SEPTEMBER QUARTERLY ACTIVITIES REPORT

Delta Lithium Limited (ASX: DLI) ("**Delta**" or the "**Company**") is pleased to provide the following report on activities undertaken during the September quarter, 2023.

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September Quarter Highlights

- The Mt Ida Lithium Project in the Goldfields region of Western Australia remains on track for mining approval later this year.
- At the Yinnetharra Lithium Project the Company has defined a significant pegmatite swarm comprising of **six (6)** well defined mineralised **pegmatites** at the Malinda Prospect.
- RC and diamond drilling has identified a **'Lithium Mile'**, comprising of two major parallel ore zones (M1 and M36), drilled out across 1.6km in strike length and remaining open down plunge.
- Early **metallurgical test results** at Yinnetharra indicated **high grade** spodumene Li_2O concentrates from surface:
    - Sample 1 from the M1 pegmatite produced a **6.3% Li_2O concentrate at a 77%** recovery rate.
    - Sample 2 from the M47 pegmatite produced a **6.4% Li_2O concentrate at a 61%** recovery rate.
- Drilling remains ongoing, as does hydrogeological and environmental surveys, soil sampling, rock chip sampling and mapping throughout the Yinnetharra project area.
- Subsequent to the quarter, significant increases to Mt Ida and its reserves have been announced:
    - Inferred and Indicated Maiden Resource Estimate (MRE) has been **upgraded from 12.7Mt to 14.6Mt @ 1.2% Li_2O**[1]
    - **136% increase in Indicated Mineral Resources** to **7.8Mt @ 1.3 % Li_2O**[1].
    - Increase in global lithia positions Delta for a **potential 10 year plus mining operation**[1].
    - Maiden co-located gold MRE of **3.1Mt @ 4.1g/t Au for 412,000 ounces**[2], providing an opportunity for early cash flow from the sale or toll treatment of the shallow gold ore.
- With current low market prices for DSO lithium products, early works capital spend has been slowed with the intent to focus on Feasibility studies for the Mt Ida lithium concentrate project.
- The Company intends to leverage project improvements from the new gold resource at Mt Ida.

Commenting on the September quarter, Managing Director of Delta Lithium, Mr James Croser said:

"The past quarter has seen a continuation of solid effort by the Delta team and rapid progress at both Mt Ida and Yinnetharra. We remain firmly committed to our exploration activities and building confidence in our resources and project development plans.

The early stage Yinnetharra metallurgical results are exciting and reflect the enormous potential of the project. The demonstration of good clean recoveries, in combination with the regional scale of the deposits indicate that the Project has a strong future. Drilling at Malinda is ongoing and a maiden lithium resource will be released in the December quarter.

[1] Refer announcement entitled "Mt Ida Lithium Project Mineral Resource Estimate Upgrade" 3 October 2023
[2] Refer announcement entitled "Mt Ida Maiden Gold Mineral Resource Estimate" 11 October 2023

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We are entering an exciting period as we firm up confidence in our resources at Mt Ida, and work on refining our studies and developing our understanding the various mining scenarios available.

"With a new gold resource at Mt Ida, studies will now include the potential for early revenue from the exploitation of shallow gold ore, some of which falls within high grade pit shells.

Due to the current low market prices for DSO lithium products early works capital spend has been slowed with the intent to focus on Feasibility studies for the Mt Ida lithium concentrate project."

MT IDA LITHIUM PROJECT

Exploration and Resource Development

Subsequent to the end of the September quarter, on 3 October the Company delivered a Lithium Mineral Resource Estimate (MRE) update for Mt Ida. This was the outcome of an aggressive infill drilling program that lifted the Indicated Mineral Resources by 136% to 7.8Mt @1.3% Li_2O. The total of Mt Ida's inferred and indicated MRE increased from **12.7Mt to 14.6Mt @ 1.2% Li_2O.** The increase in Indicated Mineral Resources strategically positions the Company to undertake the detailed feasibility studies on the primary lithium concentrate project at Mt Ida with design and engineering works underway.

Prior to the discovery of lithium at the Mt Ida Project, gold was extracted from the tenements by various companies intermittently. During the comprehensive drilling program targeting lithium at the Mt Ida Project, results for gold and copper have also been intercepted and assayed. This resulted in a Maiden Independent Mineral Resource Estimate declared on 11 October of **3.1Mt @ 4.1g/t Au for 412,000 ounces**.

The co-located gold resource has the potential to enhance and de-risk the development of the Mt Ida Lithium project, offering an opportunity for cash flow from the sale or toll treatment of shallow gold ore.

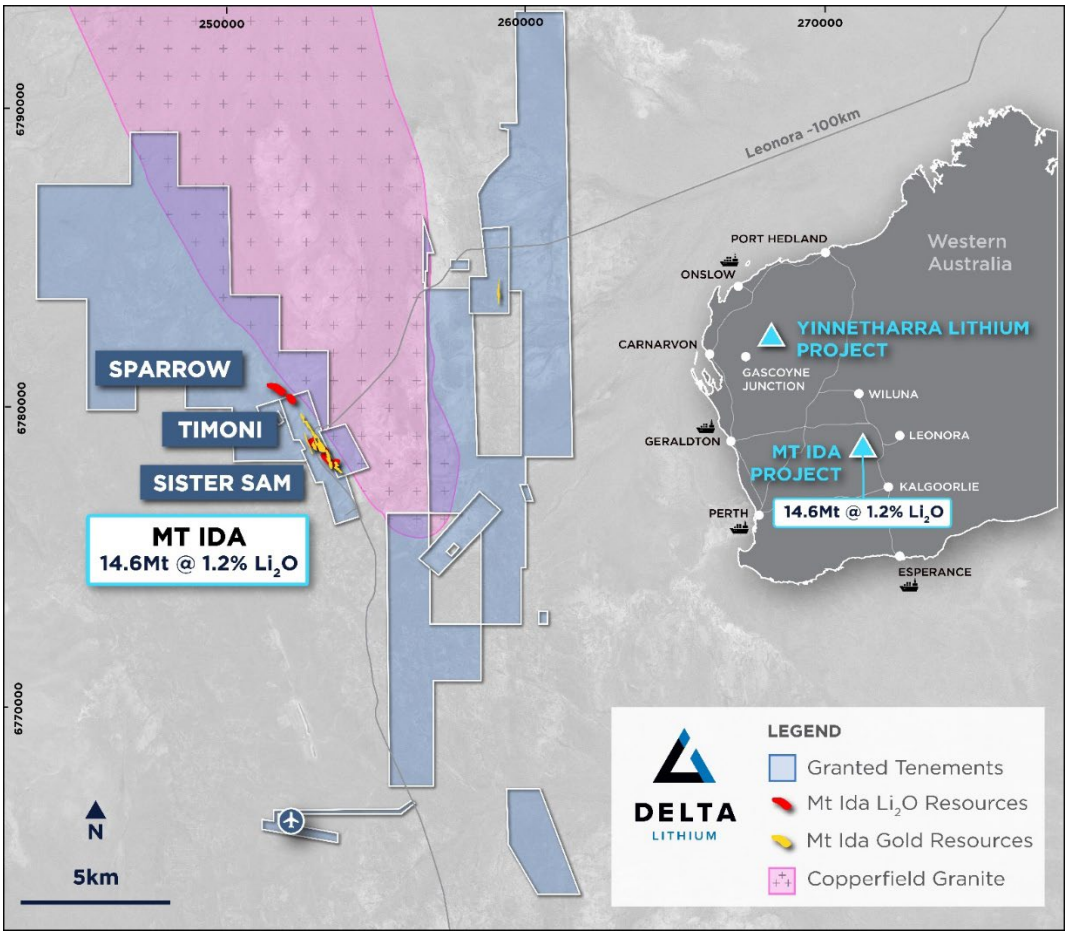

Figure 1 Location of the Mt Ida Lithium Project.

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Project Development

In March this year the Company submitted a Native Vegetation Clearing Permit (NVCP) and Mining Proposal for a Stage 1 Approval to Mine at Mt Ida (Mining Proposal). The NVCP has since been approved and the Company awaits approval of the Mining Proposal. The benefit of two (2) granted mining leases in combination with an approved Mining Proposal strongly supports an accelerated path to production.

In executing certain early works such as camp upgrades and water infrastructure, a number of work packages that are required for the Concentrate Project can be implemented ahead of time. This early application of capital ahead of Concentrate Project FID (Final Investment Decision), provides a significant opportunity to de-risk and accelerate project execution. Multiple work streams have continued to progress over the quarter, all of which will benefit the longer-term Mt Ida Lithium Concentrate Project.

September quarter progress:

- Mining Proposal is still under assessment by DMIRS. This quarter the Company submitted two separate responses to Requests for Information (RFI) that were received from Department of Mines, Industry Regulation and Safety (DMIRS). As at the date of this announcement, there is no outstanding information the Company has been requested to provide. Recently the Company received correspondence from DMIRS that they are still reviewing geotechnical information.

- Mt Ida Road Diversion;
    - Design work by consultants, has been completed. Design has been approved by the Shire of Menzies.
    - Consent letters formalising support for the road diversion were received from key stakeholders, Aurenne Group and Zenith Australia Group.
    - Native Vegetation Clearing Permit (NVCP) submission to Department of Water and Environmental Regulation (DWER) is awaiting approval from Department of Planning, Lands and Heritage (DPLH)
- Mt Ida Stage 1 Accommodation Village;
    - Supplier selected and early works agreement executed to enable commencement of design, engineering, and building construction.
    - Installation scheduled to begin during the December quarter

- Hydrogeology – As a component of the Mt Ida Concentrate Project DFS a preliminary site-wide water balance has been developed to understand raw water demand. A groundwater exploration programme has subsequently been developed based on an understanding of the hydrogeological setting and the estimated total yield required from a borefield. The water exploration drilling campaign is planned to commence during this quarter (subject to an appropriate drilling contractor being secured), with the aim to define site water supply.

- Metallurgy;
    - Key planning tasks for DFS level metallurgical testwork have been completed (defining ore body domains for testwork, development of RFPs (Request for Proposals) relevant laboratories and vendors to tender for the work)
    - Scoping level metallurgical testwork was progressed and is now almost complete. Results of this work confirm conditions to take forward into DFS level metallurgical testwork.

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Post quarter end:

- A revision to mine planning work completed earlier in the year has now commenced using the updated Mt Ida lithium Mineral Resource Estimate that was announced to the market 3rd October. Mine planning has been completed on open pit mineable gold resources at Sister Sam, Mt Ida.
- Key components of DFS level metallurgical testwork awarded to relevant laboratories and service providers; relevant testwork to commence this quarter.

YINNETHARRA LITHIUM PROJECT

Exploration has continued over the last quarter at the Malinda Prospect located in the Gascoyne Lithium Province of Western Australia. The results to date of the early-stage exploration project spanning 505km^2 have demonstrated excellent tenor and continuity of mineralisation across six (6) significant pegmatite swarms. RC and diamond drilling has confirmed a 'Lithium Mile', comprising of two major parallel ore zones (M1 and M36). Initial metallurgical tests have indicated high grade spodumene Li_2O concentrates with low impurities from surface:

- Sample 1 from M1 pegmatite produced a **6.3% Li_2O concentrate at a 77%** recovery rate
- Sample 2 from M47 pegmatite produced a **6.4% Li_2O concentrate at a 61%** recovery rate

				Grade (%)						Recovery (%)					
Test	**Sample ID**	**Fraction**	**Mass Yield (%)**	**Li_2O**	**Fe_2O_3**	**K_2O**	**Ta_2O_5**	**Rb (ppm)**	**CaO**	**Li_2O**	**Fe_2O_3**	**K_2O**	**Ta_2O_5**	**Rb (ppm)**	**CaO**
#1	M47 P80 0.106mm +0.02mm WHGMS145 NM Sighter Float #1	Re-Cleaner Con 1-4	23.49%	**6.4**	0.1	0.2	0.004	197.6	1.3	**61.0**	23.7	3.1	19.7	2.1	79.8
#2	M1 P80 0.106mm +0.02mm WHGMS145 NM Sighter Float #2	Re-Cleaner Con 1-4	10.82%	**6.6**	0.4	0.2	0.004	108.5	2.9	**76.0**	20.7	1.1	25.0	1.3	91.1

Table 1 details of metallurgy

Sample 1 was composed of drill core from YRRD005 drilled into M1 pegmatite and Sample 2 was composed of rock chips and drill core from YNEX004 drilled into the M47 pegmatite. The method of beneficiation that was used was flotation in these initial sample tests. The ability to recover spodumene from outcrop is highly beneficial for the project.

Drilling in the quarter continued to define extensions to known pegmatites with continuous spodumene rich mineralisation identified.

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New drilling results released to the market include:

- 29m @ 1.5% Li_2O from 203m Inc. 11m @ 3% Li_2O from 221m in YRRD120
- 36m @ 1.1% Li_2O from 254m Inc. 6m @ 3.1% Li_2O from 282m in YRRD095
- 30m @ 1.1% Li_2O from 291m Inc. 10m @ 2.2% Li_2O from 310m in YRRD071
- 29m @ 1.0% Li_2O from 199m in YRRD133
- 9m @ 1.3% Li_2O from 279m in YRRD132
- 15m @ 1.5% Li_2O from 135m in YRRD212
- 11m @ 1.1% Li_2O from 75m in YRRD080
- 12m @ 1.2% Li_2O from 183m in YRRD150

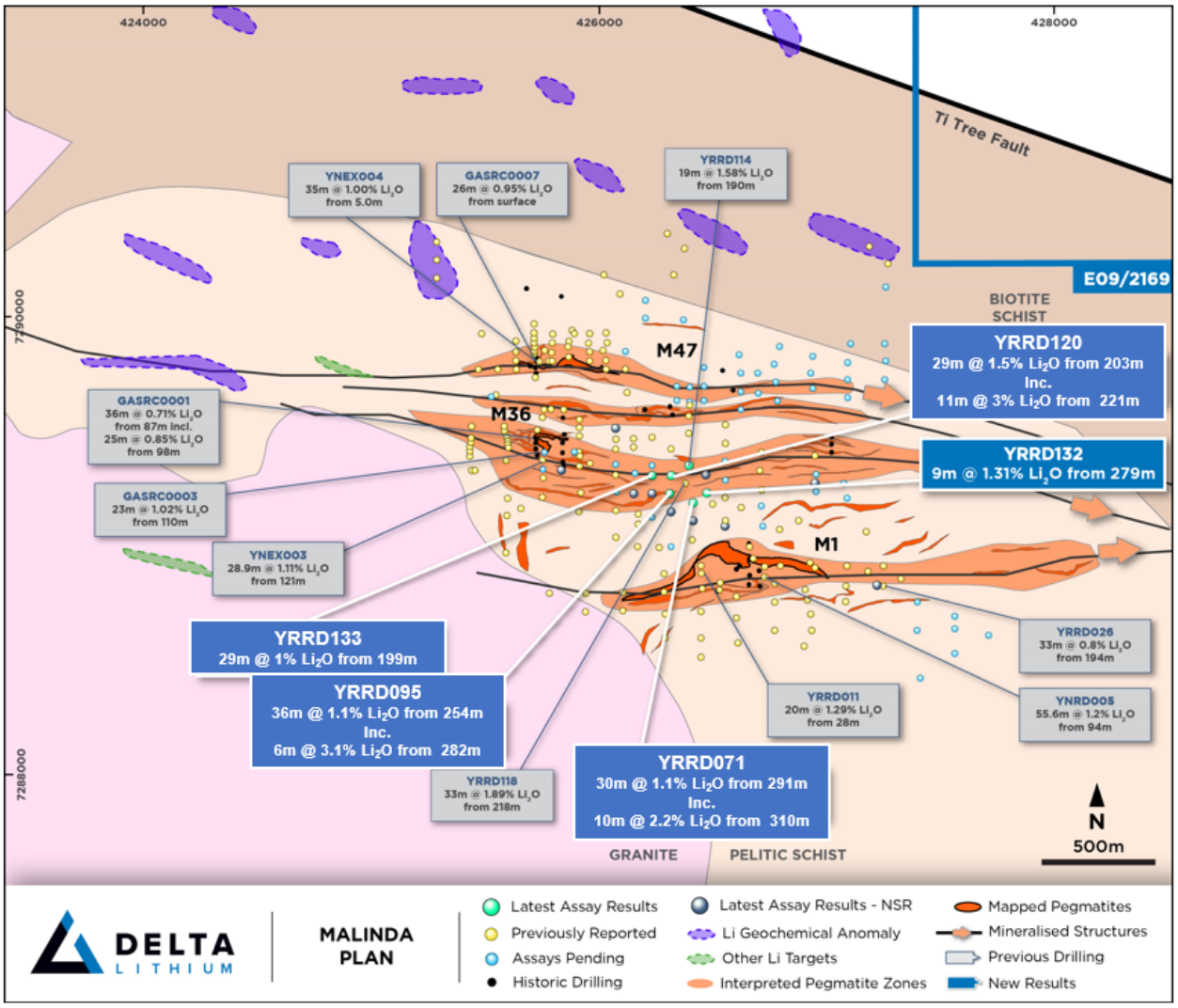

Figure 2: Plan view showing drilling at Malinda

Drilling continues with three (3) drill rigs operating across the Yinnetharra Project. Baseline environmental surveys are being undertaken as well as hydrogeological studies in the area. Geological mapping, soil sampling and rock chip sampling continue throughout the extensive tenement package.

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At Malinda, new metallurgical testwork composites are being submitted as well as follow up work being undertaken on pre-existing composites. Detailed mineralogical studies have begun to ensure full understanding of underlying parameters that dictate metallurgical recovery. All work to date suggests spodumene is by far the most abundant Li mineral at the project.

CORPORATE

On 2 August 2023, Mr Steven Kovac was welcomed as a Non-Executive Director of Delta Lithium. Mr Kovac will act as the nominee Director of Idemitsu Australia following Idemitsu Australia significant investment in the Company earlier this year.

On 12 September 2023, Delta Lithium announced the replacement of David Flanagan as Chairman by highly regarded industry executive Mr Chris Ellison as Non-Executive Chairman, and Mr Josh Thurlow as Non-Executive Director.

Mr Ellison is the founding shareholder and Managing Director of Mineral Resources Limited. He has more than 40 years of experience in the mining contracting, engineering and resource processing industries.

Mr Thurlow is the current Chief Executive – Lithium for Mineral Resources Limited and is responsible for the continued growth of the MinRes lithium assets and partnerships.

Delta Director Mr James Croser has been appointed as interim Managing Director and CEO while a comprehensive executive search is undertaken. Mr Croser brings 25 years of operations and corporate experience in the Australian mining sector as a mining engineer. Mr Croser was instrumental in the acquisition of the Company's current projects and has been a pivotal member of the Delta Board since December 2020.

During the quarter, $3,021,294 was received for the exercise of 12,085,176 unlisted $0.25 options in the June quarter. A further $272,322.25 was received for the exercise of 1,089,289 options that were converted to shares post the end of the quarter.

There were 1,450,000 performance rights issued and 16,500,000 performance rights cancelled. As at 30June 2023, Delta Lithium has the following securities on issue:

- 532,658,668 fully paid ordinary shares;
- 26,939,479 unlisted options (various exercise prices and expiry dates) and
- 15,690,000 performance rights (various vesting conditions and expiry dates).

LITHIUM MARKETING AND BUSINESS DEVELOPMENT

The Company continued to field significant interest from potential offtake partners within the global lithium supply chain during the quarter. This included site visits with interested parties from a wide variety of downstream lithium markets as well as meetings with significant groups from Japan, Korea, India and China coupled with speaking at leading industry conferences.

Reported spot prices for both lithium raw materials and lithium chemicals retreated during the quarter but remain above prices observed at the beginning of 2022.

The Company continues to engage with market participants along the supply chain and build relationships with customers for the future potential sale of spodumene concentrate and lepidolite pre-float products that are produced from the conceptual lithium flowsheet for Mt Ida. We note that current prices mean that the market for a potential DSO product is effectively closed at present. Realised prices for lithium concentrate products from existing producers utilise a variety of pricing mechanisms and quotation periods and we expect that over time more transparency around price discovery, particularly that for lithium raw materials will evolve as genuine liquidity in the physical spot market grows. We continue to highlight that the vast majority of lithium raw material and chemical trade is under long-term contracts and not via the thinly-traded spot market.

ASX Compliance

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

In accordance with section 6 of the Appendix 5B, the Company advises that $677k was paid to related parties of the entity and their associates during the quarter, including Executive and Non-Executive Director fees.

Release authorised by the Managing Director on behalf of the Board of Delta Lithium Limited.

For further information, please contact:

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About Delta Lithium

Delta Lithium (ASX: DLI) is an exploration and development company focused on bringing high-quality, lithium-bearing pegmatite deposits, located in Western Australia, into production. With a strong balance sheet and an experienced team driving the exploration and development workstreams, Delta Lithium is rapidly advancing its Mt Ida Lithium Project towards production. The Mt Ida Lithium Project holds a critical advantage over other lithium developers with existing Mining Leases in place. Delta Lithium is pursuing a development pathway to unlock maximum value for shareholders. Delta Lithium also holds the highly prospective Yinnetharra Lithium Project that is already showing signs of becoming one of Australia's most exciting lithium regions. The Company is currently undergoing an extensive 400 drill hole campaign to be completed throughout 2023.

Competent Person's Statement

Information in this Announcement that relates to exploration results is based upon work undertaken by Mr. Charles Hughes, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr. Hughes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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). Mr. Hughes is an employee of Delta Lithium Limited and consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Refer to www.deltalithium.com.au for past ASX announcements.

Past Exploration results and Mineral Resource Estimates reported in this announcement have been previously prepared and disclosed by Delta Lithium in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcement, and all material assumptions and technical parameters underpinning Mineral Resource Estimates in the relevant market announcement continue to apply and have not materially changed. Refer to www.deltalithium.com.au for details on past exploration results and Mineral Resource Estimates.

Disclaimer

This release may include forward-looking and aspirational statements. These statements are based on Delta Lithium management's expectations and beliefs concerning future events as of the time of the release of this announcement. Forward-looking and aspirational statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Delta Lithium, that could cause actual results to differ materially from such statements. Delta Lithium makes no undertaking to subsequently update or revise the forward looking or aspirational statements made in this release to reflect events or circumstances after the date of this release, except as required by applicable laws and the ASX Listing

DELTA LITHIUM

Rule 5.5

Appendix 5B

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

Name of entity

DELTA LITHIUM LIMITED (ASX CODE: DLI)

ABN	**Quarter ended ("current quarter")**
67 107 244 039	30 SEPTEMBER 2023

Consolidated statement of cash flows		**Current quarter $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 (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(1,243)	(1,243)
	(e) administration and corporate costs	(1,033)	(1,033)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	641	641
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,091	1,091
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(544)**	**(544)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities (*net of cash acquired*)	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,049)	(1,049)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(d) exploration & evaluation (if capitalised)	(14,073)	(14,073)
	(e) investments	-	-
	(f) other non-current assets	-	-
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**	**(15,122)**	**(15,122)**

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 notes	-	-
3.3	Proceeds from exercise of options	3,209	3,209
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(383)	(383)
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	Principle payments of lease liability	(26)	(26)
3.10	**Net cash from / (used in) financing activities**	**2,800**	**2,800**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	84,312	84,312
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(544)	(544)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15,122)	(15,122)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,800	2,800
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**71,446**	**71,446**

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	35,022	69,149
5.2	Call deposits	36,424	15,163
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)**	**71,446**	**84,312**

6.	**Payments to directors 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	539
6.2	Aggregate amount of payments to related parties and their associates included in item 2	138

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 available** *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 (Convertible loan)	-	-
7.4	**Total financial facilities**	**-**	**-**

7.5	**Unused financial 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.

NIL

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(544)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(14,073)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(14,617)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	71,446
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	71,446
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**4.89**

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:

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

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

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 October 2023

[Authorised for lodgement by James Croser, Managing Director]

Authorised by: .....

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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