

29 July 2022

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2022

HIGHLIGHTS

- **Updated Mineral Resource Estimate at the Makuutu Rare Earths Project in Uganda**
 - Updated MRE is estimated at 532 million tonnes at 640ppm Total Rare Earth Oxide (TREO) above a cut-off grade of 200ppm TREO minus CeO₂
 - Indicated Resource component increased 512% to 404 million tonnes at 670 ppm TREO
 - Indicated Resource base is approximately 76% of the total Mineral Resource which will support the Feasibility Study
 - Contains significant portion of highly valuable heavy and magnet REOs
 - **Revised Exploration Target at Makuutu announced**
 - Exploration Target range estimated from previously RAB drilled areas, indicating potential for Makuutu to double in resource tonnage long term
 - Phase 5 exploration program underway, with field-based reconnaissance to map target areas for further drilling, including on untested geophysical anomaly target areas and tenement RL00257
 - **Community engagement activities progressing**
 - **Makuutu Feasibility Study progressing on schedule**
 - **Acquisition of Seren Technologies Ltd in the UK completed**
 - **\$30 million Placement completed to new global Institutions and existing Investors**
-

Ionic Rare Earths Limited (ASX:IXR) (**IonicRE** or **the Company**) is pleased to provide its Quarterly Report for the period ending 30 June 2022. During the quarter, IonicRE has made significant progress across business activities, including exploration and development activities at its Makuutu Rare Earths Project (Makuutu) in Uganda and the finalisation of the acquisition of Seren Technologies Ltd in the UK.

Makuutu Rare Earths Project

Makuutu is one of the world's largest ionic adsorption clay (IAC) hosted Rare Earth Element (REE) deposits, located 120 km east of Kampala in Uganda. Makuutu is 100% owned by Ugandan company Rwenzori Rare Metals Ltd (RRM), of which IonicRE owns 51% at present, moving to 60% on the completion of the Feasibility Study by the end of October 2022.

Updated Mineral Resource Estimate

On 3 May 2022, IonicRE announced a substantial 70% increase to the total mineral Resource Estimate (MRE) and a material increase in resource classification. The updated MRE is estimated at 532 million tonnes at 640ppm Total Rare Earth Oxide (TREO), above a cut-off grade of 200ppm TREO minus CeO₂. The indicated component of the MRE has been increased to 404 million tonnes at 670 ppm TREO, representing a 512% increase on the previous March 2021 Indicated resource estimate.

The distribution of resource tonnes above cut-off grade is dominated by the combined higher grade Makuutu Central and Makuutu Central East Zones. These areas were not joined in the previous MRE; however, following the Phase 4 drilling they now provide a continuous resource area over 5.5km long and 3km wide for a combined 234 million tonnes or 44% of the total resource and 52% of the total Indicated Resource above cut-off (see Figure 1).

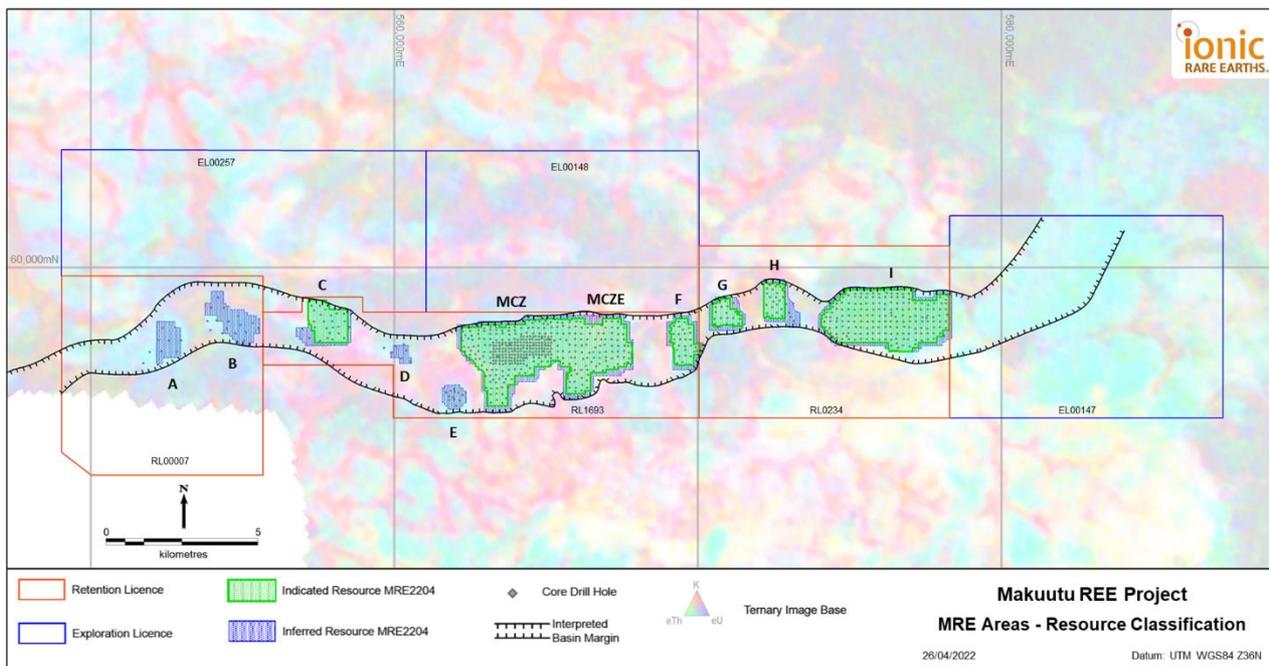


Figure 1: Mineral Resource Estimate (MRE) areas by classification. Green shading on Indicated resource areas and blue on Inferred resource areas.

The updated MRE is now being used to complete mine planning activities which will feed into the Makuutu Feasibility Study, which is due to be completed later in 2022, and submitted to the Ugandan Government as part of the mining licence application by the end of October 2022.

Table 1: Makuutu Resource above 200ppm TREO-CeO₂ Cut-off Grade (ASX: 3 May 2022)

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)	LREO (ppm)	HREO (ppm)	CREO (ppm)	Sc ₂ O ₃ (ppm)
Indicated Resource	404	670	450	500	170	230	30
Inferred Resource	127	540	360	400	140	180	30
Total Resource	532	640	430	480	160	220	30

Rounding has been applied to 1Mt and 10ppm which may influence averaging calculation.

All REO are tabulated in ASX announcement 3 May 2022, with formulas defining composition of (Light Rare Earth Oxides (“LREO”), HREO and Critical Rare Earth Oxides (“CREO”) and Sc₂O₃ formula provided.

The MRE determined classified resources in all of the eleven (11) drilled areas.

Indicated Resources have been determined in all areas where the drill spacing is 200-metre x 200-metre or closer and has provided adequate data and displayed geological continuity to support this level of confidence.

The Inferred Resource areas are located in areas where the drilling is at a 400-metre x 400-metre spacing and on the margins of the Indicated Resource areas. To increase confidence on the Inferred Resources requires further drilling to reduce the drill spacing.

The reported resources designated by each of the areas is detailed within Table 2, the resource areas shown by resource classification in Figure 1.

Table 2: Mineral Resources by Area (ASX: 3 May 2022)

Classification Area	Indicated Resource			Inferred Resource			Total Resource		
	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)
A				13	580	390	13	580	390
B				26	410	290	26	410	290
C	31	580	400	3	490	350	35	570	400
D				6	560	400	6	560	400
E				18	430	280	18	430	280
Central Zone	151	780	540	12	670	460	163	770	530
Central Zone East	59	750	490	12	650	430	72	730	480
F	18	630	420	7	590	400	25	620	410
G	9	750	500	5	710	450	14	730	480
H	6	800	550	7	680	480	13	740	510
I	129	540	350	19	530	350	148	540	350
Total Resource	404	670	450	127	540	360	532	640	430

Rounding has been applied to 1Mt and 10ppm which may influence averaging calculations.

This updated MRE cements Makuutu amongst the world’s largest ionic adsorption clay (IAC) deposits, with the potential to significantly increase, and as a globally strategic resource for low-cost, high-margin and long-term security of magnet and heavy rare earth oxide (HREO) supply.

Additionally, the updated Makuutu MRE contains a significant portion of highly valuable HREO (25%) and critical rare earth oxides (CREO, 34%), which collectively account for a substantial 42% of the Resource mineralisation.

Revised Exploration Target

On 1 June 2022, the Company advised of an update to the Makuutu Exploration Target and associated planning of the Phase 5 exploration program.

Following the recent update to the Makuutu MRE, a review was completed to establish further exploration potential at Makuutu and plan the work programs to be conducted over the next 12 months.

The revised Exploration Target, which is additional to the 3 May 2022 MRE, range for additional potential mineralisation at Makuutu has been estimated at;

216 – 535 million tonnes grading 400 – 600 ppm TREO*

*This Exploration Target is conceptual in nature but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

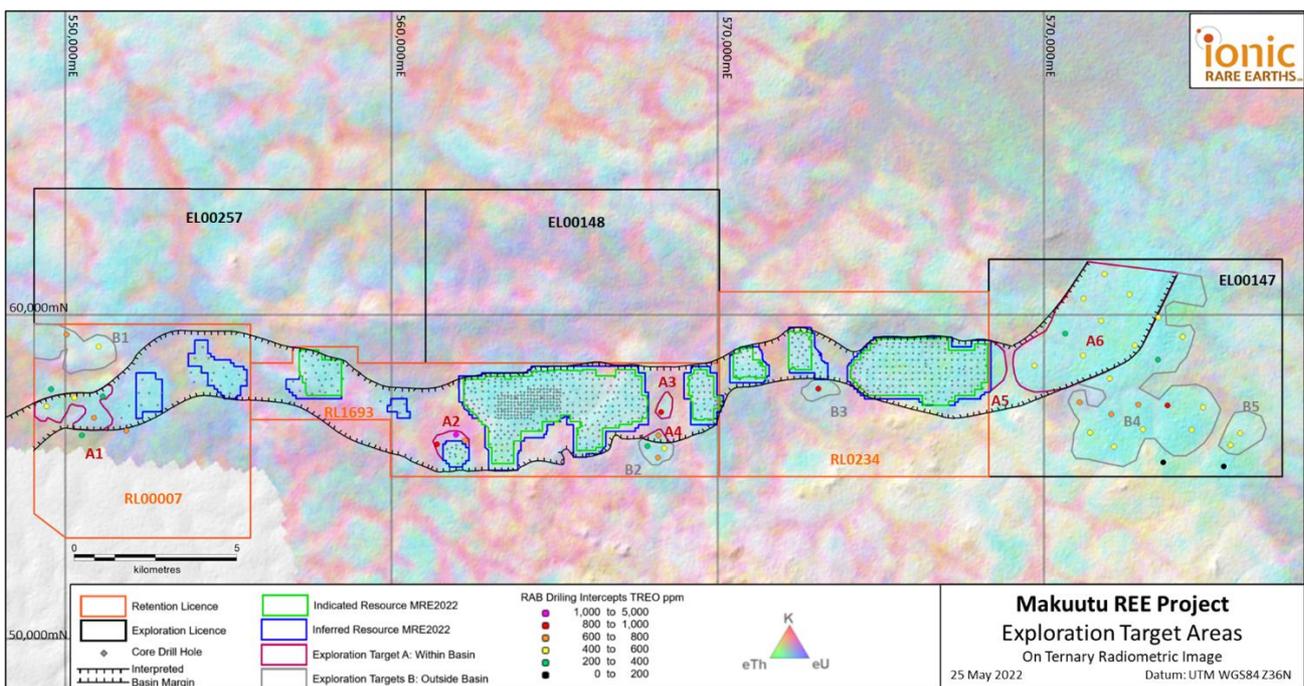


Figure 2: Makuutu Exploration Targets on Ternary Radiometric Image and Phase 3 RAB Intercepts

A new exploration program is being prepared to evaluate potential extension of REE bearing clays across the larger 298 km² tenement area which contains a 37-km long IAC mineralisation system, including the new tenement to the northwest, EL00257.

Field based mapping was initiated during the quarter, as illustrated by photos in Figure 3.



Figure 3: Field mapping activities underway across untested radiometric anomalies and granite outcroppings at Makuutu

Feasibility Study and Community Engagement

Work programs continued during the quarter to enable the company to submit a mining licence application in Uganda by the end of October 2022.

Feasibility study activity has continued with mine plan optimisation commencing to incorporate the larger MRE into the Project. Metallurgical test work continues and has been delayed due to resourcing issues at commercial laboratories, however progress has been made on demonstration of the ability to heap leach Makuutu IAC mineralisation with heap leach columns successfully being operated at 5m during the quarter. Results are pending, along with that of over 500 new bottle rolls completed across 26 km of mineralisation tested at Makuutu.

Capital and operating cost estimation is progressing well, with the study due to be completed in October 2022 and will form a key component of the mining licence application.

Community engagement activities have continued to increase at Makuutu during the quarter with various dignitaries visiting site and providing support for the development of the Makuutu Project.

During a visit to Uganda in May, IonicRE Chairman Trevor Benson and Managing Director Tim Harrison, along with other representatives of RRM, met with the Kyabazinga of Busoga, His Majesty William Wilberforce Gabula Nadiope IV, and key representatives of the Busoga Kingdom, to discuss initiatives to prioritise employment and business opportunities for local stakeholders.



Figure 4: Top Row – Left, IonicRE leadership meeting with Kyabazinga of Busoga, William Wilberforce Gabula Nadiope IV (2nd from left), and right, meeting with local leadership at Makuutu. Middle Row - Rt. Hon. Lukia Nakadama, 3rd Deputy Prime Minister (front row, centre) and delegation at a Makuutu consultation meeting, and right, Hon. Ruth Nankabirwa Ssentamu, Minister of Energy and Mineral Development, visiting Makuutu and endorsing the activities of RRM in progressing Makuutu towards a mining license application. Bottom Row – local stakeholder engagement meetings discussing voluntary resettlement and planning for the Makuutu Project.

Stakeholder engagements have been well communicated with significant support received from Government representatives and other local officials. During the reporting period, RRM hosted the 3rd Deputy Prime Minister of Uganda, Rt. Hon Lukia Nakadama, the Minister of Energy and Mineral Development, the Hon. Ruth Nankabirwa Ssentamu. In addition to the relevant Ministers the Project has also engaged Presidential Advisors, representatives from the Busoga Kingdom and Chiefdoms, and MPs from the Project districts who have all discussed the Project with local stakeholders and provided their support to the activities completed by RRM in order to advance Makuutu towards the mining licence application in October 2022.

Work continues in Uganda with public hearings scheduled in early August for the Environmental and Social Impact Assessment (ESIA). Plans are in place to action land access consents with local Project Affected Persons (PAPs) for a voluntary Resettlement Action Plan (RAP) which is expected to be completed by the end of August.

Acquisition of Seren Technologies Completed

On 22 April 2022, IonicRE announced the successful completion of the acquisition of 100% of Seren Technologies Limited (SerenTech). IonicRE received formal advice from the UK Government Investment Security Unit (ISU) that it had approved the acquisition of SerenTech under the National Security and Investment (NSI) Act 2021 (the Act).

Following the formal approval, all conditions to the acquisition of SerenTech were completed.

SerenTech is commercialising technology using ionic liquids for separation and refining of rare earth elements (REE), which includes the full cohort of the proposed basket from Makuutu, consisting of the lanthanides series, Lanthanum (La), to Lutetium (Lu), plus Scandium (Sc) and Yttrium (Y).

The acquisition of SerenTech, which will be based in Belfast, UK, greatly complements IonicRE's strategy of becoming a vertically integrated participant in the formation of new magnet and heavy rare earth supply chains emerging across Europe and North America.

During the quarter, integration of SerenTech continued with a view to accelerating the next round of pilot plant activities at Queens University Belfast (QUB), and establishing a new standalone facility in Belfast to house the Company's test work facilities and a new magnet recycling demonstration plant.

Planning on construction of the demonstration plant is scheduled to commence later in Q4 2022.

IonicRE Refinery Scoping Study

During the quarter, IonicRE completed a location analysis which has been used in discussions with potential partners for selection of potential refinery site. Shortlisting and inspection of potential sites was completed along with discussion on potential technology partners and end user customers in the USA.

Metallurgical test work continues and has been adversely affected by analytical turnaround times, which has delayed finalisation of the process model.

The production profile of the Refinery Scoping Study will also be aligned to the production profile post mine plan optimisation from Makuutu, which is expected to be completed over the next 6 weeks.

Post end of the quarter, an engineering group has been appointed to complete capital and operating cost estimation, with the Study now expected to be finalised around the same time as the Makuutu Feasibility Study.

Strategic Partner Engagement

During Q2, IonicRE continued to engage with potential partners across the full rare earths supply chain across key western markets. Engagement with groups across North America, Europe, India, Japan and the UK continues with potential to leverage IonicRE's unique offering into new supply chains required across these markets, including magnet recycling, to facilitate manufacturing across EV, renewable energy and military and defence applications.

Discussions continue and the Company will update the market accordingly.

Capital Raising

During the quarter, as announced 11 April 2022, IonicRE completed a capital raise of \$30 million (before costs) through the issue of 405,405,406 fully paid ordinary shares (Shares) at an issue price of \$0.074 per Share, representing a 10.0% discount to the volume weighted average price (VWAP) over the 10 trading days preceding the announcement of the Placement, and a 12.7% premium to the 30-day VWAP up to that date.

The Placement was strongly supported by both key existing shareholders and new global institutional investors from Europe, North America, Asia and Australia. Canaccord Genuity (Australia) Limited acted as Global Bookrunner and Lead Manager to the Placement. Sprott Capital Partners LP acted as Co-Manager to the Placement.

The strong response reflected the potential of the Company as a unique magnet and heavy rare earth development opportunity with the potential to become an end to end vertically integrated rare earth and magnet supply chain.

The proceeds from the Placement will be used to develop the Makuutu Rare Earths Project and to take Seren Technology forward.

The Company intends to use the net proceeds from the Placement as follows:

- Makuutu Feasibility Studies
- Makuutu Financial Investment Decision
- Makuutu Demonstration Plant
- Rare Earth Refinery Feasibility Studies
- Seren Technology Operating
- Seren Technology Demonstration Plant
- Expenses of the issue
- Working Capital

Next Steps

Over Q3 2022, the Company aims to continue activities in preparation of the mining licence application at Makuutu which is due to be completed by 1 November 2022.

Progress will continue on the Makuutu Feasibility Study and Refinery Scoping Study which are aiming for completion in October 2022.

With the acquisition of SerenTech now completed, the Company is advancing the integration activity, along with preparing for a new pilot plant run plus engineering studies to update estimates of capital and operating costs for the magnet recycling facility.

Mineral Concessions Held

IonicRE is pleased to advise the following information, pursuant to ASX Listing Rule 5.3.3, for the quarter ended 30 June 2022 and to the date of this announcement.

1. No mineral exploration tenements were acquired or disposed of during the period;
2. Mineral exploration tenements held are set out below:

Common concession name	Location	Nature of Interest	Interest at beginning of Quarter	Interest at end of Quarter
RL 1693	Uganda	Owned	51%	51%*
RL00007	Uganda	Owned	51%	51%*
RL00234	Uganda	Owned	51%	51%*
EL00147	Uganda	Owned	51%	51%*
EL00148	Uganda	Owned	51%	51%*
EL00257	Uganda	Owned	51%	51%*

* IonicRE may earn up to a 60% interest

3. No farm-in or farm-out agreements were entered into during the period.

Corporate

During the quarter, the company expended approximately \$2,434,000 on the exploration and study activities reported above.

Payments to related parties of the entity and their associates totaled \$235,000 and consisted of \$32,500 Director fees, \$7,400 in superannuation related to Director fees and \$195,100 Executive Service fees.

End Notes

The information contained in this announcement related to the Company's past exploration results is extracted from, or was set out in, the following ASX announcements which are referred to in this Quarterly Activities Report:

- Announcement dated 4 April 2022; IonicRE Finalises Acquisition of Seren Technologies
- Announcement dated 11 April 2022; IonicRE Completes \$30M Placement
- Announcement dated 22 April 2022; IonicRE Completed Acquisition of Seren Technologies
- Announcement dated 3 May 2022; Makuutu Mineral Resource Estimate Update
- Announcement dated 1 June 2022; Updated Makuutu Exploration Target, Planning Phase 5 Drill Program

***** ENDS *****

Authorised for release by the Board of IonicRE.

For enquiries, contact: Tim Harrison
Managing Director
+61 3 9776 3434

Competent Person Statements

Information in this report that relates to previously reported Exploration Targets and Exploration Results has been cross-referenced in this report to the date that it was originally reported to ASX. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.

The information in this report that relates to Mineral Resources for the Makuutu Rare Earths deposit was first released to the ASX on 3 May 2022 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

The information in this report that relates to Scoping Study results and production targets was first released to the ASX on 29 April 2021 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

Forward Looking Statements

This announcement has been prepared by Ionic Rare Earths Limited and may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Ionic Rare Earths Limited. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this document speak only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Ionic Rare Earths Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Appendix 5B

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

Name of entity

IONIC RARE EARTHS LIMITED

ABN

84 083 646 477

Quarter ended ("current quarter")

30 June 2022

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	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(331)	(1,259)
(e) administration and corporate costs	(503)	(1,870)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	56	56
1.8 Other – SerenTech Operating	(570)	(570)
1.9 Net cash from / (used in) operating activities	(1,348)	(3,642)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(540)
(c) property, plant and equipment	-	(78)
(d) exploration & evaluation capitalised	(2,434)	(8,413)
(e) investments	(1,381)	(1,593)
(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 (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	(3,815)	(10,624)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	30,000	30,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	90	1,755
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,861)	(1,861)
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 – reclassify loan to Associate	-	-
3.10	Net cash from / (used in) financing activities	28,229	29,894
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,617	11,055
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,348)	(3,642)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,815)	(10,624)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	28,229	29,894
4.5	Effect of movement in exchange rates on cash held	74	74
4.6	Cash and cash equivalents at end of period	26,757	26,757

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

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	26,724	3,584
5.2 Call deposits	33	33
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)	26,757	3,617

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	235
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.

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 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.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,348)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,434)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,782)
8.4 Cash and cash equivalents at quarter end (item 4.6)	26,757
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	26,757
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.1
<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	
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	
<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

- 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: 29 July 2022

Authorised by: Brett Dickson – 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.