

## March 31 2025 Quarterly Report and Appendix 5B

### Highlights

- Major Project Status granted by the Australian Government to the Quantum-Sunlands Eyre Peninsula Graphite Hub
- Progress of US EXIM Bank financing
- Sunlands Energy Co. Thermal Energy Storage Technology grant of Australian Patent
- Receipt of Australian R&D concession rebate of \$472,000
- Settlement of legal proceedings against former auditors

### Major Project Status granted by the Australian Government to the Quantum-Sunlands Eyre Peninsula Graphite Hub

During the period, the Australian Federal Government awarded Major Project Status to the Quantum-Sunlands Eyre Peninsula Graphite Hub (EPG Hub). The EPG Hub represents a complete graphite supply chain including mining, processing and the refining of flake graphite together with associated logistics.

The EPG Hub is being developed by the Company and joint venture partner, Sunlands Energy Co. The centrepiece of the Hub is the Company's fully permitted Uley 2 project, located on the southeastern Eyre Peninsula.

The Minister for Industry and Science, the Hon Ed Husic MP, approved the grant of Major Project Status for an initial three year period, recognising the national significance of the EPG Hub's operations and its alignment with the Australian Government's Critical Minerals Strategy, Battery Storage Strategy and its international commitments under the US led Minerals Security Partnership.

The EPG Hub activities include the mining of flake graphite, the production of 100ktpa of graphite concentrate, inventory management and warehousing facilities and the Sunlands Energy Co. manufacturing facility for the production of long duration thermal energy storage cells.



Further details of the EPG Hub are available on the Major Projects Facilitation Agency website:  
[www.industry.gov.au/news/new-major-projects-will-help-achieve-net-zero-2050](http://www.industry.gov.au/news/new-major-projects-will-help-achieve-net-zero-2050).



#### ABOUT QUANTUM GRAPHITE LIMITED

QGL is the owner of the Uley flake graphite mineral deposits located south-west of Port Lincoln, South Australia. The company's Uley 2 project represents the next stage of development of the century old Uley mine, one of the largest high-grade natural flake deposits in the world. For further information, [qgraphite.com](http://qgraphite.com)



#### ABOUT SUNLANDS ENERGY CO.

Sunlands Energy Co. is the leading developer of thermal energy storage technology (TES Graphite Cells) designed to drive commercial, industrial and utility-scale steam turbine generators. The company's TES Graphite Cells are capable of restoring baseload generation, delivering critical synchronous support to grid networks and eliminating the large-scale curtailment of renewables generation. For further information, [www.sunlandsco.com](http://www.sunlandsco.com)

A crucial element of the EPG Hub is its integration with the refining operations to be developed in South Carolina. The refinery will take delivery of the graphite concentrate from the Company's Uley 2 Project and produce approximately 100ktpa of >99.6% purified graphite thereby creating an Australia/US end-to-end supply chain. This supply chain will ensure an uninterrupted scalable supply of US high purity graphite.

Major Project Status will greatly assist the Company's efforts to accelerate the US EXIM Bank US\$300m financing proposal and meet the key objectives of offtaker MRI Trading AG to deliver 100ktpa of high purity graphite into the market by Q1 2027. The EPG Hub links Uley 2, a scalable, high quality graphite resource and key infrastructure, with the US Atlantic Coast, a gateway to one of the largest global markets.

### **Progress of US EXIM Bank US\$300 million Financing of the Quantum-Sunlands Energy Co. Graphite Supply Chain including the Company's Uley 2 Project (Project Utile)**

Following, the Company's lodgement of the Direct Loan and Guarantee Final Application (Application) with EXIM on 19 December 2024, a series of meetings were held during the period with EXIM personnel. The meetings are part of the ongoing due diligence process associated with the assessment of the Application and included virtual meetings with the Bank's project finance team and Managing Director, Sal Catalano's visit to EXIM's offices in Washington D.C.

The application represents the final step in EXIM's formal consideration of the Project Utile funding proposal for the issue of the Preliminary Project Letter (PPL). The PPL typically includes the financing offer with the corresponding general terms and conditions. A PPL is issued within 45 days of the date of the lodgement of the Project Utile Application unless EXIM makes further requests for additional information. EXIM sought further information during the period but outside the 45-day prescribed period due to delays relating to the United States Presidential transition.

The due diligence team consisting of Director Michael Wyer, Sunlands Energy Co. Executive Director Quentin Law, Chief Financial Officer Pauline Borg and Company Secretary Rochelle Pattison are responsible for preparing the additional information and materials sought by EXIM. Completion of the preparation of this information is subject to the conclusion of Sal Catalano's discussions with EXIM currently being conducted in Washington D.C.

In connection with due diligence, Sal Catalano also held meetings in Columbia, South Carolina with a Senior Project Manager of South Carolina's Department of Commerce. The Senior Project Manager is the Company's whole of government liaison for the development of the South Carolina purification and refining facility.

### **Sunlands Energy Co. Thermal Energy Storage Technology Grant of Australian Patent**

During the period, the Commissioner of Patents granted an Australian patent to its joint venture partner, Sunlands Energy Co., for its thermal battery technology, specifically the THERMAL BATTERY AND ELECTRICITY GENERATION SYSTEM. The patent has a priority date of 29 November 2017.

Sunlands Energy Co.'s TES Graphite Cell technology was the subject of an international patent application in November 2017. The application was made under the World Intellectual Property Organisation's Patent Cooperation Treaty which covers 155 countries.

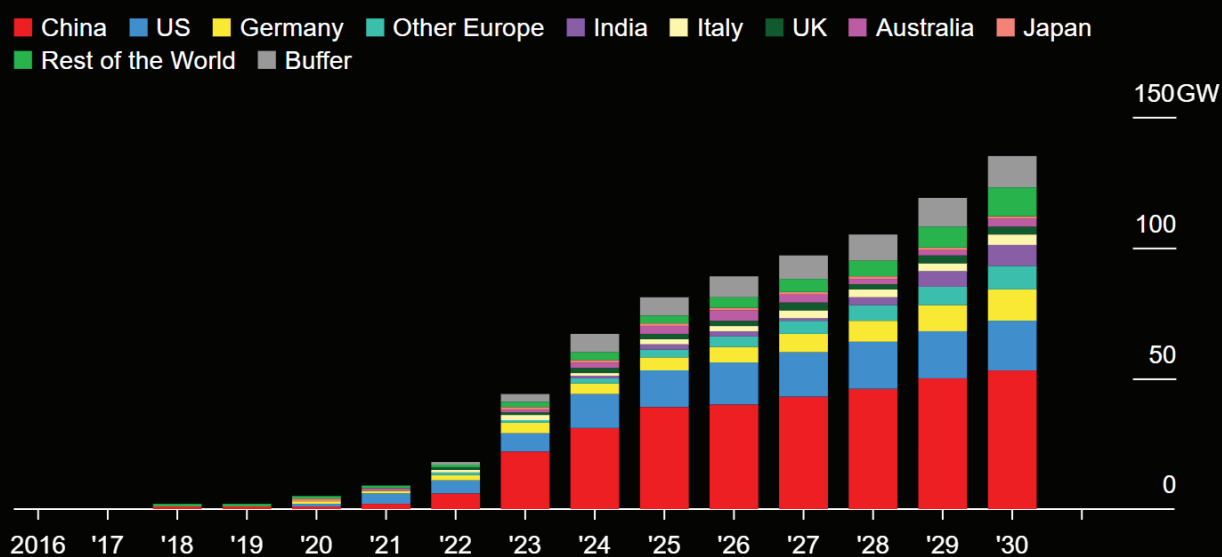
Sunlands Energy Co. is now waiting only on the European (including the United Kingdom) grants.

The Australian grant, and the recent grants in the USA and South Africa, underpin the joint venture's access to one of the largest and fastest growing segments of the global energy markets.

Installations of energy storage systems globally including long duration energy storage increased by almost 300% in 2023 and forecast to grow by more than 20% annually in the next 5 years. The joint venture's participation in this global market has the potential to deliver the Company the single largest demand source for its coarse flake products.

According to Bloomberg New Energy Finance, the global energy storage market experienced the largest year on-year increase in installations in 2023, almost tripling in size with 45 GW (96 GWh) of new capacity installed.

### Global gross energy storage additions by market



Source: BloombergNEF

Note: Buffer = headroom not explicitly allocated to an application.

BloombergNEF

The global energy storage market is projected to reach 137 GW (442 GWh) by 2030, with an annual growth rate of 21%.

The Australian Energy Market Operator's 2024 Integrated System Plan estimated that Australian energy storage capacity would need to increase to 49 GW to meet its 2050 stated emissions reduction goal. CSIRO's Renewable Energy Storage Roadmap 2023 similarly indicated that Australia's energy storage needs to increase 10 to 14-fold to achieve a net zero future.

### Receipt of Australian R&D concession rebate of \$472,000

During the period the Company received the amount of A\$472,550.07 from the Australian Taxation Office under the Commonwealth Government's R&D concession. The amount represents the rebate for the Company's 2024 financial year allowable R&D expenditure.

The Company's R&D activities are undertaken in conjunction with Sunlands Co. under the parties' R&D partnership. These activities are covered by the Advanced Overseas Finding Certificate issued by AusIndustry for the 2023, 2024 and 2025 financial years.

AusIndustry's certification of the overseas R&D activities has been essential to the program's success to date. Accessing expertise and technical facilities not available in Australia continues to be an integral part of the parties' R&D collaboration.

The R&D activities cover two main areas of study:

- High Purity Graphite (HPG) Workstream - the development of process technologies delivering Uley 2 high purity (>99%) flake graphite
- Thermal Energy Storage (TES) Media Workstream - the development of high temperature materials technologies for the processing and configuration of TES media for Sunlands Co.'s Graphite Cells.

Over the last 30 months, the existing phase of activities has successfully resulted in the development of commercial scalable processes for the production of HPG at >99.7% and the manufacturing of TES Media with a range of application (mainly size-related) specific configurations (see Figure 1).

The results of the HPG Workstream were adopted for the design of the South Carolina 100,000 tonnes per annum HPG purification facility (see Figure 2), an essential element of the Project Utile proposal currently the subject of due diligence by US EXIM Bank (see ASX release of 20 December 2024, [US EXIM Bank Update - Lodgement Of Direct Loan And Guarantee Final Application](#)).

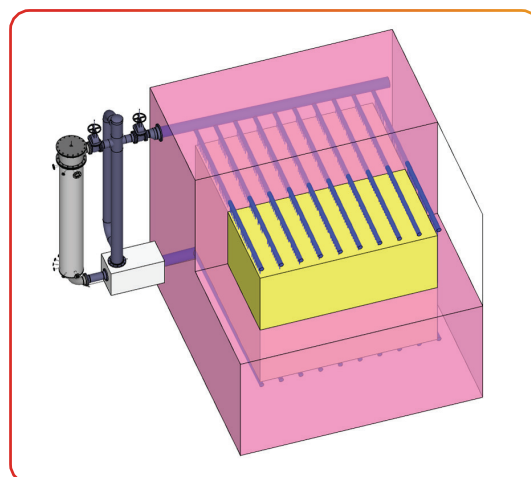


Figure 1. Engineering schematic of small-scale TES Media Cell

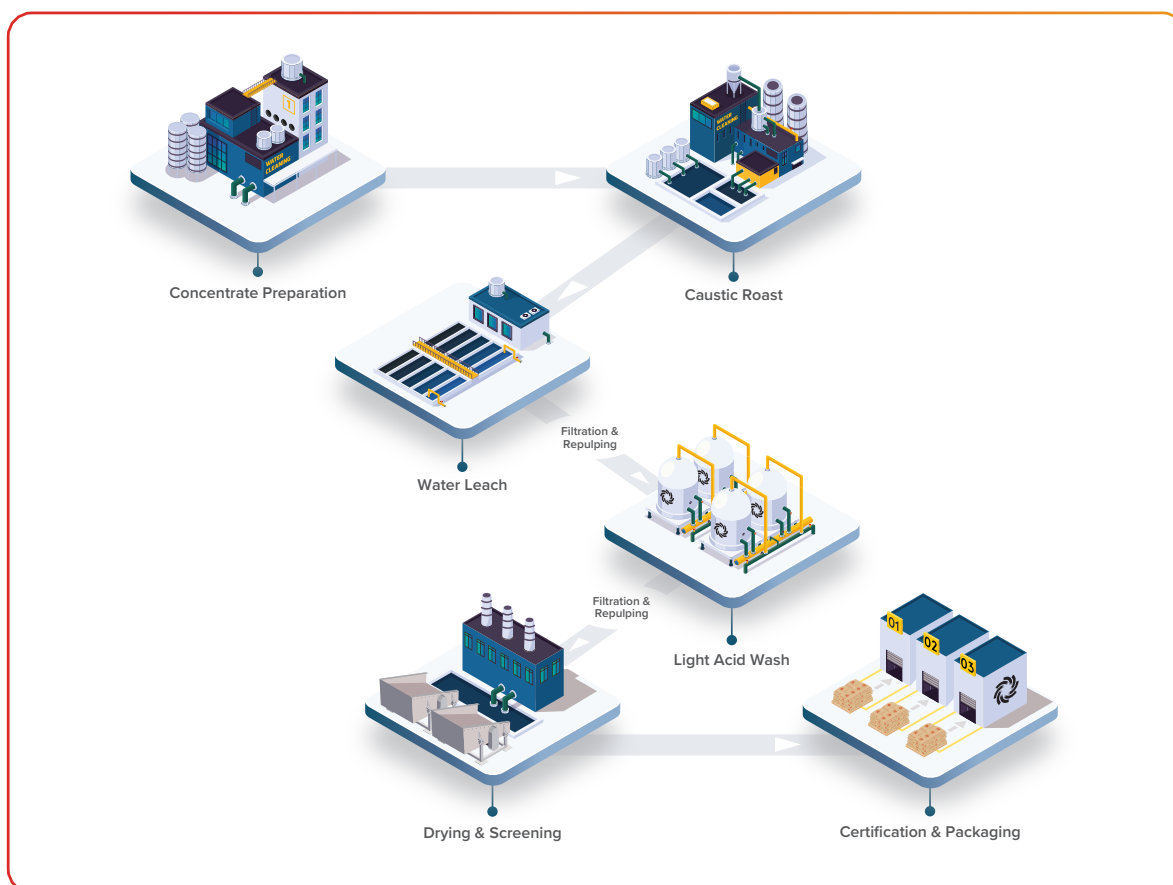


Figure 2. Process flowsheet for the South Carolina HPG production facility

### Settlement of legal proceedings against former auditors

During the period the Company settled the legal proceedings it issued against former auditors, Grant Thornton, for its failures in respect of the conduct of the audit of the Financial Statements for the 2020 financial year. Grant Thornton has agreed to pay an amount to the Company in consideration for its withdrawal of the action.

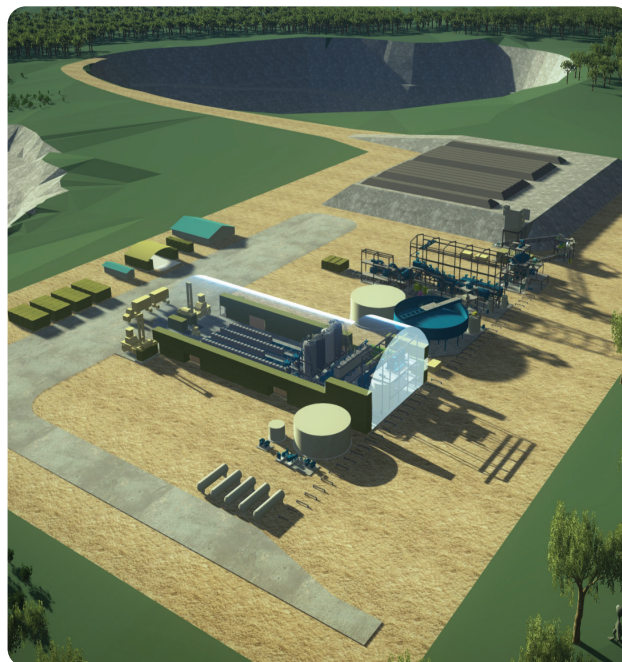
In 2020, Grant Thornton, the Company's auditors for more than six years, issued a disclaimer in respect of the 2020 financial statements resulting in the Company's securities being suspended from trading on 1 October 2020. The directors of the Company immediately re-affirmed the contents of the financial statements as prepared and this was subsequently confirmed by the Company's (current) auditors at the next reporting period. The position taken by the Company remains consistent with the approach taken by mining companies and in compliance with the accounting standards.



## Uley 2 Phase 1 Mining Study and Feasibility Summary Financial Metrics (updated)

Total undiscounted cash flow	A\$990.4 million <sup>1</sup>
Crusher feed	1,200,00 tpa
Graphitic carbon grade	11.89%
Graphitic carbon recovery	84%
Concentrate purity	94% graphitic carbon
Capital expenditure	A\$152.7 million
Processing cost (PCAF)	A\$236.05 per tonne (inclusive of admin)
Mining cost (MCAF)	A\$2.5 per tonne milled at surface plus 5c for every 4m
Production	100,000 dmt per annum
Product Cost (Av LOM)	US\$401.14 dmt (inclusive of drying and bagging)
Product Price (Ex-works)	US\$1,225 dmt

<sup>1</sup>Includes JORC 2012 Reserves and Resources



## Schedule of JORC 2012 Minerals Reserves and Resources

### JORC 2102 Mining Study and Ore Reserve Statement, November 2019<sup>2</sup>

	Classification	Tonnes (kt)	Total Graphitic Carbon (%)
Uley 2	Proved	811	11.66
Uley 2	Probable	3,191	11.95
	<b>Total</b>	<b>4,003</b>	<b>11.89</b>

### JORC 2012 Mineral Resource Estimate, November 2021<sup>3</sup>

Uley 3	Inferred	900	6.6
	<b>Uley 3 Total</b>	<b>900</b>	<b>6.6</b>
Uley 2	Measured	800	15.6
	Indicated	4,200	10.4
	Inferred	1,300	10.5
	<b>Uley 2 Total</b>	<b>6,300</b>	<b>11.1</b>
<b>Uley Project Total</b>	<b>TOTAL</b>	<b>7,200</b>	<b>10.5</b>

<sup>2</sup> Released to the market on 1 December 2019

<sup>3</sup> Released to the market on 18 November 2021

## Schedule of Tenements (ASX Listing Rule 5.3.3)

Tenement	Tenement Type	Interest	Changes during the Quarter
ML5561 <sup>4</sup>	Mining Licence	100%	Nil
ML5562 <sup>4</sup>	Mining Licence	100%	Nil
RL66 <sup>5</sup>	Retention Licence	100%	Nil
RL67 <sup>5</sup>	Retention Licence	100%	Nil
EL6224 <sup>5</sup>	Exploration Licence	100%	Nil
EL7019 <sup>5</sup>	Exploration Licence	100%	Granted 10 October 2024

<sup>4</sup> Registered in the name of Quantum Graphite Operations Pty Ltd

<sup>5</sup> Registered in the name of Quantum Graphite Explorations Pty Ltd

## Uley Region Location and Resource Expansion Priorities

### Priority 1 - Uley 2 Project Expansion

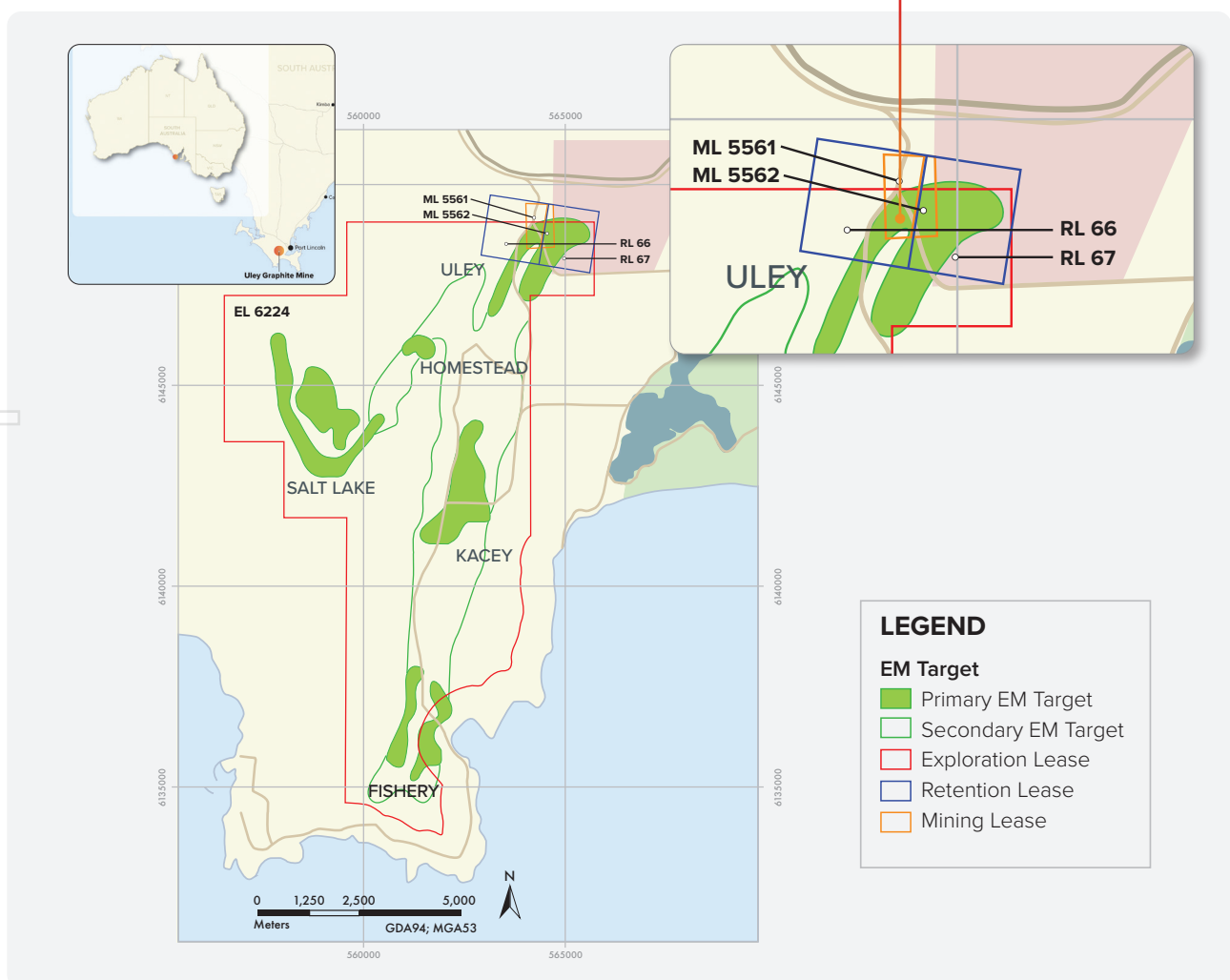
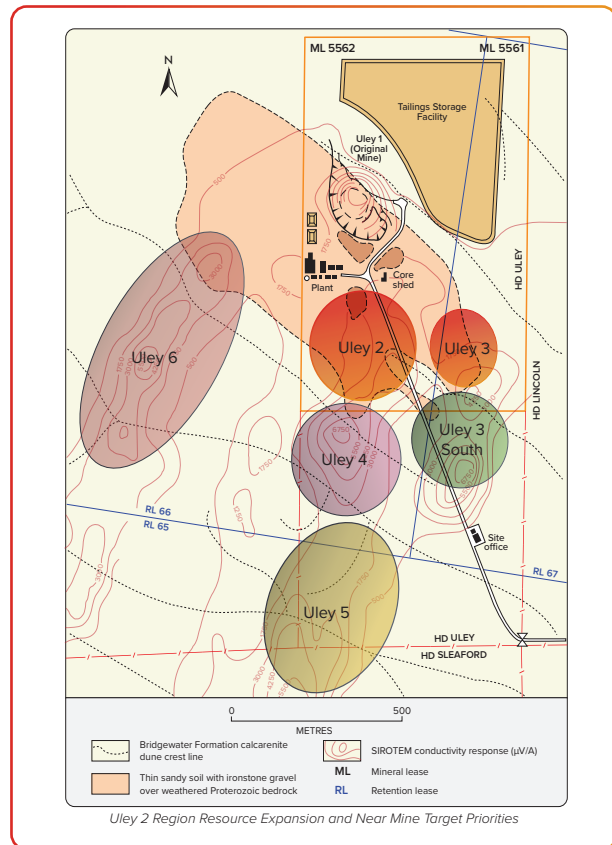
- Uley 4 Extension drilling to 50m-by-50m intervals
- Infill drilling at Uley 3

### Priority 2 - Uley 2 Project Expansion

- Uley 3 South Extension drilling to 50m-by-50m intervals

### Priority 3 - Uley Region Resource Definition

- Uley 6 geophysical anomaly target
- Uley 5 beyond Uley 4 along strike of the geophysical anomaly.



## Corporate Information and Announcements

As at 31 March 2025 the Company had 350,008,387 ordinary shares on issue and 1,569 shareholders. The top 20 shareholders held 62.97% of the issued ordinary shares in the Company. As at 31 March 2025 the Company held cash at bank of \$2,664,411.52. As at 30 April 2025 the Company held cash at bank of \$2,468,204.79. Related party payments in the amount of \$351,989 were made in the period. These payments were made to SC Capital Pty Ltd (\$82,500 for technical services), Chimaera Capital Limited (\$203,489 for asset management services) and WyerPlanVC Pty Ltd (\$66,000 for consulting services).

## Competent Person's Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters relating to Mineral Resources is based on, and fairly represent, the Mineral Resources and information and supporting documentation extracted from the reports prepared by a competent person in compliance with the JORC Code (2012 edition) and released to the ASX (including under the company's previous code, VXL on 17 December 2014, 5 May 2015 and 15 May 2015 respectively).

## Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management, that could cause QGL's actual results to differ materially from the results expressed or anticipated in these statements.

QGL cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. QGL does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law.

### FOR FURTHER INFORMATION CONTACT:

Company Secretary  
Quantum Graphite Limited  
E: [info@qgraphite.com](mailto:info@qgraphite.com)



#### ABOUT SUNLANDS POWER

Sunlands Power is our joint venture with Sunlands Energy Co. for the manufacture of coarse natural flake based thermal storage media and the manufacture of TES Graphite Cells. The flake for the storage media will be sourced exclusively from the QGL's Uley mine. The manufactured media will be fitted within TES Graphite Cells and the completed cells delivered to Sunlands Co. for deployment as a grid connected long duration energy storage solution. For further information, [www.sunlandscsco.com](http://www.sunlandscsco.com)



#### ABOUT SUNLANDS PURE

Sunlands Pure is Quantum Graphite Limited's (QGL) purification technology partner. It was established by the Sunlands Energy Co. following agreement with QGL for the specific purpose of undertaking all downstream purification of Eastern Eyre Peninsula flake graphite concentrate

#### ABOUT LDES

A scalable energy storage system that can store energy predominantly from renewable sources for more than 12 hours and deliver dispatchable, inertia restoring energy to grid networks as required especially when renewables generation is not available. LDES is the critical solution underpinning the decarbonisation of grid networks.



#### ABOUT PROTHERM

Protherm Systems, founded in July 1987, is a leading thermal process engineering company, based in South Africa. The Company designs and supplies a wide range of thermal and related thermal processing plant and equipment for industrial users world wide, such as Plate Heat Exchangers, Shell and Tube Heat Exchangers, Air Dryers and Evaporators.



#### ABOUT INEMET

The Institute for Non-Ferrous Metallurgy and High Purity Materials focuses on sustainable and innovative processes that rethink existing production processes and the handling of supposed waste products in the spirit of the circular economy and zero waste thinking. INEMET's dedicated team work toward a greener future and the revolutionizing of non-ferrous metallurgy. It develops existing processes within pyrometallurgy, hydrometallurgy and the semiconductor industry in working groups and in a variety of projects. <https://tu-freiberg.de/en/fakult5/inemet>

## Appendix 5B

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

Name of entity

Quantum Graphite Limited

ABN

41 008 101 979

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(44)	(108)
	(c) production	-	-
	(d) staff costs	(82)	(232)
	(e) administration and corporate costs	(771)	(1,898)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	511	511
1.8	Other (provide details if material)	1,048	1,048
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>662</b>	<b>(679)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(65)	(143)
	(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 (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(65)</b>	<b>(143)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,500
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	-	-
3.5	Proceeds from borrowings	-	550
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,050</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,067	1,436
4.2	Net cash from / (used in) operating activities (item 1.9 above)	662	(679)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(143)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,050

## 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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,664</b>	<b>2,664</b>

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	-	-
5.2	Call deposits	2,664	2,251
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,664</b>	<b>2,251</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000	Year to Date \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(358)	(650)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-	-

*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.*

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

<b>7. Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	6,072	6,072
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	6,072	6,072
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		
The finance facility was provided by Chimaera Capital Limited at an interest rate of 11.75%, the maturity date has been extended to the earlier of 1 October 2026 or the date of any capital raising being undertaken by the Company.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	662
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(65)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	597
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,664
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,664
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.46
<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: 30 APRIL 2025

Authorised by: ROCHELLE PATTISON - COMPANY SECRETARY  
(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.