RENASCOR RESOURCES

ASX: RNU

31 July 2023

Quarterly Activities Report

for the period ended 30 June 2023

Significant Events

- Renascor entered into a non-binding Strategic Cooperation Memorandum of Understanding (**MOU**) with Japanese anode material manufacturer Mitsubishi Chemical Corporation (**Mitsubishi Chemical**).
    - Mitsubishi Chemical is Japan's largest chemical corporation and one of the world's largest producers of lithium-ion battery anode materials.
    - The MOU provides for the potential purchase by Mitsubishi Chemical of Graphite Concentrates, Purified Spherical Graphite and other graphite products from Renascor's Siviour Graphite and Battery Anode Material Project (**BAM Project**) in South Australia.
- Drilling confirmed a major extension to the Siviour Graphite Deposit, with assays demonstrating the continuity of widespread, high-grade graphite over an area extending over 3 km immediately north of the Siviour Mineral Resource.
    - Renascor considers the new drilling to offer potential for a significant increase to the Siviour Mineral Resource and to support extensions to the current pit design for future expansions beyond the capacity being currently being considered under the updated, optimised Battery Anode Material Study (**BAM Study**).
- Renascor commenced the procurement of long-lead time items for the proposed Siviour Mine and Concentrator, the upstream portion of the BAM Project. The initial procurement relates to upgrades in electrical infrastructure to permit the proposed Siviour Mine and Concentrator to connect with SA Power Network's existing electricity grid connection.
- Renascor has completed all technical and financial works for the optimised BAM Study, which has assessed an increase to the previously planned PSG production capacity of 28,000tpa[1] and additional staged expansion to meet projected demand. The results are expected to be announced in early August.
- Renascor's cash position as of 30 June 2023 was approximately A$129 million.

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Strategic Cooperation Memorandum of Understanding with Mitsubishi Chemical

On 19 July 2023, Renascor announced a non-binding Strategic Cooperation Memorandum of Understanding (**MOU**) with Mitsubishi Chemical Corporation (**Mitsubishi Chemical**).

The MOU provides for the potential purchase by Mitsubishi Chemical of both Graphite Concentrates and Purified Spherical Graphite (**PSG**) sourced from Renascor's Siviour Graphite Deposit in South Australia.

The MOU also provides a framework for Mitsubishi Chemical to work with Renascor to consider a commercial partnership with Renascor to help facilitate the development of the BAM Project in South Australia.

The parties have agreed to work to assess the feasibility of Renascor supplying to Mitsubishi Chemicals Graphite Concentrates, PSG and other refined graphite products consistent with Renascor's projected construction schedule for the BAM Project.

Following the successful completion of preliminary product validation tests, the parties have agreed to undertake further product testwork on Renascor's Graphite Concentrates, Purified Spherical Graphite and other products and to progress negotiations to determine potential volume, price and other key supply terms, as well as a potential commercial partnership.

This MOU with Mitsubishi Chemicals compliments Renascor's previously announced product offtake workstreams which are well progressed, including with the following groups, with whom Renascor has previously announced non-bonding MOUs for the supply for PSG:

- South Korean conglomerate POSCO, with whom Renascor has entered into a non-binding strategic cooperation and offtake agreement[2]. POSCO is one of South Korea's largest conglomerates and the largest anode manufacturer outside of China.
- Chinese anode company Shanxi Minguang New Material Technology Co. Ltd. (**Minguang**)[3]. Minguang is a subsidiary of Fujian Metallurgical Holding Co. Ltd, a large, Chinese state-owned enterprise active in the battery minerals sector.
- Chinese anode company Jiangxi Zhengtuo New Energy Technology Co. Ltd. (**Zeto**)[4]. Zeto is a leading global anode producer, with current anode production capacity of 45,000tpa and plans to add additional capacity of 150,000tpa[5].
- Japanese trading company Hanwa Co. Ltd. (**Hanwa**)[6]. Hanwa is amongst the largest traders of battery chemicals in the Asian region and operates a dedicated Battery Team focussed on supplying graphite and other metals across the global battery value chain.

Renascor is currently discussing potential binding PSG and Graphite Concentrate offtake terms with its existing non-binding offtake partners, with discussions focusing on price, delivery schedules and other material contract terms.

In addition, Renascor continues to have discussions with other leading anode, battery and electric vehicle manufacturers in Northeast Asia, Europe and North America concerning potential PSG and Graphite Concentrate offtake.

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Resource Extension Drilling

During the recently completed quarter, Renascor completed a drill program that has confirmed widespread, high-grade graphite mineralisation over an area extending over 3 km immediately north of the Siviour Mineral Resource. See Figure 1.

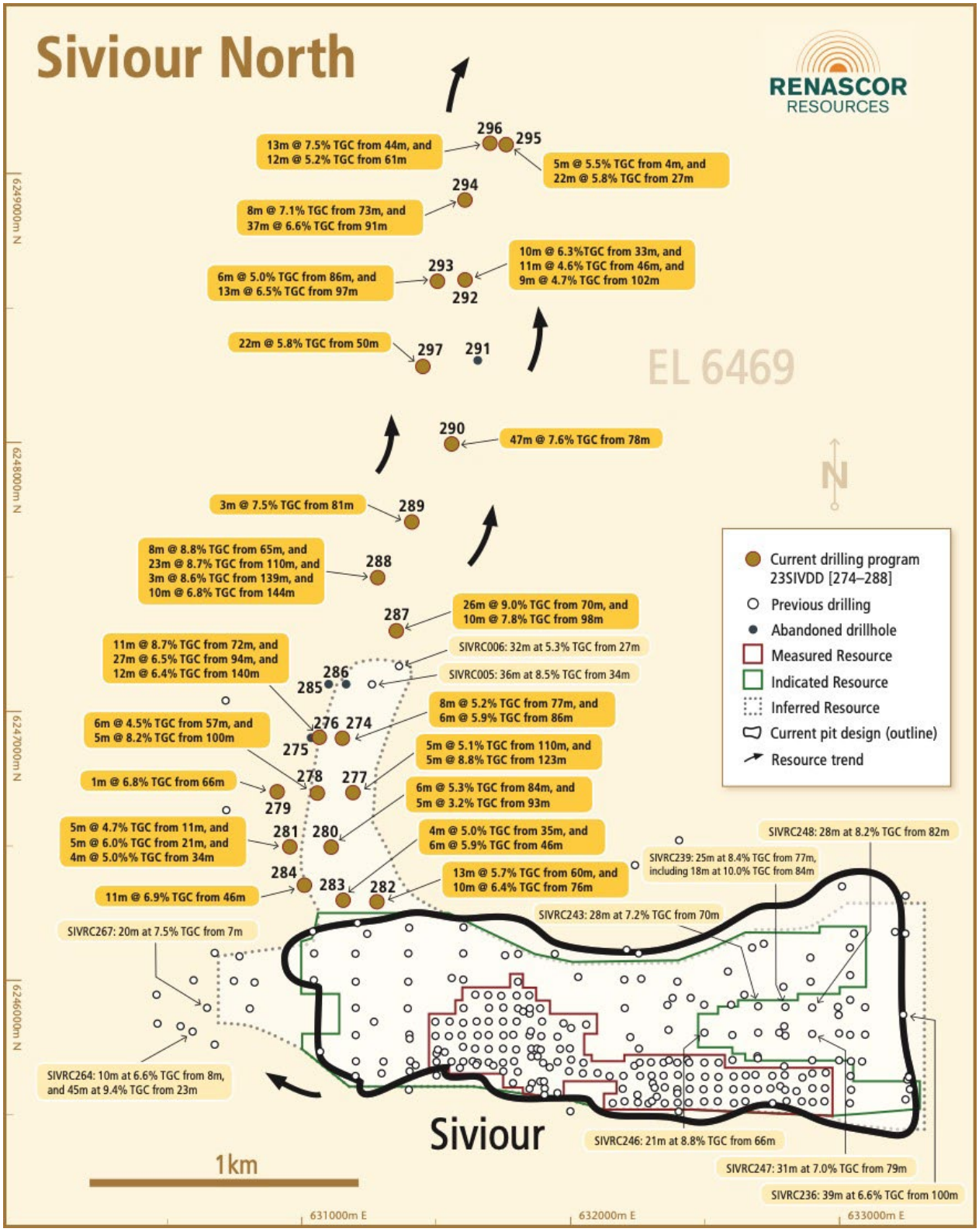

Figure 1. Siviour Graphite Deposit, showing results from recently completed drilling northwest of the existing Mineral Resource

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The primary aim of the drilling program was to confirm the continuity to, and to test for possible extensions of, mineralisation to the north of the Siviour Mineral Resource. See Figure 2.

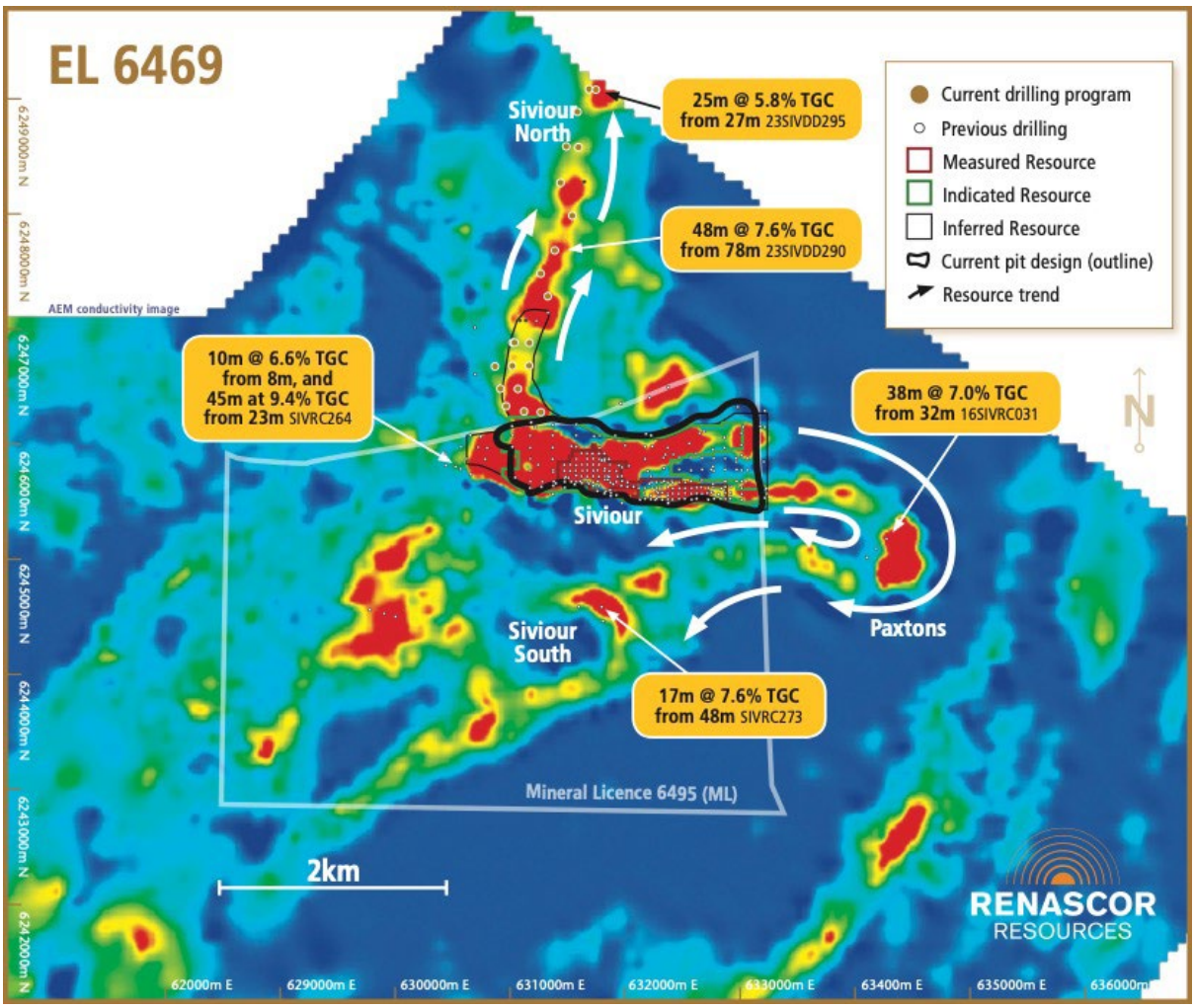

Figure 2. Siviour Graphite Deposit, showing existing Mineral Resource over airborne electromagnetic conductivity image

Drilling was carried out over an area extending approximately 3 km from the current pit design that has been incorporated into the mine plan for the optimised BAM Study and included areas within the current northwestern potions of the Siviour Inferred Resource and areas extending immediately to the north.

In total, Renascor completed 26 diamond drill holes for 2,963 metres, with six of the 26 holes abandoned prior to intersecting mineralisation.

The drill assays have confirmed the continuity of widespread, high-grade graphite over an area extending over 3 km, with results including:

- 47m @ 7.6% Total Graphitic Carbon (**TGC**) from 78m (SIVDD290),
- 38m @ 6.6% TGC from 91m (SIVDD 294),
- 26m @ 9.0% TGC from 70m, including 7m @ 14.1% TGC from 79m (SIVDD287),
- 24m @ 8.7% TGC from 110m, including 12m @ 11.4% TGC from 110m (SIVDD288) and
- 11m @ 8.7% TGC from 72m and 27m @ 6.5% TGC from 93m (SIVDD276).

Results from the drill program are included in Table 1 below, with complete details included in Appendix 1 and Appendix 2 of Renascor's ASX announcement dated 7 July 2023.[7]

Table 1. Final assay results from the recent diamond drilling program undertaken at Siviour

Hole	Collar (MGAE)	Collar (MGAN)	From (metres)	To (metres)	Thickness (metres)*	TGC%
22SIVDD274	631197	6246901	68	70	2	6.7
			76	84	8	5.2
			86	92	6	5.9
			96	98	2	3.4
			108	111	3	5.0
22SIVDD275	631047	6246897	Nil			
22SIVDD276	631056	6246897	58	59	1	3.5
			67	69	2	6.0
			72	83	11	8.7
			87	89	2	4.4
			94	121	27	6.5
			124	127	3	4.3
			136	139	3	6.8
			141	153	12	6.4
22SIVDD277	631190	6246701	110	115	5	5.1
			123	128	5	8.8
22SIVDD278	631050	6246699	14	15	1	5.3
			18	21	3	6.9
			29	31	2	7.3
			37	39	2	5.7
			49	51	2	6.2
			57	63	6	4.5
			66	69	3	3.2
			101	106	5	8.2
22SIVDD279	630900	6246701	Nil			
22SIVDD279A	630900	6246701	Nil			
22SIVDD279B	630900	6246701	66	67	1	6.8
22SIVDD280	631098	6246497	84	90	6	5.3
			93	98	5	3.2
			100	102	2	3.5

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22SIVDD281	630949	6246501	11	18	7	4.7
			21	26	5	5.9
			30	32	2	7.2
			34	39	5	5.0
22SIVDD282	631267	6246292	60	73	13	5.7
			76	87	11	6.4
23SIVDD283	631150	6246299	34	39	5	5.0
			45	52	7	6.0
23SIVDD284	631006	6246358	43	44	1	3.7
			46	58	12	6.6
			62	63	1	4.4
23SIVDD285	631096	6247101	Nil			
23SIVDD286	631160	6247102	Nil			
23SIVDD287	631346	6247297	25	26	1	3.5
			30	31	1	3.7
			66	68	2	7.8
			70	96	26	9.0
			79	86	7	14.1
			98	108	10	7.8
23SIVDD288	631277	6247496	18	20	2	8.5
			65	73	8	8.8
			88	89	1	13.2
			110	122	12	11.4
			110	134	24	8.7
			139	142	3	8.6
			145	155	10	6.8
			82	87	5	7.5
23SIVDD290	631552	6247997	14	15	1	3.5
			27	28	1	4.1
			78	125	47	7.6
23SIVDD291	631648	6248298	Nil			
22SIVDD292	631598	6248598	33	43	10	6.3
			46	57	11	4.6
			89	94	5	4.7
			102	111	9	4.7

			119	122	3	5.4
22SIVDD293	631500	6248597	86	92	6	5.0
			97	110	13	6.5
22SIVDD294	631599	6248899	73	81	8	7.1
			85	89	4	4.7
			91	128	37	6.6
22SIVDD295	631750	6249101	4	10	6	5.5
			24	26	2	4.0
			27	49	22	5.7
22SIVDD296	631698	6249100	44	57	13	7.5
			61	73	12	5.2
22SIVDD297	631446	6248282	42	43	1	4.9
			50	72	22	5.8

* Including core loss
** Unless otherwise indicated, TGC based on 3% cut-off, with maximum intervals of 1m internal waste
*** Intervals and TGC% subject to rounding

Significance

The results from the recent drilling suggest the potential to extend the current mine plan into the northwestern extension of the Siviour Mineral Resource and areas immediately north over a wide area, extending over 3 km.

This would support future expansions to production beyond the capacity considered under the optimised BAM Study. Since the mineralisation extends from the current pit design, the results further suggest the potential for efficiencies in mine scheduling by extending the initial mining pits for continuing and efficiently mining from the current pit limits in the mine plan.

The results also suggest the potential to expand the Siviour Mineral Resource estimate.

Siviour is already amongst the world's most significant graphite deposits, with the world's largest reported Reserve outside of Africa and the second largest Proven Reserve globally[8].

The assay results reported above, which focus only on the northwestern extension of the Siviour Resource, offer the potential to increase the Mineral Resource estimate in this area.

In addition, as shown in Figure 2 (see page 3), previous drilling and airborne electromagnetic surveys show the potential to further extend the Resource into additional areas along strike from the current pit design.

Next steps

The results from this recent drill program are now being incorporated into a revised geological interpretation and will be used update the resource model, with an updated Mineral Resource estimate expected in the current quarter.

Sample material obtained from the diamond drilling will also be used in metallurgical testwork.

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Commencement of Long Lead Time Procurement

During the recently completed quarter, Renascor commenced the procurement of long-lead time items for its proposed Siviour Mine and Concentrator, the upstream portion of the BAM Project.

The initial procurement relates to work with SA Power Networks to upgrade the existing electrical infrastructure to permit the proposed Siviour Mine and Concentrator to connect with the existing electricity grid.

The early procurement activities being undertaken to enable an accelerated commencement of construction of the upstream operation in response to projected near-term shortages of Graphite Concentrates. See Figure 3.

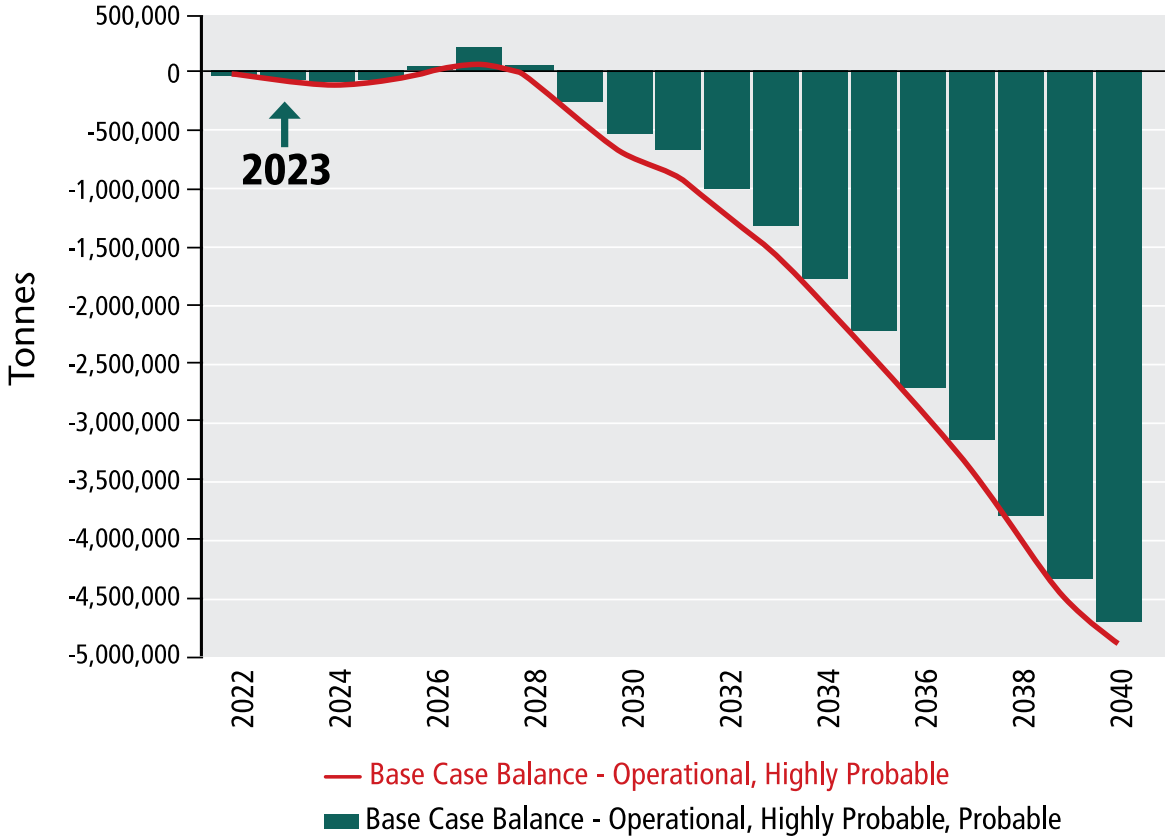

Figure 3. Graphite Concentrate market balance (source: Benchmark Mineral Intelligence)

In addition, the Company has commenced tendering for Early Contractor Involvement (**ECI**) in respect of the front-end engineering design for the Siviour Mine and Concentrator. The ECI tending packages are being developed to permit additional procurement of long-lead time items relating to the processing plant and other enabling works.

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BAM Study

Work programs during the recently completed quarter focused on completing the optimised Battery Anode Material Study (**BAM Study**).

The BAM Study contemplates a vertically integrated operation in South Australia that will combine the Siviour Graphite Deposit in South Australia, the largest reported graphite Reserve outside of Africa[9]; and a state-of-the-art processing facility in South Australia to manufacture PSG through Renascor's eco-friendly purification process.

The BAM Study, which builds on previous feasibility studies for both the planned upstream and downstream operations[10], has assessed an increase to the previously planned PSG production capacity of 28,000tpa and additional staged expansions to meet projected demand.

Figure 4. Artist's rendition of Renascor's proposed PSG facility in Bolivar, South Australia

Renascor has completed all technical and financial works for the BAM Study, including cost estimates and indicative scheduling. Results of the optimised BAM Study are expected to be announced in early August.

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Corporate Events

Cash position

Renascor's cash position as of 30 June 2023 was approximately A$129 million.

Notes in relation to Appendix 5B

The Company had development asset costs of A$5.9m during the quarter relating principally to the Siviour project as detailed above.

Payments to related parties and their associates during the recently completed quarter and outlined in Section 6 of Appendix 5B to this quarterly activities report were A$439,000. These payments are related to salaries, superannuation and service and consultancy fees paid to directors and director-related entities during the quarter.

Competent Person's Statements

Exploration Results

The results reported herein, insofar as they relate to exploration activities and exploration results, are based on information provided to and reviewed by Mr G.W. McConachy (Fellow of the Australasian Institute of Mining and Metallurgy) who is a director of the Company. Mr McConachy has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr McConachy consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

This report may contain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. It should be noted that a number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward-looking statements.

Renascor confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Renascor confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

This ASX announcement has been approved by Renascor's Board of Directors and authorised for release by Renascor's Managing Director David Christensen.

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Appendix 1

Summary of tenements for quarter ended 30 June 2023

(ASX Listing Rule 5.3.3)

Project Name	Tenement	Area km²	Registered holder/Applicant	District	Company Interest
Flat Hill	EL 6549	283	Renascor	South Australia	100%
Witchelina	EL 6403	316	Renascor	South Australia	100%
Iron Baron	EL 6698	253	Renascor	South Australia	100%
Old Wartaka	EL 6191	14	Renascor	South Australia	100%
Carnding	EL 6687	35	Renascor	South Australia	100%
Malbooma Railway	EL 6585	32	Renascor	South Australia	100%
Outalpa	EL 6450	159	Astra Resources Pty Ltd (Astra) *	South Australia	100%*
Cutana	EL 6451	157	Astra*	South Australia	100%*
Malbrom	EL 6197	81	Ausmin Development Pty Ltd (Ausmin) *	South Australia	100%*
Lipson Cove	EL 6423	307	Ausmin*	South Australia	100%*
Verran	EL 6469	690	Ausmin*	South Australia	100%*
Malbrom West	EL 6668	225	Ausmin*	South Australia	100%*
Dutton Bay	EL 6032	31	Ausmin*	South Australia	100%*
Cleve	EL 6879	162	Ausmin*	South Australia	100%*
Hincks	EL 6911	927	Ausmin*	South Australia	100%*
Siviour	ML 6495	16	Ausmin*	South Australia	100%*

* Astra and Ausmin are 100%-owned subsidiaries of Renascor.

[1] Renascor ASX announcement dated 1 July 2020.
[2] Renascor ASX release 25 August 2021.
[3] Renascor ASX announcement 29 September 2020.
[4] Renascor ASX announcement 27 January 2021
[5] Source: Benchmark Mineral Intelligence.
[6] Renascor ASX announcement 25 March 2021
[7] Renascor ASX Announcement 7 July 2023
[8] See Renascor ASX release dated 21 July 2020.
[9] Renascor ASX announcement 21 July 2020.
[10] Renascor completed a definitive feasibility study for the upstream operation in November 2019 (see Renascor ASX announcement dated 11 November 2019) and a prefeasibility study for the downstream operation in February 2019 (see Renascor ASX announcement dated 21 February 2019). In July 2020, Renascor completed a Battery Anode Material Study that integrated the results of the previous studies (see Renascor ASX announcement dated 1 July 2020).

Appendix 5B

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

Name of entity

Renascor Resources Limited

ABN	Quarter ended ("current quarter")
90 135 531 341	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	-	(19)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(287)	(504)
	(e) administration and corporate costs	(100)	(937)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1,171	1,615
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**784**	**155**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(22)	(35)
	(d) exploration & evaluation	193	(50)
	(e) investments	-	-
	(f) other non-current assets	(5,928)	(13,918)

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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**	**(5,757)**	**(14,003)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	70,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	32	2,609
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(23)	(3,526)
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**	**9**	**69,083**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	134,234	74,035
4.2	Net cash from / (used in) operating activities (item 1.9 above)	784	155
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,757)	(14,003)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9	69,083

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	-	-
4.6	**Cash and cash equivalents at end of period**	**129,270**	**129,270**

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	29,270	134,234
5.2	Call deposits	100,000	-
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)**	**129,270**	**134,234**

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	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	318

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)	784
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	193
8.3	Total relevant outgoings (item 8.1 + item 8.2)	977
8.4	Cash and cash equivalents at quarter end (item 4.6)	129,270
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	129,270
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	N/A

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: 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	
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 of Directors of Renascor Resources Limited
(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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