

ASX:ALM

ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2023

Highlights

- Alma Metals Limited (the "Company" or "Alma") (ASX:ALM) continued the core drilling campaign to test the validity of Exploration Targets at the Northern and Central Porphyry areas at the Briggs copper project, Queensland.
- Assays received during the quarter confirm copper-molybdenum sulphide mineralisation in multiple holes over a significant strike-length:

Hole ID	Depth From (m)	Depth To (m)	Intersection Length (m)	Cu (%)	Mo (ppm)
22BRD0014	6.0	306.0	300.0	0.11	8
and	306.0	528.7	222.7	0.20	36
including	322.0	338.0	16.0	0.25	16
including	350.0	366.0	16.0	0.24	65
including	466.0	528.7	62.7	0.28	37
including	478.0	512.0	34.0	0.31	24
23BRD0015	8.1	332.0*	323.9	0.20	95
including	22.0	62.0	40.0	0.33	131
including	36.0	60.0	24.0	0.39	126
including	108.0	134.0	26.0	0.23	53
including	144.0	166.0	22.0	0.25	114
including	196.0	240.0	44.0	0.21	106
including	266.0	276.0	10.0	0.25	121

*Assays received for 0m to 332m to date. Remaining 276.3m of hole still to be assayed.

- 23BRD0015 is the most significant molybdenum drill intersection on the project to date. The economic significance of this will be evaluated once further metallurgical studies have been undertaken. Assays are awaited for the remaining 270m of the hole.
- The copper mineralisation in 23BRD0015 is 190m to the north of the Briggs Central Inferred Resource (143Mt @ 0.29% Cu) and is likely to support a significant resource upgrade once further drilling has been completed.
- The copper mineralisation in 22BRD0014 is 180m to the north of hole 22BRD0013 which intersected 441.5m @ 0.21% Cu from 8m in the Northern Porphyry Target. This is the most northerly drill intersection in the project to date.
- Drill intersections containing >0.2% Cu have now been recorded over more than 1650m strike-length within the ~2000m long >0.1% Cu surface geochemical anomaly.

- Alma can earn up to a 70% joint venture interest in the Briggs Copper Project.
- Planning for reconnaissance activities for sediment-hosted copper mineralisation in the east Kimberley region continued. Heavy cyclonic rainfall is likely to delay commencement of the program.
- Alma completed its review of roadside soil sampling at its SW Terrane projects in Western Australia. No anomalism worthy of follow-up was detected. The three remaining exploration licences have been surrendered.

PROJECTS:

1. Queensland Copper

1.1. Introduction

The Briggs, Mannersley and Fig Tree Hill Porphyry Copper Project comprises four exploration permits for minerals (EPM's) covering a total area of 243 km² and contains a JORC compliant Inferred Mineral Resource estimate of 143Mt @ 0.29% copper at a 0.2% copper cut-off grade in the Central Porphyry zone of the Briggs Copper Project ("Project").

The Project is in a low-risk, Tier 1 jurisdiction, close to key infrastructure and a deep-water port at Gladstone which lies only 50km to the east (Figure 1).

Alma has executed an Earn-In Joint Venture Agreement with owner Canterbury Resources Limited, under which Alma can reach 70% ownership of the Project through staged exploration and evaluation programs totalling \$15.25M over nine years (ASX release dated 18 August 2021),

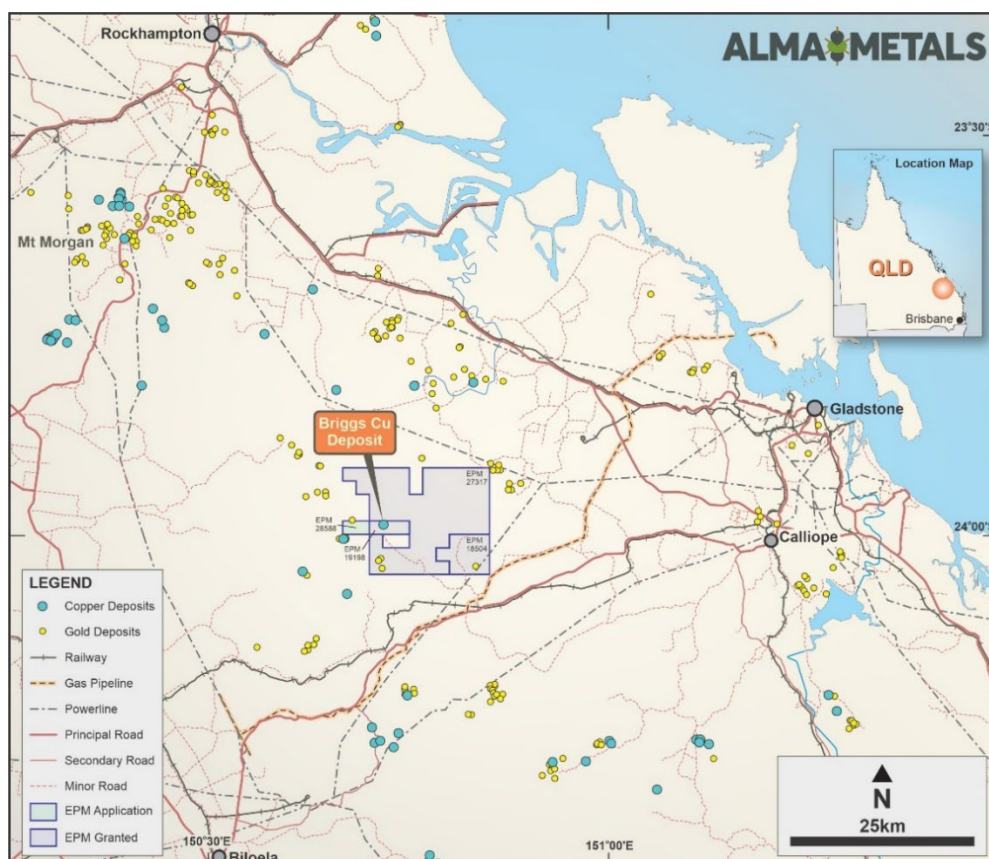


Figure 1. Location Map of the Briggs and Mannersley Copper Project, SE Queensland

1.2. Assay Results from current drilling program

The current core drilling program is testing Exploration Targets (Table 1 and Figure 2) outlined at the Northern and Central Porphyry areas at Briggs (ALM release 4 July 2022).

Table 1 Exploration Target Ranges for the Briggs Copper Project

Target	Exploration Target Ranges
Northern Porphyry	110Mt - 205Mt at 0.20% to 0.35% Cu
Briggs Central	260Mt - 490Mt at 0.20% to 0.35% Cu
Southern Porphyry	85Mt - 155Mt at 0.20% to 0.35% Cu
Total	455Mt - 850Mt at 0.20% to 0.35% Cu

NOTE: The potential tonnage and grade ranges of the Exploration Targets in Table 1 are conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in an increase in the Mineral Resource Estimate. The Exploration Target for Briggs Central excludes the current Inferred Resource estimate (143Mt at 0.29% Cu).

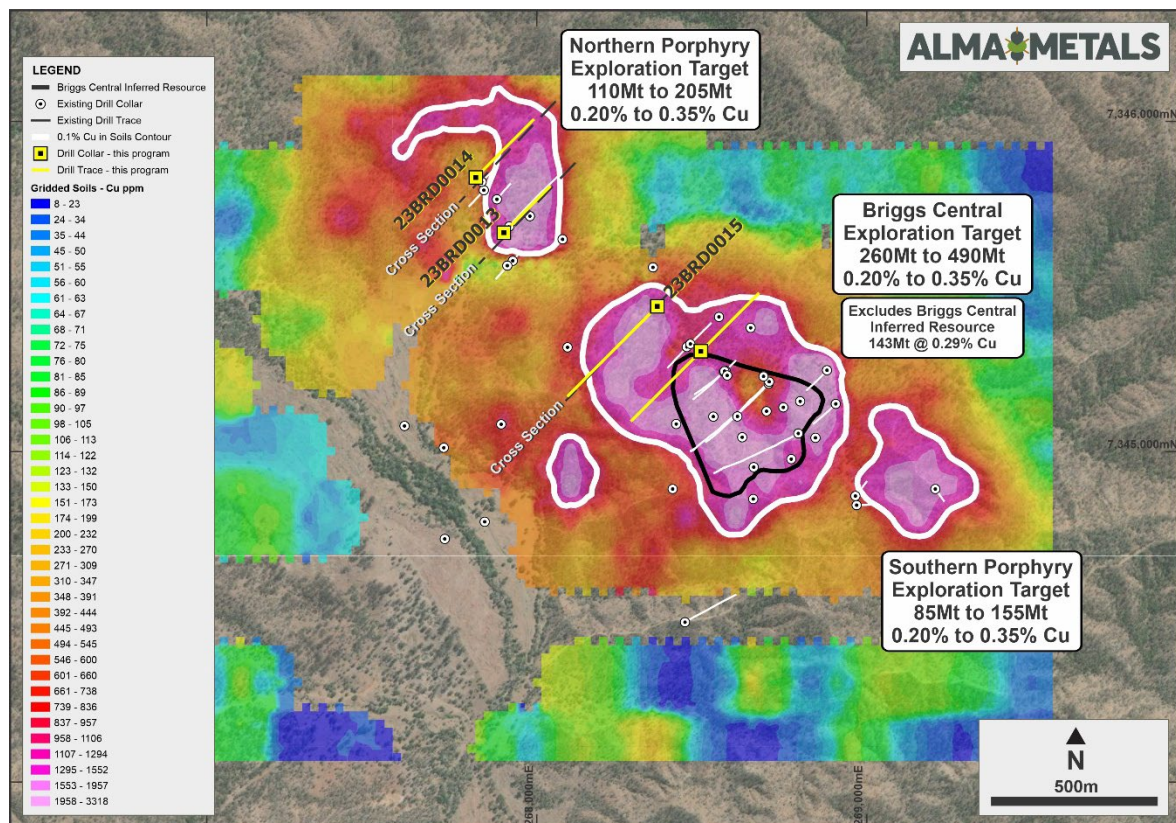


Figure 2. Plan displaying Cu in soil geochemistry, Exploration Target outlines based on 0.1% Cu contour (white) and existing Inferred Resource outline (black), plus historic and planned drill holes.

During the quarter the Company completed drill holes 22BRD0014 and 23BRD0015, testing the Northern Porphyry Exploration target and the Briggs Central exploration target respectively.

Drill hole **22BRD0014** was collared to test the northern part of the Northern Porphyry Exploration Target and is 180m to the north of 22BRD0013 (see Figure 2). 22BRD0014 intersected similar volcanic sediments and tuffs intruded by porphyritic granodiorites forming dykes and stocks (see Figure 3 and refer to ALM release 28 February 2023).

A broad interval (~140m) of well mineralized porphyritic intrusive, and the associated volcanic sediment contact zone, is observed in the lower portion of 22BRD0014 (Figure 3 and Table 2). This intrusive has no surface expression and its discovery opens significant exploration opportunities targeting higher grade zones of copper mineralisation, particularly in the contact zone along the north-eastern margin of the Briggs system.

Table 2 Assay Results for drill hole 22BRD0014 and 23BRD0015

Hole ID	Depth From (m)	Depth To (m)	Intersection Length (m)	Cu (%)	Mo (ppm)	Cut-off (%Cu)
22BRD0014	6.0	306.0	300.0	0.11	8	min envelope
including	6.0	18.0	12.0	0.21	8	0.1
including	32.0	60.0	28.0	0.15	7	0.1
including	72.0	81.3	9.3	0.18	21	0.1
including	89.0	106.0	17.0	0.13	7	0.1
including	122.0	156.0	34.0	0.13	4	0.1
including	174.0	188.0	14.0	0.16	9	0.1
including	210.0	228.0	18.0	0.11	7	0.1
including	233.45	250.0	16.55	0.11	8	0.1
including	260.00	306.0	46.00	0.13	11	0.1
and	306.0	528.7	222.7	0.20	36	0.1
including	322.0	338.0	16.0	0.25	16	0.2
including	350.0	366.0	16.0	0.24	65	0.2
including	466.0	528.7	62.7	0.28	37	0.2
including	478.0	512.0	34.0	0.31	24	0.3
23BRD0015	8.1	332.0*	323.9	0.20	95	Min envelope
including	8.1	63.3	55.3	0.28	108	0.1
including	22.0	62.0	40.0	0.33	131	0.2
including	36.0	60.0	24.0	0.39	126	0.3
and	72.0	282.0	210.0	0.19	91	0.1
including	108.0	134.0	26.0	0.23	53	0.2
including	144.0	166.0	22.0	0.25	114	0.2
including	196.0	240.0	44.0	0.21	106	0.2
including	266.0	276.0	10.0	0.25	121	0.2
and	290.65	332.0	41.35*	0.18	128	0.1
*Assays awaited from 332m to end of hole						
Notes:						
1. Downhole intersections may not reflect true widths.						
2. Average grades are weighted against sample interval.						
3. Significant results reported at 0.0% Cu, 0.1% Cu, 0.2% Cu & 0.3% Cu cut-off grade.						
4. Significant intervals reported are >10m with a maximum internal dilution of 4m.						

Drill hole **23BRD0015** was collared 190m to the north of the Briggs Central Inferred Resource (Figure 2) and is being drilled towards the SW to test for extensions of the inferred resource and to test a molybdenum anomaly in soil sampling which is offset from the copper anomaly (see Figure 4). The hole was collared in porphyritic granodiorite but passed into mineralised volcanic sediments at a down-hole depth of approximately 40m.

The mineralised volcanic sediments contain several decimetre- to metre-scale granitic dykes and ubiquitous mm- to cm- scale porphyry style veins containing visible chalcopyrite and lesser amounts of molybdenite. Assays (see Table 2) have confirmed these are the best drill results for molybdenum to date at Briggs and warrant further evaluation to determine the economic significance of the molybdenum.

Assay results have been received for the top 332m of this hole only. The hole was terminated at a depth of 608.3m, with assays for the remaining 276.3m of this hole expected in May.

1.3. Summary of the Briggs Copper Deposit

Key observations from exploration and evaluation data to date are as follows:

- The Briggs copper deposit is an outcropping porphyry copper deposit related to granodioritic porphyry intrusions into volcanic sediment host-rocks.
- An inferred resource containing 143Mt @ 0.29% Cu has been delineated at Briggs Central (refer ASX release dated 18 August 2021).
- Surface soil geochemistry is a robust exploration tool at Briggs:
 - Copper anomalism peaks at 4,710ppm Cu (0.47% Cu) and defines a large anomaly measuring more than 2,200m along strike and over 950m across strike at >500ppm Cu.
 - There are several clusters of >1,000ppm Cu (0.1% Cu) which reflect the known mineralised centres at Briggs Central and the Northern and Southern Porphyry Targets (Figure 2).
 - There is a very strong correlation between surface soil sampling geochemistry and the underlying geology as evident from outcrop and drilling.
 - The copper geochemistry indicates very significant targets for additional tonnage immediately surrounding the Briggs Central Mineral Resource Estimate.
 - A large molybdenum anomaly (>20ppm Mo) with a peak value of 84ppm partially surrounds the copper anomaly at Briggs Central, indicating a zoned system consistent with multiple mineralised events as previously documented from drill core, and confirmed by the recent assay results for the upper 332m of drill hole 23BRD0015.
 - Limited metallurgical test-work on three representative composite samples delivered excellent results with recoveries between 92% and 95% into cleaner concentrates and excellent first pass concentrate grades between 17.4% and 19.7% copper.
- Exploration Targets have been defined for each of the three geochemical anomalies (see Table 1 above, Figure 2, and refer ASX announcement dated 4 July 2022).

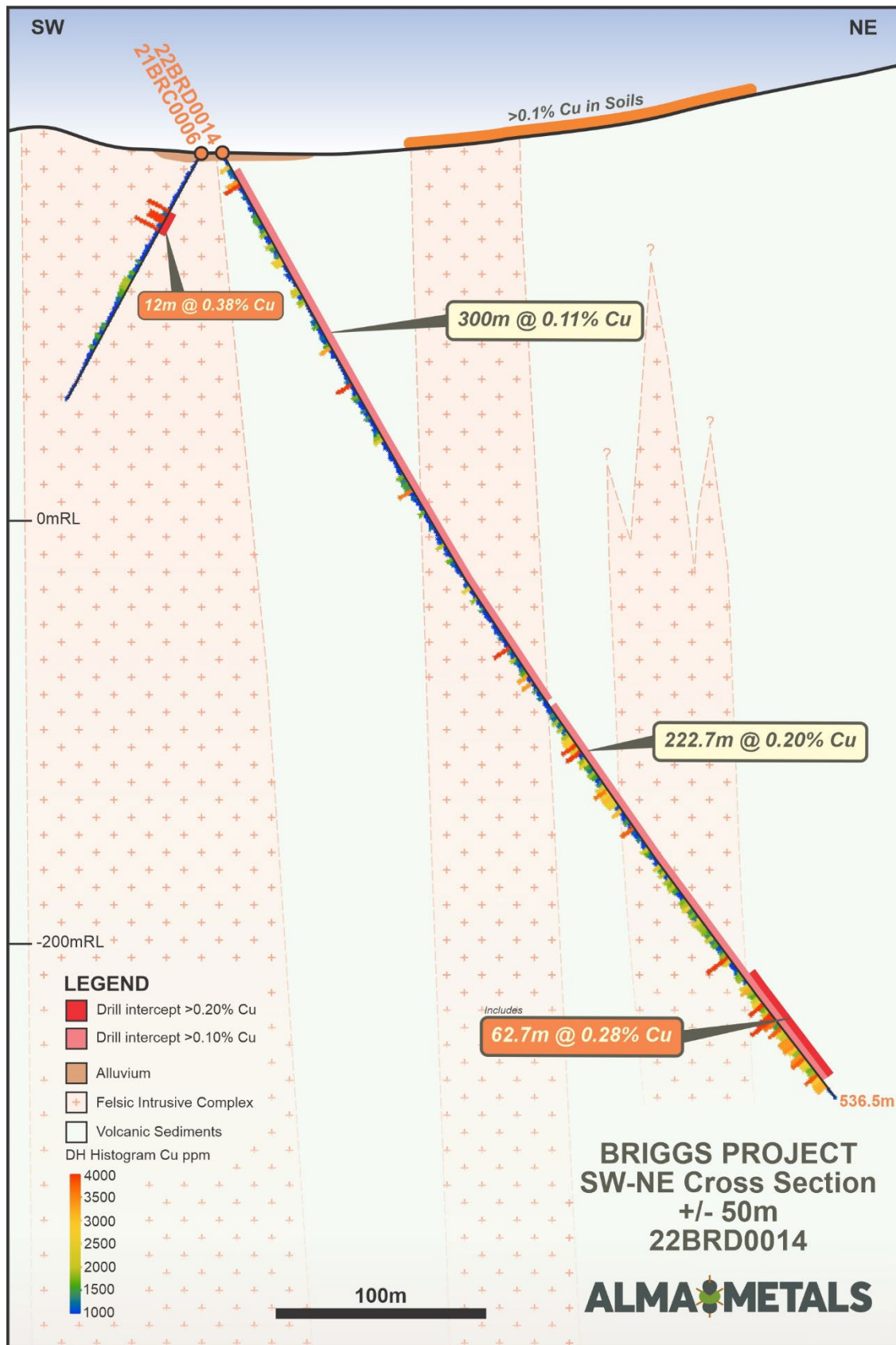


Figure 3. Cross Section for 22BRD0014, Northern Porphyry Target.

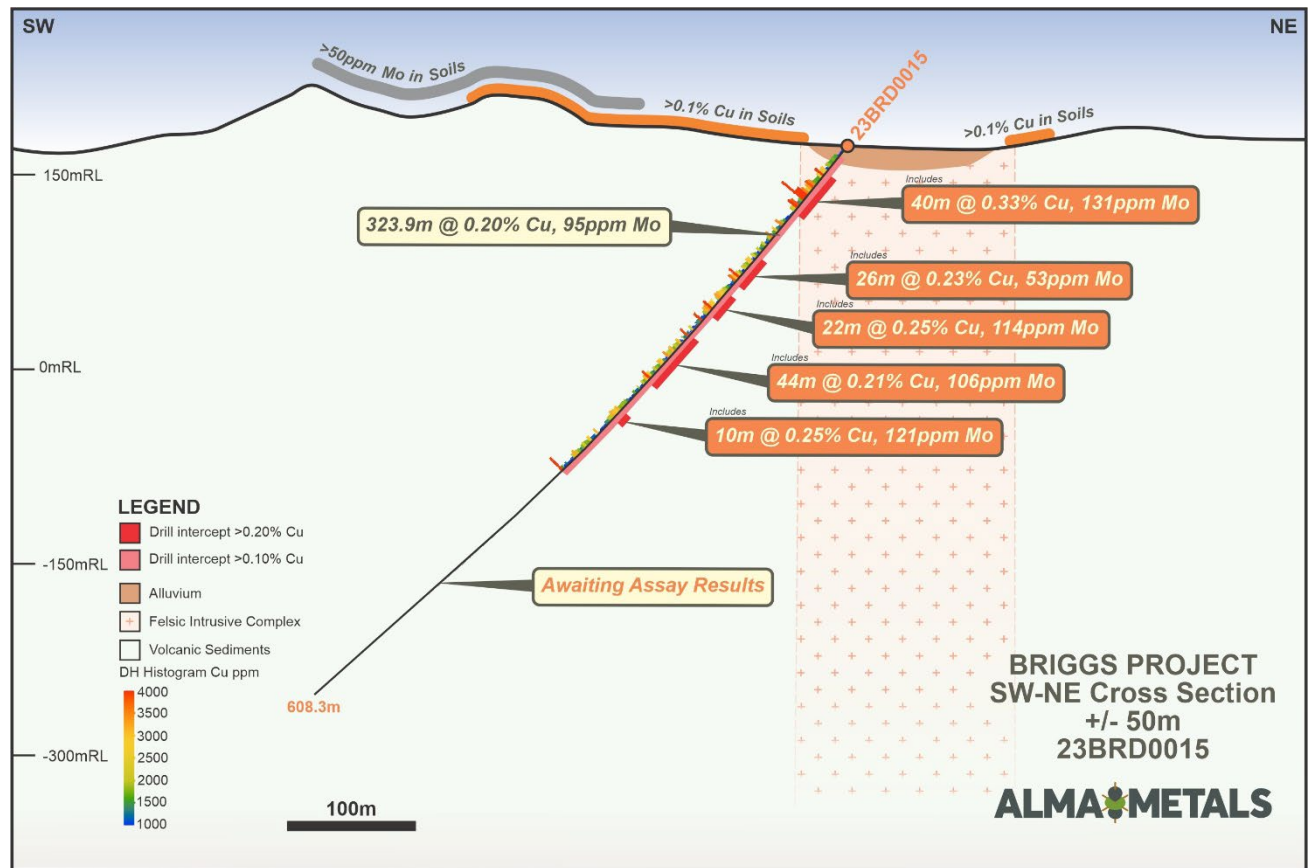


Figure 4. Cross-Section for 23BRD0015, Briggs Central

1.4. Next Steps

- Continue drilling to test the exploration target at Briggs Central.
- Plan next stage of drilling to increase the size of the inferred resource at Briggs.

2. East Kimberley Copper Projects

Alma Metals previously submitted applications for seven maximum size exploration licences in the East Kimberley District of Western Australia, covering project areas considered highly prospective for sediment-hosted copper mineralisation like the Central African Copperbelt (Figure 5).

Two of these licences (E80/5636 and E80/5637) have been granted to date. The remaining five applications are still being processed by WA state regulatory bodies.

- The project contains numerous copper occurrences hosted in the Elgee Siltstone and the base of the Middle Pentecost Sandstone, both in the Palaeo-Proterozoic Kimberley Group.
- Considered prospective for sediment-hosted, stratiform copper mineralisation.
- No modern exploration for copper in the project area is noted in any open file data.

- The Company has executed two agreements with the Traditional Owners (the Balangarra people) to undertake initial reconnaissance exploration activities over approximately 1,000km² of the East Kimberley, WA.
 - A Heritage Protection Agreement (HPA) which sets strong cultural protocols for Alma to seek clearance and subsequently undertake authorised reconnaissance activities.
 - A Negotiation and Funding Agreement which sets the protocols for the negotiation of a subsequent exploration joint venture agreement.
- Subject to receiving the appropriate HPA clearances, and after heavy seasonal rains have abated, Alma intends to commence reconnaissance activities as soon as possible.

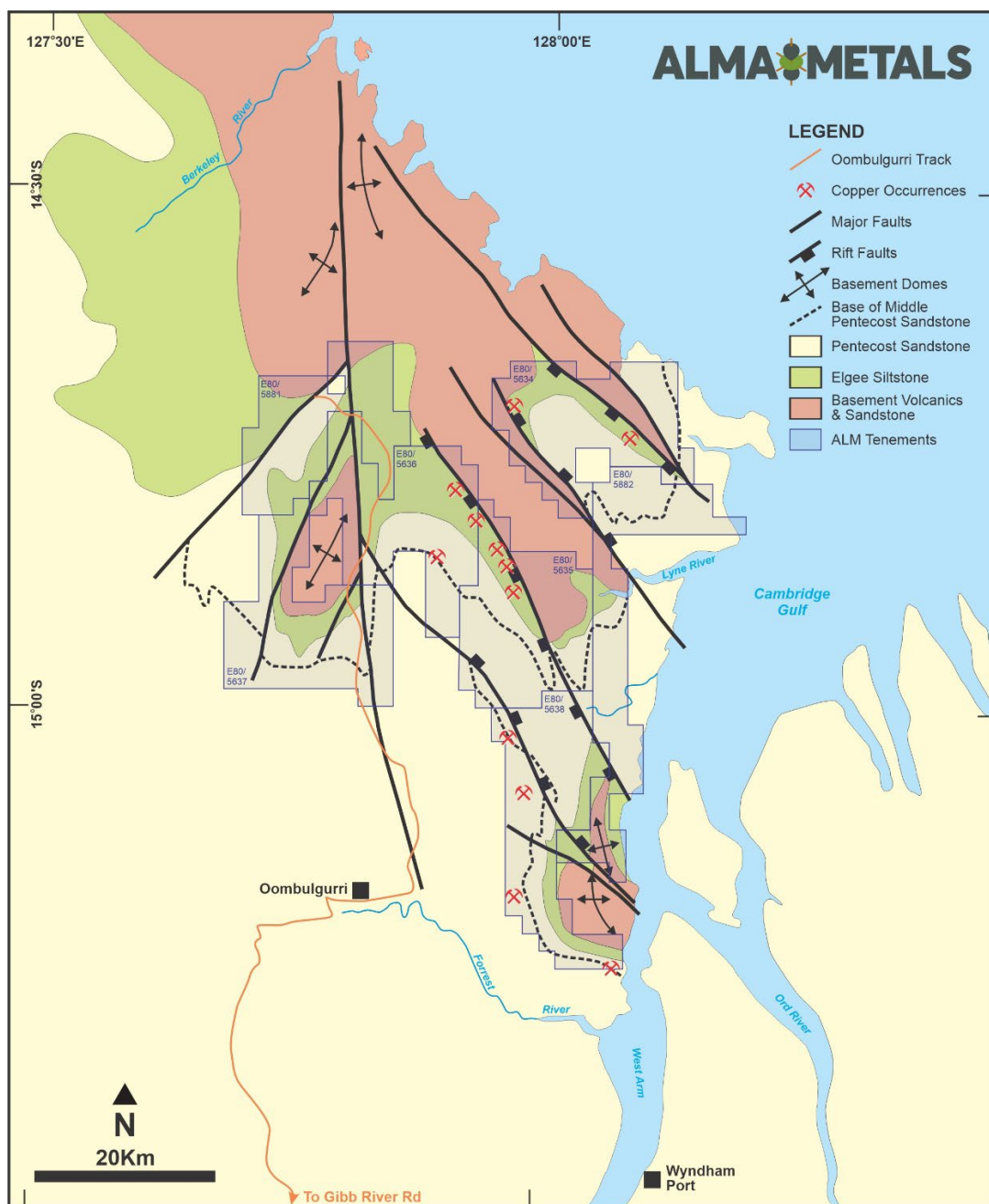


Figure 5. East Kimberley licence applications plotted over regional geology, showing copper occurrences in the Elgee Siltstone and at the base of the Middle Pentecost Sandstone.

3. Corporate

At the date of this report, the Company had;

- 914,000,787 shares on issue
- Cash reserves plus investments in ASX-listed companies of A\$5.5M
- Nil debt

Approximately A\$346,000 of exploration and evaluation expenditure was expensed during the quarter which was mostly payments to diamond drilling contractors for the current program at Briggs along with payments to other contractors in support of the drilling campaign.

There were no substantive mining production and development activities during the quarter.

The aggregate amount of payments to related parties and their associates during the quarter of approximately A\$137,000 (refer Item 6 of the accompanying Appendix 5B) comprises the following:

- Director fees (approximately A\$115,000); and
- Mitchell River Group (a company associated with Frazer Tabcart and Alasdair Cooke) serviced office and technical staff (approximately A\$22,000)

Authorised for release by Frazer Tabcart, Managing Director of Alma Metals Limited.

For further information, please contact the Company directly:

+61 8 6465 5500

investors@almametals.com.au

COMPETENT PERSONS STATEMENT

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code (2012 edition) and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code (2012 edition).

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Dr Frazer Tabcart (Executive Director of Alma Metals Limited). Dr Tabcart is a member of the Australian Institute of Geoscientists.

Dr Tabcart has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Tabcart consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

There is information in this announcement extracted from:

- (i) the Mineral Resource Estimate for the Briggs Central Copper Deposit, which was previously announced on 18 August 2021;*
- (ii) exploration results which were previously announced on 18 February 2022, 11 April 2022, 12 May 2022, 4 July 2022, 24 November 2022, 30 January 2023, 28 February 2023 and 12 April 2023.*
- (iii) Exploration Target which was previously announced on 4 July 2022.*

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Exploration Targets and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD LOOKING STATEMENTS:

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, Alma Metals does not intend, and does not assume any obligation, to update this forward-looking information. Any forward-looking information contained in this news release is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

APPENDIX 1: Mining Tenements Held at the end of the Quarter and their Location

Project Name	Tenement Name	Tenement Holder	License Number	Interest at beginning of quarter	Interest at end of quarter	Location
Briggs and Mannersley Porphyry Copper Project	Briggs	Canterbury Resources Ltd	EPM19198	-% (70%)	-% (70%)	QLD
	Mannersley	Canterbury Resources Ltd	EPM18504	-% (70%)	-% (70%)	QLD
	Fig Tree Hill	Canterbury Resources Ltd	EPM27317	-% (70%)	-% (70%)	QLD
	Don River	Canterbury Resources Ltd	EPM28588	-% (70%)	-% (70%)	QLD
Kondinin	Kondinin South	Alma Metals Australia Pty Ltd	E70/5612	100%	-%	WA
Sunnyside	Sunnyside	Alma Metals Australia Pty Ltd	E70/5614	100%	-%	WA
Tarin Rock	Tarin Rock	Alma Metals Australia Pty Ltd	E70/5615	100%	-%	WA
Cambridge Gulf	Mt McMillan	Alma Metals Australia Pty Ltd	E80/5636	100%	100%	WA
	Mt Nicholls	Alma Metals Australia Pty Ltd	E80/5637	100%	100%	WA
	Helby River**	Alma Metals Australia Pty Ltd	E80/5634	100%	100%	WA
	Lyne River**	Alma Metals Australia Pty Ltd	E80/5635	100%	100%	WA
	Thompson River**	Alma Metals Australia Pty Ltd	E80/5638	100%	100%	WA
	Mt Nicholls**	Alma Metals Australia Pty Ltd	E80/5881	100%	100%	WA
	Vancouver**	Alma Metals Australia Pty Ltd	E80/5882	100%	100%	WA

* Kondinin South, Sunnyside and Tarin Rock were surrendered on 27 March.

** under application

Appendix 5B

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

Name of entity

Alma Metals Limited

ABN

45 123 316 781

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter (3-months) AUD\$'000	Year to date (9-months) AUD\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(346)	(944)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(132)	(401)
	(e) administration and corporate costs	(130)	(375)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(607)	(1,719)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(25)	(48)
	(d) exploration & evaluation	-	-
	(e) investments	166	176
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter (3-months) AUD\$'000	Year to date (9-months) AUD\$'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash held in African Energy Ltd spin-out)	-	-
2.6	Net cash from / (used in) investing activities	141	128

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,778
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	-	(64)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,714

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,222	1,633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(607)	(1,719)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	141	128
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,714

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

Consolidated statement of cash flows		Current quarter (3-months) AUD\$'000	Year to date (9-months) AUD\$'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,756	1,756

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 AUD\$'000	Previous quarter AUD\$'000
5.1	Bank balances	838	838
5.2	Call deposits	918	1,384
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)	1,756	2,222

6.	Payments to related parties of the entity and their associates	Current quarter AUD\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	137
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

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

8. Estimated cash available for future operating activities	AUD\$'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(607)
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)	(607)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,756
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,756
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.9
<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:	
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:	

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

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:

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.

Date: 28 April 2023

Authorised by: Managing Director – Frazer Tabeart
(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.