

27 July 2023

JUNE 2023 QUARTERLY ACTIVITIES REPORT

Reach Resources Limited (ASX: RR1) ("the Company" or "Reach Resources") provides its activities report for the quarter ended 30 June 2023.

HIGHLIGHTS

High-Grade Lithium Results at Yinnetharra (15 May 2023)

- **Lithium mineralisation confirmed** with rock chip samples reporting highly encouraging assays of up to **2.3% Li₂O** (lithium oxide); **4295ppm Cs** (caesium) and **705.8ppm Ta₂O₅** (tantalum oxide).
- **Multiple large, strike extensive, lithium-bearing pegmatites** of the **Spodumene-Petalite Subtype** (Featherstone, J.M, 2004) **confirmed** at the Company's Yinnetharra tenements, **directly adjoining Delta Lithium (ASX: DLI) and Minerals 260 (ASX: MI6).**

Results from the Bonzer include:

- 23RRRK0003 - **14,422ppm or 1.4% Li₂O**, 2873ppm Cs, 714.4ppm Ta₂O₅ and 4891ppm Rb.
- 23RRRK0002 - **12,832ppm or 1.3% Li₂O**, 2205ppm Cs, 243.4ppm Ta₂O₅ and 4108ppm Rb.

Outcropping Copper Gossan Delivers 33% Cu Assays (18 May 2023)

- High grade copper-oxide mineralisation (malachite) confirmed at the Company's **Morrissey Hill Project, Yinnetharra** with rock chip samples reporting highly encouraging assays of up to **33.2% Cu; 0.2 g/t Au and 141.8g/t Ag.**

14.3% Niobium & 70.3% HREO-Rare Earth Element NYF Pegmatite (1 June 2023)

- Sensational high-grade results from surface eluvial samples at Wabli Creek, Yinnetharra
 - **14.3 % Nb₂O₅, 6.7% Ta₂O₅, 3689 ppm TREO with 70.3% HREO**
- Independent geological experts **RSC** have advised that the consistent high-grade niobium and HREO is associated with a ~2.5km long rare element pegmatite swarm identified from historical records at Wabli Creek
- Importantly **the mineralisation likely extends under cover** (Jacobson et al, 2007)
- Source of high-grade niobium and heavy rare earth oxide (HREO) results **confirmed as a rare element pegmatite swarm** with niobium, yttrium, fluorine (NYF) geochemical signature
- Rare element (NYF) pegmatites are characterised by their unusual enrichment of niobium and heavy rare earth elements (HREE), in contrast to clay hosted or carbonatite deposits which predominantly contain light rare earth elements (LREE)
- Confirmation of a rare element pegmatite system increases the likelihood of identifying additional high-grade niobium and HREE which are listed as critical minerals by governments worldwide

Latest Assay Results Return up to 10.3% Niobium (28 June 2023)

- Spectacular assay results received from the latest surface eluvial and rock samples taken at the Wabli Creek rare element (NYF) pegmatite field have **returned high grade niobium of 10.3% Nb₂O₅** (23RRRK243) **and 2.6% Nb₂O₅** (23RRRK244). Additional anomalous rare earth elements (REE) results returned of up to 7082 ppm TREO.
- Importantly, **samples from the latest program were taken up to 400m east of the previously mapped north-west pegmatite trend spanning ~1.5km, which returned results up to 14.3% Nb₂O₅, 6.7% Ta₂O₅, 3689 ppm TREO**
- **Latest results indicate a potential stacked pegmatite sequence and/or a new niobium/REE mineralisation source.**

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1) High-Grade Lithium Results at Yinnetharra

The Company's Yinnetharra Lithium Project comprises three large 100% owned strategically located projects, Morrissey Hill, Camel Hill and Wabli Creek, in the centre of the Yinnetharra area of the Gascoyne Mineral Province, totalling 232 km². The Projects are highly prospective for Lithium and Rare Earth Element mineralisation with demonstrated high grade results.

RR1 recently conducted a limited scope helicopter supported reconnaissance rock chip sampling program aimed at confirming historical mapping and sampling results as well as targeting outcropping pegmatites identified by independent geological experts RSC. All of the pegmatites are located within the "Goldilocks" zone of the regionally extensive Thirty-Three Granitic Supersuite – recognised as the parental source to the Yinnetharra rare metal pegmatites.

On 15 May 2023, the Company announced receipt of high-grade lithium results from three separate pegmatite fields within the broader project area, namely Bonzer and Malibu at Morrissey Hill and Single Fin at Wabli Creek.

Interpretation of key geochemical element ratios including Tantalum and Niobium indicates that the pegmatites of interest belong to the Spodumene-Petalite Subtype of the Complex Rare Element Pegmatite Group (Featherstone, J.M, 2004). Detailed mineralogical studies including XRD analyses are planned to determine the range of minerals present and to unequivocally identify lithium residency.

Significant results from the Bonzer and Malibu Prospects within the Morrissey Hill pegmatite field lie immediately adjacent to Delta Lithium's (ASX: DLI) Malinda Lithium Project and include:

Bonzer Prospect (Morrissey Hill E09/2375)

23RRRK00010 - **22,990ppm or 2.30% Li₂O**, 4295ppm Cs, 705.8ppm Ta₂O₅ and 7978ppm Rb.
23RRRK00003 - **14,422ppm or 1.4% Li₂O**, 2873ppm Cs, 714.4ppm Ta₂O₅ and 4891ppm Rb.
23RRRK00002 - **12,832ppm or 1.3% Li₂O**, 2205ppm Cs, 243.4ppm Ta₂O₅ and 4108ppm Rb.

Malibu Prospect (Morrissey Hill E09/2375)

RRRK00046 - **6524ppm or 0.65% Li₂O**, 505ppm Cs, 81.1ppm Ta₂O₅ and 1426ppm Rb.
RRRK00047 - **2050ppm or 0.20% Li₂O**, 117ppm Cs, 185.5ppm Ta₂O₅ and 966ppm Rb.
RRRK00049 - **3547ppm or 0.35% Li₂O**, 190ppm Cs, 153.8ppm Ta₂O₅ and 1293ppm Rb.

The Company's geological team is reviewing and interpreting all multi-element results at Yinnetharra, and a drill program remains set to commence in August 2023.

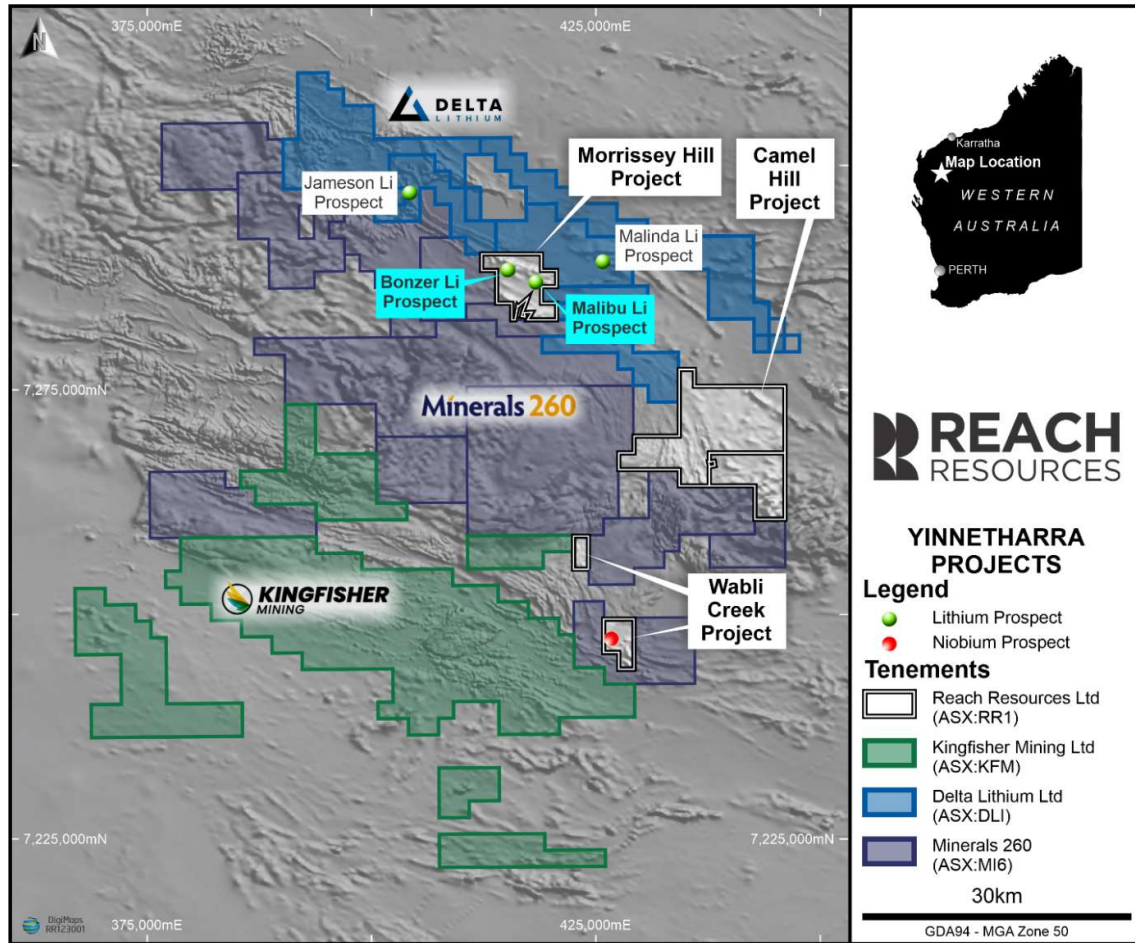


FIGURE 1: Tenement Location Plan

2) Outcropping Copper Gossan Delivers 33% Cu Assays

The Company announced the receipt of high-grade copper, gold and silver results up to 33% copper, 0.2g/t gold and 142g/t silver from its recently completed rock chip sampling program at the Company's Morrissey Hill Project, Yinnetharra, W. A.

Significant results included:

- **33.2% Cu**, 0.2g/t Au and 141.8g/t Ag (23RRRK0039);
- **14.7% Cu**, 0.02g/t Au and 55.6g/t Ag (23RRRK0042);
- **4.2% Cu**, 0.3g/t Au and 5.7g/t Ag (23RRRK0041);
- **2.3% Cu**, 0.2g/t Au and 5.0g./t Ag (23RRRK0043)
- **18.5% Cu**, 1.1g/t Au and 6.8g/t Ag (Historical sample)

The Gascoyne Province is proving to be one of the most highly endowed yet under-explored mineral provinces in Australia. The region hosts a variety of mineralisation styles including REE's, rare metal pegmatites, orogenic gold, base metals and tungsten bearing skarns, however it remains under-explored due largely to continued gold exploration success in the Yilgarn and an increased exploration focus on surrounding basins in the East Capricorn Orogen following the discovery of Sandfire's De Grussa Copper-Gold Deposit in 2008-2009.

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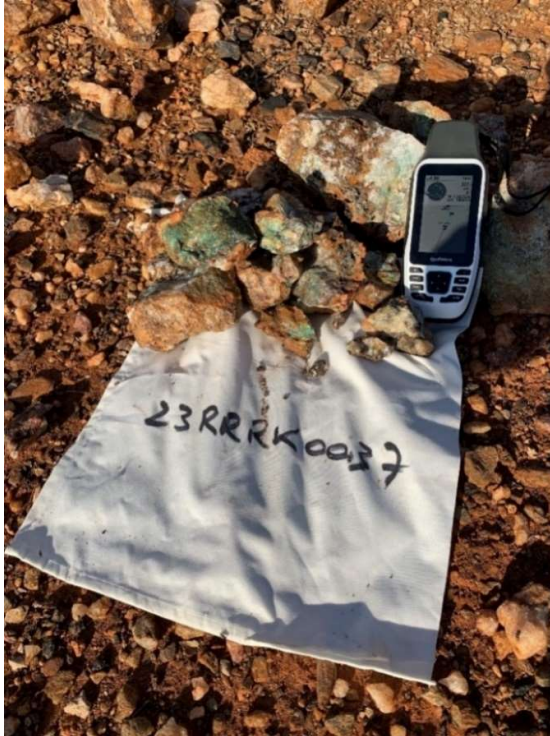


FIGURE 2: Malachite Rock Samples Outcrop



FIGURE 3: Copper Gossan

3) 14.3% Niobium & 70.3% HREO-Rare Earth Element NYF Pegmatite

The Company announced receipt of high-grade assays from the sampling program at Wabli Creek of **14.3 % Nb₂O₅, 6.7% Ta₂O₅, 3689 ppm TREO with 70.3% HREO** which build upon previously reported results at this tenement.

The above results follow the Company's previously reported outstanding high-grade niobium and HREO results (December 2022), of:

- **6.78 % Nb₂O₅, 3.71 % Ta₂O₅, 2.57% TREO with 88% HREO**, which included:
 - 7226 ppm Yttrium oxide
 - 3430 ppm Dysprosium oxide
 - 4880 ppm Ytterbium oxide
 - 2760 ppm Erbium oxide
 - 450 ppm Terbium oxide

As the Company's research suggested that no historical systematic exploration for this type of REE mineralisation has been completed in the region, RR1 engaged independent geological consultants RSC to review the Company's data and assist with providing specialised advice on the source of the high grades of niobium and HREOs.

RSC commented:

"The enrichment of heavy rare earth elements (Eu–Lu+Y) relative to the more incompatible light rare earth elements (La–Sm) at Wabli Creek is significant. Such an enrichment is not typical for carbonatite, alkaline intrusions or clay-hosted REE mineralisation and is more commonly found in rare-element pegmatites such as niobium-yttrium-fluorine (NYF) pegmatites.

The reported sample from Wabli Creek, sample number CEWC2 (ASX Announcement RR1, 13 December 2022), as well as sample number 23RRRK0097 from the current program the purpose of this announcement, indicate a similar pattern and significant HREE enrichment in the chondrite normalised plot below. Both of which suggest these surface samples relate to the main mineralisation."

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RSC further commented: “Of interest are the sought after REE metals Dy and Tb, which are in high demand due to their use in the operation of permanent magnets at higher temperatures. The average upper crustal abundance of Dy_2O_3 is 4 ppm (Taylor & McLennan 1995), whereas the HREE mineralisation in sample 23RRRK0097 contains 390 ppm Dy_2O_3 , marking a ~100 times enrichment in the sample and in sample CEWC2 3936ppm Dy_2O_3 , marking ~900 times enrichment.”

4) Latest Assay Results Return up to 10.3% Niobium at Wabli Creek, Yinnetharra

On 28 June 2023, the Company announced results from its latest sampling program from the rare earth element Wabli Creek pegmatite field at the Company’s 100% owned Wabli Creek Project, Yinnetharra, WA. Additional analysis and preliminary XRD mineralogy were undertaken on samples from the latest program to identify the niobium bearing minerals present within surface rock and eluvial samples collected.

High grade niobium and heavy rare earth elements (HREE) are associated with a rare element pegmatite field displaying the geochemical signature of a niobium, yttrium, fluorine (NYF) hard rock pegmatite.

To gain a greater understanding of mineral composition present within the samples and their source rock, the Company engaged Intertek laboratories and a selection of samples from the current program were analysed by XRD analysis. The identification of these niobium minerals from samples collected up to 400 metres away from results announced by the Company on 1 June 2023, gives the Company further confidence that the high-grade niobium is more widespread than previously thought and importantly that we may be dealing with a significant niobium source.

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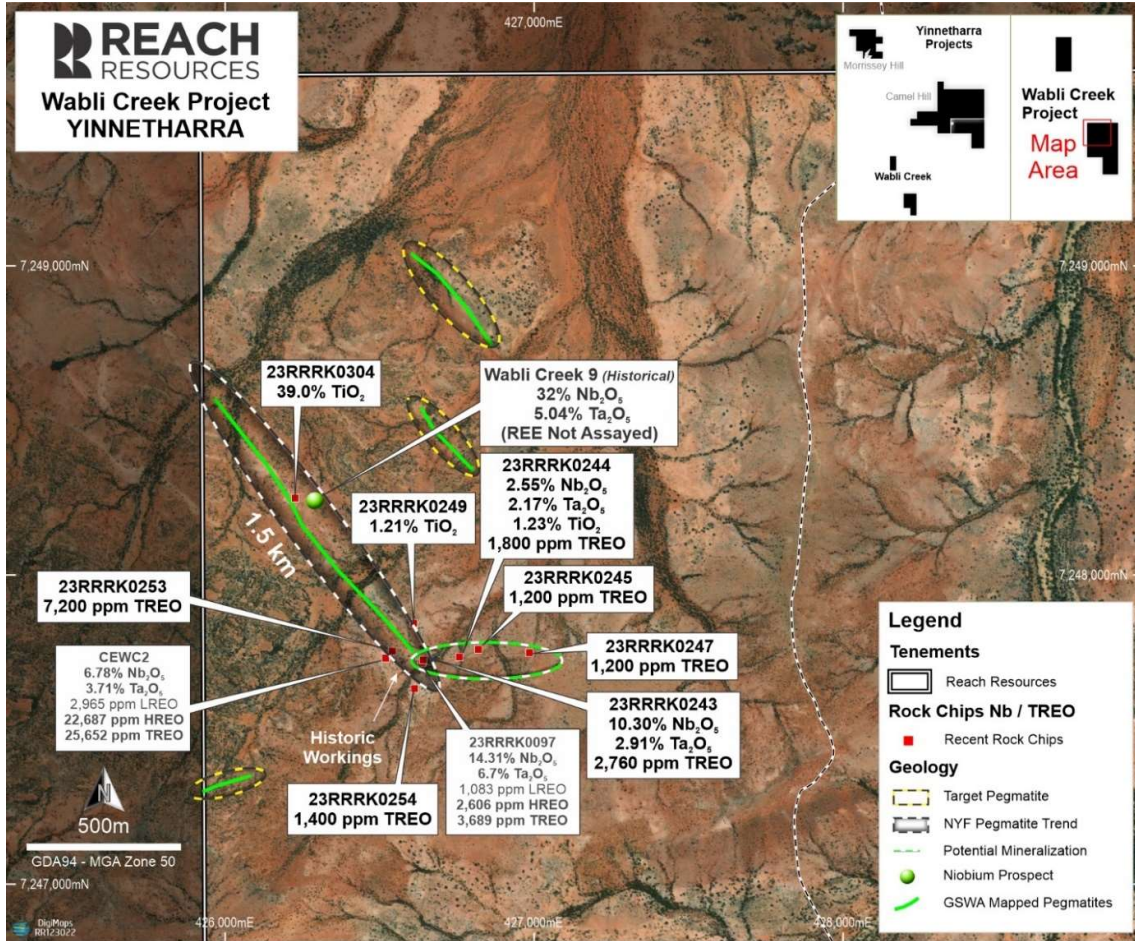


FIGURE 4: Wabli Creek Pegmatite Field

CORPORATE

The Company held a General Meeting of shareholders on 5 May 2023. All resolutions were carried on a poll.

Following Resolution 4 being carried at the General Meeting (referred above), Tranche 2 funds were received, and shares issued. Funds received under Tranche 2 totalled \$1,050,000 (noting \$950,000 already received via Tranche 1 during the prior quarter).

The Company retains the potential for deferred consideration relating to the sale of Albury Heath, being an additional \$400,000 and further \$200,000 of cash or Westgold shares, if the Albury Heath project achieves performance targets, as outlined in the 23 April 2020 ASX release.

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The Company had \$1.230 million in cash as at 30 June 2023.

MATERIAL EVENTS SUBSEQUENT TO THE END OF QUARTER

None

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ASX DISCLOSURE REQUIREMENTS

The proportion of expenditure incurred during the quarter ended 30 June 2023, in relation to the 'REcycle Waste Recycling Technology', was \$Nil.

GUIDANCE NOTE 23 DISCLOSURES**Details of mining exploration activities**

Details of exploration activities during the quarter are set out above.

The \$134,000 of exploration and evaluation expenditure was largely attributed to geological staff salaries, site costs, consulting fees and sampling and laboratory costs.

Details of mining production and development activities

No production and development activities were undertaken during the quarter.

Details of tenement activities

The tenement schedule included below shows all holdings and any change for the Company and its subsidiaries.

Details of related party payments

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was \$34,000, comprising Directors fees and superannuation.

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SCHEDULE OF TENEMENTS

As at 30 June 2023

Project / Tenement		Interest at Start of Quarter	Interest at End of Quarter	Acquired During the Quarter	Disposed During the Quarter
Primrose Project - Western Australia					
Paynes Find	M59/662	100%	100%	-	-
Paynes Find	P59/2076	100%	100%	-	-
Paynes Find	P59/2094	100%	100%	-	-
Paynes Find	P59/2130	100%	100%	-	-
Paynes Find	P59/2159	100%	100%	-	-
Paynes Find	P59/2160	100%	100%	-	-
Paynes Find	P59/2161	100%	100%	-	-
Paynes Find	L59/184	100%	100%	-	-
Paynes Find	M59/769	100%	100%	-	-
Skyline Project - Western Australia					
Skyline	EL 09/2646	100%	100%	-	-
Skyline North	*ELA 09/2733	100%	100%	-	-
White Castles	*ELA 09/2750	100%	100%	-	-
White Castles	*ELA 09/2751	100%	100%	-	-
White Castles	E09/2539	100%	100%	-	-
White Castles	E09/2542	100%	100%	-	-
Critical Elements Project - Western Australia					
Camel Hill	EL 09/2354	100%	100%	-	-
Camel Hill	E09/2388	100%	100%	-	-
Wabli Creek	EL 09/2377	100%	100%	-	-
Gascoyne Banks	*ELA 09/2748	100%	100%	-	-
Morrissey Hill	E09/2375	100%	100%	-	-

*Application pending

This announcement has been authorised by the Board of Reach Resources Limited

For further information please contact:

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-ENDS-

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About Reach Resources Limited

Reach Resources is a critical mineral explorer with a large portfolio of tenements in the resource rich Gascoyne Mineral Field. Recent and historical exploration results have confirmed the presence of Lithium, REE, Niobium and Manganese across the Company's land holdings.

However, the Company is distinct from other pure explorers by also having an Inferred Gold Resource at Payne's Find and a significant investment in a downstream patented technology that recycles the rare earth elements from the permanent magnets required in electric vehicles, wind turbines, hard disk drives and MRI machines (RECycle Inc.).

Competent Person's Statement

Information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Mr Steve Vallance, who is a Member of the Australian Institute of Geoscientists. Mr Vallance is the Exploration Manager for Reach Resources Limited employed on a full-time basis. Mr Vallance has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Vallance consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

No New Information

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.

Forward Looking Statement

This report contains forward looking statements concerning the projects owned by Reach Resources Limited. If applicable, statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Appendix 5B

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

Name of entity

Reach Resources Ltd

ABN

79 079 982 235

Quarter ended ("current quarter")

30 June 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	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(54)	(159)
(e) administration and corporate costs	(224)	(715)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
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	(271)	(867)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	(140)
(b) tenements	-	(200)
(c) property, plant and equipment	-	(71)
(d) exploration & evaluation	(134)	(470)
(e) investments	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(134)	(881)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,050	2,000
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	(90)	(156)
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	960	1,844

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	675	1,134
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(867)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(134)	(881)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	960	1,844

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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	1,230	1,230

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,210	655
5.2	Call deposits	20	20
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)	1,230	675

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	34
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>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</p>		

Payments included in item 6.1 are related to fees and remuneration (inclusive of superannuation) paid to Directors.

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7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	450
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 Total financing facilities	-	450
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.		
<p>Reach Resources Ltd and its major creditor, Bath Resources Pty Ltd ("Bath"), agreed to a settlement of the \$450,000 owed by Reach to Bath via the issue of 75,000,000 shares in Reach Resources at a deemed price of \$0.004 (\$300,000). The remaining \$150k was forgiven by Bath. The shares were issued on 7 April 2023 after shareholder approval was provided at the General Meeting held on 5 April 2023.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(271)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(134)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(405)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,230
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,230
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.04
<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?	
N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
N/A	

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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?

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.

Date: 27 July 2023

Authorised by: "By the Board"

(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.== == == == ==

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