

June Quarterly Activities Report

ASX: FG1

ABN
82 644 122 216

CAPITAL STRUCTURE

Share Price: **A\$0.10**
Cash (30/6/22): **A\$5.4**
Debt: **Nil**
Ordinary Shares: **95.1M**
Market Cap: **A\$9.5M**
Options: **3.0M**
Performance Rights: **1.8M**

BOARD OF DIRECTORS

Clive Duncan
Non-Executive Chair

Sam Garrett
Executive Director

John Forwood
Non-Executive Director

COMPANY SECRETARY

Mathew Watkins

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Highlights

- Phase 1 diamond drilling at Brilliant prospect completed, and the rig relocated to Trafalgar prospect, where it is drilling the first of 4 planned holes².
- Post quarter, first assays were received from diamond drill hole TFDD002, confirming observations of visible gold associated with zones of quartz-sulphide veining and breccia¹.
- An 11m wide zone in TFDD002 returned significant assays that included¹:
 - **5.4m @ 10.63g/t Au from 160.1m**, including
 - **1.9m @ 19.88g/t Au from 160.1m** (including 0.4m @ 52.20g/t Au); and
 - **2.0m @ 9.02g/t Au from 163.5m** (including 0.35m @ 35.10g/t Au).
- Ongoing Phase 2 diamond drilling program at the Portland Gold Project.
- On-ground exploration commenced at the Mt Dove Gold-Lithium Project in the Pilbara region.
- The Company's cash position at 30 June 2022 was \$5.4 million.

Flynn Gold Limited (ASX: FG1, “Flynn” or “the Company”) is pleased to report on its activities for the quarter ending 30 June 2022.

Golden Ridge Project Exploration Activity Update

Brilliant Prospect Diamond Drilling

During the quarter, Flynn completed its diamond drilling program at the Brilliant prospect, Golden Ridge (Figures 1-3). The program comprised 14 holes for a total of 4,222m. The prospect was tested over a 350m strike length and to a maximum vertical depth of approximately 400m from surface.

New assay results from drillholes BRDD004, BRDD007, BRDD008, BRDD009 and BRDD011 (partial results) were received during the quarter. Significant mineralised intercepts (using a 0.3g/t Au cut-off grade) included²:

- 13.4m @ 0.95g/t Au from 36.6m, including 4.2m @ 1.95g/t Au from 41.8m (BRDD004).
- 3.0m @ 1.1g/t Au from 104.0m (BRDD004).
- 9.9m @ 0.41g/t Au from 24.1m (BRDD007).
- 5.0m @ 2.93g/t Au from 25.0m (BRDD011).
- 1.0m @ 1.27g/t Au from 58.7m (BRDD011).
- 1.0m @ 2.3g/t Au from 283.0m (BRDD011).

Assay results for the remainder of BRDD011, and for holes BRDD010, BRDD012, BRDD013 and BRDD014 are still pending. Results received (thus far) from Phase 1 of the drilling are considered encouraging with multiple new near-surface zones of mineralisation identified along strike from historical drilling.

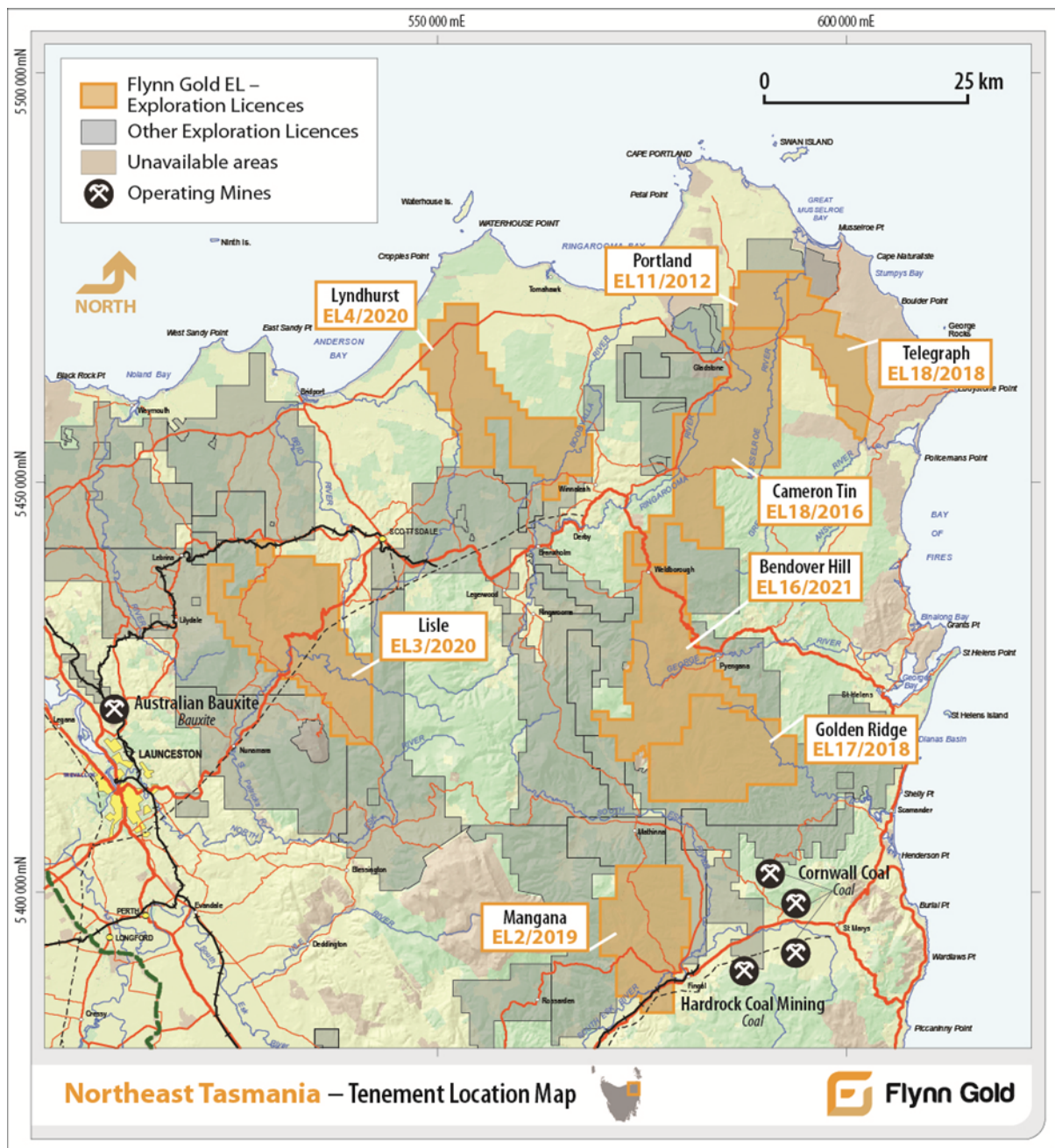


Figure 1: Summary of Flynn Gold's tenement position in northeast Tasmania.

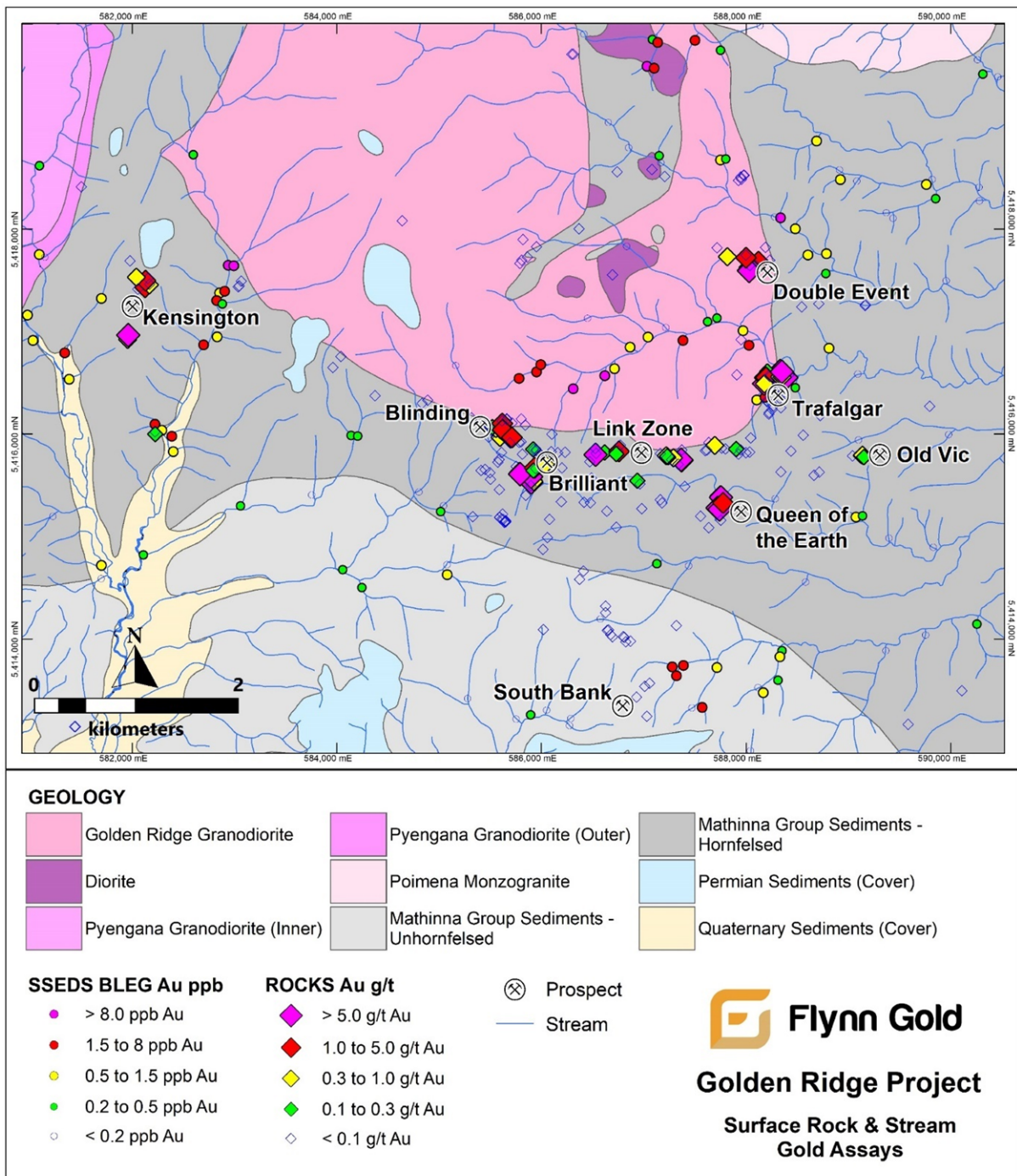


Figure 2. Simplified geology plan, surface sample (rock and stream sediments) geochemistry, Golden Ridge Project.

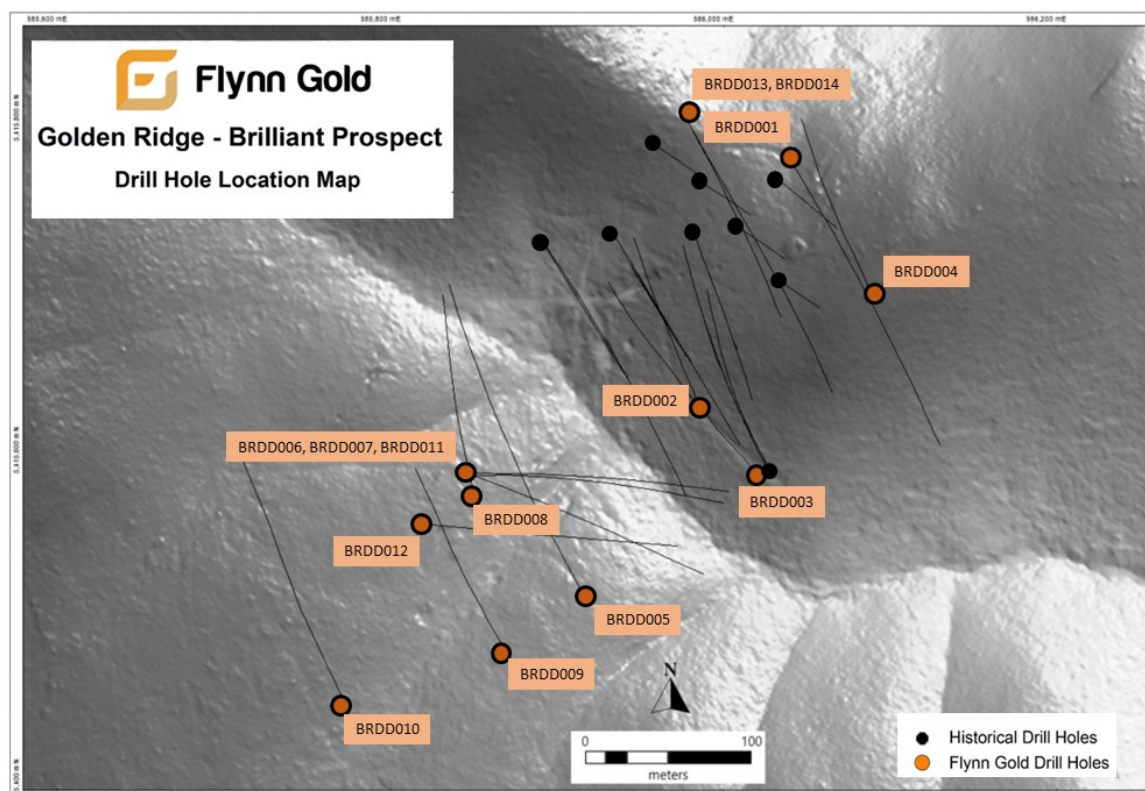


Figure 3. Drillhole location plan for the Brilliant prospect, Golden Ridge Project

Trafalgar Prospect Diamond Drilling

During the quarter, a diamond drilling program commenced at the Trafalgar prospect, Golden Ridge (Figures 1, 2, 4 & 5). The planned drill program comprises 4 holes (for up to 1,400m), designed to test the mineralised granodiorite-hornfels contact over a strike length of 250m.

The first drill hole (TFDD002) has been designed to target extensions to an historical drill intercept of **5.0m @ 12.56g/t Au (TFD001)**⁵ and to provide important stratigraphic, structural, and mineralogical information towards advancing our understanding of the mineralisation system at Trafalgar.

Post quarter, Flynn announced that the first assay results from sampling of TFDD002 had been received¹. The results represent preliminary assays from selective, partial sampling of TFDD002 from a zone prioritised for assay the following observation of fine-grained visible gold in drill core. The sampled interval (157.0 to 168.0m) returned significant mineralisation including:

- **5.4m @ 10.63g/t Au from 160.1m; including 1.9m @ 19.88g/t Au from 160.1m; including 0.4m @ 50.50g/t Au from 161.60m, and**
- **2.0m @ 9.02g/t Au from 163.5m; including 0.35m @ 35.10g/t Au from 165.15m.**

The reported mineralisation is associated with quartz-sulphide (pyrite-arsenopyrite-galena) visible gold bearing veins and vein breccia hosted in biotite-hornfelsed sediments of the Mathinna Group. It is located proximal to the contact with the Golden Ridge granodiorite (at 206m downhole). Structural logging of the orientated core indicates that the mineralised vein set strikes ENE-WSW and dips steeply to the SE. These structural orientations are consistent with other mineralised veins observed and sampled¹ in outcrop and historical workings in the broader Trafalgar prospect area.

A second, parallel zone of significant visual veining and mineralisation has been observed further downhole in TFDD002 between 264 to 297m (Figure 5). This zone comprises variably intense quartz-sulphide veining and heavily disseminated sulphides hosted in altered granodiorite. It is consistent with (and proximal to) the granodiorite hosted high-grade mineralisation intercepted in historical drill hole TFD001.

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

Golden Ridge – Drilling Program to Continue

Diamond drill hole TFDD002 at the Trafalgar prospect is ongoing. A wedge hole is planned off the TFDD002 parent hole to enable further testing of the high-grade intercept zones. Additional drill holes are in the planning/permitting stage and include new drill targets identified from the recently completed dipole-dipole IP survey² over the Trafalgar prospect area.

Additionally, statutory approvals for planned drilling programs at the Blinding, Link Zone and Kensington prospects (totalling around 4,500m of drilling) have been received (Figure 2). The Company has secured the contract for a Reverse Circulation (RC) drill rig for part of these programs. The RC rig was mobilised to site in the second half of July.

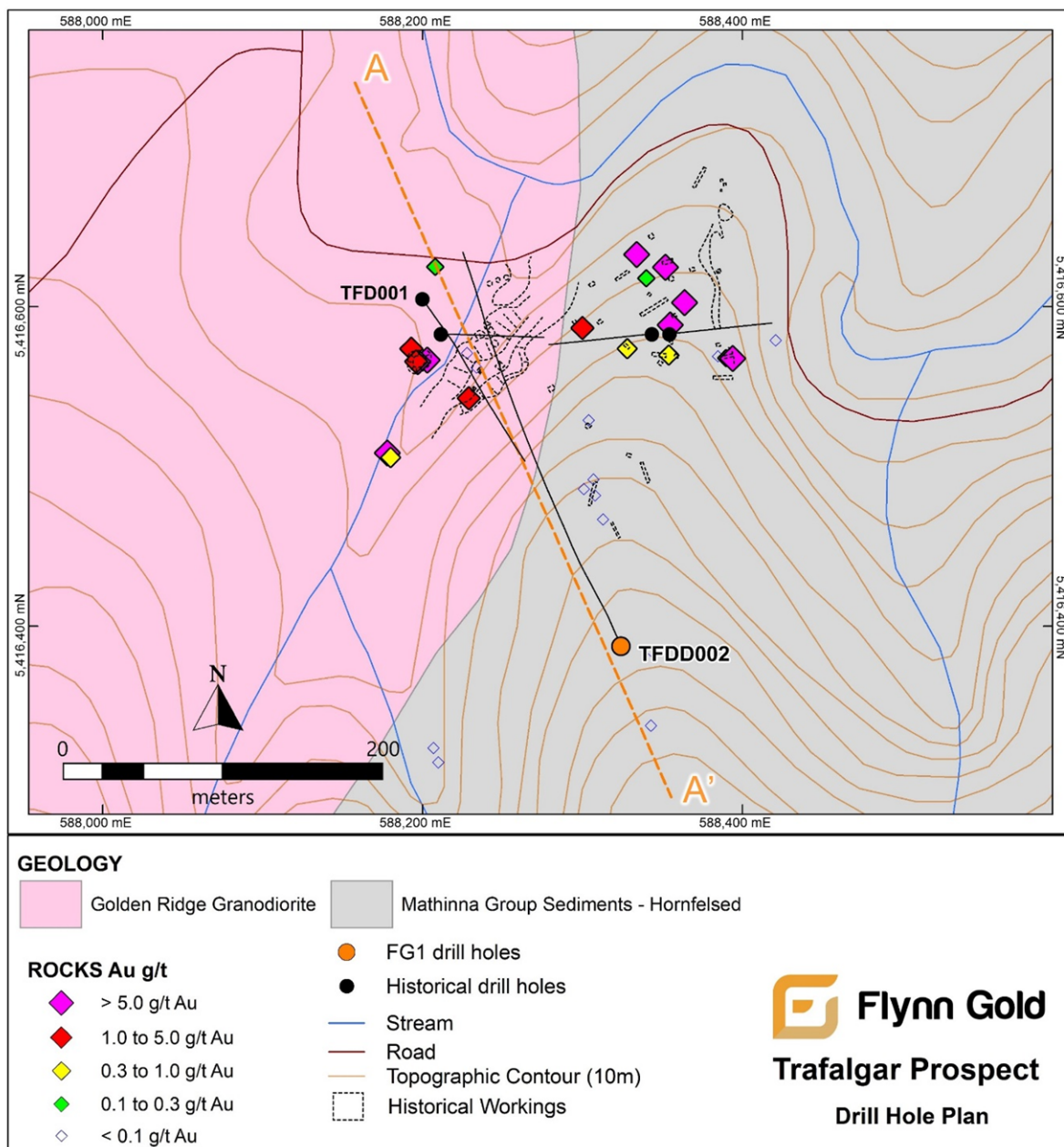


Figure 4. Drillhole location plan for the Trafalgar prospect, Golden Ridge Project.

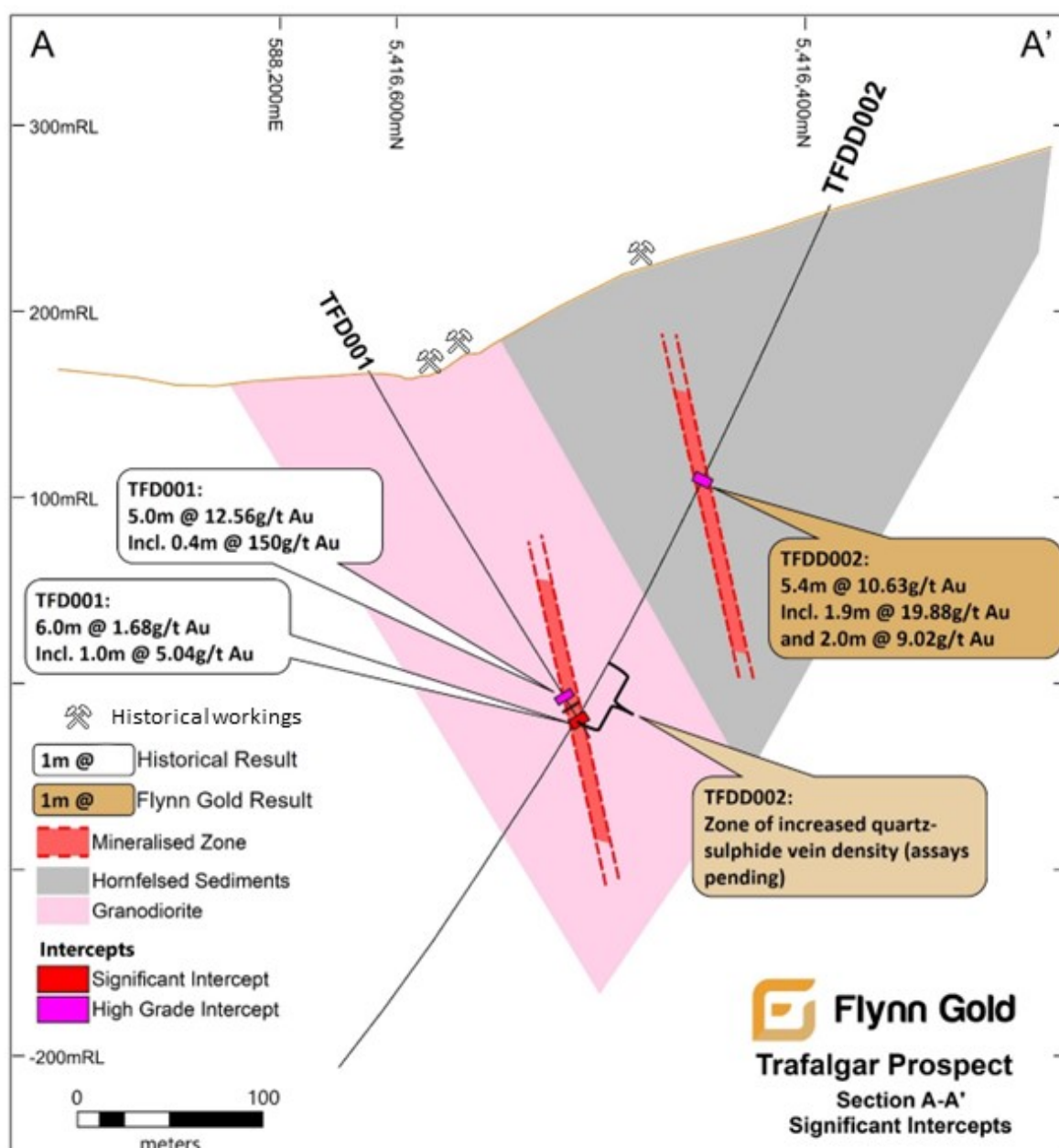


Figure 5. Cross-section A-A', Trafalgar prospect showing significant mineralised drill hole intercepts.

Dipole-Dipole Induced Polarisation and Trial Soil Surveys

During the quarter, four dipole-dipole Induced Polarisation (IP) survey lines were completed over the Brilliant and Trafalgar prospects. Each IP line was approximately 2.5km in length, orientated N-S, and designed to test the granodiorite-hornfels contact zone in areas of known (drilled) mineralisation as well as testing gradient array resistivity and induced polarisation survey (GAIP) anomalies identified previously within the main body of granodiorite north of the contact².

The correlation of dipole-dipole IP responses to known mineralisation at both the Brilliant and Trafalgar prospect areas is considered encouraging and warrants further follow-up exploration. Drill hole planning to test priority IP targets at both prospects is underway with permitting applications to be submitted in due course.

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

Portland Project Exploration Activity Update

During the quarter, the Phase 2 diamond drilling program at the Grand Flaneur prospect, Portland Gold Project continued (Figures 1 & 6). The planned drilling program comprises up to 6 drillholes (for approximately 1,000m). It is designed to test down-dip and strike extensions to known mineralisation, as well as testing deep conceptual targets along the prospective Rushy Lagoon anticline trend.

Drill holes GFDD007-009 were completed and drill hole GFDD010 commenced during the quarter. Extremely broken ground has meant slow drilling rates.

The Phase 2 diamond drilling program is scheduled to be followed by an RC drilling program for which the Company has received statutory approvals. The start date of the RC drilling program will be determined by the availability of a suitable drill rig.

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

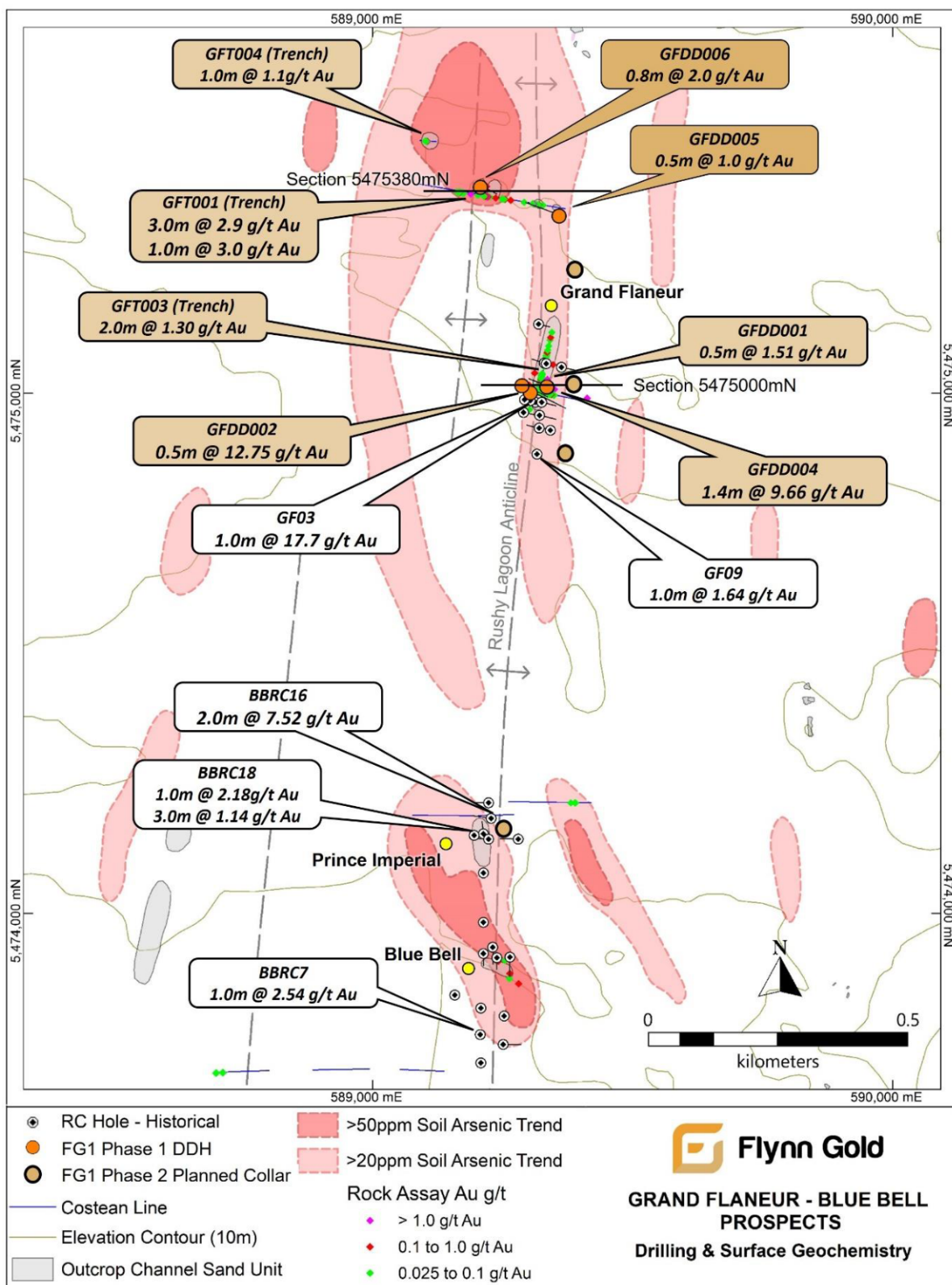


Figure 6. Drill hole and surface geochemistry summary plan for the Grand Flaneur prospect, Portland Gold Project, Tasmania, showing planned Phase 2 diamond drill hole collars. Significant and anomalous mineralised intercepts reported as downhole intervals.

Henty Project Exploration Activity Update

During the quarter, work on the regional 3D geological model (Leapfrog Geo) continued for the Company's Zn-Ag project at Zeehan on the west coast of Tasmania including EL03/2018 (Henty North) and EL06/2015 (Henty South). A large amount of historical data exists for the two ELs and work has progressed in gathering relevant information from historical reports and databases, including the Company's historical drilling program at Grieves Siding⁴. The modelling will be used to design the forward exploration programs including drill targeting for Irish type and CRD type Zn-Ag deposits.

WA Gold-Lithium Project Exploration Activity Update

The Company has 4 gold-lithium projects (totalling 1,232km²) in Western Australia. The projects are strategically located in districts that host large gold and lithium deposits or in districts that the Company considers relatively under-explored for lithium. The Mt Dove and Yarrie Projects are located in the Pilbara. The Koolyanobbing and Forrestania Projects are located in the Yilgarn (Figure 7).

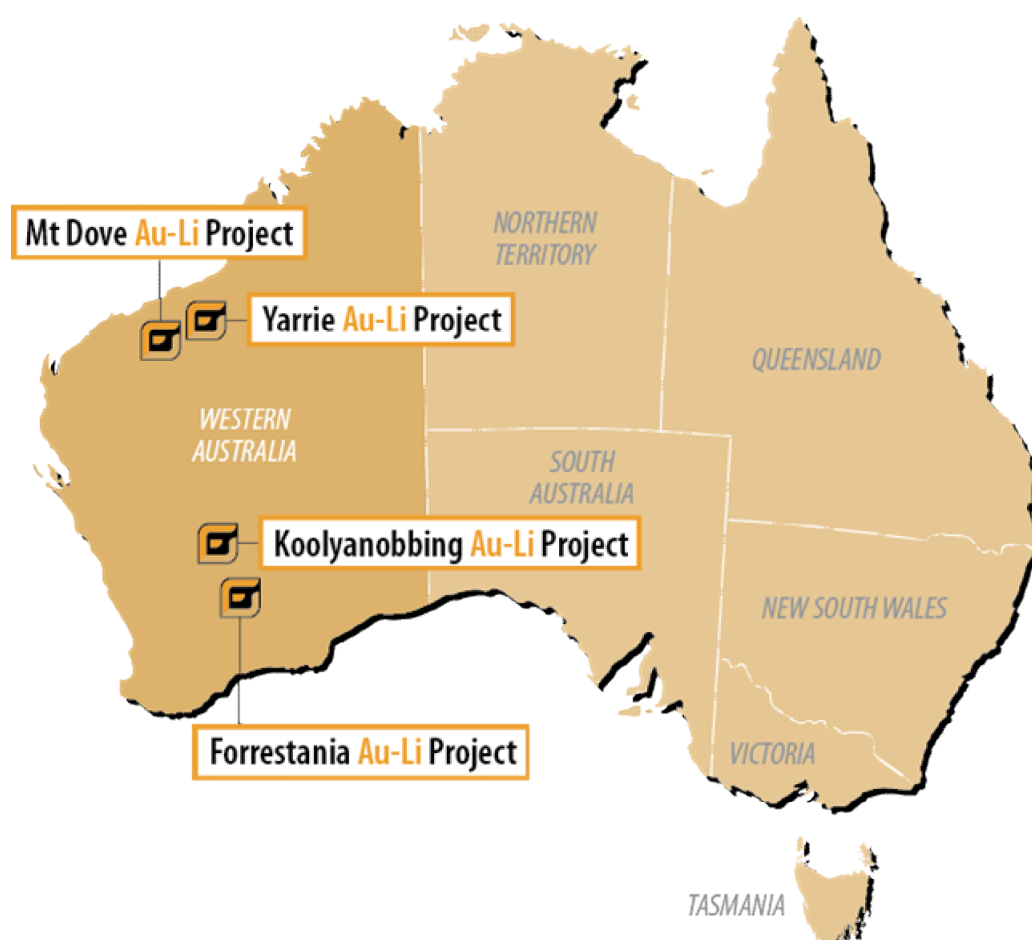


Figure 7: Location of Western Australian Au-Li projects.

On ground exploration at the Mt Dove Gold-Lithium Project in the Pilbara region began in June, with an ultrafine (UFF) soil and reconnaissance mapping survey of E47/3888 and E45/5055. The survey is designed to provide a first pass geochemical test for exploration licences E47/3888 and E45/5055. The UFF technique provides a broad multi-element suite which will assist with the Company's focus on targeting gold, lithium and tantalum mineralisation. The survey comprises a broad (400 x 400m) coverage of the two exploration licences. A small portion of E45/5055 has been designed with a slightly more detailed (400 x 200m) grid where Kairos Minerals Limited's ("Kairos") soil and aircore anomaly trends onto Flynn's tenement.

The work programs will target Hemi-style intrusive related gold mineralisation and structurally controlled gold mineralisation, as well as pegmatite-hosted lithium mineralisation.

Corporate

The Company's cash position at 30 June 2022 was \$5.4 million.

Payments to related parties of the entity and their associates

In the June 2022 Appendix 5B, the figure of \$55k as disclosed in section 6.1 and 6.2 relates to salaries and fees (including superannuation) paid to directors and their associates during the quarter.

Summary of expenditure

The Company's major cashflow movements for the quarter included:

- Exploration & Evaluation expenditure - \$878k; and
- Employee, administration and corporate costs - \$219k.

References

¹ FG1: ASX Announcement Maiden Drill Hole at Trafalgar Intersects 5.4m @ 10.63g/t Gold, dated 5 July 2022.

² FG1: ASX Announcement Trafalgar Drilling Commences, Multiple IP Targets Identified, dated 25 May 2022.

³ FG1: ASX Announcement Phase 2 Drilling Program Commences at Portland Gold Project, dated 31 March 2022.

⁴ FG1: ASX Announcement High Grade Gold in Golden Ridge Rock Chips, dated 19 November 2021.

⁵ FG1: ASX Announcement Prospectus, dated 15 June 2021 looking statements.

Approved by the Board of Flynn Gold Limited.

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Interests in Mining Tenements

The Company holds a granted beneficial interest in the following tenements at 30 June 2022:

Mining Tenement	Location	Beneficial Percentage held	License Description/Notes	Interest acquired/farm-in or disposed/farm-out during the quarter
EL11/2012	Tas	100%	Portland Gold	-
EL18/2018	Tas	100%	Portland Gold	-
EL18/2016	Tas	100%	Portland Gold	-
EL17/2018	Tas	100%	Golden Ridge	-
EL16/2021	Tas	100%	Bendover Hill	-
EL02/2019	Tas	100%	Mangana Gold	-
EL3/2020	Tas	100%	Lisle Gold	-
EL4/2020	Tas	100%	Lyndhurst Gold	-
EL6/2015	Tas	100%	Henty Zinc-Silver	-
EL3/2018	Tas	100%	Henty Zinc-Silver	-
E47/3888	Pilbara, WA	100%	Mt Dove West	-
E45/5055	Pilbara, WA	100%	Mt Dove	-
E77/2730	Koolyanobbing, WA	100%	Marda	-
E77/2734	Koolyanobbing, WA	100%	Windarling West	-
E77/2736	Koolyanobbing, WA	100%	Mt Jackson	-
E77/2737	Koolyanobbing, WA	100%	Mt Jackson East	-
E77/2738	Koolyanobbing, WA	100%	Gwendolyn	-
E77/2739	Koolyanobbing, WA	100%	Rainy Rocks	-
E77/2740	Koolyanobbing, WA	100%	Mt Jackson Easterer	-

Use of Funds Statement

The current quarter is covered by a use of funds statement outlined in the Prospectus dated 30 March 2021. A summary of expenditure to date is outlined below:

Items of Expenditure	Per Prospectus (\$k)	Actual Expenditure to 30 June 2022 (\$k)	Balance Remaining (\$k)
Exploration expenditure			
Tasmanian Gold Projects	5,517	2,802	2,715
Henty Zinc-Silver Project	489	53	436
Pilbara Gold projects	1,198	76	1,122
Project Generation	348	106	242
Sub-total Exploration	7,552	3,037	4,515
Listing Expenses *	867	595	272
General, Administrative & Working Capital	1,608	953	655
Deferred consideration for Kingfisher acquisition	291	291	-
Total Expenditure	10,318	4,876	5,442

* Listing expenses in relation to Initial Public Offering have been paid in full.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Flynn Gold Limited

ABN

82 644 122 216

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(880)	(3,071)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(18)	(104)
	(e) administration and corporate costs	(201)	(786)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	11
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,095)	(3,951)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1)	(6)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(6)	(25)
3.10	Net cash from / (used in) financing activities	(6)	(25)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,460	9,340
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,095)	(3,951)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	(25)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,358	5,358

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,358	2,460
5.2	Call deposits	4,000	4,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,358	6,460

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,095)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,095)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,358
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,358
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.00
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.