

Flynn Gold Limited
ACN 644 122 216

Corporate Governance Statement

The Board of Flynn Gold Limited (the **Company**) is responsible for the overall corporate governance of the Group. 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 is responsible for establishing Flynn Gold Limited's corporate governance framework, the key features of which are set out below. 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**).

In preparation for the increased responsibilities as a publicly listed company, the Company refreshed its Board of Directors and enhanced its governance frameworks.

In accordance with ASX Listing Rule 1.1 Condition 16, the corporate governance statement discloses the extent to which the Company follows the ASX Recommendations, as at the date of admission of the Company to the official list of the ASX. The Company will follow 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 will 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 instead of those in the ASX Recommendation.

Further details of the Company's corporate governance framework are set out in Section 10 of the prospectus issued by the Company and dated 30 March 2021 (**Prospectus**).

This Corporate Governance Charters and Policies referenced in this Statement, on the Company's website under "Policies & Reports" at <https://flynngold.com.au/policies-reports/>.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - Role of the Board and Management

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved for the Board and those delegated to management, and has documented these roles and responsibilities in its Board Charter.

The role of the Board is to approve the strategic direction of the Group, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Group'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 copy of Board Charter which is available on our website at <https://flynngold.com.au/policies-reports/> that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

Recommendation 1.2: Appointment of Directors

The Company has guidelines for the appointment and selection of the Board which require the Board to undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director.

We provide our shareholders with all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting, Annual Report and other channels pursuant to which the resolution to elect or re-elect a Director will be voted on.

Recommendation 1.3: Appointment Terms

Upon appointment, each Director receives a letter of appointment which sets out the formal terms of their appointment. Directors also receive a deed of indemnity, insurance and access.

Each senior executive has a written contract with the Company, setting out the terms of his or her appointment, including remuneration entitlements and performance requirements.

As a non-listed public company, it was not required to disclose information regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. The Company intends to disclose the matters contemplated by ASX Recommendation 8.2 in future annual reports.

Recommendation 1.4: Company Secretary

The Board is supported by its Joint Company Secretaries, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to its Company Secretaries.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretaries, including experience and qualifications, is set out in the Company's Prospectus.

Recommendation 1.5: Diversity Policy

The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.

The Diversity Policy is available on the Company's website at <https://flynngold.com.au/policies-reports/>.

The Company's policy has meritocracy as a guiding principle and seeks to align the Company's management systems with its commitment to continue to develop a culture that values and achieves diversity in its workforce and on its Board. The Company is also of the view that inclusion should be driven by culture (i.e. 'we want to') rather than by policy ('we have to').

The Board and management consider building a diverse and inclusive workforce is paramount to gaining the best insight into the needs of our customers and stakeholders. A diversity of perspectives and backgrounds also strengthens creativity and innovation in teams.

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 30 March 2021 was as follows:

- Women on the Board – 0%
- Women in senior executive positions – 25%
- Women across the entire organisation – 11%

The Company's workforce is relatively small and as such the Board does not believe it is appropriate to establish formal diversity objectives at this stage and therefore, we do not comply with Recommendation 1.5 in its entirety.

Recommendation 1.6: Board, Committee and Individual Directors Performance Assessment

The Board is committed to formally evaluating its performance, the performance of its Committees (if applicable) and individual Directors, as well as the governance processes supporting the Board. The Company does not currently have separate Audit & Risk or Nomination & Remuneration Committees and as such the Board will fulfil the role of these committees.

The Board will ensure that a performance evaluation is conducted annually in accordance with its performance evaluation process as set out in Annexure 2 of the Board Charter. This policy will be reviewed annually. The Board will disclose as part of its periodic reporting, whether an evaluation of the Board, its committees (if applicable) and individual directors has taken place in accordance with the Performance Evaluation Process and key results thereof.

Recommendation 1.7: Senior Executive Performance Assessment

The Senior Executives are appointed by the Board and their Key Performance Indicators (**KPI's**) contain specific financial and non-financial objectives.

These KPI's will be reviewed annually by the Board or any committee thereof. The performance of each Senior Executive against these objectives will be evaluated annually. The Company will disclose in its annual corporate governance statement whether such performance evaluation has been undertaken in accordance with the Performance Evaluation Process.

PRINCIPLE 2 – BOARD STRUCTURE

Recommendation 2.1: Nomination Committee

The Company is of the view that given the current size and operations, the Board will fulfil the roles and responsibilities in relation to nominations. The Board will be responsible for the duties that would ordinarily be carried out by a Nomination Committee, including reviewing processes for succession planning and ensuring the Board has the appropriate balance of skills, experience, independence and knowledge to discharge its duties and responsibilities effectively.

The Company has adopted a Nomination & Remuneration Committee Charter and is available on the Company's website at <https://flynngold.com.au/policies-reports/>.

In accordance with the Company's Nomination Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review Director competence standards;
- review Board succession plans;
- evaluate the Board's performance;
- make recommendations for the appointment and removal of Directors to the Board; and
- make recommendations to the Board on recruitment, retention and termination policies for senior management.

Recommendation 2.2: Board Skills Matrix

Our objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current Directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives.

The Board intends to formally undertake a Board skills matrix setting out the mix of skills and diversity that the Board currently has in its membership through an annual assessment process.

The Company intends to disclose the matters contemplated by ASX Recommendation 2.2 in future annual corporate governance statements.

The professional skills, experience and expertise of each Director as at the date of Listing, are set out in Section 9.1 of the Company's prospectus issued in connection with the Listing, dated 30 March 2021 (**Prospectus**).

Recommendation 2.3: Independent Directors

The Board considers the independence of Directors having regard to the relationships listed in Box 2.3 of the ASX Recommendations.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the Director's terms of appointment, the Corporations Act 2001, the Board Charter and Related Party Policy.

The Board's assessment of each current Director is set out below.

Name	Position	Appointment Date	Status
Clive Duncan	Non-Executive Chairman	01-01-2021	Non-Independent
Samuel Garrett	Executive Director	07-09-2020	Non-Independent
John Forwood	Non-Executive Director	07-09-2020	Non-Independent

The Board considers that none of the directors are unquestionably free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Non-Executive Director's unfettered and independent judgement. As a result, none of the directors are able to fulfil the role of independent Non-Executive Director for the purpose of the ASX Recommendations.

Clive Duncan may, depending on the results of the IPO, have a substantial holding (voting power of 5% or more) in the Company, or close thereto, and is therefore not considered to be independent. Samuel Garrett is an Executive Director and therefore not considered to be independent. John Forwood provides executive consulting services to the Company and therefore is similarly not considered independent.

Notwithstanding the above, the Board believes that Clive Duncan, Samuel Garrett and John Forwood are able to objectively analyse the issues before them in the best interests of all Shareholders and in accordance with their duties as Director.

Aside from Clive Duncan, who may in certain circumstances hold a substantial holding in the Company, no Non-Executive Director will hold a substantial holding in the Company upon completion of the IPO.

Recommendation 2.4: Majority Independence

As at the date of this Statement, there are no directors who are deemed non-independent. Although the composition of our Board does not comply with Recommendation 2.4, the current Board composition reflects an appropriate balance of skills, expertise and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders. The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure independent thought and decision making.

It is noted that the composition of the Board will be reassessed in the future in line with changes in the Group's operations and will be adjusted as deemed appropriate. The Board will consider the ASX Recommendations in assessing any future changes in board composition.

Recommendation 2.5: Board Chair

On 1 January 2021, Clive Duncan was appointed as Non-Executive Chair of the Company and however is not considered an independent Director. The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. The role of Chair is set out in more detail in the Board Charter.

The Board recognises that the role of Chair should be fulfilled by an independent Director, however the Company's current size dictates that this is the most efficient mode of operation at the current time.

The roles of Chair and Executive Director are exercised by different individuals, being Clive Duncan and Samuel Garrett respectively who are both members of the Australian Institute of Company Directors.

Recommendation 2.6: Induction, Education and Training

New Directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management, at the time of joining the Board. All Directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge. Directors are also encouraged to personally undertake appropriate training and refresher courses as appropriate to maintain the skills required to discharge their obligations to the Company.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1: Statement of Values

As disclosed in the Prospectus, in order to reinforce the Company's values which underpin how the Company undertakes its business, it has adopted a Statement of Values. The Statement of Values is the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors.

CORE VALUES

- Integrity, honesty and inclusivity across all aspects of the Company's operations;
- To ensure a safe work environment for all employees;
- Promote, develop, foster an enjoyable and motivated work force built upon a culture of teamwork and respect;

- Deliver results through intelligent, efficient and agile exploration; and
- To demonstrate corporate, social and environmental responsibility across all aspects of the business, with a particular focus on enhancing the communities in which the Company operates.

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

Recommendation 3.2: Code of Conduct

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. The Code of Conduct applies to all staff, officers, Directors, associates, contractors, consultants and relevant third parties of the Company.

The objectives of the Code of Conduct are to:

- provide a benchmark for ethical and professional behaviour;
- promote healthy, respectful and positive working environments for all staff and directors;
- ensure that there is compliance with laws, regulations, policies and procedures relevant to the Company;
- ensure there are appropriate mechanisms and procedures in place for staff and Directors to report breaches of the Code of Conduct;
- ensure that staff and Directors are aware of the consequences for breaching the Code of Conduct; and
- ensure that any material breach is reported to the Board.

The Code of Conduct is available on the Company's website at <https://flynngold.com.au/policies-reports/>.

Recommendation 3.3: Whistleblower Policy

The Whistleblower Policy demonstrates 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 any breach of the Whistleblower Policy, is raised and reviewed at each Board Meeting.

The Whistleblower Policy is available on the Company's website <https://flynngold.com.au/policies-reports/>.

Recommendation 3.4: Anti-bribery and Corruption Policy

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed maintain high standards of integrity and accountability in conducting its business. The Company has adopted an Anti-bribery and Corruption Policy. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

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

The Anti-Bribery and Corruption Policy is available on the Company's website <https://flynngold.com.au/policies-reports/>.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1: Audit Committee

The Company is of the view that given the current size and operations, the Board would fulfil the roles and responsibilities in relation to audit. The Board would be responsible for the duties that would ordinarily be carried out by an Audit and Risk Committee, fulfilling its responsibilities for corporate governance and oversight of the Company's financial and corporate reporting, risk management and compliance structures and external functions.

The Company has adopted an Audit and Risk Committee Charter and is available on the Company's website at <https://flynngold.com.au/policies-reports/>.

Recommendation 4.2: Assurances

The Audit and Risk Committee Charter requires a declaration from the Chief Executive Officer (CEO) (or equivalent such as the Executive Director) and Chief Financial Officer (CFO) (or equivalent) to the Board that, in their 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 their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

This recommendation is satisfied insofar as the CEO and CFO (or their equivalents) will provide Section 295A declarations and submit to the Board prior to approving the financial reports of the Company.

Recommendation 4.3: Verification of integrity of periodic corporate reports

The Company's external auditor is William Buck Audit (Vic) Pty Ltd (**William Buck**). William Buck will be in attendance at each Annual General Meeting and a representative will be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Audit and Risk Committee Charter provides that the Audit and Risk Committee (or in its absence the Board) will assist the Board in the implementation of the Company's 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.

For any periodic reports released to the market, the processes to verify their integrity will be disclosed either in the report itself or more generally in the Company's corporate governance disclosures in its annual report, or on the Company's website.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Continuous Disclosure Policy

We are 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.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy (**Policy**), which is available on our website at <https://flynngold.com.au/policies-reports/>. 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 Executive Director or the Company Secretary.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy (as applicable). 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.

Recommendation 5.2: Provide the Board with copies of all material market announcements

The Company will ensure that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

Recommendation 5.3: Investor Presentations

In accordance with the recommendation, the Company will ensure that all substantive presentations are released to the market to enable security holders the opportunity to participate in the presentation from time to time.

The Company will also maintain a separate investor page on our website to provide shareholders with links to annual and interim reports, ASX announcements, presentations, and other key information.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: Information and Governance

The Company provides information about itself and its governance to investors via its website at <https://flynngold.com.au/policies-reports/>.

The Company will maintain a separate investor page on our website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

Recommendation 6.2: Investor Relations

We endeavour 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, we aim to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Group's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- 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
- ensuring that continuous disclosure obligations are understood and complied with throughout the Group.

Shareholder queries should be referred to Mathew Watkins and Melanie Leydin, the joint Company Secretaries, in the first instance.

Our Company Policy for Shareholder Communications is available on our website at <https://flynngold.com.au/policies-reports/>.

Recommendation 6.3: Shareholder Meeting Participation

The Board encourages full participation of Shareholders at members meetings to ensure a high level of accountability and identification with the Company's strategies and goals. Due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participation at meetings of Shareholders to be appropriate at this stage.

However, the Shareholder Communication Protocols which are set out in the Company's Continuous Disclosure Policy set out how the Company facilitates Shareholder participation at Shareholder meetings, including:

- Shareholders being encouraged to attend or, if unable to attend, to vote on the motions proposed by appointing a proxy or any other means included in the notice of meeting;
- general meetings will generally be held in a location and at a time which is intended to maximise participation by shareholders;
- full participation of shareholders at general meetings is encouraged to ensure a high level of accountability and identification with the Company's strategies and goals;
- Shareholders having the opportunity to submit questions prior to each annual meeting; and
- that the Manager, senior management and auditors will be present to assist with providing answers at annual meetings.

Recommendation 6.4: All substantive resolutions at a security holder meeting are decided by poll

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

Recommendation 6.5: Electronic Communication with Shareholders

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. Shareholders may send their communications preference to the share registry electronically through one of its means of communication available on <https://www-au.computershare.com>.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1: Risk Committee

The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Board Chair. The Audit and Risk Committee Charter is available on our website at <https://flynngold.com.au/policies-reports/>.

Due to the current size of the Company and the Board, the Board fulfils the roles and responsibilities in relation to risk. The duties of the Board in relation to risk are the same that would otherwise be fulfilled by a Risk Committee, including ensuring that the Company has an appropriate risk management framework and associated internal compliance and control procedures.

Recommendation 7.2: Risk Management Framework

The Company's risk management framework is supported by the Board of Directors, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. Management is responsible for monitoring compliance with and the effectiveness of risk management systems and controls at a divisional level including financial and non-financial risks. Senior management would regularly report to the Board on the adequacy of its risk management systems, processes and key matters for consideration.

The Board will adopt a Risk Management Policy which 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, and a review will be undertaken by the Audit and Risk Committee on an annual basis. The Company has outlined within its prospectus the key risks associated with the Company.

Recommendation 7.3: Internal Audit

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 Risk Committee Charter requires the Committee (or in its absence the Board) to oversee the evaluation and continual improvement of the effectiveness of the Company's risk management and internal control processes. The Committee (or in its absence the Board) will achieve this objective by closely monitoring these areas and will require management to review and report on risk and internal control areas. The Committee may consider the use of external resources to assist as required.

The Board considers these departures from the ASX Recommendation are justified given the maturity of the Company and the need to preserve funds as an early-stage business. If in future an internal audit function is warranted then the Board will give due regard to the ASX Recommendation and the establishment of an internal audit function.

Recommendation 7.4: Economic, Environmental and Social Sustainability Risk

The Board is responsible for the oversight and reporting of material exposure to economic, environmental and social sustainability risks. A risk register for the Company is to be adopted and will be maintained to document the risks identified. A risk assessment and reporting procedure will be used to assess all risks. Risk is reviewed as part of the Board meetings. Should the risk profile of the Company change, the risk register will be updated to reflect this accordingly and any further controls required will be implemented.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY

Recommendation 8.1: Remuneration Committee

Due to the current size of the Company and Board, the Board will fulfil the roles and responsibilities in relation to remuneration. The duties of the Board in relation to remuneration are the same that would otherwise be fulfilled by a Remuneration Committee to address any issues and continuously review the range of skills, knowledge, experience, independence and diversity to ensure that the Board can discharge its duties and responsibilities effectively.

The Nomination and Remuneration Committee Charter is available on our website at <https://flynngold.com.au/policies-reports/>.

In accordance with the Company's Remuneration Committee Charter the key responsibilities of the Committee in relation to remuneration matters includes assisting the Board to:

- make recommendations to the Board on:
 - executive remuneration and incentive policies;
 - the remuneration packages of senior management;
 - incentive schemes;
 - superannuation arrangements; and
 - the remuneration framework for directors.

Recommendation 8.2: Remuneration Policies and Practices

In addition to the disclosure of remuneration of the Board and senior executives in the Prospectus, details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company and more recently out outlined in section 13.9 of the Prospectus.

Recommendation 8.3: Equity Based Remuneration Scheme

The Company's Securities Trading Policy includes a statement on the Company's policy on prohibiting restricted persons under that policy (i.e., directors, senior executives and specified employees) from entering into transactions (whether through the use of derivatives or otherwise) designed to hedge their exposure to the Company's securities.

The Securities Trading Policy is available on our website at <https://flynngold.com.au/policies-reports/>.