ELEMENTOS
TOMORROW'S TIN

Quarterly Report

For the quarter ending 30 June 2023

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Elementos is an ASX-listed tin development company with assets in highly regulated and stable mining jurisdictions in Andalucía, Spain and Tasmania, Australia. The company is well positioned to take advantage of the strong growth in global electronics, increased demand for critical metals, and a significant forecast supply shortfall of tin in the form of electronic solder.

The company is primarily focussed on developing the Oropesa Tin Project in Andalucía. Currently undertaking a DFS to formalise the techno-economic parameters and financial returns to support financing and offtake with the aim of constructing the project to deliver the first major tin mine for the European market.

Quarter Highlights

- Definitive Feasibility Study (DFS) significantly matured during the period.
- Official communications and meetings with Andalusian authorities regarding key licences and project approvals
- Further tin mineralisation zones intersected outside Mineral Resource at the Oropesa Tin Project.
- Zinc mineralisation investigations continue, as well as zinc by-product concentrate metallurgical test work
- $3.0m Placement completed for Oropesa Tin Project

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Oropesa Tin Project

Andalucía, Spain

Located in southern Spain, the Oropesa Tin Project is one of the world's few undeveloped, open-cut mineable tin deposits, with access to world-class infrastructure. Elementos is developing Oropesa as Europe's next and only significant tin mine.

Definitive Feasibility Study (DFS)
Significant progress was made during the quarter to complete the Oropesa Tin Project DFS, with major workstreams, packages and reporting over 90% completed. However, as per the 22 June 2023 ASX announcement, the finalisation of the DFS was paused following communications with the Andalusian Administration.

Subsequent to quarter end, Elementos has confirmed the official submissions *"includes some proposed modifications to the project layout to satisfy the requirements of the department and further minimise impacts. Once this modified scope is confirmed, the DFS will re-commence and timelines to completion will be established."*

The figures below show the locations of the key infrastructure locations from the DFS design. These layouts do not yet represent the modifications which are in discussion with the Andalucían authorities. The company will update the market when these have been confirmed.

Figure 1. *Overall Oropesa Tin Project Infrastructure Layout (up to date DFS Design, pre-modifications)*

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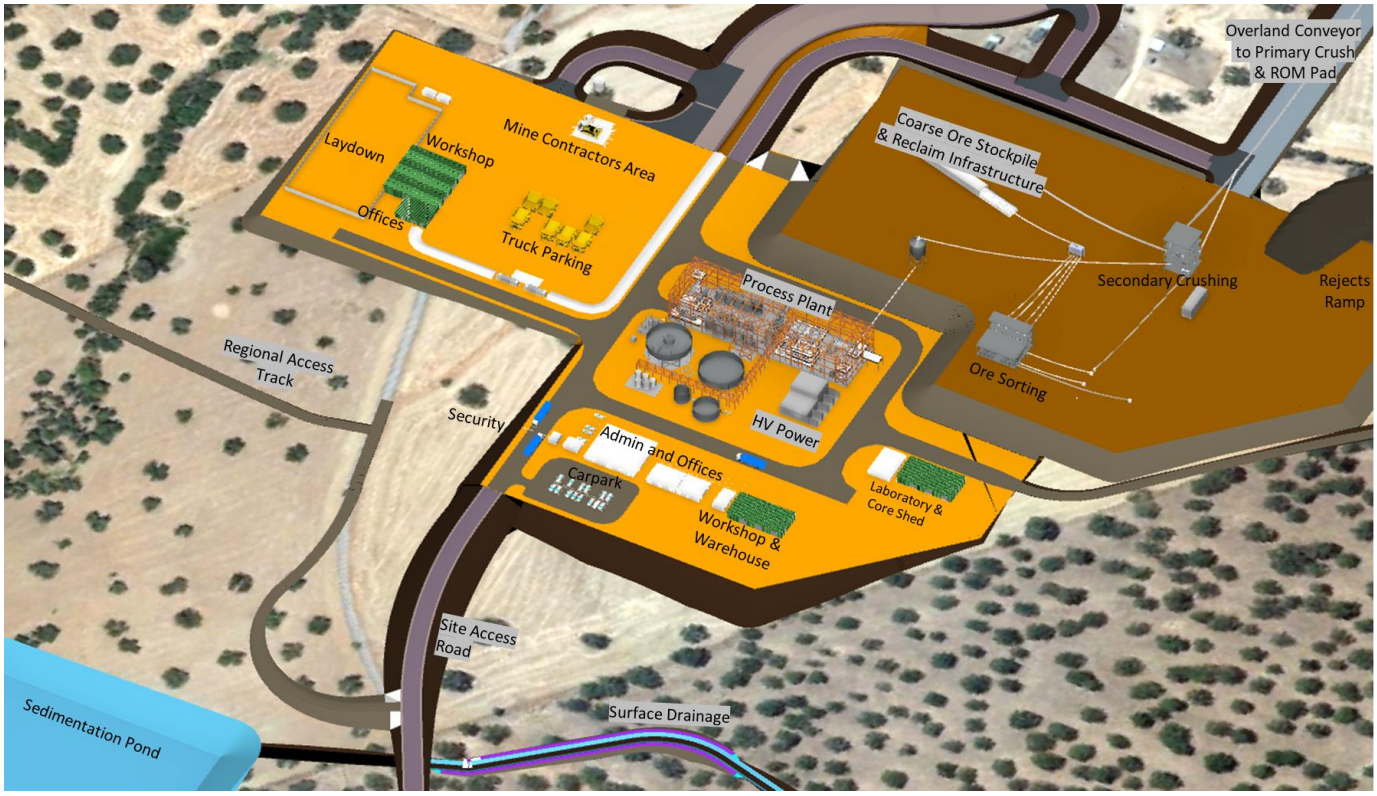

Figure 2. *Oropesa Tin Project Infrastructure Layout – Basic Detail (up to date DFS Design, pre-modifications)*

Update on Regulatory Approvals and DFS

On 20th June the Minas de Estaños de España received correspondence from the local department considering its Environmental Application, stating that they considered elements of the proposed mining project and treatment plant (Project) were not fully compatible with certain environmental regulations.

Since receiving the correspondence, Elementos has worked with its local team, advisors, and local authorities to clarify and better understand the communications and their potential impact on the Oropesa Tin Project and to plan the optimal pathway to licencing. This has included meetings with the Environmental Department, Mining Department, Project Accelerator Unit and Senior Government Officials (local, Provincial, Regional).

We are now confident, following these meetings, that the Oropesa Tin Project is better understood by the relevant department and continues to have strong support at all levels.

The company submitted its official response to the referenced correspondence on Monday 17th July, subsequent to quarter end. The company will continue to work closely with the authorities as this submission is assessed and a plan is agreed in a consultative manner.

The submission to the authorities includes some proposed modifications to the project layout to satisfy the requirements of the department and further minimise impacts.

The company will provide further updates to the market when the proposed modifications are agreed, and the forward plan is ratified. Once this modified scope is confirmed, the DFS will re-commence and timelines to completion will be established.

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Further tin, zinc and copper mineralisation intersected outside the Mineral Resource

Final drilling assays were received at the Oropesa Tin Project at the end of the quarter, with the company intersecting further tin, zinc and copper mineralisation outside the Mineral Resource.

Exploration Diamond Drilling to the north-west of the Oropesa Resource

Drill holes ADD_05 and ADD_07 were drilled to test for extensions to the semi-massive to massive sulphide mineralisation intersected in drill holes SGT_4 and ADD_04A[12] to the north-west of the Oropesa Mineral Resource.

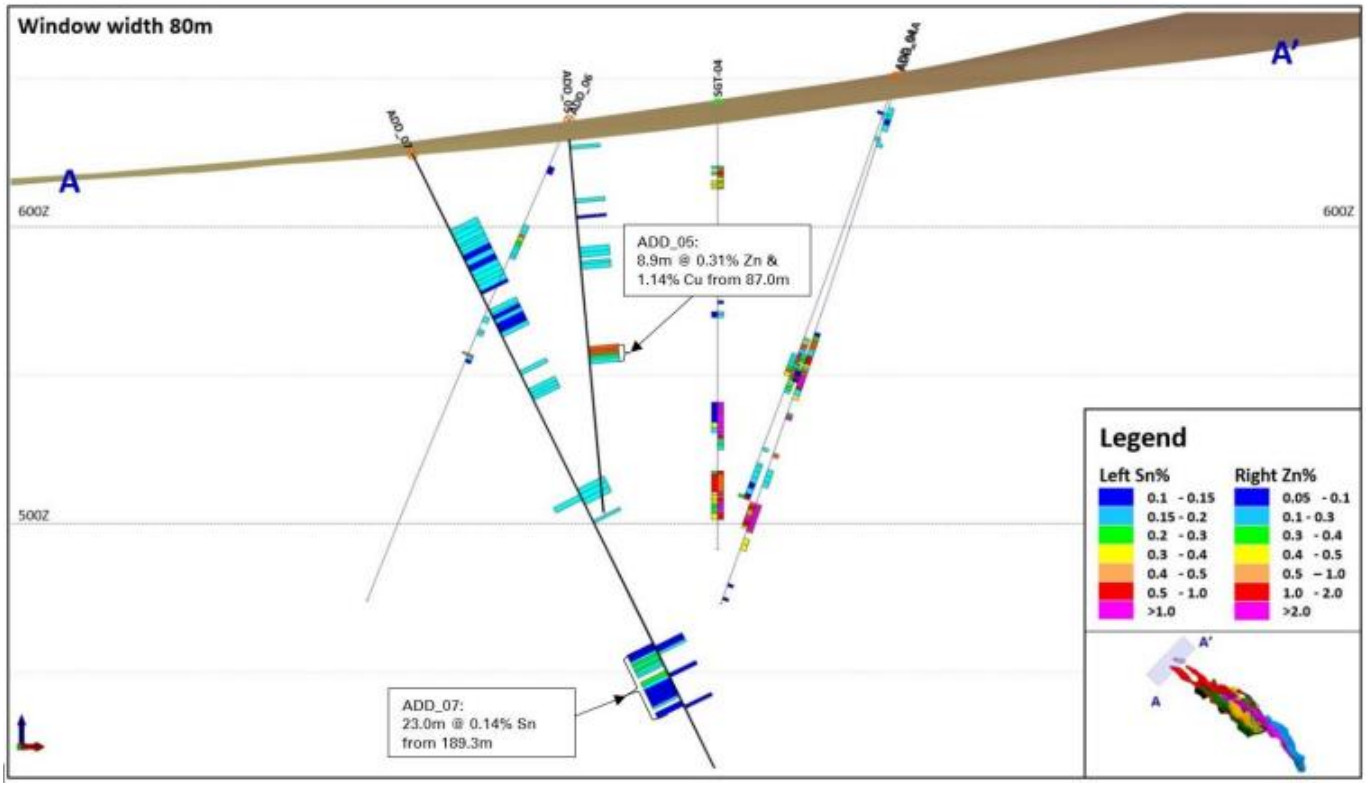

Figure 1. *Cross-section depicting the outlines of the mineral resource wireframes and location of exploration drill holes ADD-05 & ADD-07, at the Oropesa Tin Project, Spain (looking towards the northwest)*

ADD_05 intersected zinc and copper mineralisation over a distance of 8.9m (downhole). This result confirms continuity of the base metal mineralisation to the northwest of the Oropesa Mineral Resource.

ADD_05:- 8.9m @ 1.14% Cu & 0.31% Zn from 87.0m

ADD_07 intersected a significant zone of tin mineralisation to the northwest of and at depth below the current Oropesa Mineral Resource.

ADD_07:- 23.0m @ 0.14% Sn from 189.3m
(0.1% Sn cut-off grade)

[1] *ELT ASX Release 16 March 2022, Oropesa Tin Project - Additional Mineralisation*
[2] *ELT ASX Release, 29 March 2023, Further mineralisation outside Oropesa Resource*

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Drill holes ADD_05 and ADD_07 not only contain valuable mineralised intercepts but also add important geological information to Oropesa's exploration assessment and provides valuable information for the planning and execution of future exploration drilling programs to the northwest of the current Oropesa Mineral Resource.

Extensional exploration diamond drilling to the south-east of the Oropesa Resource

Diamond drill hole ADD-46 was designed to test for shallow extensions to the south-eastern edge of the known Mineral Resource. The mineralisation intersected in ADD_46 has defined the boundaries of potential extensions to the Mineral Resource in this region.

ADD_46:- **0.6m @ 0.30% Sn from 102.0m**
(0.1% Sn cut-off grade)

The June results[3] see the completion of the current phase of exploration drilling at Oropesa. The results do not contribute to the recently announced Mineral Resource Estimate[4] and so will not contribute tonnages or grade to the Oropesa Tin Project Definitive Feasibility Study (DFS).

These results can therefore be viewed as indicative to further exploration potential contained both extensionally and regionally across the Oropesa tenement.

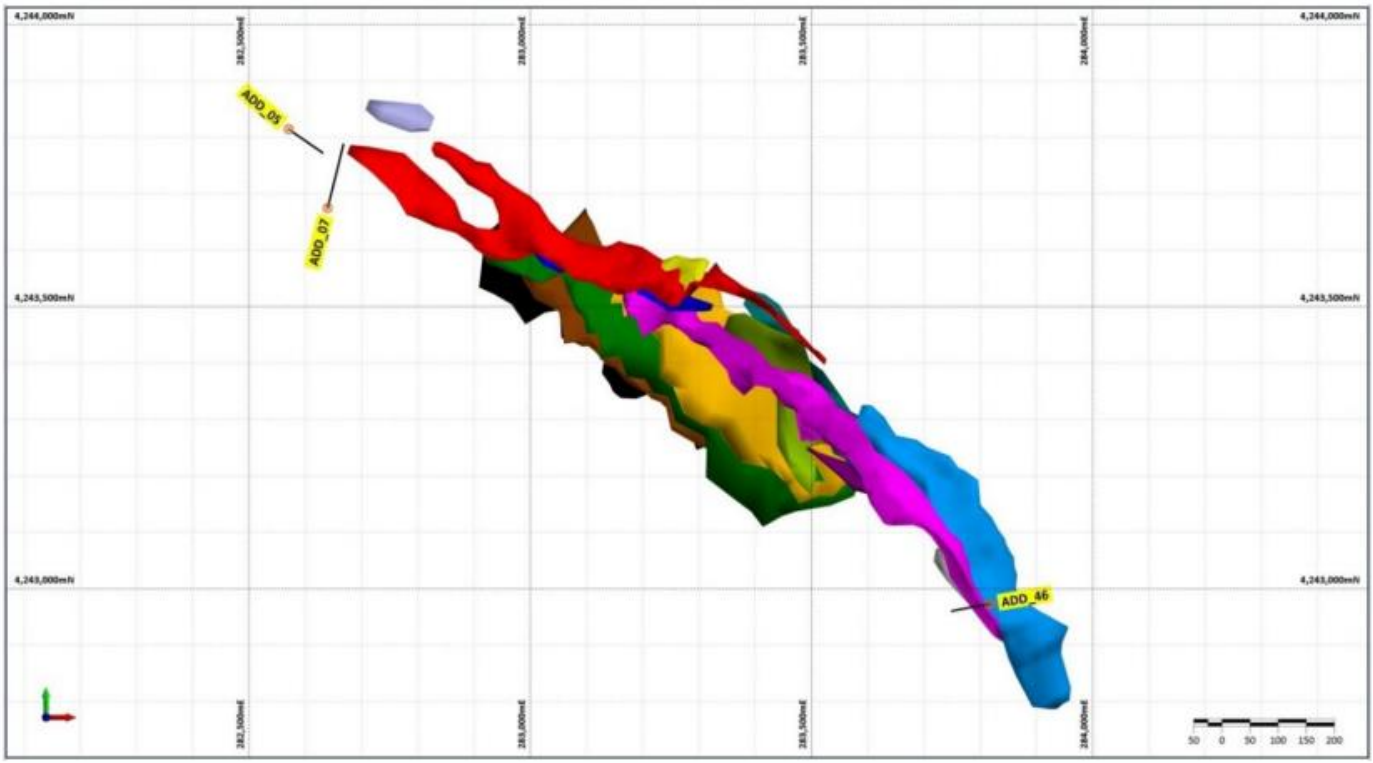

Figure 2. *Plan depicting the Oropesa Tin Mineral Resource wireframes displaying the location and orientation of drill holes ADD_05, ADD_07, & ADD_46 (looking towards the north-northeast)*

[3] *ELT ASX Release, 22 June, Final Drilling Assays Received at the Oropesa Tin Project*
[4] *ELT ASX Release 14 February, Oropesa Tin Project – 2023 Mineral Resource Update*

Hole ID	EAST_ETRS89 Zone 30	NORTH_ETRS89 Zone 30	EAST_ED50 Zone 30	NORTH_ED50 Zone 30	RL	TOTAL_DEPTH (m)	Azimuth (grid)	Dip
ADD_05	282571	4243815	282776	4243925	636	152.0	132	-61
ADD_07	282640	4243675	282750	4243880	624	200.0	015	-60
ADD_46	283818	4242973	284023	4243083	590	112.1	260	-50

Table 1. *Drill hole collar data*

In addition to the final assays, further tin mineralisation zones were intersected outside the Mineral Resource at Oropesa earlier in the quarter[5], again confirming the potential of a near-surface extensional zone to the south-east, as well as the tenement's overall exploration potential.[6]

Diamond drill hole ADD-44 was designed to test for shallow extensions to the south-eastern edge of the known Mineral Resource and this has been intersected as follows:

ADD_44:- **19.0m @ 0.48% Sn from 33.0m**
(0.1% Sn cut-off grade)

Drill hole ADD_42 was designed to test a further target approximately 50m to the southeast of ADD_44. ADD_42 and also intersected smaller narrow zones of significant tin mineralisation, confirming the likely shallow southeasterly plunge of the mineralisation in this region of the mineral resource.

ADD_42:- **1.50m @ 0.42% Sn from 25.3m**
0.60m @ 0.58% Sn from 43.4m
1.20m @ 0.44% Sn from 59.6m
(0.1% Sn cut-off grade)

Drill hole ADD_06 was drilled to test for extensions to the semi-massive to massive sulphide mineralisation intersected in drill holes SGT_4 and ADD_04A2[7][8] to the north-west of the Oropesa Mineral Resource.

ADD_06 intersected a fault zone at a depth of between 71-73m, which is interpreted to have offset or truncated the mineralisation intersected in ADD_04A and SGT_4. ADD_06 did however record the following small yet significant mineralisation intercept.

ADD_06:- **0.60m @ 0.48% Sn & 0.62% Zn from 87.0m**
(0.1% Sn cut-off grade)

Drill hole ADD_06 adds important geological information to Oropesa's exploration assessment which will be incorporated in the continuing evaluation of the north-west area.

[5] *ELT ASX Release 16 May, Further Tin Mineralisation Zones Intersected outside Mineral Resource at the Oropesa Tin Project*
[6] *ELT ASX Release 14 February, Oropesa Tin Project – 2023 Mineral Resource Update*
[7] *ELT ASX Release 16 March 2022, Oropesa Tin Project - Additional Mineralisation*
[8] *ELT ASX Release, 29 March 2023, Further mineralisation outside Oropesa Resource*

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Zinc mineralisation investigations & Metallurgical test work

The company continues to investigate zinc mineralisation that appears to exist within the Oropesa Tin Project's Mineral Resource wireframes. The is a large body of work to study the zinc mineralisation (which has been mineralogically confirmed as the mineral sphalerite,((Zn,Fe)S) and evaluate the potential of producing a secondary by-product concentrate from Oropesa, which is being conducted via metallurgical test work from Wardell Armstrong International Laboratories (UK).

Historic zinc assay results are being compiled from multiple data sources; including the re-assessment of historic zinc data held by the company, the acquisition and assessment of additional assay data purchased from a 3rd party laboratory and the re-assaying of historical drill sample pulps from core not previously sampled for zinc.

In addition to the zinc assay data, the company is conducting a metallurgical test program at the Wardell Armstrong International laboratories. The purpose of this test work program is to attempt to produce a separate saleable by-product zinc concentrate from the reject stream produced by the sulphide flotation circuit of the tin concentrate flowsheet at the Oropesa Tin Project in Spain. The potential to establish an incremental and low-cost by-product zinc concentrate from the Oropesa Project would be a significant opportunity to support the development of the primary tin mining operation.

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Cleveland Tin Project

Tasmania, Australia

The Cleveland Tin Project is located 80km southwest of Burnie in the mineral-rich northwest region of Tasmania, Australia. It is a historic underground mine site boasting excellent electrical, water and transport infrastructure.

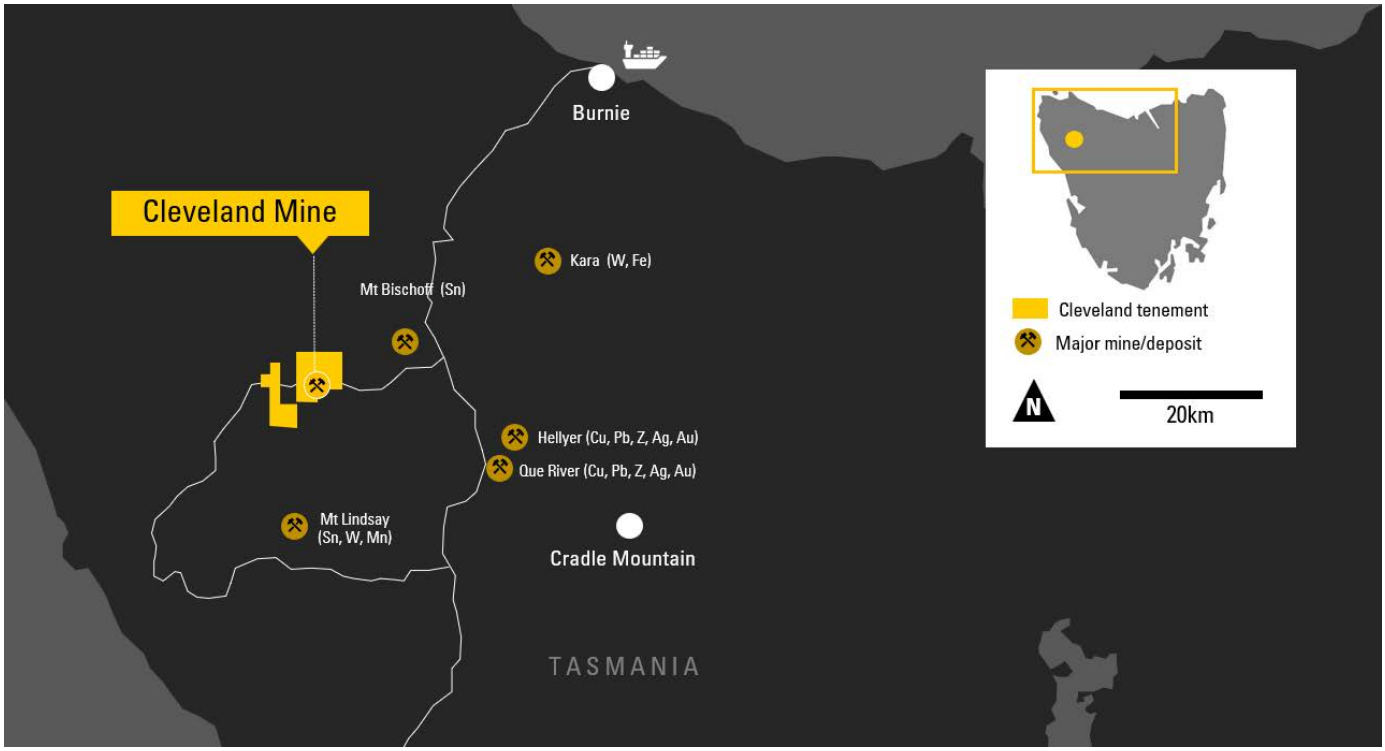

Figure 3. *Location of the Cleveland Tin Project, Tasmania*

There was no significant work completed at the Cleveland Tin Project during the reporting period.

The company remains focussed on exploring and confirming a development pathway for the Cleveland Tin, Copper (& Tungsten) Project – including recent engagements with the Tasmanian and Federal Government on this Critical Minerals Project.

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Corporate

Placement

On 5 April 2023 the company announced it had successfully completed a $3 million Placement to fund completion of several significant project milestones at its Oropesa Tin Project in Spain. The Placement was supported by existing and new institutional, professional, and sophisticated investors. Fully paid ordinary shares were issued under the Placement at an issue price of $0.18 per Share. Morgans and BW Equities acted as Joint Lead Managers to the Placement, which was strongly supported by Elementos' Directors. Elementos' Directors (or their associated entities) subscribed for a total of 4,750,000 Shares (approximately $855,000) under the Placement which was approved at an extraordinary general meeting of shareholders held on 31 May 2023.

Tin Pricing

The London Metals Exchange (LME) tin price increased 6.2% during the quarter from US$26,075/t to US$27,700/t as the market navigated a period of weak demand and but weaker supply (www.LME.com). The Shanghai Futures Exchange (SHFE) held steady +0.1% during the quarter, closing at US$30,345/t (www.metal.com/tin).

Tin prices have risen noticeably during the post-quarter period closing on 27 July at US$29,450/t on the LME and ~US$32,913/t on the SHFE.

Whilst tin metal inventories continue to rise on the LME (~5,030t total) and stay relatively flat on the SHFE (9,273t total) concerns over tin concentrate supply appear to be driving tin metal prices higher, likely with downstream users stocking up before a predicted deficit. The tin mining bans announced by Myanmar's Wa state continue to spook the market in conjunction with two major Chinese smelters shutting for maintenance during July.

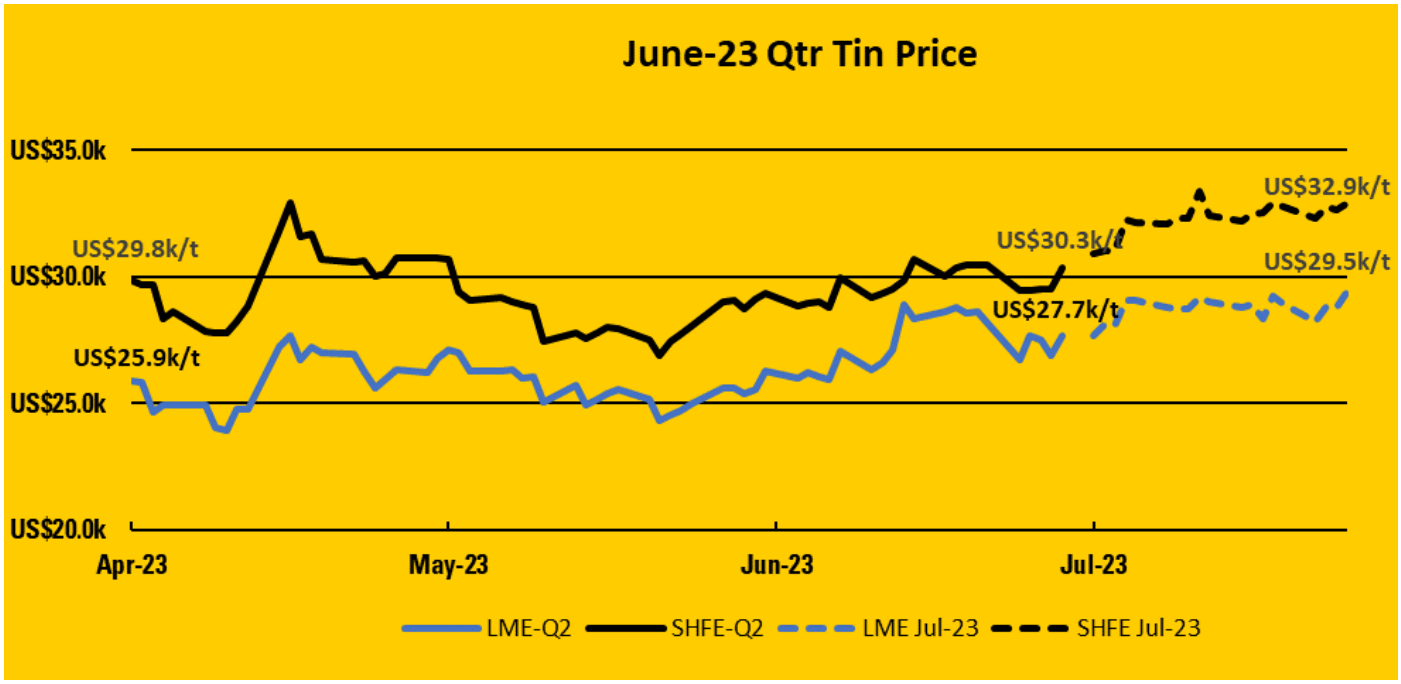

Figure 4. *Tin Price Movements*

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ASX Listing Rule 5.3 disclosure

- During the quarter, payments for exploration and evaluation activities covering both the Oropesa and Cleveland projects totalled $1,657,000.
- Payments of $139,000 were made during the quarter to Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report).

Tenements

At 30 June 2023, the company had interests in the following tenements. There were no changes in the company's interests in tenements during the quarter.

Tenement Name	Tenement Number	Area (km²)	ELT Interest	Tenement Location
Cleveland	EL7/2005	60	100%	Tasmania, Australia
Oropesa#	13.050	13	100%[1]	Andalusia, Spain

#Elementos currently holds 100% of the project. Noting that SPIB (a local Spanish drilling company) continues to hold rights to convert to a 4% holding of the Spanish project subsidiary on its election at Final Investment Decision (FID) for the projects and a 1.35% Net Smelter Royalty.

Competent Persons Statement:

The information in this report that relates to the Mineral Resources and Ore Reserves Statement, Exploration Results and Exploration Targets is based on information and supporting documentation compiled by Mr Chris Creagh, who is a consultant to Elementos Ltd. Mr Creagh is a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and who consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Chris Creagh has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

References to Previous Releases

The information in this report that relates to the Mineral Resources and Ore Reserves were last reported by the company in compliance with the 2012 Edition of the JOR C Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Mineral Resources, Ore Reserves, production targets and financial information derived from a production target were included in market releases dated as follows:

1. 'Final Oropesa Tin Project Assays" 22 June 2023
2. "Update on Regulatory Approvals and DFS" 20 June 2023
3. "Additional tin intersected outside Oropesa Mineral Resource" 16 May 2023
4. "Oropesa Tin Project – 2023 Mineral Resource Update" 14 February 2023
5. "Elementos completes placement for Oropesa Tin Project DFS" 5 April 2023

6. "Optimisation Study Oropesa Tin Project" 29 March 2022
7. "Oropesa DFS Commencement" 12 July 2021

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred above and further confirms that all material assumptions underpinning the production targets, forecast financial information derived from a production target and all material assumptions and technical parameters underpinning the Ore Reserve and Mineral Resource statements contained in those market releases continue to apply and have not materially changed.

This announcement was approved by the Board of Elementos Limited. For more information, please contact:

Joe David
Managing Director
Phone: +61 7 2111 1110
Email: jd@elementos.com

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Company Profile

Elementos Limited's strategy is to deliver sustainable shareholder value through the development of its portfolio of tin assets including Oropesa in Andalucía, Spain and Cleveland in Tasmania, Australia.

The company is focussed on maturing the Oropesa Tin Project through a Definitive Feasibility Study (DFS) after confirming it is one of the best undeveloped tin Mineral Resources in the world.

At Oropesa, a 2023 Mineral Resource Estimate (MRE) resulted in a total MRE increase of 0.7Mt (+4%) to 19.6Mt at 0.39% Sn with 100% of the 2023 MRE tonnes located within the 2022 Optimisation Study[1] US$30k/t Pit Shell being classified as Measured or Indicated (no Inferred Resources).

In addition, the Project completed a series of feasibility development programs to further develop key engineering information to feed into a DFS, which was announced as the development pathway for the project in July 2021.

In addition, Elementos continues to develop the Cleveland tin-copper and tungsten project in Tasmania, with the immediate focus on determining the potential to increase the mineralisation of the project through exploration on prospective targets adjacent to and below the existing resource.

Appendix 5B

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

Name of entity

Elementos Limited

ABN	Quarter ended ("current quarter")
49 138 468 756	30 June 2023

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	(298)	(1,068)
	(e) administration and corporate costs	(241)	(915)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	39
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives (EDGI grant)	-	50
1.8	Other (VAT refunds)	87	801
1.9	**Net cash from / (used in) operating activities**	**(442)**	**(1,094)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(57)
	(d) exploration & evaluation	(1,657)	(4,715)
	(e) investments	-	-
	(f) other non-current assets	-	-

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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**	**(1,657)**	**(4,772)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,990	2,990
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	225
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(114)	(118)
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 (principal portion of finance leases)	(11)	(51)
3.10	**Net cash from / (used in) financing activities**	**2,865**	**3,046**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,685	6,270
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(442)	(1,094)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,657)	(4,772)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,865	3,046

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(1)	-
4.6	**Cash and cash equivalents at end of period**	**3,450**	**3,450**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,405	2,640
5.2	Call deposits	45	45
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)**	**3,450**	**2,685**

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	139
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.

*6.1 comprises directors' fees & superannuation.

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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)	(442)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,657)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,099)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,450
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,450
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.64

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: No, the Company had additional exploration and evaluation expenditure during the June 2023 quarter in relation to key workstreams associated with the Definitive Feasibility Study. These workstreams have materially reduced from late June 2023 onwards.

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: The Company is always cognisant of its forward cash expenditure and funding requirements. At this stage the Company has not taken steps to raise additional funds.

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:	Yes - as a result of the completion of the Definitive Feasibility Study workstreams there will be a material reduction in exploration and evaluation expenditure from July 2023 onwards providing the Company with a sufficient period to raise additional funds, if required.

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: 31 July 2023

Authorised by: The Board

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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