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29 October 2021

QUARTERLY ACTIVITIES REPORT

FOR PERIOD ENDED 30 SEPTEMBER 2021

Highlights

- **Completed infill RC percussion drilling program at the Bindi East Limb and Bindi Hinge areas improving geological confidence for resources within the larger Bindi deposit**
- **Assay results show higher-grade copper mineralisation in the Bindi East Limb and northern Bindi Hinge with good continuity between sections**
- **Results for diamond core drilling confirm the existence of the South-East Synform and Lower Limb at the southern end of the Bindi East Limb**
- **Ausenco appointed as lead engineering consultant for Caravel Copper Project PFS along with other key advisors**
- **Caravel Copper Project PFS is expected in the first quarter of 2022**

Caravel Copper Project

The Caravel Copper Project is located 120km north-northeast of Perth in Western Australia's Wheatbelt region, between the towns of Calingiri and Wongan Hills. The projects resources contain over 1.8Mt of contained copper hosted by porphyry style copper-molybdenum-gold mineralisation in a previously unrecognised magmatic arc within the Yilgarn Craton.

In July 2021, Caravel completed a substantial program of infill reverse circulation (RC) percussion drilling at the Bindi deposit. Drilling confirmed the grade and distribution of copper-molybdenum mineralisation in the Bindi Hinge Zone and Bindi East Limb. Results from the drilling program will support an updated Mineral Resource and there is potential to bring these higher-grade shallow zones into the early mine schedule of the Project's Pre-Feasibility Study.

Health & Safety

The Company did not have any reportable safety incidents during the quarter.

Pre-Feasibility Study

The Caravel Copper Project Pre-Feasibility Study (PFS) follows the positive Scoping Study that was released on 29 May 2019. The 2019 study outlined a large-scale, long-life, conventional open-cut mining and processing project based on a Mineral Resource (at a 0.15% Cu cut-off) of 662 million tonnes at 0.28% Cu, for 1.86 million tonnes of contained Cu (see Appendix B).

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The Project's exploration activities are continuing with an updated Mineral Resource scheduled for completion early in November 2021. The PFS is expected to take approximately 4 months to complete, with final results expected in the first quarter of 2022.

During the quarter, Ausenco completed Phase 1 of their scope which involved a review of the previous work undertaken as part of the 2019 scoping study as well as conducting a number of high-level trade-off studies and updating a range of assumptions used in the ongoing studies. The results of this work will be outlined in a revised Scoping Study to be released to the market in early November.

Ausenco have subsequently moved onto Phase 2 of their scope which is focused on achieving the required level of engineering detail and definition to support the +-25% estimate accuracy for PFS. The Phase 2 scope includes the following areas:

- Process Plant
    - ROM and primary crusher
    - Secondary Crushing
    - Grinding
    - Flotation
    - Concentrate Handling
    - Product Storage and loading shed
    - Tailing pipeline and return system
    - Process plant infrastructure
- Site Infrastructure
    - Onsite high and low voltage power supply and distribution
    - Potable water systems
    - Raw water supply and storage
    - Sewerage
    - Onsite roads and drainage
    - Plant fuel storage
    - Buildings, offices, warehouse, control room and maintenance facilities

Other pre-feasibility work undertaken during the quarter includes:

- Investigations into mine electrification and automation including equipment pricing to feed into the mine optimisation
- Completion of the Bindi pit geotechnical evaluation
- Metallurgical test work – ore characterisation, comminution, scoping flotations, coarse particle flotation, and advanced media competency tests.
- Optionality assessment for tailings storage facilities and geotechnical sampling
- Commencement of waste ore characterisation
- Lidar and photogrammetry surveys over the project site and proposed bore-field (to be completed in December)

Several consulting firms have been engaged and are in the process of completing the final phase of baseline environmental studies for the Project. Caravel are on target to make an Environmental Protection Act 1986 Part IV referral to the Department of Water and Environmental Regulation (DWER) in the first quarter of 2022.

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Mining Act 1978 tenement applications were submitted for the mining operations during the quarter. Caravel expect tenements to be granted in the first quarter of 2022.

Caravel commissioned Western Power to complete preliminary design studies for power supply for the project during the quarter. In addition, Caravel have prepared and submitted an Access Application for Stage 1 of the project (years 1-6).

Caravel and its contractors completed passive seismic surveys and drilled water bores to inform our understanding of the existing groundwater at the mine site and the proposed Gillingarra borefield. The data from this work will be used to develop groundwater models and define water sources required for the Project in first quarter 2022. Caravel also met with Water Corporation and DWER officials to discuss permitting and approval requirements and timeframes.

Bindi Deposit Drilling

Since late 2020 the Company has completed an infill RC percussion drilling program and has had an active diamond drilling on the Caravel Copper Project. During the quarter the company completed 1,680 metres of diamond drilling in four diamond drill holes and 4,020 metres in 24 holes of RC percussion drilling. The drilling shows good continuity of mineralisation in shallow higher-grade zones at the Bindi East Limb and Bindi Hinge zone. Drilling at depth below the Bindi East Limb confirms the presence of a synformal fold closure at the southern end where the East Limb folds around into the newly identified Lower Limb.

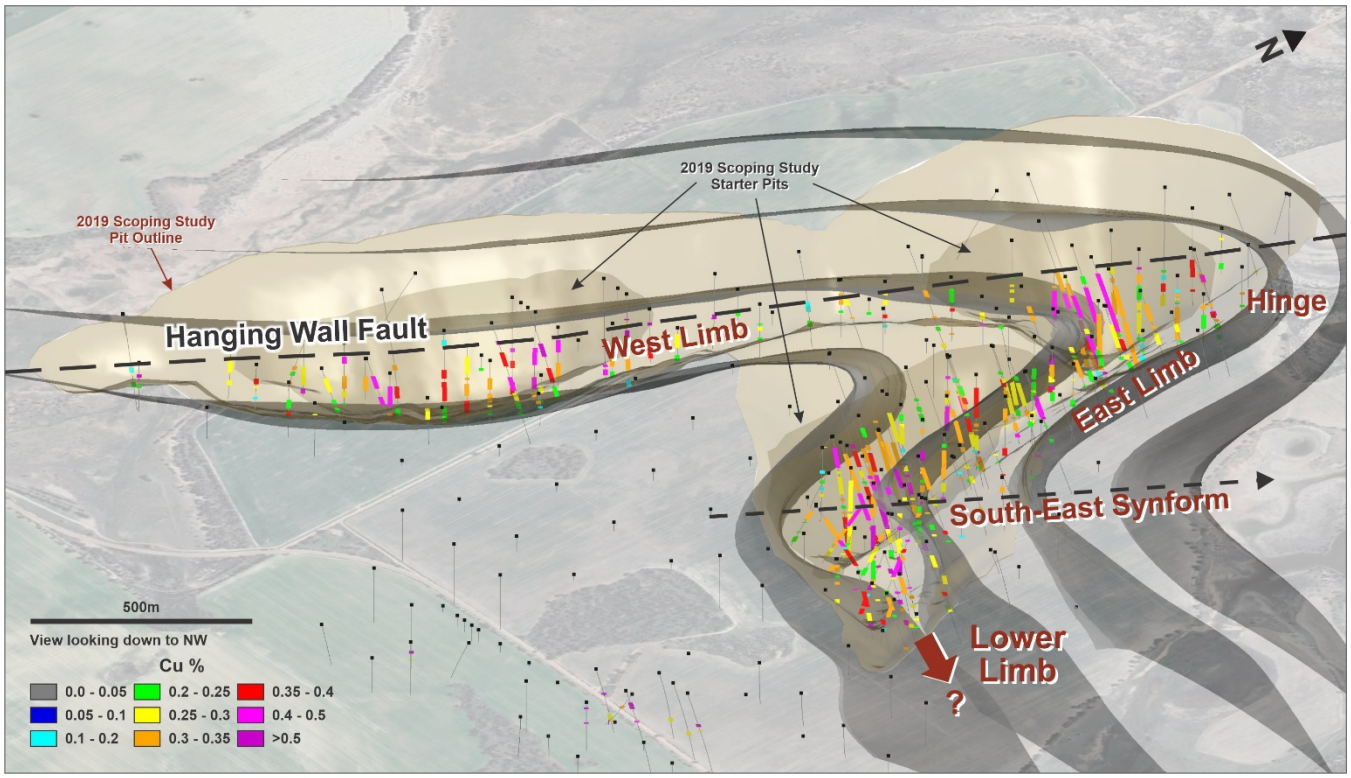

Figure 1: *Oblique view of the Bindi Deposit showing form-lines from the structural model. Also showing the position of western Hanging Wall Fault from 28 September announcement*

Drilling this year has also allowed for a significant update to the geological model of the Bindi copper deposit (refer to the Company's ASX announcement dated 25 August 2021). The revised model shows the east limb extending to at least 500m depth, well below the previous resource boundaries. The updated model includes the South-East Synform where the East Limb folds around into the newly

identified Lower Limb and confirmation that better grades are associated with thickening in north plunging fold hinges. New elements in the geology model have significant positive implications for the pending Bindi Mineral Resource update.

The infill RC percussion drilling has confirmed the continuity of higher-grade copper mineralisation in shallower parts (top 200m) of the Bindi East Limb and Hinge Zone. There is good potential for inclusion of this higher-grade material early in the mine schedule. Mineralisation at Bindi occurs as zones of stringers and disseminations of copper and molybdenum sulphides (chalcopyrite and molybdenite) within a deformed and metamorphosed granite-gneiss host rock. The closer spaced drilling has shown that there is zonation of the copper and molybdenite rich mineralisation into horizons within the broader mineralised envelope. The higher-grade copper and molybdenum zones in the East Limb mirror similar zones on the West Limb showing symmetry consistent with folding.

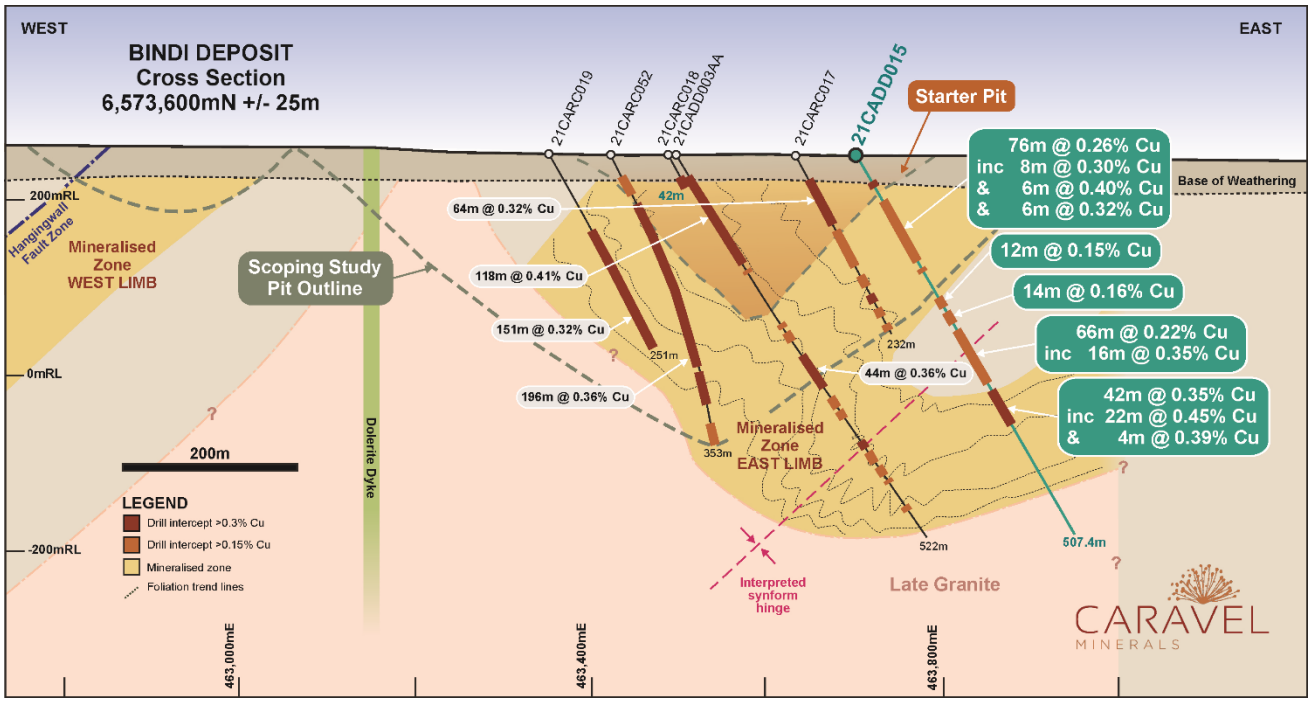

Figure 2: *Schematic geological cross section of the Bindi Deposit (6,573,600mN) showing location of recent diamond core (CADD prefix) drill holes and mineralised intersections – from 28 September announcement*

Structural geological data from hole 21CADD015 confirms the interpretation of a synform closure in a complexly folded zone at Bindi South-East. The fold axis of the South-East Synform plunges to the northwest consistent with the antiformal closure of the Bindi Hinge zone, both fold zones are associated with wide mineralised intersections. Bindi South-East is a structurally complex area where the Bindi East Limb transitions through the South-East Synform into the Bindi Lower Limb. The Bindi Lower Limb mineralisation remains open to the east where there has been limited drilling to date.

Caravel commenced preliminary investigations of the hydrology of the project area using passive seismic surveys to define the shape of paleodrainage features. Observation bores have been installed at the deepest points of the identifed paleodrainage channels.. The company has also undertaken preliminary geotechnical assessment of potential sites for future mine infrastructure.

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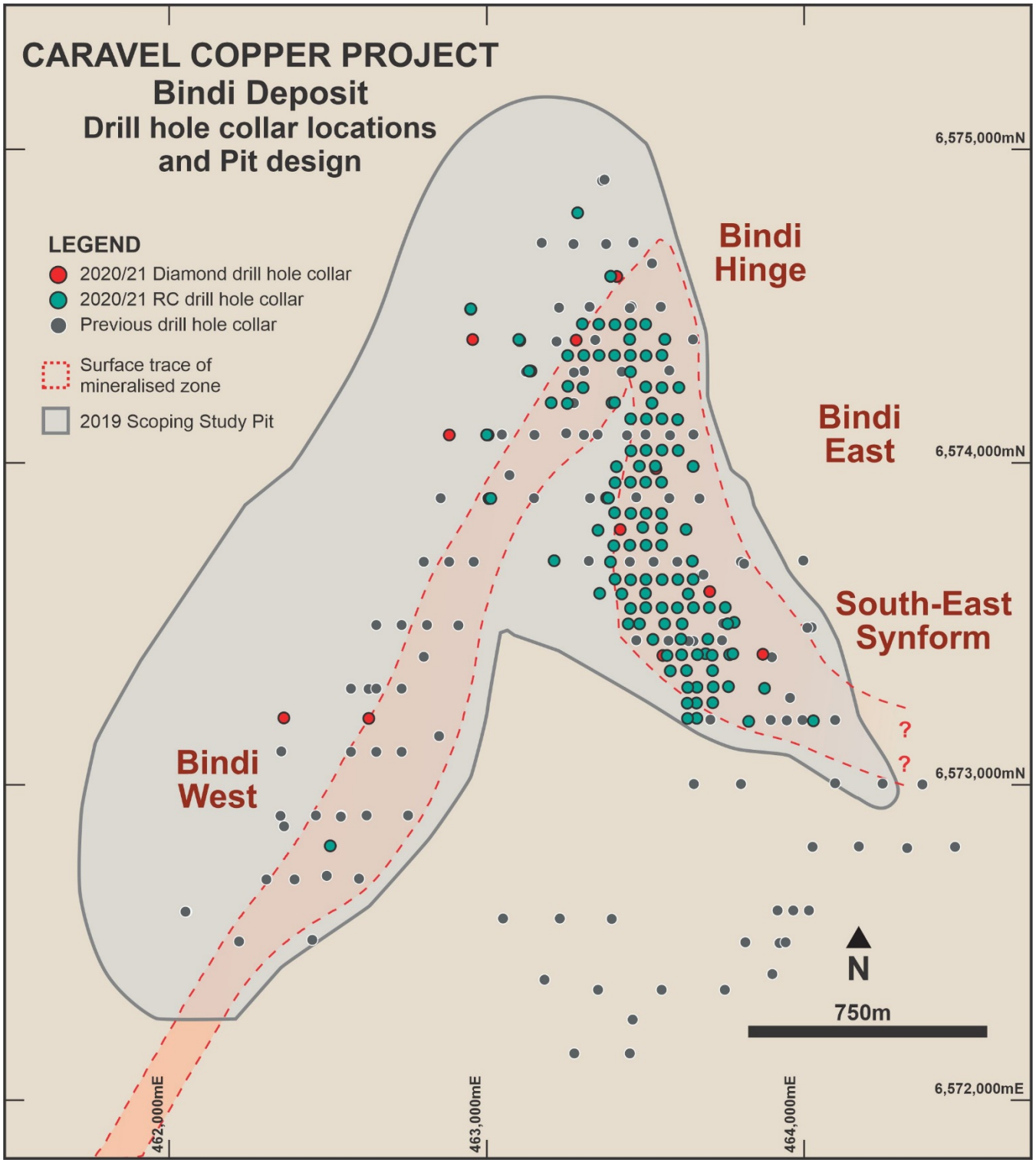

Figure 3: *Drilling status plan of the Bindi Deposit showing the location of completed diamond core drill holes and the location of infill RC percussion drill holes*

Stakeholder Engagement

During the quarter, the Company continued to work to obtain approvals for the project's development and future operations, with dedicated activities including regulatory engagement, landowner stakeholder engagement, environmental studies and securing other critical project requirements. The company aims to create shared value for all stakeholders and further consultation and engagement is ongoing.

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Future Work

A single diamond drill rig is currently on site completing targeted holes into the Dasher deposit and Bindi East limb. An RC percussion (reverse circulation) drill rig will mobilise to site in the coming quarter to complete a small program at the southern end of the Dasher deposit and start an infill drilling program at Bindi West. An AC (air core) drill rig will mobilise to site late in the quarter to commence a sterilisation program of potential sites for future mine infrastructure. Geotechnical investigations of potential mine infrastructure sites will continue.

Assay results from recent drilling will be incorporated in a Mineral Resource update and the higher-grade zones will be a key focus in the current PFS. The update is due to be released in early November.

Other PFS activities planned for the Caravel Copper Project during the next quarter include

- Completion of the Lidar survey over project and borefield areas
- Further metallurgical test work including bulk flotation, tailings characterisation, mineralogy and vendor testing
- Completion of the process plant and infrastructure engineering design
- Completion of the site layout design
- Completion of power supply concept design
- Commencement of power Access Application assessment
- Water bore testing installing observation bores around the project area
- Commence the development of groundwater models for the mine and borefield
- Geotechnical investigations for mine infrastructure sites
- Finalisation of environmental spring surveys
- Pre-referral meeting with the DWER and Chair of the EPA
- Stakeholder discussions (including meetings with the offices for the ministers for mining, state development, environment, water and regional development

Mining and general purpose lease application assessments for MLA70/1410, MLA70/1411, GPLA70/262 and GPLA70/263

Brookton (E70/5506)

Reconnaissance fieldwork in the area has focussed on contacting landowners and starting discussions with them about access to their properties. At the same time there has been opportunity to ground truth some of the historical surface sampling in the main prospect area. Rock chip sampling with peak results of 1,410 and 1,175ppm Cu is consistent with historical sampling which defines an extensive east-west anomaly. The Brookton mineralisation is associated with garnet rich gneiss and schist with scattered gossanous material. More systematic surface sampling is required to better define the tenor and extent of the Brookton Cu anomaly.

Toolbrunup (E70/5462)

There were no obvious anomalies attributed to bedrock conductors observed in the airborne electromagnetic (AEM) survey (reported 9 April). Strong conductors identified in the south of the survey area are interpreted as associated with saline groundwater. A review of the surface geochemical data for the area suggests it is underlain by largely felsic gneissic bedrock with rafts of mafic material however there is unlikely to be a significant mafic-ultramafic body such as might host the targeted Ni PGE elements.

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Tenement Updates

- No changes during the quarter.

Corporate

Since the previous quarterly report:

- 11,200,000 options were exercised at $0.08; and
- 3,000,000 unlisted options exercisable at $0.08 expired as vesting conditions were not met.

At the date of this report, the Company had:

- 389,600,017 shares on issue;
- 3,215,100 unlisted options exercisable at $0.08 expiring 30 June 2022 on issue;
- 1,250,000 unlisted options exercisable at $0.08 expiring 30 September 2022 on issue;
- 250,000 unlisted options exercisable at $0.10 expiring 31 December 2022 on issue;
- 13,042,222 unlisted options exercisable at $0.30 expiring 30 June 2023 on issue;
- 1,727,447 unlisted options exercisable at $0.75 expiring 30 June 2023 on issue;
- $9.7M held in cash reserves;
- Nil debt.

Approximately $3,903,000 of exploration and evaluation expenditure expensed during the quarter predominantly comprised:

- Direct drilling costs;
- Technical staff costs; and
- Pre-feasibility study consultants

The aggregate amount of payments to related parties and their associates during the quarter of approximately $322,000 (refer Item 6 of the accompanying Appendix 5B) comprises the following:

- Director fees ($165,000);
- Mitchell River Group consulting services ($142,000); and
- Mitchell River Group serviced office ($15,000)

There were no substantive mining production and development activities during the quarter.

For further information, please contact:

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APPENDIX A - TENEMENT SCHEDULE

Project	Location	Tenement	Equity at 30 Jun 2021	Equity at 30 Sep 2021	Changes During Quarter
Mt William	Harvey	E70/2338	0*	0*	Application
Calingiri	Wongan/Victoria Plains	E70/2788	100	100	-
Calingiri	Wongan	E70/3674	100	100	-
Calingiri	Goomalling	E70/3680	100	100	-
Calingiri	Wongan	E70/5228	100	100	-
Calingiri	Wongan	E70/5229	100	100	-
Dalwallinu	Dalwallinu	E70/5400	100	100	-
Dalwallinu	Moora	E70/5417	100	100	-
Toolbrunup	Tambellup	E70/5462	100	100	-
Brookton	Brookton	E70/5506	100	100	-
Dalwallinu	Dalwallinu	E70/5511	100	100	-
Dalwallinu	Dalwallinu	E70/5512	100	100	-
Congelin	Williams	E70/5542	100	100	-
Moodiarrup	Darkan	E70/5596	100	100	-
Dalwallinu	Dalwallinu	E70/5673	100	100	-
Gillingarra	Victoria Plains	E70/5731	100	100	-
Calingiri	Wongan	R70/0060	80	80	-
Calingiri	Goomalling	R70/0063	100	100	-

* Caravel can earn a 51% interest once tenement granted

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APPENDIX B - MINERAL RESOURCES

The following table presents the Caravel Copper Project Mineral Resources and the sensitivity to various lower and higher cut-off grades.

Calingiri Project Mineral Resource Categories at Various Cut-off Grades									
	Indicated			Inferred			Total Resource		
Cut-off Grade	Tonnes (Mt)	Grade Cu %	Cu Metal (t)	Tonnes (Mt)	Grade Cu %	Cu Metal (t)	Tonnes (Mt)	Grade Cu %	Cu Metal (t)
0.30	153.8	0.40	608,200	94.6	0.37	354,000	248.5	0.39	962,200
0.25	224.7	0.36	802,900	147.3	0.34	498,700	372.1	0.35	1,301,600
0.20	290.4	0.33	950,600	198.0	0.31	613,000	488.5	0.32	1,563,600
0.15	393.4	0.29	1,128,800	268.6	0.27	734,000	661.9	0.28	1,862,800

1. Competent Persons Statements *The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr Lachlan Reynolds. Mr Reynolds is a consultant to Caravel Minerals and is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Reynolds has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reynolds consents to the inclusion in this report of the matters based on information in the form and context in which they appear.*

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd). Mr Barnes is a shareholder of Caravel Minerals. Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Barnes has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

2. Previous Disclosure *The information in this report is based on the following Caravel Minerals ASX Announcements, which are available from the Caravel Minerals website www.caravelminerals.com.au and the ASX website www.asx.com.au :*

- *29 April 2019 "Caravel Copper Resource and Project Update"*
- *28 September 2021 "Infill Drilling Results - Bindi Copper Deposit"*

The Company confirms 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 relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

3. Forward Looking Statements. *This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Caravel Minerals planned exploration programmes, studies and other statements that are not historic facts. When used in this document, the words such as "could", "indicates", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Such statements involve risks and uncertainties, and no assurances can be provided that actual results or work completed will be consistent with these forward looking statement.*

Appendix 5B

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

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Name of entity

Caravel Minerals Limited

ABN	Quarter ended ("current quarter")
41 120 069 089	30 September 2021

Consolidated statement of cash flows		Current quarter (3-months) $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	(3,903)	(3,903)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(237)	(237)
	(e) administration and corporate costs	(356)	(356)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1	1
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,495)**	**(4,495)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(24)	(24)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter (3-months) $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**	**(24)**	**(24)**

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	946	946
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
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**	**944**	**944**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	13,249	13,249
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,495)	(4,495)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(24)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	944	944

Consolidated statement of cash flows		**Current quarter (3-months) $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**	**9,674**	**9,674**

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	9,654	9,654
5.2	Call deposits	20	20
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)**	**9,674**	**9,674**

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	322
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.

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7.	**Financing facilities** *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.*	**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.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,495)
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)	(4,495)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,674
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	9,674
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.2

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.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

-	8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
-	Answer:	
-	*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021 .....

Authorised by: Board of Directors .....
(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.

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