors regard as risks associated with investment in the Company and which may have a material adverse impact on the financial performance of the Company,

For personal use only

if they were to arise.

Specifically:

- the securities offered under this Prospectus are subject to specific risks (refer to section 5.1);
- the business, assets and operations of the Company are subject to specific risk factors that could potentially influence the performance of the Company in the future (refer section 5.2); and
- there are general investment and market risks (refer section 5.3).

Where possible, the Directors aim to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified are highly unpredictable or are out of the control of the Company and the Company is therefore limited to the extent it can effectively manage them.

These risk factors are not intended to be an exhaustive list of risks to which the Company is, or will be, exposed.

5.1 Risks associated with the Offers

(a) Risk of termination of the Underwriting Agreement

As set out in section 1.2, the Underwriting Agreement under which the Underwriter has agreed to underwrite the Rights Issue contains various conditions precedent and termination events. There is a risk that the Company does not satisfy the conditions precedent and/or that a termination event occurs, in which case the Underwriter may seek to terminate the Underwriting Agreement.

(b) Value of securities, liquidity and share market conditions

The market price of the Company's securities is subject to varied and unpredictable influences on the market for equities in general and with respect to resources stocks in particular. Market conditions and lack of liquidity may affect the value of the Company's securities regardless of the performance of the Company. No assurance can be given that there will be, or will continue to be, an active market for the ordinary shares of the Company (which will include the New Shares and shares issued on exercise of New Options (if any)) or, if ASX grants quotation, the New Options. The trading price of the ordinary shares of the Company and, if quoted (listed), New Options, may fall as well as rise.

No guarantee can be given that the New Options will be quoted (listed) and nothing in this Prospectus is to be construed as stating or implying that the New Options will be quoted (listed) at any particular time, or at all.

(c) Taxation consequences

The issue of New Shares and/or New Options (including Shares on exercise of New Options, if any) may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before investing in the Company.

(d) Dilution

The issue of New Shares will result in holders who do not take up their full Entitlement being diluted. The number of New Shares to be subscribed for by an Eligible Shareholder to not be diluted as a

For personal use only

result of the issue of New Shares under the Rights Issue is dependent upon the current shareholding of the Eligible Shareholder and the total number of New Shares issued.

The issue of New Options will not dilute shareholders until Shares are issued on the exercise of New Options (if any). The conversion of any existing convertible securities into shares (including performance rights) will also dilute shareholders.

(e) Exercise price of New Options

There is no guarantee that the share price will be greater than the \$0.075 (7.5 cents) exercise price of New Options prior to the expiry date of 30 months from issue of New Options. Accordingly, there is a risk that New Options will be out of the money during the entire exercise period, which will affect the value of the New Options.

5.2 Company Specific Risks

(a) Exploration risk

The activities of the Company will comprise mining exploration for the foreseeable future. These activities may be adversely affected by a range of factors including lack of access to suitable personnel, lack of access to drill rigs or other equipment, mechanical failure or breakdowns, adverse weather, industrial accidents or disputes, shortages or increased costs of consumables, and other factors outside the control of the Company.

Mining exploration activities are by their very nature high risk and inherently uncertain. There can be no guarantee or assurance that exploration of the existing projects of the Company, or of any project acquired in future, will result in the discovery of one or more mineral deposit. Furthermore, in the event that a mineral deposit were discovered, there is no guarantee that mining of that deposit would be economically viable.

Accordingly, there is a risk that the expenditure of funds by the Company on exploration activities will not lead to the discovery and development of an economically viable resource. Such an outcome would be adverse to the prospects of the Company and may result in the Company scaling back its activities.

In the event that the Company identified an economically viable mineral deposit, the capacity of the Company to proceed to develop a mine in respect of that deposit would be dependent upon a number of factors including obtain required regulatory and third party approvals, seasonal weather, construction issues, funding and plant, equipment and labour availability. Some of these factors are outside of the control of the Company. These factors may create risks in respect of the successful development of a mineral deposit.

(b) Tenement risks

The interests of the Company in its tenements are governed by mining legislation, regulations and conditions imposed by the relevant legislature. Each tenement is subject to annual expenditure and reporting obligations. Tenements are granted for fixed terms and renewal or extension of tenements is subject to government approval, which depends in part upon historical and ongoing compliance with tenement conditions and relevant law. Failure to meet these requirements may result in loss of a tenement. Renewal or extension of a tenement will necessitate surrender of a portion of the area covered. The Company may also form the view that one or more of its tenements

For personal use only

is no longer prospective and determine to forfeit the tenement(s).

(c) *Access risks*

There may be restrictions on the operations of the Company that exclude, limit or impose conditions on the ability of the Company to access and conduct exploration activities on one or more of the tenements forming the projects of the Company. Restrictions may include, but are not limited to:

- exclusions from pursuing exploration on certain areas of Commonwealth land;
- requirements arising from Native Title legislation and claims;
- requirements arising from state legislation relating to Aboriginal heritage, culture and objects;
- environmental based conditions and restrictions;
- access procedures and compensation requirements in relation to privately held land; and
- access procedures and conditions in relation to land falling within deeds of grant in trust.

The Company has formulated its exploration plans to seek to accommodate and work within the access restrictions outlined above, however these requirements can be complex and sometimes require approvals, consents or negotiations involving government entities or third parties. As such, there is a risk one or more of these access issues may prevent the Company from implementing its intended exploration plans, which may thereby adversely affect the Company's financial position, operations and prospects.

(d) *Environmental risks*

The operations of the Company in both the near and long term are subject to extensive State and Federal environmental laws and regulations. The future activities of the Company may impact upon the environment, especially if advanced exploration or mine development proceeds. The Company will use all reasonable endeavours to comply with all environmental and regulatory requirements, however the laws are complex and there is a risk of inadvertent non-compliance by the Company.

Proceeding with a mining operation would be expected to create significantly enhanced environmental risks, particularly with respect to environmental damage through construction activities, disposal of waste products and/or water contamination. Such occurrences could delay production or increase costs of operations.

Natural events such as excessive rainfall, floods, storms or bushfire could adversely affect the Company's ongoing compliance with environmental laws and regulations. Breaches of environmental legal and regulatory requirements may result in fines, damages, clean-up costs and other penalties against the Company.

(e) *Climate change*

As an entity engaged in exploration activities, the Company anticipates it will be subject to climate risks and in particular:

For personal use only

- The emergence of new or expanded regulations associated with transitioning to a lower carbon economy including market changes associated with climate change mitigation. The Company may be impacted by local and international compliance regulations, or specific taxes or penalties associated with carbon emissions or environmental damage. Given the uncertainty with respect to the future regulatory framework regarding climate change mitigation, the Company may be subject to further restrictions, conditions and risks. While the Company will seek to manage risks associated with climate change as and when they arise, there can be no guarantee that the Company will be able to do so in a cost-effective manner, if at all.
- Climate change may cause physical and environmental risks that cannot be predicted, including extreme weather patterns and events that may directly or indirectly impact the operations of the Company and may significantly disrupt the industry in which the Company operates.

(f) Mineral resource risk

The Company has formulated its exploration plans to seek to accommodate and work within the access restrictions outlined above, however these requirements can be complex and sometimes require approvals, consents or negotiations involving government entities or third parties. As such, there is a risk one or more of these access issues may prevent the Company from implementing its intended exploration plans, which may thereby adversely affect the Company's financial position, operations and prospects.

(g) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue in the foreseeable future. Exploration and development costs and pursuit of its business plan will use funds from the Company's current cash reserves and the amount raised under the Rights Issue.

Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the then market price (or the price of New Shares) or may involve restrictive covenants which limit the Company. Debt financing, if available, may involve restrictions on financing and activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain funding as needed, it may be required to reduce the scope of its activities.

(h) Commodity prices

Commodity prices, including gold, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.

(i) Potential acquisitions and divestments

As part of its business strategy, the Company may make acquisitions of, or significant investments in,

For personal use only

complementary companies or projects and make asset divestments. Any such transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or projects and any divestment activity could result in realising values less than fair value. In addition, as a result of such transactions the Company may be exposed to additional or heightened risks

5.3 General Risks

(a) Pandemic

The Company's operations may be adversely affected by the economic uncertainty caused by a pandemic. No guarantee can be given that governmental or industry measures taken in response to a potential future pandemic (if any) will not adversely impact the operations of the Company.

(b) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may adversely affect the Company's activities, as well as its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- international trade disputes and sanctions;
- political instability and civil unrest;
- restricted access to trade routes;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(c) Regulatory Risks

The Company's activities could be adversely affected by changes to laws such as the impact of taxes and charges, increasing requirements relating to regulatory and environmental matters and changes to mining or exploration rights granted under legislation. The Company could also be adversely affected by changes to laws regarding native title and heritage matters, employee relations, health and worker safety, protection of endangered and protected species and other matters. Failure to comply with applicable laws or permit conditions could result in fines, penalties or other sanctions including suspension or forfeiture of rights.

For personal use only

(d) *Litigation Risks*

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(e) *Unforeseen expenditure or risks*

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected. There may be other risks which the Directors and/or management of the Company are unaware of at the time of issuing this Prospectus which may impact upon the Company, its operations and/or the value and performance of the securities of the Company.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or in connection with an investment in the Company. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Company and the value of the securities offered under this Prospectus.

New Shares and Shares issued upon exercise of New Options (if any) carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends for the foreseeable future.

Potential investors should consider that the investment in the Company is highly speculative.

6. Acceptance Instructions

6.1 Choices available under the Rights Issue

Eligible Shareholders may:

- exercise their right to participate in the Rights Issue and take up their Entitlement in full; or
- exercise their right to participate in the Rights Issue and take up their Entitlement in full, and apply for additional New Shares and free-attaching New Options from the Shortfall; or
- exercise their right to participate in the Rights Issue and take up their Entitlement in part; or
- trade some or all of their Entitlement as described in section 1.3; or
- take no action under the Rights Issue and allow their Entitlement to lapse.

Entitlements not taken up will become part of the Shortfall. The Company may reject an acceptance where payment of the acceptance amount is not received, or without prejudice to its rights, issue New Shares and free-attaching New Options in response to the acceptance and recover outstanding acceptance amount from the recipient. If your Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares and free-attaching New Options. The Directors' decision in whether to treat an Entitlement and Acceptance Form as valid and how to

For personal use only

construe, amend or complete the form is final. The Company, the Underwriter and the share registry of the Company accept no responsibility for failure by your stockbroker or other third parties to carry out your instructions.

6.2 Applying under the Rights Issue

All acceptances of Entitlements must be made in accordance with the instructions set out in your Entitlement and Acceptance Form accompanying this Prospectus.

Your acceptance of your Entitlement and/or payment may not be effective if received after 5:00pm (Melbourne time) on the Closing Date or such later date as the Company may specify.

If payment is not received in accordance with the above, no New Shares and free-attaching New Options will be issued to you in respect of your acceptance or payment, and any payment received will be refunded to you after the allotment in accordance with the Corporations Act, without interest.

The amount payable on acceptance will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment received is insufficient to pay in full for the number of New Shares and free-attaching New Options you have accepted or is more than required for the number of New Shares and free-attaching New Options you have accepted, you will be taken to have accepted the lesser of your Entitlement or such whole number of New Shares and free-attaching New Options which is covered in full by your payment.

6.3 Payment options available to Eligible Shareholders - BPAY^{®*} or Electronic Funds Transfer (EFT)

** [®] Registered to Bpay Pty Ltd ABN 69 079 137 518*

Eligible Shareholders can accept their Entitlement (and apply for New Shares and free-attaching New Options from the Shortfall) by making payment by BPAY or electronic funds transfer (EFT) as described below. The payment option available to an Eligible Shareholder is dependent upon the jurisdiction in which that Eligible Shareholder resides. As all payment methods available to Eligible Shareholders under the Rights Issue are electronic, Eligible Shareholders are not required to complete and submit an Entitlement and Acceptance Form.

You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via electronic methods. It is your responsibility to check the amount you wish to pay via electronic methods does not exceed your limit. The Company, the Underwriter and the Share Registry accept no responsibility for unsuccessful, delayed, or incomplete electronic payments.

If paying by BPAY – available to Australian registered Eligible Shareholders:

To accept your entitlement and pay via BPAY, you should:

- read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and

For personal use only

- make your payment via BPAY for the number of New Shares and free-attaching New Options you wish to subscribe for (being the Rights Issue offer price of \$0.03 (3 cents) per New Share multiplied by the number of New Shares for which you are accepting your Entitlement (plus any New Shares from the Shortfall if you are taking up your Entitlement in full)) so that it is received no later than 5pm (Melbourne time) on the Closing Date, or such later date as the Company may specify.

If paying by Electronic Funds Transfer (EFT) – available to New Zealand registered Eligible Shareholders:

To accept your Entitlement and pay by EFT, you should:

- read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- make your payment via EFT for the number of New Share and free-attaching New Options you wish to subscribe for (being the Rights Issue offer price of \$0.03 (3 cents) per New Share multiplied by the number of New Shares for which you are accepting your Entitlement (plus any New Shares from the Shortfall if you are taking up your Entitlement in full)) so that it is received no later than 5pm (Melbourne time) on the Closing Date, or such later date as the Company may specify.

6.4 Multiple Holdings

If you have multiple holdings you will have multiple reference numbers. To ensure that you receive your Entitlement in respect of each holding, you must use the reference number shown on each Entitlement and Acceptance Form when paying to accept your Entitlement in respect of that holding. Payment in excess of the amount payable for one holding will not be treated as payment for another holding and the excess will be refunded by, or at the direction of, the Company to the applicable without interest.

6.5 Sell all or part of your entitlement

An Eligible Shareholder may trade their Entitlement on ASX or transfer it to a third party. To trade all or part of your Entitlement on ASX, you must provide instructions to your stockbroker regarding the portion of your Entitlement you wish to sell on ASX. Trading of Entitlement rights will commence on ASX on 8 April 2024 and cease on 22 April 2024 (unless extended). There is not guarantee that an Eligible Shareholder will be able to sell any or all of their Entitlement on ASX or that a particular price will be paid for an Entitlement on ASX.

An Eligible Shareholder may elect to transfer all or part of their Entitlement to another person other than on ASX. If the potential purchaser is not an Eligible Shareholder, that purchaser will not be able to take up the Entitlement that they have purchased.

If the Eligible Shareholder is a holder on the issuer sponsored sub-register and they wish to transfer some or all of their Entitlement to another person other than on ASX, that Eligible Shareholder must submit a standard renunciation (obtainable from the Share Registry of the Company) to the Share Registry of the Company by email as per the instructions on the Entitlement and Acceptance Form.

If the Eligible Shareholder wishes to transfer some or all of their Entitlement to another person on the CHES sub-register, that Eligible Shareholder must engage with their CHES controlling participant (typically the stockbroker of that Eligible Shareholder). If the transferee wishes to exercise some or all of the Entitlement of an Eligible Shareholder, that Eligible Shareholder should follow the

For personal use only

instructions of their stockbroker as to the most appropriate way to take up the Entitlement on behalf of the transferee. Application monies for New Shares and free-attaching New Options the transferee of the Entitlement wishes to acquire must be received in accordance with the payment terms set out elsewhere in this section 6.

6.6 Applying under the Underwriter Option Offer

The Underwriter Option Offer is only made to and capable of acceptance by the Underwriter (and/or its nominee(s)). The Company will provide a personalised application form to the Underwriter (and, if require, the nominee(s) of the Underwriter) to apply for New Options under the Underwriter Option Offer.

6.7 Further Information – General

The issue of New Shares and New Options is expected to occur after the Closing Date and on or before the date set out in the timetable on page 4 of this Prospectus (which date may change without notice), after which holding statements (which may be in electronic form) will be despatched to successful applicants.

It is the responsibility of recipients to determine their allocation prior to trading in New Shares and/or New Options. Recipients trading New Shares and/or New Options before they receive their statements will do so at their own risk.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia and New Zealand should consult their professional advisers as to whether any governmental or other consent is required or whether formalities need to be observed to enable them to acquire New Shares and/or New Options. Receipt of payment for New Shares will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offers (or either of them), or to acquire New Shares, New Options or other securities of the Company.

If you have any questions about the Offers generally, please contact the Company by email to info@flynngold.com.au. Alternatively, contact your stockbroker or other professional adviser.

7. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities or securities convertible into continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that

For personal use only

were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
 - the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company operates an ongoing business and reports regularly on its activities. The Company from time to time seeks to engage in discussions on an ongoing basis in respect of potential opportunities. Funds may be used to fund the costs associated with identifying, investigating and pursuing such opportunities. While the Company may seek to negotiate such opportunities there is no certainty any such arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such opportunities (if any) in accordance with its continuous disclosure obligations as developments, if any, occur (however no guarantee can be given that such developments, if any, will occur).

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective websites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

For personal use only

- (a) The annual financial report of the Company for the financial year ended 30 June 2023 (released to ASX on 21 September 2023), being the most recent financial report of the Company before the lodgement of this Prospectus with ASIC;
- (b) The financial report of the Company for the half year ended 31 December 2023 (released to ASX on 3 March 2024); and
- (c) Any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (a) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in Section 8 of this Prospectus.

Such documents are also available online from the ASX website at www2.asx.com.au, search code "FG1".

8. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 30 June 2023 with ASIC:

Date	Headline
28 March 2024	Flynn Gold Launches Interactive Investor Hub
26 March 2024	Strike and Depth Potential Identified at Firetower
20 March 2024	Updated Mining News Conference Presentation
19 March 2024	Appendix 3Y
19 March 2024	Notification of cessation of securities - FG1
19 March 2024	Mining News Conference Presentation
13 March 2024	Half Year Accounts
12 March 2024	Lithium Soil Anomaly Outlined at Lake Johnston
6 March 2024	Parker Dome -Multiple Large Lithium Soil Anomalies Outlined
6 March 2024	Pause in Trading
26 February 2024	Placement Update
21 February 2024	VGMEF Presentation
13 February 2024	Investor Presentation
6 February 2024	Appendix 3Y x 4
5 February 2024	Change in substantial holding
2 February 2024	Section 708A Cleansing Notice
2 February 2024	Application for quotation of securities - FG1
2 February 2024	SPP and Tranche 2 Placement Raises \$1.1 Million
29 January 2024	December 2023 Quarterly Activities Report and Appendix 5B
24 January 2024	Response to ASX Price Query
23 January 2024	Results of Extraordinary General Meeting
22 January 2024	High-Grade Au-Co-W Intersected at Firetower, NW Tasmania

For personal use only

Date	Headline
19 January 2024	Update - Proposed issue of securities - FG1
19 January 2024	Extension of the Share Purchase Plan
12 January 2024	Drilling Confirms Gold System Near Surface at Warrentinna
22 December 2023	Notice of Extraordinary General Meeting and Proxy Form
18 December 2023	Share Purchase Plan Offer Opens
15 December 2023	Section 708A Cleansing Statement
15 December 2023	Application for quotation of securities - FG1
15 December 2023	Soil Sampling Program Commences- Parker Dome Lithium Project
13 December 2023	Update - Proposed issue of securities - FG1
11 December 2023	Update - Proposed issue of securities - FG1
11 December 2023	Investor Presentation December 2023
11 December 2023	Proposed issue of securities - FG1
11 December 2023	Flynn Gold to Raise \$2.4 million via Placement & SPP
11 December 2023	Proposed issue of securities - FG1
11 December 2023	Lithium Project Acquired with Multiple Pegmatite Targets
7 December 2023	Trading Halt
1 December 2023	Further Pegmatites Identified, Lake Johnston Lithium Project
30 November 2023	Results of Annual General Meeting
30 November 2023	Annual General Meeting Presentation
23 November 2023	Investor Presentation
22 November 2023	94.5% Gold Recovery from Metallurgical Tests at Trafalgar
20 November 2023	Lithium Anomalies Defined at Mt Dove, Pilbara WA
13 November 2023	Li Exploration Accelerates over Lake Johnston Pegmatites
9 November 2023	Response to ASX Price Query
27 October 2023	Notice of Annual General Meeting and Proxy Form
27 October 2023	High-Grade Au-Co-W Enhances Minerals Potential at Firetower
25 October 2023	September 2023 Quarterly Activities Report and Appendix 5B
10 October 2023	Flynn Records 137.8g/t Au in Drilling at Trafalgar, NE Tas
5 October 2023	Revised Announcement - Drilling Underway at Warrentinna
4 October 2023	Update of AGM & Director Nomination Closing Date
27 September 2023	Drilling Underway at Warrentinna Project, NE Tasmania
21 September 2023	2023 Appendix 4G and Corporate Governance Statement
21 September 2023	30 June 2023 Annual Report

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

For personal use only

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, www2.asx.com.au under the Company's ASX code "FG1" and copies of announcements can be obtained from the Company upon request and are available on the Company's website www.flynnngold.com.au. Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus, it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

9. Terms of securities offered

9.1 New Shares

New Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the Listing Rules of ASX and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge.

An electronic copy of the Company's constitution was released to ASX on 15 June 2021.

9.2 New Options

References in this Section 9.2 to "Option" is to New Options:

- (a) Each Option entitles the holder to one Share fully paid ordinary share in the capital of Flynn Gold Limited [ABN 82 644 122 216] (**the Company**) (each a **Share**).
- (b) The Options may be exercised at any time prior to 5.00pm Melbourne time on the date that is 30 months after the date of issue of the Options (**Expiry Date**).
- (c) The exercise price of the Options is A\$0.075 (7.5 Australian cents) each (**Exercise Price**).
- (d) The Company may seek quotation (listing) of the Options, subject to meeting the quotation requirements of the Australian Securities Exchange (**ASX**). The Options may accordingly be quoted (listed).
- (e) The Options are transferable, subject at all times to the requirements of the Australian Corporations Act 2001 and any other applicable law or regulation.
- (f) To exercise the Options, each Option holder must duly complete, execute and deliver to the Company an exercise notice in the form provided to the Option holder or as otherwise acceptable to the Company (**Notice of Exercise**). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise (or such other form of written notice of exercise acceptable to the Company) and delivering it to the Company Secretary at its registered office or to its designated registry (which may include delivery or giving by electronic means), to be received prior to the Expiry Date. The Notice of Exercise must, among other things, state the number of Options exercised, the consequent number of Shares to be

allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment (which may be made by electronic funds transfer by prior arrangement in writing with the Company or its designated registry) in full for the relevant number of Shares being subscribed, being an amount of the Exercise Price per Option exercised.

- (g) Where an Option holder determines to exercise some, but not all, of their held Options, the total aggregate amount payable to exercise the Options that are sought to be exercised must be a minimum of \$1,000.
- (h) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for all Shares issued pursuant to the exercise of the Options to be admitted to quotation.
- (i) In the event of a pro rata entitlements issue to the Company's shareholders, the Exercise Price shall be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (j) In the event of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (k) In the event of any reorganisation of the capital of the Company (including consolidation, subdivisions, reduction or return) prior to the Expiry Date the rights of an Option holder will be changed to extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of the capital at the time of the reorganisation.
- (l) There are no participating rights or entitlements inherent in the Options and an Option holder will not be entitled to participate in new issues of capital offered to the Company's shareholders during the term of the Options. However, the Company will if required by the Listing Rules of ASX send a notice to the Option holder at least 3 business days (or such longer period as the Listing Rules of ASX require) before the record date of any new issues of capital offered to the Company's shareholders in order to give the Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue. Notice may be sent to the last email address advised by the Option holder.
- (m) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.

9.3 General

The Offers and any application concerning the issue of New Shares and New Options under this Prospectus, shall be governed and construed in accordance with the laws of Victoria, Australia.

10. Director's interests

10.1 Securities

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus and the effect of the Rights Issue on the direct and indirect share holdings of Directors are set out in the following table. The table assumes the Directors do not participate in the Rights Issue to show the maximum potential dilutive impact on the direct and indirect interests of Directors if the Rights Issue is subscribed to the Underwritten Amount and if the Rights Issue is fully subscribed:

For personal use only

SHARES AND PERFORMANCE RIGHTS

Director/Shareholder (and/or associate(s))	Shares at Record Date		Rights Issue Entitlement	% if Rights Issue subscribed to the Underwritten Amount	% if Rights Issue fully subscribed	Performance Rights
	Number	%				
Clive Duncan	4,990,676	3.04%	2,495,338	2.64%	2.03%	Nil
Neil Marston	1,133,332	0.69%	566,666	0.60%	0.46%	2,400,000
Samuel Garrett	2,253,347	1.37%	1,126,674	1.19%	0.92%	Nil
John Forwood	1,296,909	0.79%	648,455	0.69%	0.53%	Nil
TOTAL:	9,674,264	5.89%	4,837,133	5.11%	3.94%	2,400,000

Notes to Table:

- (1) *The above does not take into account the issue of any additional shares after the date of this Prospectus except as otherwise stated, including any shares issued upon exercise of any options (including New Options).*
- (2) *No director holds any options to acquire shares in the Company.*
- (3) *All percentages are rounded to two decimal places.*

The Directors are not able to subscribe for Shortfall in addition to their Entitlement without shareholder approval. The Directors will not participate in the Underwriter Option Offer.

10.2 Remuneration and Payments to Directors

Directors are entitled to receive directors' fees and other remuneration from the Company in relation to services provided to the Company. Details of the cash remuneration paid or agreed to be paid to the Directors in the two years prior to the lodgement of this Prospectus (excluding GST, if applicable) are as follows:

Director	April 2022 – March 2023	April 2023 – March 2024
Clive Duncan	\$62,500	\$62,500
Neil Marston	\$136,379	\$359,448
Samuel Garrett	\$167,542	\$125,759
John Forwood	\$42,840	\$42,646

Note to table: The remuneration set out above includes base salaries in connection with director engagements and compulsory contributions towards director nominated superannuation funds as required by Australian employment law.

For personal use only

10.3 Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offers (or either of them).
- (b) no Director has, or has had within two years of lodgement of this Prospectus, any interest in:
- the formation or promotion of the Company; or
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers (or either of them); or
 - the Offers (or either of them).

11. Taxation

Recipients of this Prospectus and the Offers (or either of them) should seek and obtain their own taxation advice.

12. Overseas Investors

This Prospectus and any application form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons outside Australia who come into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute violation of applicable securities laws.

No action has been taken to register or qualify the securities under this Prospectus or to otherwise permit a public offering of the securities under this Prospectus in any jurisdiction outside Australia. The Company reserves the right (at its absolute discretion) to accept an application form from a shareholder if it is satisfied that making and acceptance of the application complies with the requirements of the relevant jurisdiction.

The Offers have not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to a person or persons resident in the United States of America.

New Zealand

The New Shares and free-attaching New Options under the Rights Issue are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

For personal use only

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The offer of New Shares and free-attaching New Options under the Rights Issue to Eligible Shareholders in New Zealand is made in compliance with the relevant Australian laws.

13. Nominees, Trustees and Custodians – Rights Issue

The Rights Issue offer is being made to all Eligible Shareholders. The Company is not required to determine whether an Eligible Shareholder is acting as a nominee, trustee or custodian or the identity or residence of any beneficial owner of Shares. Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws. For the avoidance of doubt, nominees, trustees and custodians that hold on behalf of the beneficial holder in the United States may not submit an Entitlement and Acceptance Form on behalf of such beneficial holder(s) resident in the United States.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from FG1. Nominees and custodians should carefully consider the contents of that letter and note in particular that the additional New Shares and free-attaching New Options from the Shortfall (if any), is only available to any underlying beneficiaries who are eligible (accepted their Entitlement in full) to apply for the additional New Shares and free-attaching New Options from the Shortfall (if any). Nominees and custodians must aggregate any underlying beneficiary applications for additional New Shares and free-attaching New Options from the Shortfall (if any) and then make one application for the total of those underlying beneficiary applications. Any scale back required will be applied at the registered holder level not to the underlying beneficiary level.

14. Privacy

Personal information is collected on application forms by the Company and the Share Registry for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registry, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registry's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

15. Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www2.asx.com.au (search code "FG1") and via the Company's website at www.flynnngold.com.au.

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting the Company by email to info@flynnngold.com.au.

For personal use only

Applications for New Shares and New Options under the Offers (or either of them) may only be made in accordance with the personalised application form (being the Entitlement and Acceptance Form for the Rights Issue and the application form for the Underwriter Option Offer) which will be provided to invitees and which will form part of or will be accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person a personalised application form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

16. Investment Decisions

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the offers of securities under this Prospectus regard to their own objectives, financial situation, tax position and needs.

17. Future Performance

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment in the Company should be considered speculative.

18. Consents

Mahe Capital Pty Ltd [ABN 91 634 087 684] [AFSL 517246] has given and, as at the date hereof, not withdrawn, its written consent to being named as the Underwriter to the Rights Issue in the form and context in which it is named. Mahe Capital Pty Ltd has not authorised or caused the issue of any part of this Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

Computershare Investor Services Pty Ltd has given and, as at the date hereof, not withdrawn, its written consent to being named as the Share Registry of the Company, in the form and context in which it is named. Computershare Investor Services Pty Ltd has not authorised or caused the issue of any part of this Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

19. Enquiries

If you have any questions regarding the content of this Prospectus or how to complete the personalised application form, you should contact your stockbroker, accountant or independent professional financial adviser prior to accepting the Offers (or either of them). If you have any questions please contact the Company by email to info@flynnngold.com.au.

No person is authorised to give information or make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

For personal use only

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



Clive Duncan
Non-Executive Chair
Flynn Gold Limited

For personal use only

For all enquiries:

Phone:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Web:
 www.investorcentre.com/contact

FG1

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (Melbourne time) Tuesday, 30 April 2024**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

ASX will quote a market for rights between 12 April 2024 and 22 April 2024. Please refer to the Prospectus for details on how to renounce your rights.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you take up your full Entitlement, you may also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Prospectus dated 4 April 2024.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

Turn over for details of the Offer →

Sale of your Entitlement rights in full by your Stockbroker/ Agent

If you wish to sell your rights entitlement in full, you should instruct your Stockbroker personally and provide details as requested, which appear overleaf.

DO NOT forward your requests for sale to Computershare Investor Services Pty Limited.

Disposal of your Entitlement rights held on the Issuer sponsored sub-register

A Standard Renunciation Form must be used for an off market transfer of Entitlement rights. These forms may be obtained from your Stockbroker or Computershare Investor Services Pty Limited.

Sale of your Entitlement rights in part by your Stockbroker/ Agent and take up the balance

If you wish to sell part of your Entitlement rights and take up the balance you should:

- Instruct your Stockbroker personally and provide details as requested, which appear overleaf, **AND**
- Make payment using BPAY **OR** EFT, in order to take up the balance of your Entitlement rights.


Entitlement and Acceptance Form

X 9999999991

I ND

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details:

Existing shares entitled to participate as at
7:00pm (Melbourne time) Tuesday, 9 April 2024:

4,000

Entitlement to New Shares
on a 1 for 2 basis:

1

Amount payable on full acceptance
at \$0.03 per New Share:

\$0.01

STEP 2

Make Your Payment by 5:00pm (Melbourne time) Tuesday, 30 April 2024

To avoid postal delay make your payment via **BPAY** either online or by phone with your bank using the payment details below.

BPAY



Bill Code: 999999
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your
payment from your cheque or savings account.

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor Flynn Gold Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

[Detach here](#)

Flynn Gold Limited Acceptance Payment Details

Entitlement taken up:

--	--	--	--	--	--	--	--	--	--

Number of additional New
Shares applied for:

--	--	--	--	--	--	--	--	--	--

Amount enclosed at \$0.03 per
New Share:

A\$

--	--	--	--	--	--	--	--	--	--

 .

--	--



Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000



BPAY is the most efficient and secure form of payment. Your **BPAY** payment details are shown above.

123456789123456789+0000000001-3051+14