

Pro-Rata Non-Renounceable Rights Issue Offer
Notice under section 708AA(2)(f) of the Corporations
Act 2001 (Cth)

ASX: FG1

ABN 82 644 122 216

CAPITAL STRUCTUREShare Price: **A\$0.115**Cash (30/9/22): **A\$3.8M**Debt: **Nil**Ordinary Shares: **96.1M**Market Cap: **A\$11M**Options: **3.4M**Performance Rights: **4.2M****BOARD OF DIRECTORS****Clive Duncan**

Non-Executive Chair

Sam Garrett

Technical Director

John Forwood

Non-Executive Director

CHIEF EXECUTIVE**OFFICER**

Neil Marston

COMPANY SECRETARY

Mathew Watkins

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This notice is given by Flynn Gold Limited (ASX:FG1) (**Flynn Gold** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (**Act**).

As announced on 15 December 2022, Flynn Gold proposes conducting a pro-rata non-renounceable rights issue offer of one share (**New Share**) for every two ordinary shares held (1:2) at 7:00pm (Melbourne time) on 22 December 2022 by eligible shareholders with a registered address in Australia or New Zealand at an issue price of \$0.10 (10 cents) per New Share to raise approximately \$4.8 million before costs (**Offer**).

The Company gives notice under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (the **Act**) as follows:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, Flynn Gold has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act;
- (e) the potential effect of the issue of New Shares under the Offer on the control of Flynn Gold and the consequences of that effect will depend on a number of factors, including but not limited to the extent eligible shareholders take up their entitlements. Further details are set out below.

The potential effect of the Offer on the control of Flynn Gold (based on the issued share capital of Flynn Gold as at the date of this notice together with 13,262,487 shares anticipated to be issued on or about 23 December 2022 pursuant to the placement announced at the same time the Offer was announced) is summarised below:

- (a) eligible shareholders who take up their full entitlement under the Offer will not be diluted.
- (b) if all eligible shareholders take up their entitlements under the Offer, the only impact of the Offer on control of the Company will be as a result of the allocation (if any) of New Shares forming the entitlements of ineligible shareholders under the shortfall which as at the 15 December 2022 (being the last business day before the release of this notice) represented approximately 1.13% of the issued shares of the Company.
- (c) any eligible shareholder not taking up their entitlement in full will have their interest in the Company diluted.
- (d) the proportional interests of shareholders who are not eligible shareholders will be diluted because such shareholders are not entitled to participate in the Offer.
- (e) Henslow Pty Ltd (**Henslow**) is partially underwriting the Offer to \$2.455 million (24,550,000 New Shares) subject to certain termination events and other customary provisions. If no eligible shareholders take up their entitlements under the Offer such that the entire underwritten amount were to be acquired by the Underwriter, the Underwriter could acquire maximum voting power of 18.34% (it being noted that the underwriter does not currently have any voting power in the Company). Having regard to the underwriting arrangements including the commitment referred to in the following paragraph (f) it is not expected that the Underwriter will acquire this level of voting power, and this information is provided to identify the maximum potential effect.
- (f) Mr Colin Bourke and/or his associated entities have agreed to sub-underwrite part of the partial underwriting up to \$1 million by committing to take up part of their entitlements. Mr Bourke and his associated entities will have relevant interests in approximately 31.2% of the Company's issued shares after the placement shares are issued. The change in relevant interests will depend upon the extent to which the Entitlement Offer is subscribed. At the partial underwriting level of 24,550,000 New Shares (\$2.455 million), having regard to the issue of placement shares as referred to above, their relevant interest percentage would be anticipated to reduce to approximately 33.4%. This figure would change if more than \$1 million of the entitlements were to be taken up by Mr Bourke and/or his associated entities (but would not result in an increase of more than 1%). Further, their relevant interests will not increase to a level more than 3 percentage points higher than the level six months immediately prior to the date of being issued New Shares.
- (g) the Company's Board has discretion over the allocation of New Shares under any shortfall of the Offer. In any event the Company will not allocate New Shares from the shortfall if such allocation would contravene of the takeover provisions of the Act.
- (h) other than as noted above, the Offer is not expected to materially affect the control of the Company.

If you have any further questions, you should contract your stockbroker, accountant or other professional adviser.

Signed for and on behalf of the Board.



Mathew Watkins
Company Secretary

For more information contact:

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About Flynn Gold

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

For further information regarding Flynn Gold please visit the ASX platform (ASX: FG1) or the Company's website www.flynngold.com.au.