

# QUARTERLY ACTIVITIES REPORT

## SEPTEMBER 2024

31 October 2024



### Directors

#### Non-Executive Chairman

Mark Chadwick

#### Managing Director

Shane Volk

#### Non-Executive Director

Tim Hronsky

#### Company Secretary

Shane Volk

### Issued Capital (ASX: DUN)

**Ordinary Shares:** 107,218,346

Unlisted Options: 40,000,000

Convertible Notes: \$1,000,000

### Highlights

- **High Impact Drilling Program underway at the Windanya Gold Project, Kalgoorlie**
- **Option agreement signed to acquire 100% of granted Mining Licence M 24/974, adjacent to Windanya Gold Project**
- **Confirmation of high-grade gold intercept at Windanya**
- **\$867,150 raised via Share Placement to advance the Company's Gold exploration projects**

Dundas Minerals Limited (ASX: DUN) ("Dundas Minerals", "Dundas" or "the Company") is actively exploring for gold at the Windanya and Baden-Powell projects, located adjacent the Goldfields Highway ~60km north of Kalgoorlie, Western Australia.

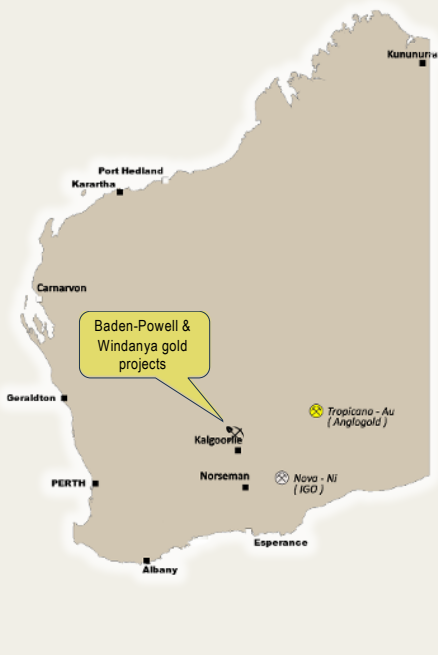
### **High Impact Drilling Program underway at Windanya Gold project**

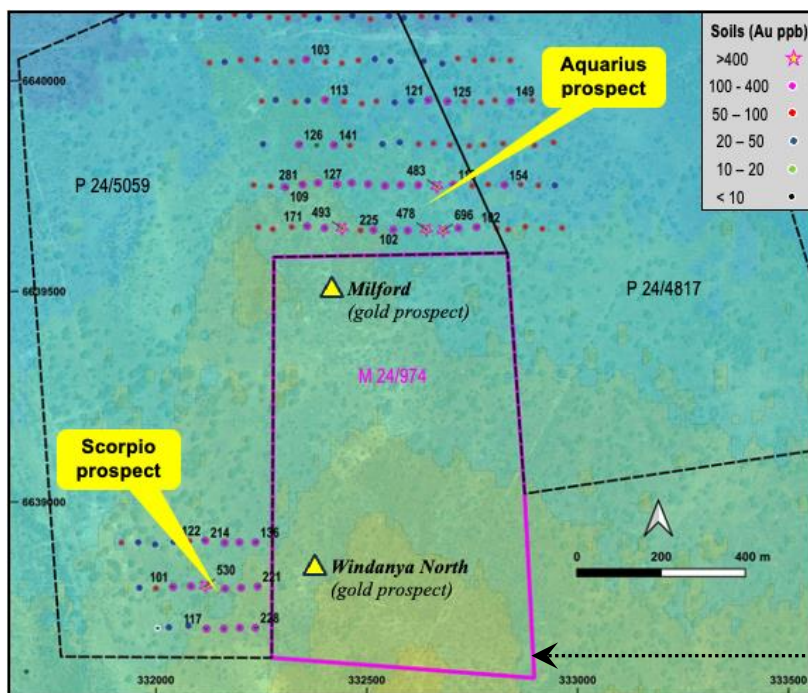
On 22 October 2024, Dundas Minerals announced that it had commenced a high impact reverse circulation (RC) drilling program at its Windanya Gold project within granted mining licence M 24/974. The Windanya project is situated ~50km north of Kalgoorlie, Western Australia and only ~15km from the Paddington Gold Mill.

The current drill program is designed to confirm gold mineralisation at the historic Windanya North and Milford gold prospects, both located within M 24/974 (Figure 1), and to test for north-south gold bearing structures between the two prospects, which may extend to the Capricorn Gold Deposit (Figure 2).

Windanya North and Milford were identified by previous explorers during 1988-89 and 2000-01. Historic drilling during this period of a much lower gold price (~US\$500/ounce - 2001), reported several intercepts of encouraging gold mineralisation which warrant further exploration in the current gold price environment. Both gold prospects are within 200 metres of elevated gold in auger soil samples reported by Dundas Minerals in November 2023, and are situation less than 2km south of the 25,500 ounce Capricorn Gold deposit (Table 1).

The Company's approved drilling program (Program of Work) comprises 23 drill holes and is a combination of RC and slim-line RC holes. Drill holes will be to a depth of between 150 to 250 metres, for total planned drilling of ~3,800 metres. The program is currently anticipated to complete in early November 2024, with assay results expected in late November / early December 2024.

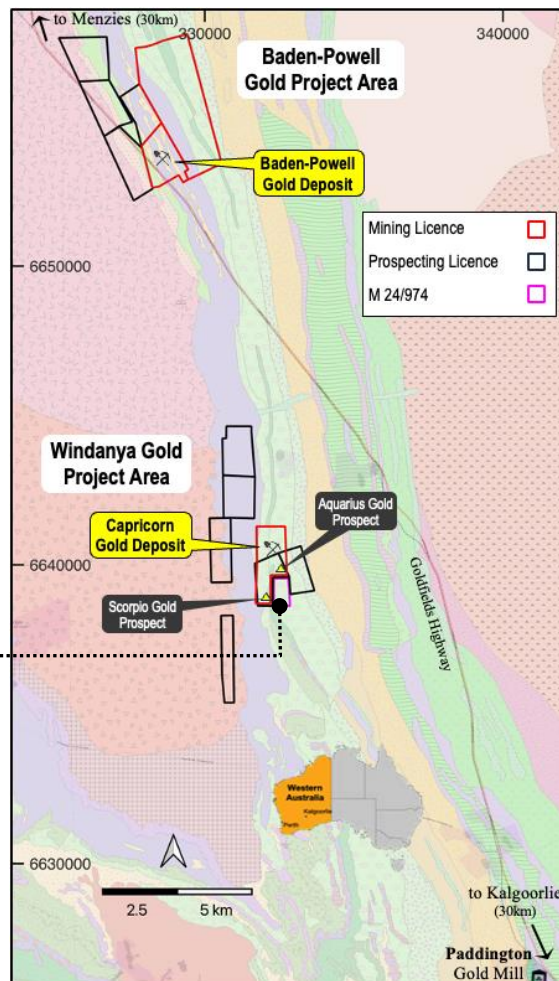




**Figure 1:** M 24/974 relative to Aquarius and Scorpio auger soil sample anomalies (2 November 2023). Background: elevation.

Project	Cutoff (Au g/t)	Inferred		
		Mt	Au (g/t)	Oz
Capricorn	0.5	0.7	1.2	25,500
Baden-Powell	0.5	0.6	1.2	23,000

**Table 1:** Summary of Gold Mineral Resources (JORC 2012) at the Capricorn and Baden-Powell projects



**Figure 2:** Location of the Windanya Gold Project and tenements

### Option Agreement to acquire 100% of granted Mining Licence M 24/974

Dundas Minerals announced on 8 October 2024, that it had executed an Option Agreement with Rockland Pty Ltd (Rockland). The agreement affords Dundas the right to acquire 100% of Rockland’s strategically located granted Mining Licence (ML) M 24/974.

As illustrated in Figure 1, the ML (where drilling is currently underway) is situated between the Windanya Gold project’s Aquarius and Scorpio gold prospects.

#### Material Terms of the Option Agreement

**Option:** Rockland has granted Dundas an exclusive 12-month option over M 24/974 (**Option**) for the period commencing 7 October 2024.

**Consideration:** As consideration for the Option, and following shareholder approval on 21 October 2024, Dundas issued Rockland 1,440,300 fully paid ordinary shares (equal to \$50,000).

**Exercise of Option:** Dundas may exercise the Option at any time during the 12 month option period by making either (at the Company’s election):

- i) a payment of \$100,000 to Rockland (or its nominee/s); or
- ii) a payment of \$50,000 to Rockland (or its nominee/s) and issuing Rockland (or its nominee/s) \$50,000 in fully paid ordinary Dundas Minerals shares at a deemed issue price equal to the 10-day VWAP prior to the date of issue of the shares, subject to receipt of Shareholder approval for the purposes of ASX Listing Rule 7.1.

**Good Standing:** Dundas will be required to conduct a minimum 750 metres of RC drilling (either slim-line or standard) within M 24/974 during the Option Period and keep M 24/974 in “good standing” by paying all applicable rents and rates. Should the Company fail to complete the minimum drilling commitment, it has agreed to compensate Rockland via a \$50,000 cash payment.

**Royalty:** The Company has agreed to grant Rockland (or its nominee) a 1.5% net smelter royalty on all gold produced from M 24/974 (Royalty). Dundas shall have a first right of refusal to re-purchase the Royalty from Rockland, on commercial arm’s length terms, should Rockland decide to sell the Royalty.

### Confirmation of high-grade Gold intercept at Windanya

During the quarter, the Company received assay results for six separate one metre sample intervals relating to the previously reported (4 July 2024), 4 meter and 2 metre composite samples from drill hole 24WDRC015, at the Windanya project.

The resamples confirmed that drilling intercepted high-grade gold mineralisation. The final six metres of the drill hole was resampled (144 metres to 150 metres) at one metre intervals. For the 146m – 147m interval the assay result returned 9.5 grams per tonne (g/t) gold (Au), and for the preceding interval (145m – 146m), 0.725 g/t Au. Refer to Table 2 for the assay results for each 1 metre interval re-sampled.

From (m)	To (m)	Au (ppm)	As (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	S (%)	Zn (ppm)
144	145	0.198	36	X	78	0.7	0.32	77
145	146	0.725	57	0.11	114	1.3	2.36	56
146	147	9.518	25	0.28	112	1.1	1.89	71
147	148	0.072	32	X	91	0.7	0.2	69
148	149	0.129	33	X	87	0.8	0.17	64
149	150	0.016	30	0.09	296	0.7	0.32	48

(Au 50g sample fire assay, all other elements Aqua Regia 25g sample)

**Table 2:** 24WDRC015 Assay Results from 1 metre samples

The Company is encouraged by the high-grade gold intercepted in hole 24WDRC015, the results of which will be considered alongside data received from the current drilling program that is situated approximately 900m to the southwest of 24WDRC015.

### Share Placement raised \$867,150

During the quarter, the Company raised \$867,150 (before costs) via the subscription to new shares from various professional and sophisticated investors qualifying under S708 of the Corporations Act 2001 (Cth). In all, 21,150,000 new Dundas Minerals shares were issued on 28 August 2024, at a price of \$0.041 per new share (Placement) to raise gross proceeds of \$867,150.

The Placement issue price represented a discount of 12.8% to the closing price of \$0.047 per share on 21 August 2024 (the day prior to the Announcement of the Placement) and a 25% discount to the 15 day VWAP up to and including 21 August 2024.

For the Placement, 8,462,805 shares were issued pursuant to the Company’s additional 10% placement capacity under ASX Listing Rule 7.1A, with the balance of the shares (12,687,195) issued pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1.

Funds raised from the Placement positioned the Company to continue exploration at its Windanya Gold project; support any potential new acquisitions; and will provide additional working capital. Salient Corporate Pty Ltd (Salient) acted as sole lead manager and sole book runner for the Placement received a fee of 6% of funds raised (plus GST).

### Corporate

The 2024 Annual General Meeting of the Company's shareholders was held on Monday 21 October 2024. All resolutions put to the meeting passed via poll.

### Financial

The Company ended the quarter with \$2.220 million in cash.

Refer to the attached Appendix 5B for an overview of the Company's use of cash during the quarter.

### Related Party Transactions

In accordance with the requirements of ASX Listing Rule 5.3.5, the payments that were made to, or an associate of, a related party of the entity that have been included in the Appendix 5B for the quarter are managing director remuneration and non-executive director fees, inclusive of superannuation contributions (item 6.1).

### ASX Listing Rule 5.3.

For the purpose of ASX Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities by the Company during the quarter.

### Tenement Summary

#### **SCHEDULE OF MINERAL TENEMENTS 100% HELD BY DUNDAS AT 30 SEPTEMBER 2024**

Holder	Tenement ID	Status	Percent Held	Location
Dundas Minerals Limited	E 63/2044	Granted	100%	Western Australia
Dundas Minerals Limited	E 63/2045	Granted	100%	Western Australia
Dundas Minerals Limited	E 63/2124	Granted	100%	Western Australia
Dundas Minerals Limited	P 24/5666	Granted	100%	Western Australia
Dundas Minerals Limited	P 24/5667	Granted	100%	Western Australia
Dundas Minerals Limited	P 24/5668	Granted	100%	Western Australia
Dundas Minerals Limited	P 24/5687	Granted	100%	Western Australia
Dundas Minerals Limited	P 24/5754	Application	100%	Western Australia

## SCHEDULE OF MINERAL TENEMENTS SUBJECT TO THE HORIZON OPTION

The Company has an option to acquire an 85% Joint Venture interest in each tenement listed below. The option expires on 29 August 2025. The option exercise fee is \$1,000,000 as cash or fully paid ordinary shares of Dundas Minerals, or a combination of cash and shares at the election of Dundas. An anniversary payment of \$125,000 was paid on 29 August 2024, and the minimum of \$500,000 of inground exploration spend which is required before Dundas is entitled to exercise its option has been met.

Holder	Tenement ID	Status	Percent Held	Location
Black Mountain Gold Limited	M 24/959	Granted	-	Western Australia
Black Mountain Gold Limited	M 24/919	Granted	-	Western Australia
Black Mountain Gold Limited	P 24/5046	Granted	-	Western Australia
Black Mountain Gold Limited	P 24/5507	Granted	-	Western Australia
Black Mountain Gold Limited	P 24/5508	Granted	-	Western Australia
Black Mountain Gold Limited	P 24/5059	Granted	-	Western Australia
Black Mountain Gold Limited	P 24/5464	Granted	-	Western Australia
Black Mountain Gold Limited	P 24/4817	Granted	-	Western Australia
Black Mountain Gold Limited	M 24/1004	Application	-	Western Australia

The following tenements expired or were relinquished by Horizon Minerals during the quarter: P 24/5047 to P 24/5052 and P 24/5055 to P 24/5058.

### Capital Structure (30 September 2024)

Description	Number
<b>Fully Paid Ordinary Shares (ASX quoted: DUN)</b>	<b>105,778,046</b>
Unlisted options exercise price \$0.30, expiry 3-Nov-2024	3,000,000
Unlisted options exercise price \$0.25, expiry 1-July-2026	2,500,000
Unlisted options exercise price \$0.30, expiry 1-July-2026	2,500,000
Unlisted options exercise price \$0.25, expiry 10-Nov-2026	1,000,000
Unlisted options exercise price \$0.30, expiry 10-Nov-2026	1,000,000
Unlisted options exercise price \$0.033, expiry 16-June-2029	15,000,000
Unlisted options exercise price \$0.0374, expiry 16-June-2029	15,000,000
<b>Total Unlisted Options</b>	<b>40,000,000</b>

Authorised by: Shane Volk (Managing Director and Company Secretary)

<b>About Dundas:</b>	Dundas Minerals Limited (ASX: DUN) is a battery-minerals and gold focussed exploration company exploring in the gold-rich Kalgoorlie region, and southern Albany-Fraser Orogen, Western Australia. In the Kalgoorlie region the Company has an option agreement with ASX listed Horizon Minerals Limited (ASX: HRZ) to acquire an 85% interest in two gold projects, Windanya (25,000oz Au inferred gold resource), and Baden-Powell (23,000oz Au inferred gold resource), and in the southern Albany-Fraser the Company holds various exploration licences and exploration rights for gold, copper and nickel.
<b>Capital Structure:</b>	Ordinary shares on issue (DUN): 107,218,346; Unlisted Options: 15,000,000 (Exp. 16-06-29 Ex. \$0.033); 15,000,000 (Exp. 16-06-29 Ex. \$0.0374); 3,000,000 (Exp. 3-11-24 Ex. \$0.30); 5,000,000 (Exp. 1-7-26 Ex. \$0.25 & \$0.30); 2,000,000 (Exp. 10-11-26 Ex. \$0.25 & \$0.30); \$1,000,000 of Convertible Notes (expiring 16 June 2029)

## **COMPETENT PERSONS STATEMENTS**

The information in this announcement that relates to the Windanya soil sampling program is extracted from the ASX Announcement titled “*Exceptionally High Grade Gold in Soils Anomalies at Windanya Project*” published on 2 November 2023. A copy of the report is available to view on the Company’s web site: [www.dundasminerals.com](http://www.dundasminerals.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX Announcement. The Company confirms that the form and context in which the Competent Person’s findings are presented in this report, have not been materially modified from the original ASX market announcement.

The information in this announcement that relates to the assay results from the resampling of the Windanya RC drilling program hole 24WDR015 is extracted from the ASX Announcement titled “*Confirmation of High Grade Gold Intercept at Windanya*” published on 21 August 2024. The report is available to view on the Company’s web site: [www.dundasminerals.com](http://www.dundasminerals.com). The Company confirms that the form and context in which the Competent Person’s findings are presented in this report, have not been materially modified from the original ASX market announcement.

The information in this announcement that relates to the Capricorn and Baden-Powell Gold Mineral Resources (Table 1) is extracted from and was originally reported in the ASX Announcement titled “*Gold Resources Increase to 1.24m oz*” published on 28 September 2022 by Horizon Minerals Limited (ASX: HRZ). And, in its report titled “*Group Minerals Resources Statement - Amended*” published on 1 August 2024, HRZ confirmed (page 24) that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates published in the 28 September 2022 announcement continue to apply and have not materially changed. A copy of both announcements are available to view on the HRZ web site: [www.horizonminerals.com.au](http://www.horizonminerals.com.au). Furthermore, the Mineral Resources estimates for the Capricorn and Baden-Powell projects were undertaken by Mr Stephen Godfrey, a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists, who has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the ‘JORC Code 2012’. Mr Godfrey has reviewed this announcement and consents to the inclusion of the information about the Capricorn and Baden-Powell Gold Resource Estimates in the form and context in which it appears. Mr Godfrey is a full time employee of HRZ. The relationship between the Company and HRZ: Dundas Minerals has an option (expiring 29 August 2025) to acquire an 85% Joint Venture Interest in various mineral tenements from HRZ, including tenements within which the Capricorn and Baden-Powell projects and gold deposits sit; for complete details refer to the Company’s ASX announcement dated 30 August 2023.

## **DISCLAIMERS AND FORWARD-LOOKING STATEMENTS**

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as “seek”, “target”, “anticipate”, “forecast”, “believe”, “plan”, “estimate”, “expect” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions.

The forward-looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Dundas and the industry in which it operates. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward-looking statements. The past performance of Dundas is no guarantee of future performance.

None of Dundas’ directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

## Appendix 5B

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

Name of entity

Dundas Minerals Limited

ABN

14 640 432 819

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(90)	(90)
(e) administration and corporate costs	(64)	(64)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	28	28
1.5 Interest and other costs of finance paid	(21)	(21)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	1	1
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(146)</b>	<b>(146)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenement (option fee)	(125)	(125)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(128)	(128)
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(253)</b>	<b>(253)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	867	867
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	(84)	(84)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3)	(3)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – ATM facility exercised	104	104
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>884</b>	<b>884</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>485</b>	<b>(204)</b>
4.1	Cash and cash equivalents at beginning of period	1,735	1,940
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(146)	(501)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(253)	(1,169)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	884	1,465



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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,220</b>	<b>1,735</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	395	85
5.2	Call deposits	1,825	1,650
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,220</b>	<b>1,735</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(89)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	Repayment of shareholder loans and accrued interest (included in item 3.6)	-

*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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 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.		

<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)	146
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	253
8.3 Total relevant outgoings (item 8.1 + item 8.2)	<b>399</b>
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,220
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	<b>2,220</b>
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>5.56</b>
<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.

31 October 2024

Date: .....

SHANE VOLK – Managing Director & Company Secretary

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.