

September 2024 Quarter Highlights

30 October 2024

Summary

Prospect Ridge Magnesium Project North-West Tasmania GWR 70% Dynamic Metals 30%

Prospect Ridge Magnesite Project

- The Prospect Ridge Magnesite project is located in north west Tasmania (owned 70% GWR Group Limited (ASX:GWR) and 30% Dynamic Metals Ltd (ASX:DYM)).
- Phase 2 diamond drilling program at the Arthur River deposit consisting of six HQ3 diamond drill holes for 741.3m has been completed with a third phase drilling program comprising of an additional 21 holes proposed for 2025.
- Once completed, the proposed drilling is expected to increase confidence in the 2012 JORC Mineral Resource Estimate of 25.1Mt @ 42.4% MgO (refer to ASX announcement dated 27 January 2022).
- Highly respected consultants *pitt&sherry* have prepared an outline for an environmental approvals pathway for a Prospect Ridge magnesite mine.
- Metallurgical work continued on the University of Tasmania CODES / Regional Research Collaboration grant ("RRC") project and the Company is preparing a separate announcement to update the market on this. Work on diamond drill core has included ore characterisation, Hylogger, SEM, PXRf and Flotation testwork investigation. The floatation testwork is targeting removal of silica which is deemed as a deleterious contaminant.
- GWR anticipates interest from, world leading refractory manufacturers in relation to the Prospect Ridge Magnesite Project. In addition, the Company plans to engage a leading industrial minerals expert to assist with product definition and market research.
- A scoping study has been initiated using inputs from previous feasibility studies, recent drilling and from the Federal government funded RRC Grant.
- During the quarter, GWR received a refund from ATO for its Research and Development (R&D) incentive of \$260,104 for FY23 in relation to the Prospect Ridge Magnesite Project with AusIndustry.

Hatches Creek

- On 6 August 2024 the Company announced it had executed an agreement with its JV partner, Tungsten Mining NL ("TGN") to sell its remaining 80% interest in the Hatches Creek Tungsten Project for consideration of 107.5m ordinary TNG shares at a deemed price of \$0.08 per share. The issue will result in GWR increasing its voting power in TGN to 19.86%.

New Project Opportunities

- GWR is continuing to appraise and undertake due diligence on potential acquisitions to complement its Prospect Ridge Project.

GWR Group Limited – Overview of Assets

The Group has a portfolio of resources projects that includes projects held directly, in its own right, or indirectly through investment in other listed entities. These include:

- Prospect Ridge Project - 25 million tonne magnesite Resource at 42.4% MgO
- Tungsten - Investments in Tungsten Mining NL (ASX:TGN)
- Cornerstone and Equity Investments - eMetals Ltd (ASX:EMT)

About GWR Group

GWR Group Limited ("GWR") is an independent, Australian resource house, focused on creating shareholder wealth through the development of high-quality mineral exploration and development projects.

GWR Group has a portfolio of mineral commodity projects that includes projects held in its own right, in joint ventures and indirectly through investment in other listed entities. We aim to create value through operational excellence and innovation in exploration and project development. We will collaborate with our stakeholders to build a sustainable mining business and the respect of our peers.

Corporate Summary

ASX code: **GWR**

Issued Capital: **321.2 million**
Cash on hand: **\$36.84 million**

Board & Management

Gary Lyons
Non-executive Chairman

Mick Wilson
Executive Director

Teck Siang Wong
Non-executive Director

Wai Ho Law
Non-executive Director

Phil Robinson
Project Manager

Jessamyn Lyons
Joint Company Secretary

Rhys Davies
Joint Company Secretary

Prospect Ridge Magnesite Project

GWR holds a 70% interest in the advanced Prospect Ridge Magnesite project located in northwest Tasmania with Dynamic Metals Limited (ASX: DYM) holding 30%. The Project is an advanced asset where a substantial amount of work has previously been undertaken, including diamond drilling, metallurgical test work, hydrological test work, resource modelling and feasibility studies.

The project sits upon granted Exploration Licence (EL5/2016), it is 11km long and 52km² in area and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.

The Prospect Ridge Magnesite project area is located in northwest Tasmania, 40 km southwest of the Port of Burnie. It sits upon a granted Exploration Licence (EL5/2016), it is 11 km long and 51 km² in area and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.

The Arthur River prospect is a large high grade magnesium deposit where previous exploration has identified an Inferred Mineral Resource estimate of 25.1Mt @ 42.4% MgO (refer to ASX announcement dated 27th January 2022) and Prospect Ridge Magnesite Project with GWR as an industry partner are part of Federal government funded Regional Research Collaboration Grant (RRC), being undertaken at the University Centre for Ore Deposit and Earth Sciences University of Tasmania (“CODES”).

The Company completed the first phase of the diamond drilling program at the Arthur River deposit (refer to ASX announcement dated 8 May 2024). The Phase 2 drilling program was completed in the September 2024 Quarter for a total of 6 HQ3 diamond drill holes for 741.3 m. This will provide additional metallurgical samples, assist with mineral Resource estimation and domaining of mineralisation types.

The Company is also investigating undertaking a third phase (“Phase 3”) drilling program in 2025 including an additional 21 holes for 3,150m. The Phase 3 drilling program will assist in increasing the confidence in the current JORC resource at the Arthur River deposit.

Highly respected consultants *pitt&sherry* have prepared an outline for an environmental approvals pathway for a potential Prospect Ridge magnesite mine. The information in this outline is based on the regulatory approvals process in Tasmania, *pitt&sherry* experience with similar projects, high-level desktop assessment of publicly available information for Exploration License EL5/2016 and review of information as provided by GWR.

Metallurgical work continued on the University of Tasmania CODES / RRC project and the Company is preparing a separate announcement to update the market on this. However, work on diamond drill core has included ore characterisation, Hylogger, SEM, PXRF and Flotation testwork investigation. The flotation testwork is targeting removal of silica which is deemed as a deleterious contaminant.

The Company has initiated a scoping study on the Prospect Ridge Magnesite Project metrics using inputs from previous feasibility studies, recent drilling and from the RRC project. This will also include the potential to use the proposed Hampshire Green Energy hub as a means to produce magnesium products with a low CO₂ footprint, especially if new technology kilns can be used to collect and sell CO₂ can be applied. The potential industrial hub planned by the Tasmanian Government at Hampshire is located < 40 km from the Prospect Ridge Magnesite Project, where a combination of potential hydro and wind power sources are planned. In addition, Porsche backed HIF Global has lodged plans with Tasmania’s Environment Protection Authority to build Australia’s first commercial-scale e-fuel facility in the area.



Figure 1: Phase 2 Diamond Drilling at Prospect Ridge High-Grade Magnesium Project

Strategic initiatives

The Company is actively appraising and undertaking due diligence on potential project acquisitions by utilising its strong balance sheet and to complement its Prospect Ridge Magnesite Project. Whilst the Company is confident that current discussions will lead to a transaction, the Company will adopt a patient approach to the deployment of capital and will only transact if it considers it is in the best interests of the Company. Accordingly, there can be no guarantee that the Company will enter into a transaction for the acquisition of a new project. The commodity focus of GWR for critical minerals, particularly those applicable to advanced industrial applications, remains a key factor in assessing the viability of acquisition targets that build on the momentum of the Prospect Ridge Magnesium Project.

GWR is also reviewing its exploration asset portfolio to ensure its asset focus is rationale and resourced adequately to maximise shareholder value. The Company will update shareholders on any developments in this regard in accordance with its continuous disclosure obligations.

Figure 1: Prospect Ridge Location Plan showing tenure and summary geology

Table 1
Arthur River Inferred Mineral Resource Estimate

Cut-Off (MgO (%))	Tonnes	MgO (%)	SiO2 (%)	Fe2O3 (%)	CaO (%)
36	36,820,000	41.1	5.9	1.7	2.9
38	32,090,000	41.7	5.4	1.6	2.8
40	25,120,000	42.4	4.8	1.4	2.6
42	15,280,000	43.3	4.2	1.3	2.2
44	3,040,000	44.5	3.0	1.0	1.9

(Refer ASX Announcement 27 January 2022).

About Magnesium and Its Market

Magnesite is the principal ore for Magnesium which is the lightest structural metal known to man being two thirds lighter than aluminium. The Australian government has classified Magnesium as a critical mineral as are lithium and nickel.

The principal uses for Magnesium are as follows:

- Magnesium metal and its alloys are used extensively in automotive and aerospace industries in light weight bodies, engines, and other parts indispensable in modern vehicles (including EV's).
- Magnesium oxides are used in production of refractory linings necessary for production of steel, cement, and glass.
- Magnesium-ion batteries have the potential to improve on lithium-ion batteries in every phase of the lifecycle. In addition to increased energy capacities, magnesium-ion batteries have numerous other advantages. Magnesium does not tend to form dendrites, resolving the safety issues associated with lithium-ion batteries. As such, a magnesium-ion battery can last substantially longer than a lithium-ion battery. Additionally, magnesium-ion batteries can be charged faster since lithium-ion batteries charge times are constrained to avoid dendrite formation. Magnesium is also reported to be the eighth most abundant element on earth's crust alleviating depletion risk and potentially providing a cheaper product. (Source - journals.sagepub.com/doi/full/10.1177/16878140211003398)

In September 2021, the Australian Federal Government announced that it will establish a \$2 billion fund to finance critical minerals production in Australia, it was stated that "Critical minerals include resources that are used in technologies such as mobile phones, computer monitors, electric cars and solar panels, such as lithium, **magnesium** and nickel."

Hatches Creek Tungsten Copper Gold Project

The Hatches Creek Tungsten, Gold and Copper Project is located 375km north-east of Alice Springs in the Northern Territory. Successful RC drilling programs completed in 2016, 2017 and 2019 confirmed multiple high-grade, polymetallic tungsten prospects and demonstrated potential for a large, high-grade polymetallic tungsten deposit.

On 6 August 2024, GWR announced that it has entered into an agreement ("Agreement") to sell its remaining 80% interest in the Hatches Creek Tungsten Project ("Hatches Creek Project") to its joint venture partner, Tungsten Mining NL ("TGN").

GWR, through its wholly owned subsidiary NT Tungsten Pty Ltd ("NTT"), disposed of an initial 20% interest in the Hatches Creek Project to Territory Tungsten Pty Ltd ("TTPL"), a wholly owned subsidiary of Tungsten Mining NL in June 2019. At that time, GWR provided TTPL with the right to acquire further interests in the Hatches Creek Project pursuant to a farm-in agreement and a right to acquire a 100% interest pursuant to an option agreement both dated 31 May 2019 (Refer to GWR's ASX announcement dated 3 June 2019 titled "Farm-in Agreement Executed for Hatches Creek Tungsten Project").

GWR has agreed to accelerate the sale of the Hatches Creek Project pursuant to the Agreement on the basis that project does not align with the strategic and commodity focus of the Company.

Details of the Agreement

A summary of the material terms of the Agreement is as follows:

- GWR's wholly owned subsidiary NTT will sell its right, title and 80% interest in the assets including tenements, mining information and contracts comprising the Hatches Creek Project to TTPL ("Assets").
- TTPL, will acquire the Assets on an "as is, where is" basis for consideration of 107.5m fully paid ordinary shares in TGN at an issue price per share equal to \$0.08 resulting in GWR's voting power in TGN increasing to approximately 19.86%.
- The Agreement is conditional upon the consent of the Minister for Mining being obtained under the Minerals Act 2010 (NT) for the transfer of all the rights and obligations in respect of the Tenements.
- Subject to confirmation by the ASX, the parties do not anticipate any shareholder approvals will be required.
- The parties have obtained confirmation from the Central Land Council that their consent provided in connection with the parties entry into the farm-in agreement and option agreement each dated 31 May 2019 remains valid and no further consents or approvals are required for the purposes of the Agreement.
- The farm-in agreement is terminated.
- Title to, and risk in, the Assets passes from NTT to TTPL at completion.

The Agreement otherwise contains terms (including representations and warranties) usual for an agreement of this nature including obligations on GWR to maintain the Assets in good standing pending completion.

Completion will occur three business days after satisfaction of the conditions precedent. The parties will use all reasonable endeavours to satisfy the conditions precedent as soon as practicable after execution and in any event prior to the sunset date, being the date that is three months after execution. If the conditions are not satisfied by the sunset date, either party may terminate the agreement.

The Agreement allows the Company to rationalise its project portfolio and ensure resources are directed to the strategic commodity focus of GWR. Concurrently the Agreement provides value for GWR shareholders in realising the consideration obtained from the sale process. Further by virtue of GWR's shareholding in TGN, GWR shareholders will retain an economic exposure to the Hatches Creek Project.

Corporate

Board Changes

During the period there have been no changes to the Board.

Cash Position and Investments

At the end of the quarter GWR held cash reserves of \$36.84 million, \$4.1 million in ASX listed securities and no debt.

The ASX listed securities comprised of following equity interests:

- Tungsten Mining NL of 70 million ordinary shares at \$0.06 per share with a market value \$4 million.
- EMetals Limited of 30.8 million shares at \$0.004 per share with a market value \$123,200.

Other

Listing Rule 5.3 disclosures

In accordance with the reporting requirements of ASX Listing Rule 5.3 the Company advises the following expenditure incurred during the quarter. Expenditure spent on exploration and evaluation activities of \$363k during the quarter predominantly related to:

- Exploration work program and drilling;
- Metallurgical drilling and scoping study; and
- Attributable administration costs associated with the Company's exploration activities.

There were no mining development or production activities conducted during the quarter.

During the quarter GWR made payments to related parties of \$110k and this comprised of \$95k Director's remuneration and \$14k to Tungsten Mining NL for property lease and admin expenses.

Tenement Interests

A schedule of the Company's interest in mining tenements as at 30 September 2024 is appended at Appendix 1.

ENDS

This announcement was authorised for release by Gary Lyons, Chairman of GWR Group Limited.

For further information

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Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results and Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 40 continuous years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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 of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Where the Company refers to previous announcements of Exploration Results and Mineral Resources it confirms that it is not aware of any new information or data that materially effects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

Appendix 1 - Schedule of interests in mining tenements

(a) 30 September 2024

Location	Tenement	Percentage held	Notes
Western Australia			
Wiluna			
Refer ASX Release dated 21 Dec 2023, 22 Dec 2023, 11 January 2024 and 7 March 2024.			
Northern Territory			
Hatches Creek			
Hatches Creek	EL22912	80%	Pending transfer documentation and registration by the Department of Primary Industry and Resources in the Northern Territory.
Hatches Creek	EL23463	80%	
Tasmania			
Prospect Ridge			
Prospect Ridge	EL5/2016	70%	

* Excludes tenement applications.

(b) Tenements acquired and disposed of during the quarter

Disposed of during the quarter			
Location	Tenement	Percentage held	Notes
Northern Territory			
Hatches Creek			
Hatches Creek	EL22912	80%	Pursuant to farm-in agreement with Tungsten Mining NL
Hatches Creek	EL23463	80%	

(c) The beneficial percentage interests held in farm-in or farm-out agreements as the end of the quarter

The Company holds an 80% beneficial interest in the Hatches Creek tenements being EL22912 and EL23463, pursuant to a farm-in agreement to Tungsten Mining NL. The Company remains the 100% registered holder pending transfer documentation and registration by the Department of Primary Industry and Resources in the Northern Territory.

The Company also holds a 70% interest in the Prospect Ridge project, containing a granted exploration licence (EL5/2016) in Tasmania.

(d) The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Hatches Creek - per (c) above.

Appendix 5B

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

Name of entity

GWR Group Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

30 September 2024

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	(363)	(363)
(b) development	-	-
(c) production	-	-
(d) staff costs	(114)	(114)
(e) administration and corporate costs	(482)	(482)
1.3 Dividends received (see note 3)		
1.4 Interest received	528	528
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 R&D tax incentives	260	260
1.8 Other (provide details if material)		
- Royalty funds received from Mining Partners	4,076	4,076
- Royalty payments made on behalf of Mining Partners	(4,084)	(4,084)
1.9 Net cash from / (used in) operating activities	(179)	(179)
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	-	-

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
(e) investments	-	-
(f) other non-current assets	-	-
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	-	-

* Represents movement in restricted cash to reconcile to the closing balance of the Company's Trust Account as at 30 June 23.

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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	37,016	37,016
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(179)	(179)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

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
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	36,837	36,837

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	2,337	3,016
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Term deposits	34,500	34,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	36,837	37,016

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	110
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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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.		
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(179)
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)	(179)
8.4 Cash and cash equivalents at quarter end (item 4.6)	36,837
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	36,837
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	205.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

30 October 24

Date:

The Board

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.