

September 2022 Quarterly Activities Report

CZR set for resource update following strong results at Robe Mesa iron ore project, Pilbara
Reserve and new mine plan will pave way for completion of DFS on 3Mtpa operation

Highlights

Robe Mesa Iron-Ore Deposit, Pilbara

- Resource-Reserve drilling completed during the quarter, with 94 RC holes drilled for 5,738m
- Initial assay results received confirm extensive DSO mineralisation below PFS pit designs
- Mineralisation is very consistent and shows thick intersections along the southern boundary adjacent to Rio Tinto's Mesa F Deposit
- Results support plans to increase production and mine life at Robe Mesa, with updated Resource/Reserve on track for December Quarter
- Cooperation Agreement signed with Red Hill Iron Ltd (RHI) to jointly assess the feasibility of shared export routes from the respective iron ore developments
- By jointly developing road and port infrastructure, CZR and RHI have the potential to make significant cost savings

Croydon Gold Project

- Gravity survey planning complete and contract signed during the quarter
- Survey to commence shortly, targeting intrusion-related gold mineralisation within the Mallina Basin, analogous to De Grey Mining's neighbouring 8.5Moz Hemi discovery

Corporate

- Renounceable Rights Entitlement Offer launched to raise additional funds
- Capital raise supported by CZR's largest Shareholder, Creasy Group
- Funds raised will primarily be used to complete the Robe Mesa DFS and accelerate exploration on the Company's Croydon Gold Project

OVERVIEW

CZR is a Western Australia focused mineral exploration and development company with five projects, all in joint-venture with its major shareholder, Creasy Group.

All projects are strategically located, proximal to infrastructure and cover prospective geology with established iron ore, gold and base metal endowment.

CZR's primary development asset is the Robe Mesa iron ore deposit, part of the Yarraloola project. The Company is progressing the Definitive Feasibility Study (DFS) and approvals for mining, with a focus on expanding the current JORC Resource and Reserve and targeting a production rate of 3Mtpa.

In addition to the development of Robe Mesa, CZR is also progressing several prospective iron ore, gold and copper exploration projects – well located in close proximity to major mines and discoveries.

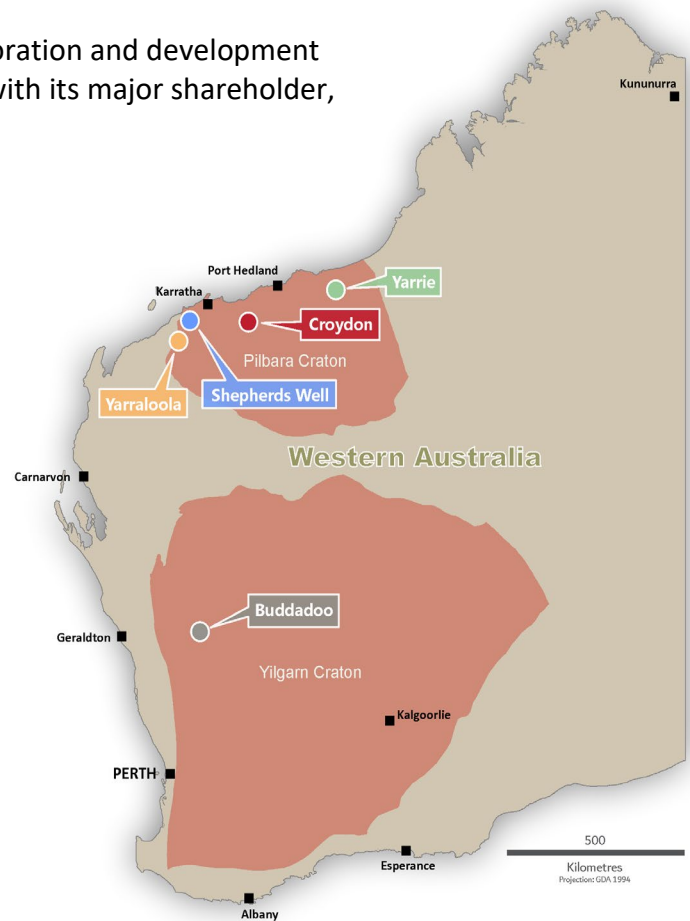


Figure 1. Location of the five CZR projects in Western Australia.

ROBE MESA IRON-ORE DEPOSIT (Yarraloola Project) – WEST PILBARA (CZR 85%)

The Robe Mesa deposit sits within the Robe Valley Channel Iron Deposits (Robe Valley CID), adjacent to the Robe River JV operations. The Robe River JV (Rio Tinto 53%, Mitsui 33%, Nippon Steel 14%), operated by Rio Tinto, has been mining Robe Valley Channel Iron Deposits (CID) since the 1970's and has current mining operations at Mesa A, Warrambo and Mesa J, with rail linking to export facilities at Cape Lambert.

The Robe River JV recently invested \$1.7B in the Robe Valley JV to replace production from existing mines at Mesa A, Warrambo and Mesa J. Production commenced at Mesa B, C and H in August 2021 and there is extensive drilling underway at Mesa F, effectively surrounding CZR's Robe Mesa deposit.

During the quarter, CZR completed a total of 94 Reverse Circulation (RC) drill holes for 5,738 metres, focused on expanding the Resource to the north and infill drilling the lower CID in the south of the deposit.

Assay results from the first 39 holes (ASX announcement 4 October 2022) provide further evidence of strong Direct Shipping Ore (DSO) mineralisation below the pit designs modelled in the December 2020 Pre Feasibility Study (PFS) and shows good continuity along strike with particularly strong results recorded on the boundary with Rio Tinto's Mesa F deposit.

Drilling has now been completed to a nominal 50m x 50m drill pattern. This will enable CZR to maximise the conversion of Inferred Resources to the Indicated Resource category, with Indicated Resources available for conversion to Ore Reserves.

Assay results are pending along the eastern flank of the Robe Mesa deposit and from the northern extension (Figure 2), which was drilled for the first time following heritage approval in June 2022. CZR is on track to report an updated JORC Mineral Resource, Ore Reserve and mine plan in the December quarter, 2022.

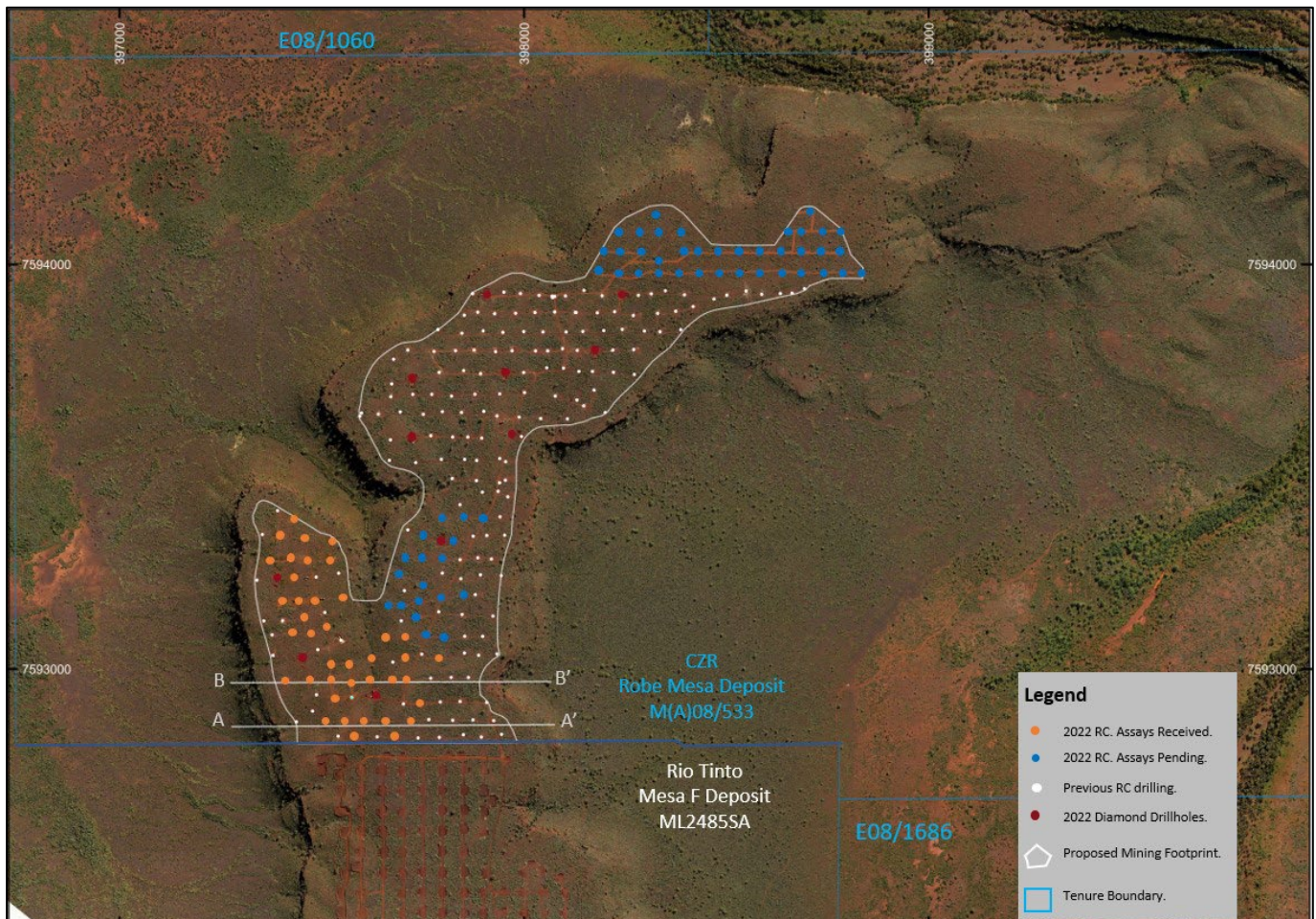


Figure 2. Location of all RC drill-holes on the Robe Mesa deposit – showing tenement boundary and recent drill pads on Rio Tinto’s Mesa F deposit

Significant intercepts from the initial batch of assays averaged 55.6% Fe (62.2% Fe calcined), 6.1% SiO₂, 3.0% Al₂O₃ and 0.05% P (ASX announcement 4 October 2022).

The depth to the base of mineralisation is still very shallow, on average only 51 metres below surface, with a maximum depth of 61m below surface (Figures 4 and 5). All mining will be above the water table with all waste back-filled in the mining void, minimising the environmental impact.

In addition to the RC drilling, CZR also completed a diamond drill program in July 2022. The core is now being processed and metallurgical and geotechnical test work has commenced. The results will provide data for process plant specifications, material handling data for shipping and sinter test work for customer acceptance trials, as well as geotechnical pit design and drill and blast parameters.

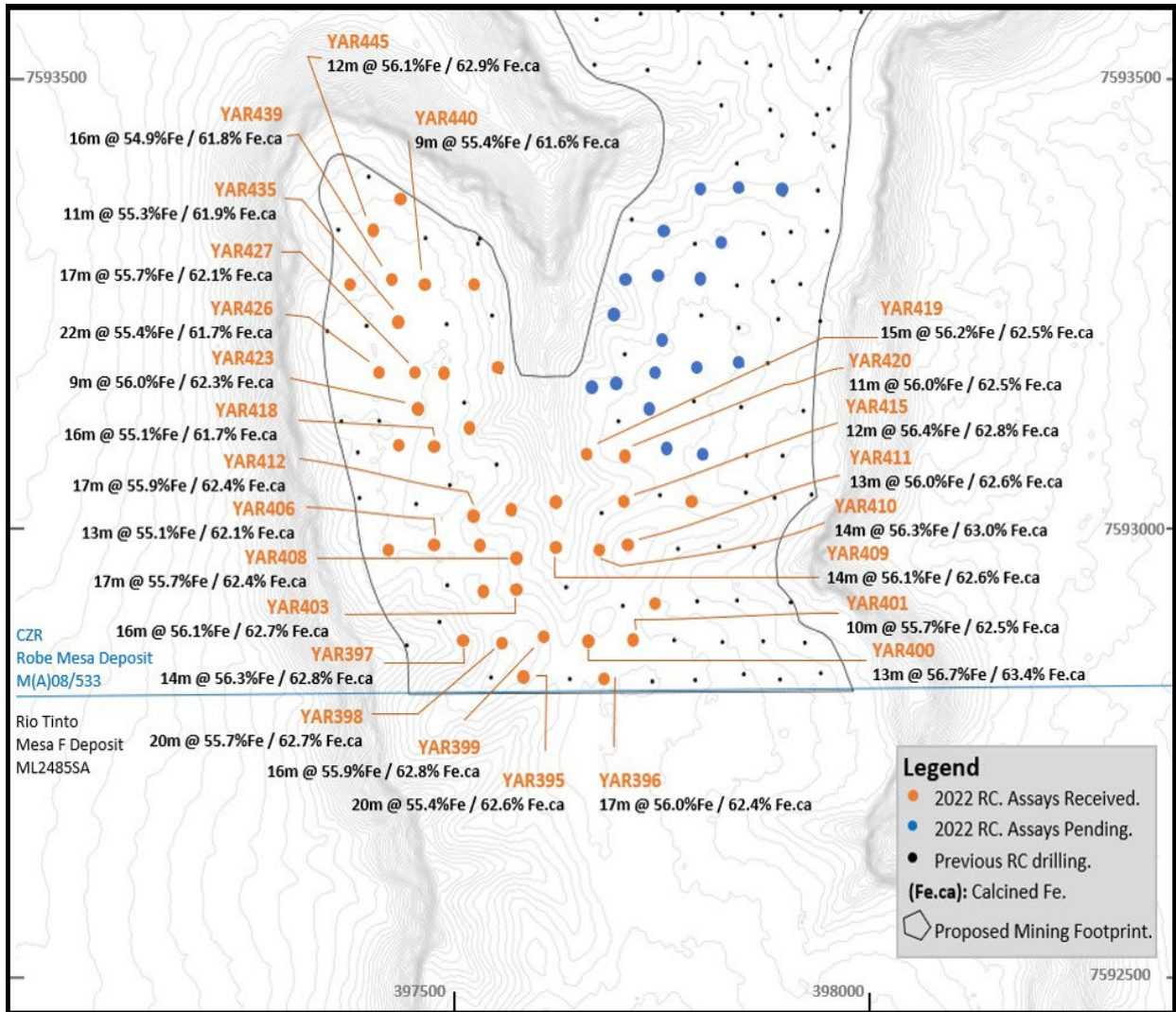


Figure 3 Location of RC drill-holes with a selection of significant intersections

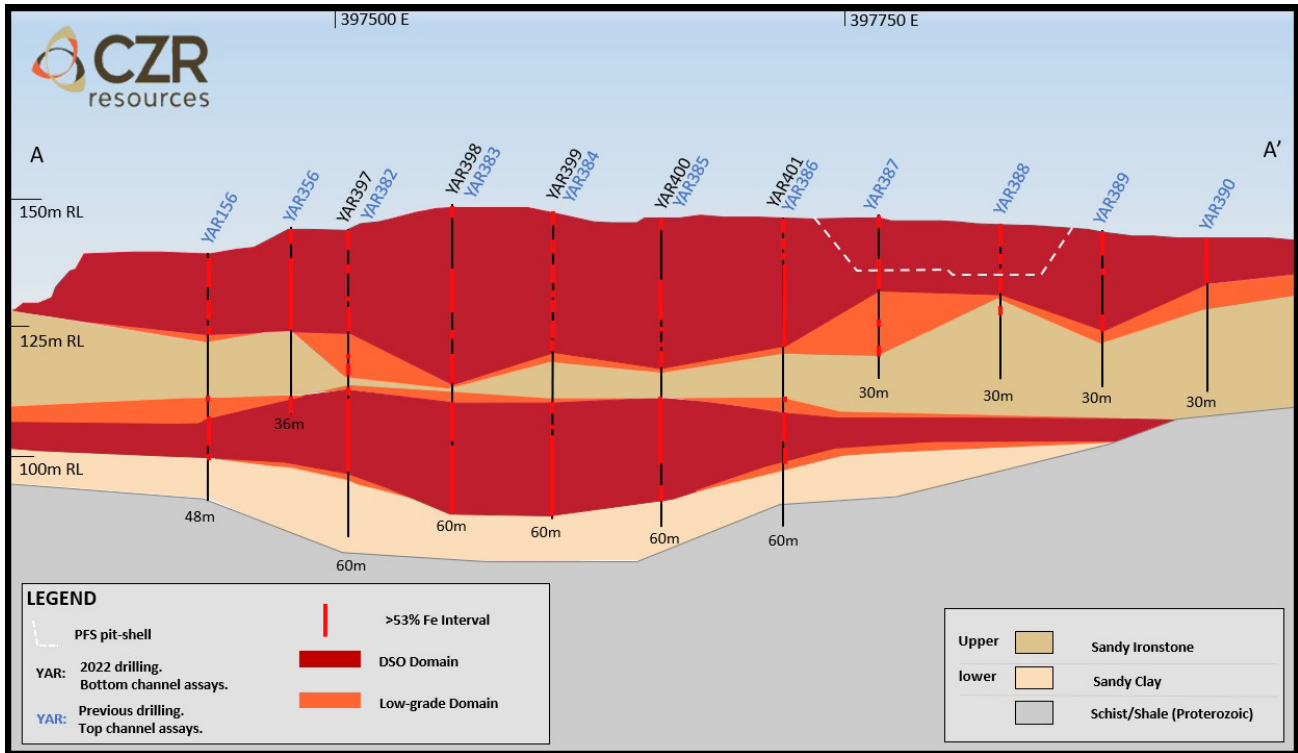


Figure 4. Robe Mesa Deposit. Cross Section 7592880

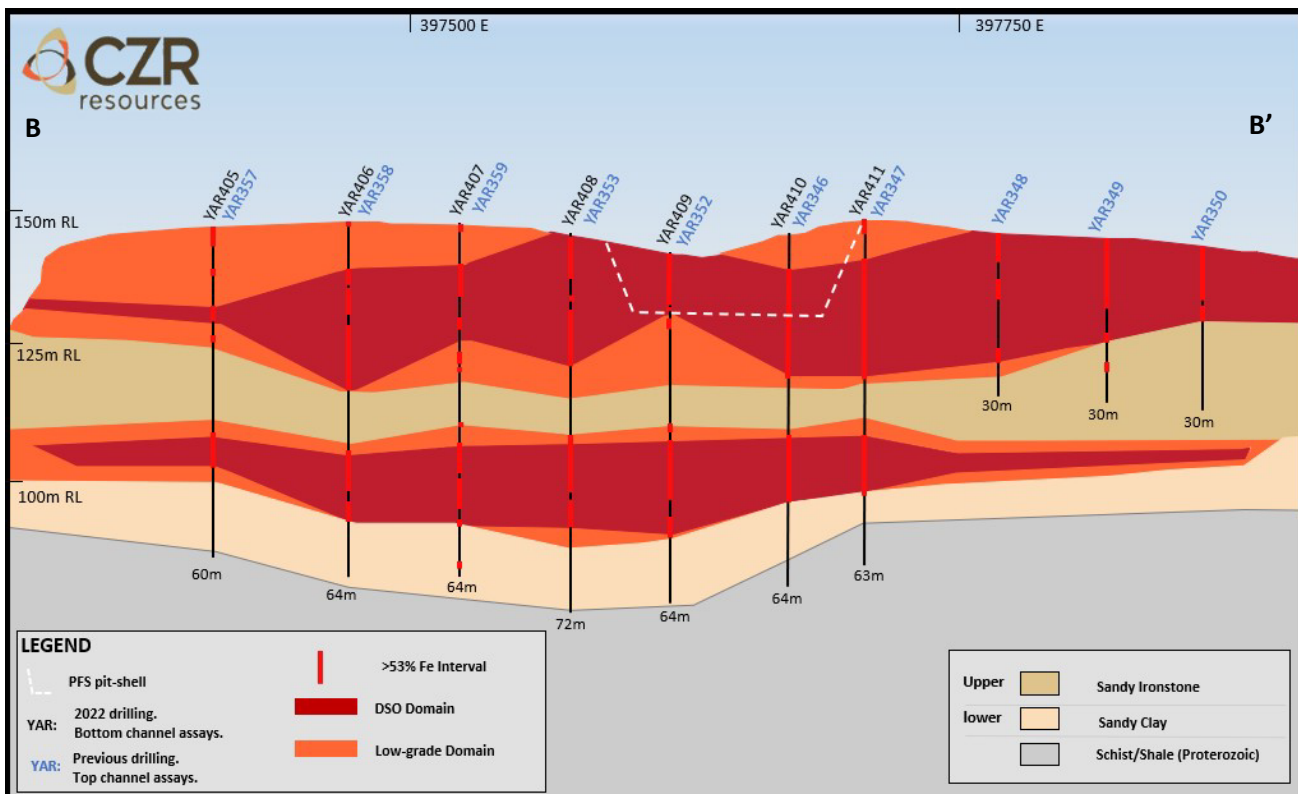


Figure 5. Robe Mesa Deposit. Cross Section 7592980

CZR Resources announced on 1 August 2022 that it has entered into a Co-operation Agreement with Red Hill Iron (ASX: RHI) under which the two companies will assess and potentially develop shared road and port infrastructure to support their neighbouring Pilbara iron ore development projects.

The Robe Mesa and RHI's Pannawonica Projects are located in close proximity and stand to benefit from shared infrastructure.

During the quarter, joint environmental and topographic surveys were completed as part of studies to assess a single haulage route linking both projects to the North West Coastal Highway.

The Co-operation Agreement contains a cost-sharing mechanism through the study phase for the proposed haulage route and, subject to study outcomes, is intended to facilitate the conclusion of an access agreement providing both parties with access to a joint haulage route. The Co-operation Agreement also provides a framework for the parties to assess and potentially develop joint port export facilities.

Establishing a single, jointly developed haul road and port potentially provides both CZR and RHI with significant capital savings and operating cost synergies.

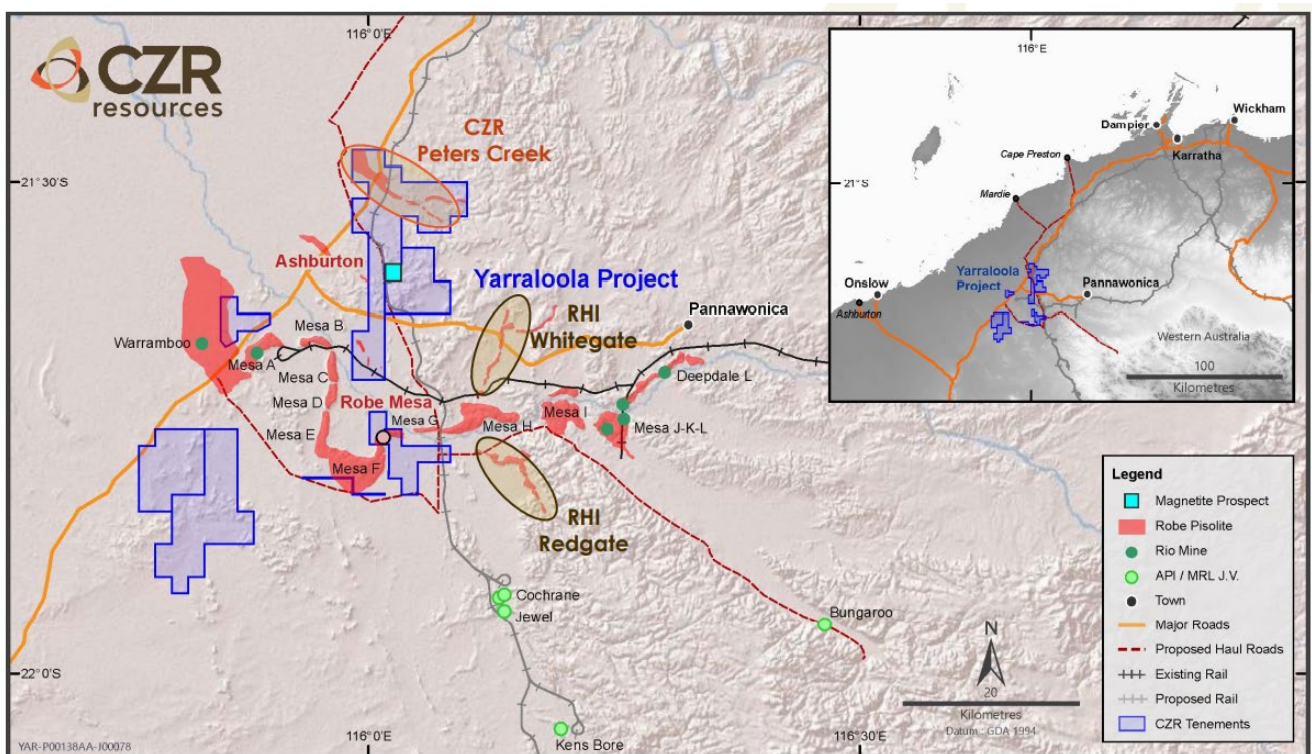


Figure 6. CZR's Yarraloola project and Robe Mesa deposit and Red Hill Iron's Whitegate and Redgate deposits (Pannawonica Project), showing local infrastructure and iron ore deposits. Insert map showing regional infrastructure

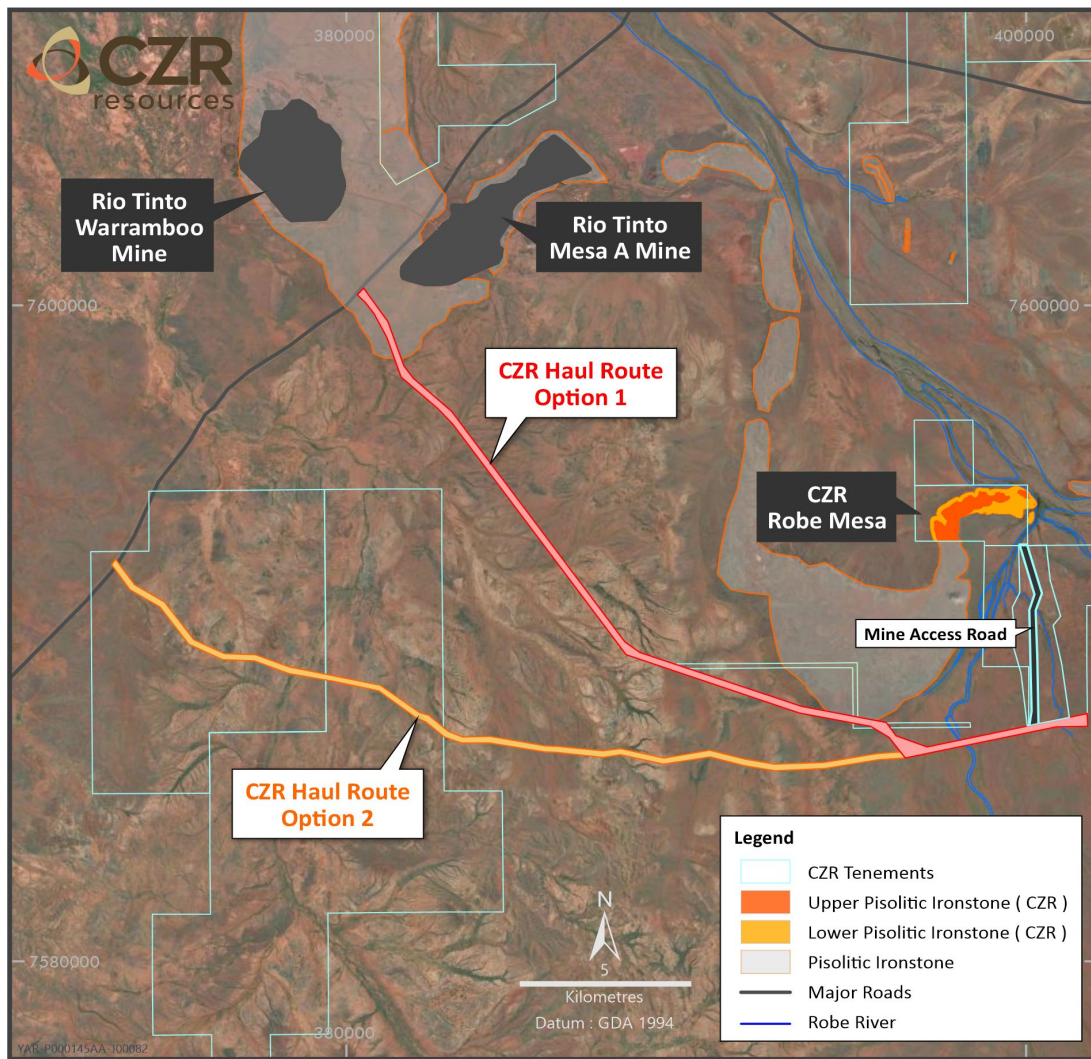


Figure 7. CZR miscellaneous licence applications for haulage routes and non-processing infrastructure

CROYDON GOLD PROJECT (CZR 70%)

The Croydon project is located in the Mallina Basin between Karratha and Port Hedland. The region contains De Grey Mining Limited's (DEG) Hemi gold deposit with a recently updated and increased resource of 8.5 Moz (DEG release to ASX; 31 May 2022). The Mallina Basin has the potential to emerge as a major gold province and CZR's Croydon project covers approximately 40km strike of the Mallina Basin, about 50km south-east of Hemi (Figure 8).

Gold mineralisation at Hemi is hosted in a series of intermediate intrusions associated with sulphide (pyrite and arsenopyrite) stringers and disseminations within brecciated and altered quartz diorites that intrude into the surrounding Archaean aged Mallina Basin sediments. CZR's Croydon project has a similar geochemical signature, with very strong gold and arsenic in soil anomalies, particularly at the Top Camp prospect, where initial drilling returned primary gold mineralisation, including:

- **8m at 10.2g/t Au** from 135m in CRC007
- **2m at 22g/t Au** from 7m in CRC021; and
- **28m at 0.6g/t Au** from 147m in CRC022

Drilling has yet to define the limits of the mineralised system at Top Camp and exploration along the structures from Top Camp is identifying favourable alteration with extensive evidence of historical workings at Franks Patch, Middle Valley and Bottom Camp.

During the quarter a ground-based gravity survey was designed, targeting large intrusions that may host gold mineralisation similar to Hemi (Figure 8). CZR has engaged a gravity contractor and anticipates commencing field activities in the coming weeks and will monitor results to expand the program if needed.

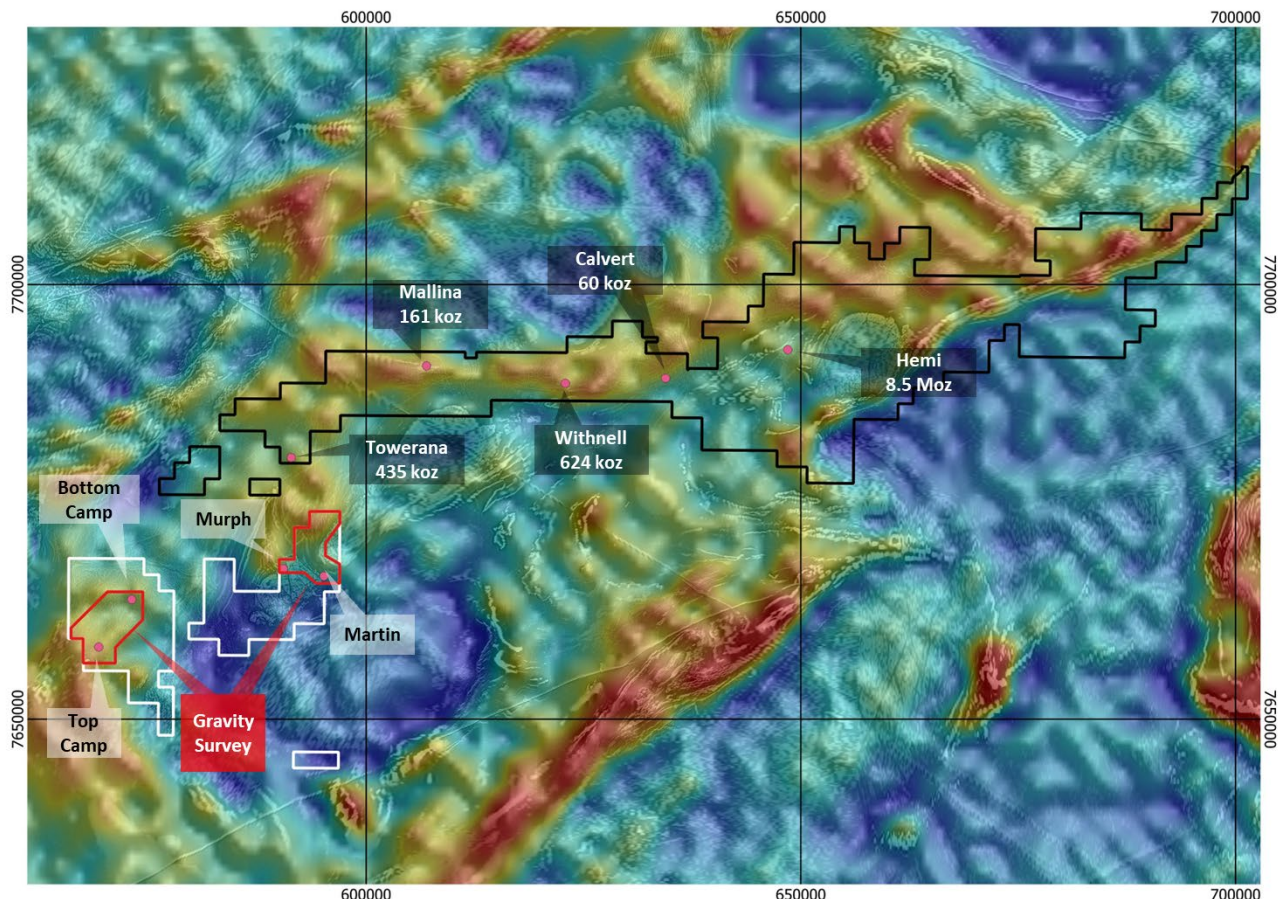


Figure 8. CZR’s Croydon project and De Grey Mining’s Hemi Gold Project – Regional gravity over magnetics background image

YARRIE PROJECT – NORTH PILBARA (CZR 70%)

The Yarrie Project covers a total of 360 square kilometres, about 160 kilometres east of Port Hedland. Yarrie is serviced by bitumen and gravel roads, a natural gas pipeline between Pt Hedland and the Telfer copper-gold mine and a BHP-owned rail connection between Yarrie mining area and Port Hedland. The Yarrie tenements are held for their potential to host high-grade (+62% Fe) iron-ore and have historical high-grade RC drill intercepts in the Cabbage Tree and Kennedy Gap prospects (CZR release to ASX; 6 August 2014).

CZR commenced a geophysical review of the Yarrie project during the quarter, assessing priority iron ore and non-iron ore exploration targets. This review is ongoing and exploration planning is underway to test new targets generated from this review.

BUDDADOO COPPER-GOLD PROJECT – YILGARN (CZR 85%)

The Buddadoo project (E59/1350 and E59/2349), with a surface area of 303 square kilometres, is located about 200 kilometres east of Geraldton Port and 60 kilometres from a rail siding at Morawa and is accessible all year by bitumen-road. The tenement is prospective for orogenic lode-style gold (Deflector Gold Mine – 5km west) and VMS style base metal deposits (Golden Grove 40km east).

No field activities were undertaken at Buddadoo during the September quarter.

SHEPHERDS WELL PROJECT (CZR 70%)

Shepherd’s Well (E08/2361) is located 60 kilometres south-west of Karratha and covers 15 kilometres of a regional shear-zone. CZR completed a moving loop electro-magnetic (EM) survey at the Dorper prospect in the March quarter, targeting a mafic-ultramafic intrusion with anomalous nickel and PGE in soil and rock chip samples. The survey identified a NE-SW oriented stratigraphic conductor dipping steeply to the NW, that is much more conductive in the south and gets weaker towards the North.

No field activities were undertaken at Shepherd’s Well during the September quarter.

Corporate

Renounceable Entitlement Issue

On 5 October 2022, the Company announced a one for five Renounceable Entitlement Issue at 1.2 cents per share, to raise approximately \$8.4 million. The Company’s largest shareholder the Creasy Group (55.28%) has provided an undertaking to accept a minimum of \$2.0 million of its entitlements. The Entitlement Issue closes on 3 November 2022.

Information required by Listing Rule 5.3.1:

During the Quarter, the Company spent \$2,084k on exploration activities which included \$69K on Yarrie Project, \$47k on the Croydon Project, \$40k on Buddadoo Project and \$17k on the Shepherd’s Well Project. Also included was \$1,911k of costs associated with advancing the Robe Mesa feasibility study and approvals.

Information required by Listing Rule 5.3.5:

During the quarter, the Company made payments to related parties of \$138k, encompassing Executive Director’s salary, Directors’ fees and associated superannuation costs.

This announcement is authorised for release to the market by the Board of Directors of CZR Resources Ltd.

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Forward Looking Statements

This announcement contains “forward-looking information” that is based on CZR’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the pre-feasibility study, CZR’s business strategy, plan, development, objectives, performance, outlook, growth, cashflow, projections, targets and expectations, mineral resources, ore reserves, results of exploration and related expenses. Generally, this forward looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that CZR’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause CZR’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices and demand of iron and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list and the further risk factors detailed in the remainder of this announcement are not exhaustive of the factors that may affect or impact forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. CZR disclaims any intent or obligations to revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

Statements regarding plans with respect to CZR’s mineral properties may contain forward-looking statements in relation to future matters that can only be made where CZR has a reasonable basis for making those statements. Competent Person Statements regarding plans with respect to CZR’s mineral properties are forward looking statements. There can be no assurance that CZR’s plans for development of its mineral properties will proceed as expected. There can be no assurance that CZR will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of CZR’s mineral properties.

CZR believes it has a reasonable basis for making the forward looking statements in this Announcement, including with respect to any production targets and economic evaluation, based on the information contained in CZR’s ASX announcement entitled “Pre-Feasibility Study finds Robe Mesa iron ore project is technically robust with potential to generate strong financial returns” dated 10 December 2020. CZR confirms that it is not aware of any new information or data that materially affects the production targets contained in the previous announcement of the PFS and all material assumptions underpinning the production targets and economic valuation in the previous market announcement continue to apply and have not materially changed.

Competent Person Statement

The information in this announcement that relates to exploration activities and exploration results is based on information compiled by Stefan Murphy (BSc), a Competent Person who is a Member of the Australian Institute of Geoscientists. Stefan Murphy is Managing Director of CZR Resources, holds options in the Company and has sufficient experience that 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 of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code).

Stefan Murphy has given his consent to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Mining Tenement changes during the Quarter

Project	Location	Tenement Number	Economic Entity's Interest at Start of Quarter	Economic Entity's Interest at Quarter End
Yarraloola	West Pilbara, WA	L08/304	0%	85%
Yarraloola	West Pilbara, WA	E08/3550	0%	100%

Farm-in / Farm-out Agreement changes during the Quarter

Project	Location	Tenement Number	Economic Entity's Interest at Start of Quarter	Economic Entity's Interest at Quarter End
No change				

Interests in Mining Tenements & Joint Ventures

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End	Comment
Yarraloola	West Pilbara, WA	E08/1060	85%	
Yarraloola	West Pilbara, WA	E08/1686	85%	
Yarraloola	West Pilbara, WA	E08/1826	85%	
Yarraloola	West Pilbara, WA	E08/3180	100%	
Yarraloola	West Pilbara, WA	M08/519	85%	Application
Yarraloola	West Pilbara, WA	M08/533	85%	Application
Yarraloola	West Pilbara, WA	E08/3399	100%	Application
Yarraloola	West Pilbara, WA	L08/281	85%	Application
Yarraloola	West Pilbara, WA	L08/295	85%	Application
Yarraloola	West Pilbara, WA	L08/296	85%	Application
Yarraloola	West Pilbara, WA	L08/297	85%	Application
Yarraloola	West Pilbara, WA	L08/298	85%	Application
Yarraloola	West Pilbara, WA	L08/299	85%	Application
Yarraloola	West Pilbara, WA	L08/302	85%	Application
Yarraloola	West Pilbara, WA	L08/303	85%	Application
Yarraloola	West Pilbara, WA	L08/304	85%	Application
Yarraloola	West Pilbara, WA	E08/3550	100%	Application
Shepherds Well	West Pilbara, WA	E08/2361	70%	
Yarrie	East Pilbara, WA	E45/3725	70%	
Yarrie	East Pilbara, WA	E45/3728	70%	
Yarrie	East Pilbara, WA	E45/4065	70%	
Yarrie	East Pilbara, WA	E45/4604	70%	
Yarrie	East Pilbara, WA	E45/4605	70%	
Yarrie	East Pilbara, WA	E45/4433	100%	
Buddadoo	Mid-west, WA	E59/1350	85%	
Buddadoo	Mid-west, WA	E59/2349	85%	
Croydon	Pilbara WA	E47/2150	70%	

Appendix 5B

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

Name of entity

CZR Resources Ltd

ABN

91 112 866 869

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(2,084)	(2,084)
(b) development	-	-
(c) production	-	-
(d) staff costs	(15)	(15)
(e) administration and corporate costs	(340)	(340)
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	13	13
1.9 Net cash from / (used in) operating activities	(2,425)	(2,425)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(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 (3 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	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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)	(3)
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	(3)	(3)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,121	3,121
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,425)	(2,425)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	693	693

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	3,121	693
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,121	693

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	138
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>6.1 Represents executive director salary, directors' fee and associated superannuation costs paid during the quarter.</i>		

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	-	-
7.2	Credit standby arrangements	-	-
7.3	Director Loans	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,425)
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)	(2,425)
8.4 Cash and cash equivalents at quarter end (item 4.6)	693
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	693
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.29
<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: Yes.	
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: As announced on 5 October 2022, the Company is undertaking a 1 for 5 Renounceable Entitlement Offer to raise a maximum of \$8.4 million. The Company's largest shareholder the Creasy Group (55.28%) has provided an undertaking to accept a minimum of \$2.0 million of its entitlements.	
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: The Company expects to continue its operations and meet its business objectives via its existing funds and funds raised in the current Renounceable Entitlement Offer announced on 5 October 2022.	
<i>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.</i>	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2022

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

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

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.