

30 October 2023

ASX Announcement

SEPTEMBER 2023 QUARTERLY ACTIVITIES & CASH FLOW REPORT

Classic Minerals has made good progress its projects and operations during the quarter as it **advances and grows.**

Highlights of the quarter include:

- First Gold bar poured from the Kat Gap processing facility.
- **Sale of gold during the quarter realised \$485,000.00.**
- Closure of SPP raising approximately **\$2,079,500.00**
- Classic Minerals **purchases 100% of the Forrestania tenements** from Hannans Resources.
- ESG Baseline study disclosure report
- IGO carried out only minor desktop work on the Fraser Range Nickel project.

Kat Gap Operations

The Company continued during the quarter to bring the Kat Gap gold project closer to full scale production. Most of the work was focused primarily on the trial mining activities. This included the calibration of the Kat Gap processing facility to capture data enabling refinement of the gravity circuit operation.



Figure 1 Kat Gap mine site

First Gold Bar

Classic's progress at the Kat Gap Gold Project marked a significant achievement with the successful production of their first gold bar earlier this quarter.

The gold bar production showcases Classic's technical expertise and the effectiveness of their methods, such as the Gekko gravity separation circuit, which yielded notable results, including a 5% mass recovery and gravity gold recoveries ranging between 65% and 75%. Additionally, Classic plan to further enhance recoveries to 98% by introducing a Carbon-in-Leach (CIL) leaching circuit, emphasising their commitment to process-optimization and long-term success for the Kat Gap Gold Project.

This achievement also marks Classic's progression towards becoming a gold producer. The gold bar was poured from only a portion of the ore from the Bulk Sample underscores the potential at Kat Gap. As Classic starts generating revenue from this milestone, it seeks to secure Classic's financial future. The journey from exploration to processing of gold ore is demanding, but Classic's successful gold bar demonstrates the dedication, expertise, and the potential of the Kat Gap deposit, indicating a promising future in gold mining.

Figure 2: Dean Goodwin CEO with first gold bar



Purchase of the Forrestania Tenements

Classic Minerals Limited in October 2023 announced the signing of a binding agreement with Reed Classic Minerals Limited (ASX: CLZ), a wholly owned subsidiary of ASX-listed Hannans Ltd, for the acquisition of mining tenements within the Forrestania Gold Project, excluding the Kat Gap tenements already owned by Classic. Initially, in 2017, Classic secured 80% of the gold rights on the FGP Tenements from a third party, with Reed Exploration retaining the remaining 20% interest in gold rights associated with the FGP Tenements. This transaction grants Classic complete exploration rights for all minerals across the FGP Tenements, including Lithium and Nickel.

Although the FGP Tenements already host a substantial 300,000 ounces of gold, the exceptional exploration potential within this area provides a huge opportunity for the discovery of additional gold ounces outside of the existing indicated and inferred resource base. The historical success of the Forrestania region in hosting significant gold reserves, contributed by various successful mining companies, adds to the significant potential of the area. Classic's 100% control of its own processing facility in the area further positions the company to efficiently explore and process gold resources not only from Kat Gap but also from within the larger Forrestania tenement package. This strategic ownership of all assets grants Classic full autonomy and control over their mining operations, enabling streamlined processes and maximizing returns from their gold projects, reinforcing their position within our WA gold mining industry.

Figure 3: Lady Ada pit on the FGP tenements



Environmental And Social Governance.

Classic Minerals Limited has released its baseline Environmental, Social, and Governance (ESG) report, providing disclosures based on 21 core metrics outlined by the World Economic Forum's Stakeholder Capitalism Metrics ESG framework. The report is available at [CLZ-ESG-Report-202306.pdf](#) on [classicminerals.com.au](#).

Dean Goodwin, CEO of the company, emphasized the company's commitment to ESG principles. Classic Minerals is progressively integrating ESG reporting into its operational and governance systems, with plans to provide regular updates on a quarterly basis. This approach aims to transparently track progress and improvements in line with long-term value creation for stakeholders.

Figure 4: The Classic processing team.



Gold Resource Upgrade

During the June 2023 quarter Classic received an upgrade to the gold resource at its flagship Kat Gap Project. **20,488oz** of the previous Inferred Gold Resource has been successfully upgraded to **Indicated**.

The enhanced resource confidence level, resulting from re-estimation following the integration of two years' worth of additional drill data, underscores Classic Minerals' commitment to the long-term success of the Kat Gap Project and its vision to become a profitable gold miner. This milestone allows for the calculation of JORC Compliant Reserve ounces, facilitating monetisation and value creation at Kat Gap.

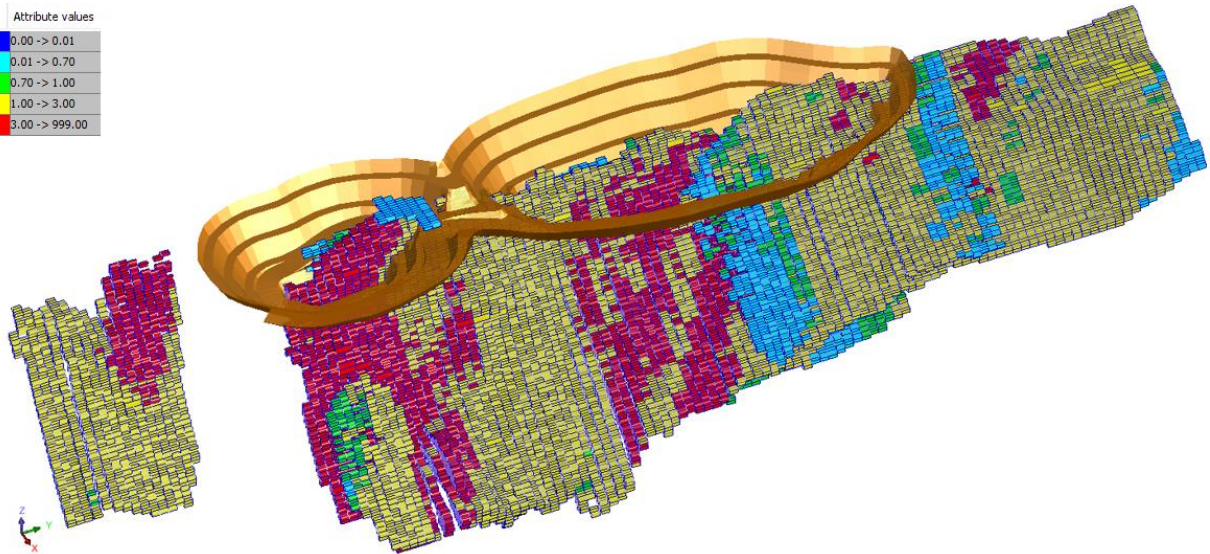
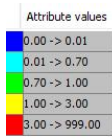


Figure 5 –Classic Minerals Ltd Kat Gap Gold Resource – Block model.

Thorough drilling and geological input have culminated in the delineation of a **maiden Indicated gold resource at the Kat Gap Project**. The upgrade to this higher confidence level opens the door for advanced mine planning work that will gauge the economics of Kat Gap and contribute to better understanding of the greater Forrestania project.

Updated resource table for Kat Gap:¹

Res Category	Au (ppm)	Tonnes	Au (ppm)	Oz
Inferred	0.0 -> 0.7	61,068	0.49	962
	0.7 -> 999.0	825,444	2.23	59,181
Sub Total		886,512	2.11	60,139
Indicated	0.0 -> 0.7	18,558	0.47	280
	0.7 -> 999.0	236,342	2.66	20,212
Sub Total		254,900	2.5	20,488
Grand Total		1,141,412	2.19	80,367

The resource is estimated and reported at 0g/t cut-off grade to represent the global resource estimate at Kat Gap comparable to the maiden 2020 estimate at the same cut-off. There is also a

¹ ASX Announcement 21 June 2023

nominal reported 0.7g/t cut off to closer represent a possible minimum mining cut-off grade for initial open-pit operations, although optimization and financial assessment is still in process.

Corporate

During the quarter ended 30 September 2023 the Company continued to engage in the most prudent ways of raising working capital in order to bring Kat Gap into production at the earliest opportunity. The gold contained in the bulk sample ore continues to be recovered and sold.

Classic Minerals Limited advises the market that in complying with L.R 5.3 it discloses the following for the quarter ended 30 September 2023.

Cash outflows for the September 2023 Quarter was \$3.7 million, as per detail below:

		A\$' 000
Exploration activities - Operating	52%	1,955
Administration – Operating	4%	153
Staff cost - Operating	6%	230
Interest - Operating	9%	343
Tenement - Investing	9%	350
Exploration activities - Investing	0%	-
PPE - Investing	5%	181
Repayment of borrowings - Financing	11%	428
Capital and Funding Raising Costs - Financing	3%	106
Other - Investing	0%	-
Payments to related parties and their associates (as set out in section 6 of the Appendix 5B)		33

Cash inflows for the September 2023 Quarter was \$3.9 million, as per details below:

Capital raising	64%	2,497
Selling of gold	12%	485
Government incentives and grant	0%	-
Other (fuel tax credit)	3%	121
Proceeds from borrowings	21%	810
Proceeds from PPE	0%	-
Proceeds from selling interest in Tenement	0%	-

This announcement has been authorised by the Board.

ENDS:

ABOUT THE FORRESTANIA GOLD PROJECT

Classic has inferred and indicated mineral resources of **8.41 Mt at 1.45 g/t for 391,417 ounces of gold**, classified and reported in accordance with the JORC Code (2012), with a Scoping Study (see ASX Announcement released 2nd May 2017) suggesting both the technical and financial viability of the project. The current post- mining Mineral Resource for Lady Ada, Lady Magdalene and Kat Gap is tabulated below. Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table 1 as attached to ASX announcements dated 18 December 2019, 21 January 2020, and 20 April 2020.

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au
Lady Ada	257,300	2.01	16,600	1,090,800	1.23	43,100	1,348,100	1.38	59,700
Lady Magdalene				5,922,700	1.32	251,350	5,922,700	1.32	251,350
Kat Gap	254,900	2.5	20,488	886,512	2.11	60,139	1,141,412	2.19	80,367
Total	512,200	2.25	37,088	7,900,012	1.40	354,589	8,412,212	1.45	391,417

Notes:

- The Mineral Resource is classified in accordance with JORC, 2012 edition*
- The effective date of the mineral resource estimate is 14 June 2023.*
- The mineral resource is contained within FGP tenements*
- Estimates are rounded to reflect the level of confidence in these resources at the present time.*
- Mineral resources for Lady Ada and Lady Magdalene (Ladies) are reported at 0.5 g/t Au cut-off grade, Kat Gap at 0g/t Au.*
- Depletion of the resource from historic open pit mining has been considered for the Ladies deposits. Trial pit mining depletion at Kat Gap has not been accounted for in the block model due to the ore remaining unprocessed.*

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements - Disclaimer

This ASX announcement (Announcement) has been prepared by Classic Minerals Limited ("Classic" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Classic, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Classic.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Classic's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Classic and of a general nature which may affect the future operating and financial performance of Classic and the value of an investment in Classic including but not

limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Classic and its projects, are forward-looking statements that:

- *may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;*
- *are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Classic, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,*
- *involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.*

Classic disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.

Tenement Register

Schedule of Mineral Tenements as of 30 Sep 2023		
TENEMENT	AREA	INTEREST HELD BY CLASSIC MINERALS LIMITED
M74/249	Forrestania	100%
E74/467	Forrestania	100%
P77/4291	Forrestania	80%
P77/4290	Forrestania	80%
E77/2207	Forrestania	80%
E77/2219	Forrestania	80%
E77/2220	Forrestania	80%
E77/2239	Forrestania	80%
E77/2471	Forrestania	100%
E77/2472	Forrestania	100%
E77/2470	Forrestania	100%
E28/1904	Fraser Range	100%
E28/2705	Fraser Range	100%
E28/2704	Fraser Range	100%
E28/2703	Fraser Range	100%
L74/57	Forrestania	100%
G74/11	Forrestania	100%
G74/10	Forrestania	100%
P74/383	Forrestania	100%
P74/384	Forrestania	100%

Appendix 5B

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

Name of entity

Classic Minerals Limited

ABN

77 119 484 016

Quarter ended ("current quarter")

30 September 2023

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	485	485
1.2 Payments for		
(a) exploration & evaluation	(1,955)	(1,955)
(b) development	-	-
(c) production	-	-
(d) staff costs	(230)	(230)
(e) administration and corporate costs	(153)	(153)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(343)	(343)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (fuel tax credit)	121	121
1.9 Net cash from / (used in) operating activities	(2,075)	(2,075)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(350)	(350)
(c) property, plant and equipment	(181)	(181)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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
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 used in 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	(531)	(531)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,497	2,497
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	(26)	(26)
3.5	Proceeds from borrowings	810	810
3.6	Repayment of borrowings	(428)	(428)
3.7	Transaction costs related to loans and borrowings	(80)	(80)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,773	2,773

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17	17
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,075)	(2,075)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(531)	(531)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,773	2,773

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	184	184

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	184	17
5.2	Call deposits	-	-
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)	184	17

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	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p>Payments for director fees and consulting fees</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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	6,676	6,676
7.2	Credit standby arrangements	5,000	-
7.3	Other (facility under Put Option Agreement)	15,000	1,347
7.4	Total financing facilities	26,676	8,023
7.5	Unused financing facilities available at quarter end		18,653
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.		
	<p>The Company entered into Standby Subscription Agreement with Stock Assist Group Pty Ltd in which the Investor agrees to subscribe for shares if requested by the Company subject to the terms and conditions of this Facility. There were no drawings under this facility for the quarter ended 30 September 2023. This facility will end on 19 September 2024.</p> <p>The Company entered into Put Option Agreement with LDA Capital Limited on 13 December 2022. Under the agreement the Company will be able to flexibly draw down up to \$15,000,000 by exercising put options to LDA Capital Limited over the duration of 36 months starting on the date of the agreement. The commitment fee includes a 2% facility fee totalling \$300,000 which is payable within 12 months of the Put Option Agreement. In consideration of LDA entering into the agreement, the Company also has agreed to issue 59,614,678 options, exercisable at \$0.01385 and expiring 3 years from the date of issue. 1,196,588,344 shares have been subscribed with total purchase price of \$1,347,070 through 30 September 2023.</p> <p>Beirne Trading Pty Ltd provided unsecured loan facility of \$500,000 with interest rate of 3% per month that will mature on 24 December 2023. Additionally, Beirne Trading Pty Ltd provided unsecured loan of \$500,000 with maturity date of 12 March 2024 and interest rate of 2% per month.</p> <p>CTRC Pty Ltd provided loan facilities of \$250,000, \$250,000, \$500,000 and \$300,000 with maturity dates on 18 December 2023, 26 October 2023, 25 November 2023 and 19 November 2023, respectively. These facilities are secured against the Company's assets under PPSR (Personal Property Securities Register) and have interest rate of 3% per month.</p> <p>Foskin Pty Ltd provided loan facility of \$320,000 with maturity date on 29 November 2023. This facility is secured against the Company's assets under PPSR (Personal Property Securities Register) and has interest rate of 3% per month.</p> <p>Gold Processing Equipment Pty Ltd provided unsecured loan facility of \$5,500 with maturity date of 14 December 2023. Additionally, Gold Processing Equipment Pty Ltd provided \$300,000 loan facility with maturity date of 20 November 2023. This facility is secured against the Company's assets under PPSR (Personal Property Securities Register). Those loan facilities have interest rate of 3% per month.</p> <p>Greywood Holdings Pty Ltd provided loan facilities of \$500,000, \$180,000 and \$200,000 with maturity dates of 3 December 2023, 12 November 2023 and 25 November 2023, respectively. These facilities are secured against the Company's assets under PPSR (Personal Property Securities Register) and have interest rate of 3% per month.</p> <p>Klip Pty Ltd provided unsecured loan facility of \$700,000 with maturity date on 24 December 2023. The facility has interest rate of 3% per month.</p> <p>Michael Wilson provided unsecured loan facility of \$30,000 with maturity date on 27 November 2023. The facility has interest rate of 3% per month.</p> <p>Reliant Resources Pty Ltd provided unsecured loan facility of \$50,000 with maturity date on 23 February 2024. The facility has interest rate of 3% per month.</p>		

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

Radium Capital provided loan facility of \$449,937.10 with maturity date of 30 November 2023. The facility was advanced against the expected R&D refund from the ATO with Final Tax Claim Date of 30 September 2023. The facility carries an annual interest rate of 15%.

Rotherwood Enterprises Pty Ltd provided unsecured loan facility of \$300,000 with maturity date on 24 December 2023. The facility has interest rate of 3% per month.

Tracey Pearson provided unsecured loan facility of \$10,000 with maturity date on 7 December 2023. The facility has interest rate of 3% per month.

UFL Technology Pty Ltd provided unsecured loan facility of \$200,000 with maturity date on 15 December 2023. The facility has interest rate of 3% per month.

On 22 February 2023, the Company entered into loan agreement with Aneles Consulting Services Pty Ltd for procurement of vehicle. The total loan amount of \$250,000 consists of cost of vehicle plus interest and \$30,000 establishment fee, with latest repayment date of 14 December 2023. Aneles Consulting Services Pty Ltd undertakes to transfer full legal title to the Company upon the conclusion of the finance period.

Whead Pty Ltd provided unsecured loan facility of \$724,323.85 with maturity date of 31 October 2023. The facility has interest rate of 3% per month.

The Company entered into insurance premium funding facility of \$131,869.39 with Attvest Finance. The facility will mature on 28 November 2023. The facility carries a flat interest rate of 5% for the entire facility period.

The Company entered into insurance premium funding facility of \$103,482.50 with Monument Premium Funding. The facility will mature on 30 December 2023. The facility carries a flat interest rate of 3.99% for the entire facility period.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,075)
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)	(2,075)
8.4	Cash and cash equivalents at quarter end (item 4.6)	184
8.5	Unused finance facilities available at quarter end (item 7.5)	18,653
8.6	Total available funding (item 8.4 + item 8.5)	18,837
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.08
	<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	

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

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

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.

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.

30 October 2023

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

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.
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.