

## **CORPORATE GOVERNANCE STATEMENT**

### **1 Introduction**

This Corporate Governance Statement is current as at 28th March 2024 and has been approved by the Board of the Company on that date.

The Board of the Company is committed to maintaining and enhancing a strong corporate governance framework for Flagship Minerals Limited (FLG or the Company) and is responsible for the overall corporate governance of FLG. It monitors the operational and financial position of the Company and its performance, and oversees its business strategy, including approving its strategic goals. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial returns, and sustaining the growth and success of FLG. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The Board has created a framework for managing the Company including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the size, structure and nature of FLG's business and which are designed to promote the responsible management and conduct of FLG. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations (ASX Recommendations). FLG is committed to adopting and implementing robust corporate governance practices.

The Company follows each ASX Recommendation where the Board considers the ASX Recommendation to be an appropriate benchmark for its corporate governance practices given the Company's size, structure and operations. Where the Company's corporate governance practices follow an ASX Recommendation, the Board has made appropriate statements reporting on the adoption of the ASX Recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow an ASX Recommendation, the Board has explained its reasons for not following the ASX Recommendation and disclosed what, if any, alternative practices the Company will adopt in lieu of the ASX Recommendation.

### **2 BOARD OF DIRECTORS**

#### **2.1 Paul Lock, Executive Chairman and Managing Director**

Appointed: 11 October, 2017

Master of Political Economy; Master of International Studies; Master of Commercial Law; Master of Business Administration; Bachelor of Business; MAusIMM.

Before Flagship Minerals Paul was a corporate adviser at Everspring Partners, a boutique Sydney based advisory firm that he founded. Before Everspring, Paul worked in corporate advisory and leveraged finance roles at Commonwealth Bank of Australia. Paul initially focused on corporate and single asset project finance in the resource sector before moving into leveraged finance for private equity initiatives and then into a corporate advisory role where he was sector agnostic and focused on generating corporate transactions.

Prior to banking Paul worked for Rothschild & Co in Australia where he was a derivatives trader and a high yield bond investor focusing on a variety of asset classes, generally distressed or complex assets. Paul also had some involvement in structuring derivatives solutions for resource companies in conjunction with Rothschild's corporate advisory team. Prior to Rothschild Paul worked for Japanese trading conglomerate Marubeni Corporation in the soft commodity trading division.

## **2.2 David Hobby, Executive Director and Chief Geologist**

Appointed: 11 October, 2017

B.App Sci (Geology), MAusIMM, Competent Person under the JORC Code.

David is an Economic geologist and has been involved in the minerals industry for over 30 years. Since graduating from the University of Canberra in 1989 David has worked in a variety of geological terrains in Australia, Asia, South America, USA and Africa, and has experience in all facets of the minerals project cycle with a focus on exploration and evaluation.

David has held senior geological management and consulting positions with listed and private companies and progressed several projects through to feasibility and pre-production, including the Adelong Gold Project, Broula King Gold Project, Webb's Silver Project and the Woodlawn Zn-Cu project.

David has been focused on SE Asia since 2013. His geological qualifications and experience are complimented with skills in project management, environmental management, Occupational Health and Safety, contractor, government and stakeholder management.

## **2.3 David Docherty, Independent Non-Executive Director**

Appointed: 11 October, 2017

David has gained a lifetime of experience in the resource sector commencing with stockbroking in London before commencing a valuable career experience as an analyst with Investment Bank, Slater Walker London in 1965. David moved to Sydney in 1968 with Slater Walker to develop resource investment strategy, organising finance to enable Poseidon to drill its 'famous' Mt Windarra nickel discovery in 1969, as well as financing many other resource assets of that time. The same year David organised the ASX IPO of Slater Walker sponsored Mining Finance Corporation, becoming its

From 1984-87 David successfully guided Sedimentary Holdings as Managing Director to joint ownership and open-pit development of the then derelict Cracow Gold Mine (Qld) in 1984-87.

David became an equity partner in the Thai resource sector in 1987 when the Government deregulated gold exploration and mining.

Thereafter, he jointly financed the formation of a team of young, keen local geologists who were responsible for the discovery of what is now the Chatree Gold Mine, a prospect which ultimately developed into the core gold asset of Kingsgate Consolidated and which, at its peak, was capitalised at more than \$1 billion.

In 2002 David became a foundation director and Managing Director of Thai Goldfields NL, an unlisted public company holding 100% interests in Thai SPL applications (and re-applications) previously held by Newmont, Ivanhoe Mining and Phelps Dodge, hosting gold resources which were significantly enhanced by previous JV partners, Oxiana and Tigers Realm Minerals.

## **2.4 Thanasak Chanyapoon, Independent Non-Executive Director**

Appointed: 11 October, 2017

Master degree in law (LL.M.), Certificate of American and International Law, Bachelor degree in law (LL.B. (Hons))

Thanasak is a Partner at The Capital Law Office, a leading Bangkok based legal practice. Thanasak's area of expertise is tax law, and corporations for more than 25 years. Prior to joining The Capital Law Office, he has worked with Baker & McKenzie, Bangkok, and Linklaters, Bangkok. He was also the co-founder of LawAlliance Limited specializing in Thailand tax laws including double tax treaties made with Thailand.

Since 2008 to date, Thanasak is a special lecturer in various tax law subjects at Faculty of Law, Chulalongkorn University, and at Faculty of Business Administration, Kasetsart University.

## **2.5 Supriya Sen, Independent Non-Executive Director B.Eng (Electronics) & MBA**

Appointed: 01 May 2022

Supriya is a former banker with 30+ years investment experience in project finance, private equity and public private partnerships at firms such as GE Capital, World Bank, IFC, Asian Development Bank, Citibank, across India, South East Asia and Middle East.

Besides FLG, she currently serves as Non Executive Independent board director of several other companies in the infrastructure and climate finance space. She also serves as Trustee for global and regional non- profit organisations in areas linked to the low carbon transition and digital innovation for social good.

Supriya's investment and strategic advisory expertise is in areas of banking and climate finance, risk management, green infrastructure & circular economy, smart cities, innovation and technology transformation sectors. Given her interest in public policy and good governance, she also serves on various regional committees and networks, and is an accredited member of the Australian Institute of Company Directors, Women Corporate Directors, Singapore Institute of Directors and Indian Institute of Directors.

## **3 Lay Solid Foundations for Management and Oversight**

### **3.1 The Role of the Board**

The Board is accountable to the Company's shareholders. The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company and its businesses, and oversee the implementation of appropriate corporate governance frameworks with respect to the Company's affairs. The Board aims to protect and enhance the interests of its shareholders, while taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community. The Board discharges its duties in accordance with applicable laws and the Company's Constitution.

The Company has established the respective roles and responsibilities of its Board and management in accordance with Board approved delegations of authority, and those matters expressly reserved for the Board and those delegated to management and has documented these roles and responsibilities in its Board Charter which is available on the Company website.

The Board maintains ultimate responsibility for the strategy, control and risk profile of the Company.

### **3.2 Role and Responsibility of Management**

The Board has delegated the day-to-day management of the Company and the implementation of approved strategies and business plans to the Managing Director who in turn delegates to the executive management team subject to the financial and other limits set by the Board. The Managing Director is accountable to the Board for the authority delegated to all levels of management.

The Managing Director's key responsibilities are to: develop the Company's strategic objectives; execute the Board-approved strategy and ensure the day-to-day management and operations of the

Company are consistent with policies and procedures adopted by the Board; implement necessary or appropriate processes, policies, systems and controls; and provide timely presentation of information to the Board to enable the Board to fulfil its responsibilities.

### **3.3 Executive Performance Evaluation**

FLG has a process for evaluating the performance of its senior executives at least once every year having regard for the strategic objectives approved by the Board. The Managing Director is responsible for setting goals for each executive having regard to those objectives and the accountabilities of the executive's role.

Due to the small size of the Company executive reviews are informal and constant as there is a direct line of communication between the Managing Director and the executives.

### 3.4 Overview of Board Committees

The Board established an Audit and Governance Committee. It does not have any other Committees at this time and all other responsibilities are overseen by the full Board.

The role and responsibilities of each Board Committee established in set out in a charter available on the Company's website. The Audit and Governance Committee has been established to assist, advise and make recommendations to the Board on matters falling within its specific areas of responsibility.

### 3.5 Audit and Governance Committee

The Audit and Governance Committee assists the Board in fulfilling its oversight responsibilities in relation to the Company's financial reporting, systems of risk management, internal control and regulatory compliance, corporate governance, corporate reporting processes, the external audit functions and FLG's culture.

The Company's three independent, non-executive directors are members of the Committee: Ms. Supriya Sen; Mr. David Docherty; and Mr. Thanasak Chanyapoon.

### 3.6 Board and Committee Meetings

The Board and Committee meets as often as considered necessary to fulfil their respective roles. Directors are required to allocate sufficient time to perform their responsibilities effectively, including adequate time to prepare for Board meetings.

Details of the Board and Board Committee meetings held during the reporting period and director attendances at those meetings are set out in the table below.

Directors who are not members of a Board Committee are not required or expected to attend Committee meetings. However, agendas, papers and minutes of Board Committee meetings are made available to all directors, and the Committee Chair reports to the Board in relation to the business of each Committee meeting at the subsequent Board meeting.

Director	Board		Audit & Governance Committee	
	Held	Attended	Held	Attended
Paul Lock	10	10		
David Hobby	10	8		
David Docherty	10	10	1	1
Thanasak Chanyapoon	10	8	1	1
Supriya Sen	10	8	1	1

## 4 Structure the Board to be Effective and Add Value

### 4.1 Board Composition

The Board currently comprises five directors, three of whom are independent, non-executive directors, and two executive directors.

The names, qualifications and tenure of each director is set out above (and on the Company's website).

### 4.2 Director Independence and tenure

FLG recognises that having a majority of independent directors helps ensure that the decisions of the Board reflect the best interests of the Company and its shareholders generally, and that those decisions are not biased towards the interest of management or any other internal or external group. FLG also considers that having a majority of

independent directors supports the Board challenge and hold management to account.

In determining whether a director is independent, the Board considers whether the director is free of interests other than their shareholding that could be perceived to interfere with the independent exercise of the director's judgement and the capacity to act in the best interests of the Company and its shareholders as a whole, rather than of an individual security holder or other party.

The Board has adopted a policy and guideline regarding the assessment of director independence. This policy includes a materiality threshold to be applied when assessing whether customer, supplier, consultant or professional adviser relationships affect the independence of a director.

The Board assesses the independence of its directors annually. FLG discloses the names of the Directors considered by the Board to be independent directors in its Annual Report and on any information Memoranda or recommendations sent to shareholders.

### **4.3 Chair**

The Chairman of FLG, Paul Lock, is not an independent director. He is also the Company's Managing Director. Given the size and nature of development stage of the Company and Paul's extensive experience, the Board is comfortable with this arrangement.

Should the Chair be conflicted in his role, the Board will consider the appointment of an independent director as the "senior independent director" who can fulfil the role as required. It is intended to review the appointment to the office of Chair of the Company when the Company has further developed its mining assets and when a suitable independent appointee can be found.

### **4.4 Company Secretary**

Ms. Fiza Alwi is the Singapore Company Secretary responsible for ACRA and Singapore Companies Act 1967 matters. Ms. Elissa Hansen is the Australian Company Secretary responsible for ASX related matters.

The Company Secretaries are accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board and are employed under a letter of appointment.

The Company Secretaries are responsible for advising the Board and its committees on governance matters and monitoring that Board and Company policies and procedures are followed. The Company Secretaries' appointments are approved by the Board.

### **4.5 Director Election and Board Renewal**

The Company recognises that an effective Board facilitates the efficient discharge of the duties imposed on directors and contributes to the delivery of the Company's strategic objectives. The Company has structured its Board so that it has a comprehensive understanding of, and the skills, experience and competencies to deal with, the current and emerging issues of the Company's strategic direction and business.

As the Company does not have a Nominations Committee, the Board as a whole is responsible for director nomination and selection.

When considering the suitability of a person as a Director, the Board undertakes appropriate checks before appointing the person or putting the person forward to shareholders as a candidate for election as a director. These checks usually include reviewing the candidate's character, experience, education, criminal record and bankruptcy history. The Board also seeks confirmation from the candidate that they will have sufficient time to fulfil their responsibilities as a director of FLG.

The Board provides shareholders with all material information relevant to a decision on whether or not to elect or re-elect a director.

#### 4.6 Director and Senior Executive Appointment

Upon appointment, each director signs a letter of appointment which sets out the formal terms of their appointment. Directors also receive a deed of indemnity, insurance and access. All directors have a current letter of appointment and deed of indemnity, insurance and access.

Senior executives also sign a written contract with the Company, setting out the terms of their appointment, including remuneration entitlements and performance requirements.

#### 4.7 Diversity

FLG values an engaged and diverse workforce and is committed to promoting diversity and inclusion across all levels of the Company. The Board has adopted a Diversity Policy which details its commitment to supporting and developing diversity through attracting, recruiting, engaging and retaining diverse talent and aligning FLG's culture and management systems with this commitment.

FLG is committed to providing and promoting a culture which embraces diversity in line with its Diversity Policy, and aims to do so by:

- a. promoting the principles of merit and fairness when making decisions about recruitment, development, promotion, remuneration and flexible work arrangements for employees at all levels;
- b. having an overall transparent process for the review and appointment of senior management positions and Board members;
- c. considering a range of facets of diversity in addition to gender when considering the composition of the Board, including age, ethnicity and background;
- d. recruiting from a diverse pool of qualified candidates, where appropriate engaging a professional search / recruitment firm, advertising vacancies widely, making efforts to identify and consider prospective employees who have diverse attributes, ensuring diversity of members on the selection / interview panel when selecting and appointing new employees (including senior management) and new Board members, and generally structuring recruitment and selection practices at all levels to guard against any conscious or unconscious biases that might discriminate against certain candidates;
- e. embedding the importance of diversity within the Company's culture by encouraging and fostering a commitment to diversity by leaders at all levels whilst recognising that diversity is the responsibility of all employees;
- f. recognising that employees may have family responsibilities;
- g. reinforcing with our people that in order to have an inclusive workplace, discrimination, harassment, vilification and victimisation will not be tolerated within the Company; and
- h. continuing to review and develop policies and procedures to ensure diversity within the organisation, including with the adoption of key performance indicators for senior executives to measure the achievement of diversity objectives under the Company's diversity policy.

At the date of this Corporate Governance Statement, the Board is comprised of 80% males and 20% female, and of senior managers the respective proportion is 57% male and 43% female; and of the whole Company the proportion is 70% male and 30% female. The Company defines "senior executive" as roles that are accountable and responsible for the entire business – they are required to influence across functions.

The Board will periodically review its Diversity Policy. The Diversity Policy is available on the Company's website.

#### 4.8 Board skills, performance and development

The Board is comprised of experienced business leaders with a variety of professional backgrounds and with extensive experience.

The Board has developed a Board Skills Matrix to capture the current mix of skills, knowledge and experience on the Board and is responsible for considering, at least annually, whether any changes are required to the Board Skills Matrix.

The Board has identified the skills, knowledge and experience on the Board using a self-assessment questionnaire in which directors are asked to rate their level of proficiency in each skill area. The Board's current assessment of its skills coverage is set out in the Skills Matrix below.

The Board considers that its current mix of skills, experience and expertise is appropriate for it to discharge its obligations effectively.

As the Company has not established a Nomination Committee, the full Board is responsible for reviewing and recommending to the Board executive and non-executive director professional development programs and for regularly reviewing the effectiveness of the programs. When reviewing the Board Skills Matrix, the Board considers areas identified for further professional development or consideration in identifying candidate directors.

The Board assesses its performance, the performance of its standing Committees and the performance of individual directors. The reviews are used to ensure the Board continues to operate effectively and efficiently.

An informal performance review was undertaken during the period.

<b>Board Skill Matrix</b>	<b>Skill Ratio</b>
<b>South-East Asia Experience</b> Senior management or equivalent experience in South-East Asia: familiarity with national and regional political, cultural, regulatory and business environments	<b>5/5 Directors</b>
<b>Battery Metal Industry Experience</b> Senior executive experience in the battery metal industry including in-depth knowledge of strategy, markets, competitors, operational issues, technology and regulatory concerns	<b>2/5 Directors</b>
<b>Capital Projects - Financing / Project Management</b> Experience in an industry with projects involving large-scale capital outlays and long-term investment horizons	<b>4/5 Directors</b>
<b>Corporate Social Responsibility/ESG</b> Experience related to workplace health and safety, environment, social responsibility, governance and community	<b>2/5 Directors</b>
<b>Strategy</b> Senior executive experience in defining strategic objectives, constructively questioning business plans and implementing strategy using commercial judgement	<b>5/5 Directors</b>
<b>Finance &amp; Accounting</b> Senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls, including ability to probe the adequacies of financial and risk controls	<b>1/5 Directors</b>
<b>Risk Management</b> Experience working with and applying broad based risk management frameworks in various countries, regulatory or business environments	<b>5/5 Directors</b>



<b>Board Skill Matrix</b>	<b>Skill Ratio</b>
<b>Remuneration (People &amp; Nominations)</b> Board or Committee membership or management experience in relation to talent management, remuneration and contractual framework governing remuneration	<b>5/5 Directors</b>
<b>Capital Markets</b> Experience related to capital markets and the listed equity environment	<b>5/5 Directors</b>
<b>Capital Management</b> Experience in capital management strategies including debt financing and capital raisings	<b>4/5 Directors</b>
<b>Investor Relations</b> Experience related to investor relations	<b>3/5 Directors</b>
<b>Stakeholder Management</b> Development, management and/or oversight of relationships with stakeholders	<b>4/5 Directors</b>
<b>Legal / Regulatory Compliance</b> Experience related to the management of legal and regulatory compliance matters	<b>4/5 Directors</b>
<b>International / Global Experience</b> Senior management or equivalent experience in global locations, exposed to a range of political, cultural, regulatory and business environments	<b>5/5 Directors</b>
<b>Listed Company Board Experience</b> Director (executive or non-executive) of an ASX listed company, resulting in familiarity with ASX rules, including the requirement for continuous disclosure	<b>3/5 Directors</b>

#### **4.9 Conflicts of Interest**

Directors are required to disclose all interests that may conflict with their duties as a director at the beginning of each Board and Committee meeting.

If a director has a material personal interest in a matter being considered by a Board or Committee, they must not be present during the consideration of that matter or vote on the matter, unless approved by other directors who do not have a material personal interest in the matter.

#### **4.10 Access to Information and Advice**

Directors have unrestricted access to all staff and all relevant records they consider necessary to fulfil their obligations (including access to members of the external auditor without management present). They also have the right to seek explanations and additional information from management and auditors.

Directors are also entitled, with the approval of the Chair, to obtain independent professional advice at the Company's expense relating to their role as a director.



## 5 Instil a Culture of Acting Lawfully, Ethically and Responsibly

FLG is committed to behaving with honesty, trust and integrity and developing market-leading services which will be achieved through its people.

### 5.1 Values

The Company actively promotes ethical and responsible behaviour and decision-making. The Company's core values are acting with honesty, integrity and in a manner that is consistent with the reasonable expectations of investors and the broader community. It includes being, and being seen to be, a 'good corporate citizen', for example by:

- a. dealing fairly and honestly with customers, suppliers and the community
- b. understanding and comply with legal requirements and FLG's policies
- c. avoiding actual or potential conflicts of interest and declare any actual or potential conflicts that may arise
- d. never giving or receiving bribes or kickbacks or any other similar inducements
- e. declining gifts or other benefits that will compromise their independence
- f. only trading in FLG shares in the approved 'trading windows' and in accordance with FLG's Share Trading Policy
- g. maintaining the confidentiality of business information that they have access to in their work
- h. respecting the privacy of individuals and the privacy laws in relation to the collection, use and handling of other people's personal information
- i. using FLG information and communication tools in an effective, ethical and lawful manner.
- j. protecting FLG's property and the belongings of others from theft, misappropriation and misuse

These values underpin everything that FLG does and are central to its Code of Conduct. The Company encourages reporting of concerns of suspected or actual wrongdoing openly or anonymously and have adopted a Whistleblower Policy.

The Company's Board and Management is responsible for instilling these values across the organisation.

### 5.2 Code of Conduct

FLG is committed to instilling and continually reinforcing a culture across the organisation of acting lawfully, ethically and responsibly in all business practices. Accordingly, the Company has adopted a formal Code of Conduct which outlines the manner in which the Company expects its Directors and employees to behave and conduct business in the workplace. It also provides a framework for the identification and resolution of issues concerning the conduct of employees at the Company. The Code of Conduct applies to all staff, officers, Directors, associates, contractors, consultants and relevant third parties of the Company.

The Code of Conduct deals with various areas such as FLG's business ethics and integrity. All suspected breaches of the Code of Conduct are investigated by the Company and appropriate and proportionate disciplinary and remedial action will be taken.

The Code of Conduct is available on the Company's website.

### 5.3 Whistleblower Protection Policy

FLG has adopted a Whistleblower Policy to further demonstrate that the Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including matters raised through the Whistleblower Policy, is reported and reviewed at each Board Meeting.

The Whistleblower Policy is available on the Company's website.

#### **5.4 Anti-Bribery and Corruption Policy**

FLG has adopted an Anti-Bribery and Corruption Policy to further demonstrate that the Company is committed to maintaining high standards of integrity and accountability in conducting its business. The Company has adopted an Anti-bribery and Corruption Policy. This Policy is aimed at establishing controls to ensure compliance with all applicable anti-bribery and corruption regulations and to advocate for and adopt principles, practices and standards which contribute towards combating corruption. The Company's zero tolerance approach to bribery and corruption is reflected in its Anti- Bribery and Corruption Policy.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is reported at the Audit and Governance Committee level and/or Board level where appropriate.

The Anti-Bribery and Corruption Policy is available on the Company's website.

#### **5.5 Securities Trading**

FLG has adopted a Securities Trading Policy that applies to directors and employees of the Company and its subsidiaries and their Closely Connected Persons, and restricts dealing in the Company's securities and securities of other companies. The Securities Trading Policy documents the procedures for dealing in securities. They are designed to help prevent directors and employees from contravening laws on insider trading.

Derivatives and hedging arrangements for unvested FLG securities, or vested FLG securities subject to a holding lock, are prohibited.

The Securities Trading Policy is available on the Company's website.

### **6 Safeguard Integrity in Corporate Reporting**

FLG believes that accurate and timely corporate reporting underpins effective risk management and is key to executing the Company's strategy.

The Board is responsible for overseeing that appropriate monitoring and reporting mechanisms are in place. It is assisted in this regard by the Audit and Governance Committee.

The role of the Audit and Governance Committee in safeguarding the integrity of the Company's corporate reporting includes reviewing FLG's financial reports and the adequacies of the Company's corporate reporting processes.

Additional information on the role and responsibilities of the Audit and Governance Committee and its membership are detailed in Section 2.5 Audit and Governance Committee.

#### **6.1 Integrity of Reporting**

The Board receives a declaration from the Managing Director that, in his opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that his opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively prior to it approving the financial statements for the full and half years.

When a Chief Financial Officer (CFO) is appointed, the Company will seek a declaration from the CFO as well as the Managing Director.

#### **6.2 External Auditor**

The Company's external auditor is PKF-CAP LLP (PKF).

Among its key responsibilities, PKF reviews FLG's financial reporting and provides an opinion on whether the financial report gives a true and fair view of the Company's financial position and financial performance, and whether it complies with the Accounting Standards

PKF will be in attendance (either in person or via video/audio) at each Annual General Meeting and a representative available to answer shareholder questions about the conduct of the audit and the preparation and content of the

auditor's report.

### **6.3 Verification of Announcements and Unaudited Corporate reports**

The Company has implemented processes to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Where a corporate report has not been reviewed or audited by the Company's external auditor, the Company conducts internal verification processes to ensure that it is materially accurate and balanced.

## **7 Make Timely and Balanced Disclosures**

### **7.1 Continuous and Periodic Disclosure**

FLG is committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act so that all investors have equal and timely access to material information concerning the Company.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy (Policy), which is available on the Company's website.

This Policy sets out the key obligations of directors and employees in relation to the Company's continuous disclosure requirements.

The Board has overarching responsibility for compliance with continuous disclosure obligations and Board approval is required for certain key matters (as set out in the Policy) and matters may be referred to the Board for approval by the Managing Director or the Company Secretary.

In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website will include a link to all information disclosed to the ASX.

### **7.2 Copies of Material Market Announcements to the Board**

The Company Secretary ensures that the Board receives copies of all material market announcements immediately following each release to the market.

### **7.3 Investor/Analyst Presentations**

FLG ensures that all substantive presentations are released to the market to enable security holders the opportunity to access the material included in the presentation.

## **8 Respect the Rights of Security Holders**

### **8.1 Website**

The Company provides information about itself and its governance to investors via its website at <https://flagshipminerals.com/>.

### **8.2 Two-way Investor Relations Communications**

FLG endeavours to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications, the Company aims to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Company's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- a. issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report

- to address the Company's strategy and performance;
- b. sending and receiving shareholder communications electronically;
- c. maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- d. promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- e. ensuring that continuous disclosure obligations are understood and complied with throughout the Group.

Our Shareholder Communications Policy is available on our website.

### 8.3 Participation at Shareholder Meetings

Shareholders are sent the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings. In accordance with the Board Charter, all meetings of security holders will be held at a reasonable place and time, in order to maximise the chance of security holders being able to attend and vote at all meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company provides an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable the Company's external auditor.

The Company's Auditor, PKF will be in attendance (including via telephone or videoconference) at each Annual General Meeting and a representative is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

### 8.4 Resolutions by Poll

In order to ascertain the true will of the Company's security holders attending and voting at its security holder meetings, whether attendance is in person, electronically or by proxy or other representative, in situations where this can be achieved, the Company conducts the voting procedure by a poll.

### 8.5 Share Registry Communication

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry electronically by visiting <https://investor.automic.com.au/>. Shareholders will:

- a. Support the Company by reducing the cost of mailing/postage;
- b. Receive investor communications faster and in a more secure way; and
- c. Help the environment through the need for less paper by signing up for electronic communication.

Shareholders can still elect to receive some or all of their communications in physical or electronic form or elect not to receive certain documents such as annual reports. Shareholders can review their communications preferences, or sign up to receive shareholder communications via email at <https://investor.automic.com.au/>.

Please note that the provider of shareholder registry services for the Company changed from Advanced Share Registry to Automic Pty Ltd on 4 March 2024.

## 9 Recognise and Manage Risk

FLG recognises that effective risk management is critical to maintaining the Company's reputation. Division of responsibilities

The Board's responsibilities regarding risk management include:

- a. setting the Company's risk strategy and risk appetite;
- b. overseeing systems of risk management and internal control and compliance;
- c. overseeing the process for identifying significant risks facing the Company; and
- d. satisfying itself that appropriate controls, monitoring and reporting mechanisms are in place.

Management executes the Board-approved risk strategy and manages the Company's operations within the Board-approved risk appetite. Management is responsible for identifying, monitoring, mitigating and reporting on risks.

### **9.1 Review of Risk**

The Risk Management Policy sets out the Company's system of risk oversight, management of material business risks and internal control. The Company's risk management framework including risk profile and risk registers are reviewed on a periodic basis.

The Risk Management Policy is available on the Company's website.

### **9.2 Audit and Governance Committee**

As outlined above, the Board has established an Audit and Governance Committee that assists with the oversight of risk.

The Committee's membership is set out on page 5. Further information on the role and responsibilities of the Audit and Governance Committee are set out on page 5 and are detailed in the Committee's Charter.

The Audit and Governance Committee was established in March 2023 and one meeting was held during the year. Prior to the Committee's establishment, the Board as a whole reviewed and oversaw the responsibilities now delegated to the Committee.

### **9.3 Internal Audit Function**

Due to the current size of the Company, and taking into account cost/benefit considerations, the Board does not currently consider it necessary to have an internal audit function.

The Audit and Governance Committee will oversee the evaluation and continual improvement of the effectiveness of the Company's risk management and internal control processes by closely monitoring these areas. The Committee may consider the use of external resources to assist as required.

### **9.4 Environmental and Social Risk**

As an exploration and development company, FLG faces inherent risks in its activities, including economic, environmental and social sustainability risks which may have a material impact on the Company's ability to create value for its shareholders. The Company is subject to a range of general economic risks, including macro-economic risks, government policy, general business conditions, changes in technology and many other factors.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risks and considers strategies for appropriate risk management. However, the Directors recognise that natural resource exploration and evaluation is inherently risky.

## **10 Remunerate Fairly and Responsibly**

FLG aims to attract and retain high quality directors and to attract, motivate and retain high quality senior executives. The Board oversees executive remuneration and non-executive director remuneration arrangements.

FLG has not established a committee to oversee remuneration at this time. The Board as a whole reviews and oversees:

- a. executive remuneration and incentive policies;
- b. the remuneration packages of senior management;
- c. incentive schemes;
- d. superannuation arrangements; and

- e. the remuneration framework for directors.

### **10.1 Remuneration Policies**

The Company has a Remuneration Policy which establishes the framework for remuneration designed to:

- a. ensure that coherent remuneration policies and practices are observed which enable the attraction and retention of directors and management who will create value for shareholders;
- b. fairly and responsibly reward directors and senior management having regard to the Company's performance, the performance of the senior management and the general pay environment; and
- c. comply with all relevant legal and regulatory provisions.

The Policy sets out its remuneration packages for executive directors, senior executives and non- executive directors and is available on the Company's website.

### **10.2 Equity Based Remuneration Scheme**

FLG does not have an equity based remuneration scheme in place at this time, although may establish one.

## **11 Departure from ASX Recommendations**

Through the corporate governance framework adopted by the Board (and summarised above), the Company is compliant with each of the ASX Recommendations other than Recommendations:

1.5. While the Board has adopted a Diversity Policy, it has not set measurable objectives to achieve gender diversity in the composition of its board, senior executives and workforce generally. This is not consistent with Recommendation 1.5 of the ASX Recommendations. Given the Company's current diversity levels within the business, the Board is comfortable with this position, however it may choose to develop measurable objectives for gender diversity across the Company in the future.

2.5. The Chair of the Board is not an independent director, and he is also the Company's Managing Director. This is not consistent with recommendation 2.5 however, the Board considers the Chairman is suitably skilled to perform this dual role at this time due to his experience and expertise in the areas in which the Company operates and the size and complexity of the Company. It will continue to monitor this and, when it becomes appropriate, will consider appointing an independent CEO or Chairman so both roles are no longer filled by the one person.