ELEMENTOS
TOMORROW'S TIN

Quarterly Report

For the quarter ending 30 September 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 where it is 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

- Zinc mineralisation and by-product potential confirmed at Oropesa.
- Modelling underway on Oropesa's zinc mineralisation to confirm potential of delivering a maiden Zinc Mineral Resource.
- Definitive Feasibility Study (DFS) on pause during the period whist project approvals discussions continue with the Andalucian administration.
- Largest two Elementos shareholders increase their proportional ownership of the company via on-market buying

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Oropesa Tin Project

Andalucía, Spain

The Oropesa Tin Project is located in the Guadiato Valley, in the Province of Cordoba, within the Andalucia autonomous region, Spain and as a result is strategically located within the European Union. Oropesa has one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. It is an advanced tin project, significantly progressed through its Definitive Feasibility Study (DFS) and in detailed negotiation with the authorities for its major project approvals.

Zinc mineralisation results & Metallurgical test work

The company confirmed zinc mineralisation from assays within the Oropesa Tin Project's Mineral Resource area[1]. Zinc mineralisation was reported from 282 historic drillholes within and surrounding Oropesa's tin Mineral Resource wireframe areas. Highlights from the study include:

Results containing high-grade zinc mineralisation zones include:

- 4.25m @ 41.8% Zn from 48.25m in **ORPD-178**
- 16.2m @ 8.89% Zn from 171.8m in **ORPD-188**
- 12.2m @ 8.81% Zn from 200.6m in **SGT-04**
- 3.0m @ 7.85% Zn from 110.1m in **OPRD-176BIS**

Large zones of lower-grade zinc mineralisation, such as:

- 79.6m @ 3.85% Zn from 23.3m in **ORPD-178**
- 46.3m @ 3.67% Zn from 165.7m in **ORPD-188**
- 53.3m @ 1.17% Zn from 151.4m in **ADD_32**

All zinc assay data has now been incorporated into the Company's master hole database, which clearly highlights the significant and continuous zones of zinc mineralisation confirmed at Oropesa as a result of these combined programs of work. Figure 1 displays the consistent presence of zinc mineralisation coincident with the modelled Oropesa tin resource wireframes.

In addition to the zinc assay data, Elementos received the results of a metallurgical test program conducted at the Wardell Armstrong International laboratories in Cornwall, UK, which aimed to attempt to produce a separate 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 results confirm it is possible to produce, from average ore feed of ~0.5% Zn, a zinc concentrate in the range of 40-45% Zn with recoveries of 50-75%. 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.

[1] Refer ASX Release dated 3 August 2023; Elementos confirms zinc mineralisation and by-product potential at Oropesa Tin Project.

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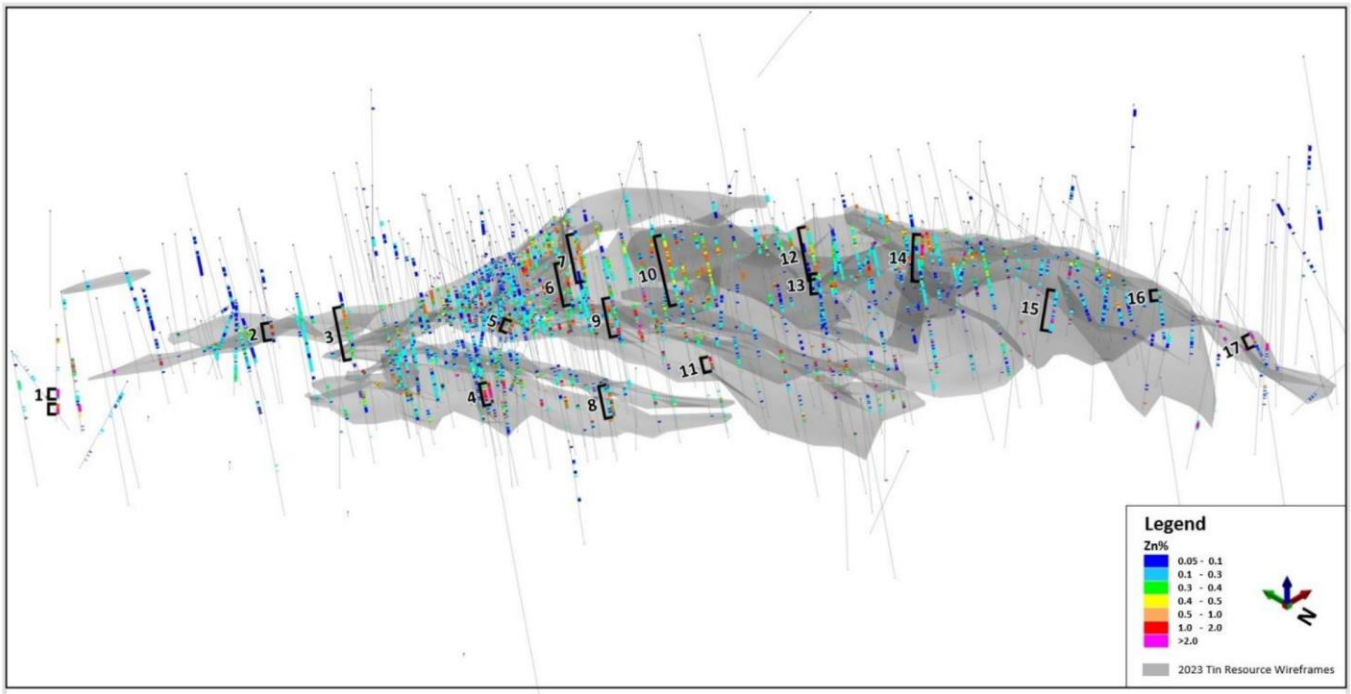

Figure 1. *Plan of significant diamond drill hole intersections (numbered) of zinc mineralisation superimposed on the Oropesa tin mineral resource wireframes (looking towards the northeast).*

Elementos will use the zinc data and perform additional Mineral Resource modelling on Oropesa's zinc mineralisation to confirm the potential of delivering a maiden Zinc Mineral Resource during 2H CY2023. Including zinc in the Oropesa Mineral Resource Estimate would allow Elementos to assess this mineralisation techno-economically and consider if it should include this in the Oropesa mine plan and Ore Reserves.

Section	Hole ID	From (m)	To (m)	Interval	Zn%	Intercepts
1	SGT-04	100.60	116.60	16.00	6.78	16.0m @ 6.78% Zn from 100.6m, inc. 12.2m @ 8.81% Zn from 100.6m
1	SGT-04	123.80	140.05	16.25	2.59	16.25m @ 2.59% Zn from 123.8m,
2	ORPD-015	106.10	128.70	22.60	1.10	22.6m @ 1.10% Zn from 106.1m, inc. 4.8m @ 2.74% Zn from 119.3m
3	ORPD-032	65.50	134.30	68.80	0.41	68.8m @ 0.41% Zn from 65.5m
4	ORPD-055 BIS	175.90	204.90	29.00	1.70	29.0m @ 1.70% Zn from 175.9m, inc. 23.75m @ 2.01% Zn from 175.9m
5	ORPC-05	83.30	115.50	32.20	0.81	32.2m @ 0.81% Zn from 83.3m, inc. 3.0m @ 1.61% Zn from 109.7m
6	ORPD-090	81.10	136.40	55.30	0.63	55.3m @ 0.63% Zn from 81.1m, inc. 8.0m @ 1.6% Zn from 107.4m
7	ORPD-092	4.00	66.60	62.60	0.47	62.6m @ 0.47% Zn from 4.0m
8	ORPD-086	214.40	257.00	42.60	0.60	42.6m @ 0.60% Zn from 214.4m
9	ORPD-034	77.45	127.60	50.15	0.84	50.15m @ 0.84% Zn from 77.45m, inc. 8.0m @ 2.26% Zn from 81.45m & 7.85m @ 1.82% Zn from 117.85m
10	ORPD-125	3.20	95.30	92.10	0.38	92.1m @ 0.38% Zn from 3.2m
11	ORPD-133	118.65	137.60	18.95	1.01	18.95m @ 1.01% Zn from 118.65m, inc. 6.0m @ 2.09% Zn from 119.6m
12	Expn_061A	11.30	79.50	68.20	0.37	68.2m @ 0.37% Zn from 11.3m
13	ORPD-176 BIS	99.15	127.50	28.35	1.14	28.35m @ 1.14% Zn from 99.15m, inc. 3.0m @ 7.85% Zn from 110.1m
14	ORPD-178	23.30	102.90	79.60	3.85	79.6m @ 3.85% Zn from 23.3m, inc. 28.0m @ 10.12% Zn from 23.3m, inc. 4.25m @ 41.8% Zn from 48.25m
15	ADD_32	151.40	204.70	53.30	1.17	53.3m @ 1.17% Zn from 151.4m, inc. 3.1m @ 12.58% Zn from 176.6m & 6.6m @ 2.53% Zn from 187.1m
16	ADD_33	86.20	99.60	13.40	1.17	13.4m @ 1.17% Zn from 86.2m, inc. 1.65m @ 2.45% Zn from 86.2m & 2.2m @ 4.14% Zn from 95.1m
17	ORPD-188	165.70	212.00	46.30	3.67	46.3m @ 3.67% Zn from 165.7m, inc. 3.1m @ 2.68% Zn from 165.7m & 16.2m @ 8.89% Zn from 171.8m

Table 1. *Significant diamond drill hole intersections of zinc mineralisation within the Oropesa Tin Project, Spain (0.1% Zn cut-off grade).*

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Update on Regulatory Approvals and DFS

On 20 June the company 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.

During the quarter, the company submitted its official response to the referenced correspondence on Monday 17th July. In Spain, and Andalucia , the entire month of August is effectively the 'summer holiday' month and progress with the administration was limited due to the unavailability of key resources. However, throughout September the company has continued to work closely with key members within 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 disturbance.

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 likely re-commence and timelines to completion will be re-established.

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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.

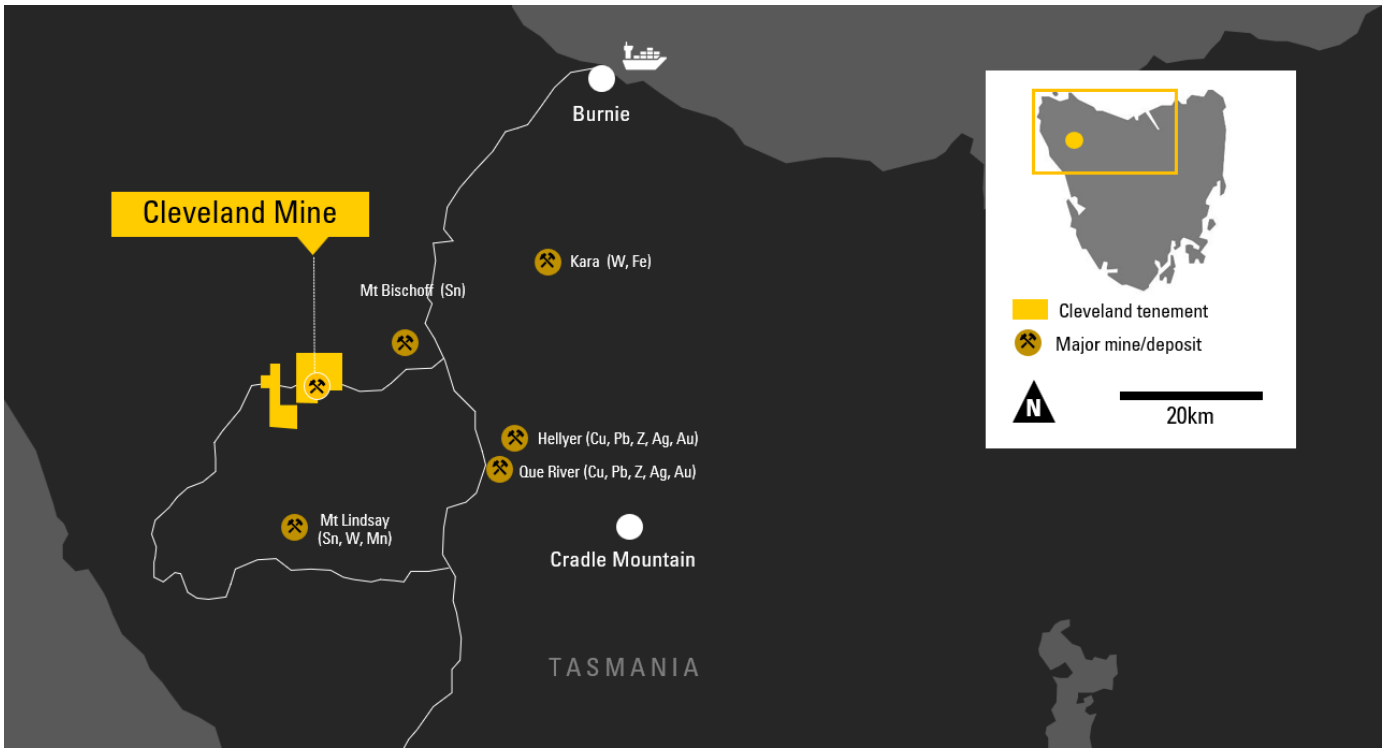

Figure 2. *Location of the Cleveland Tin Project, Tasmania*

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.

During the Quarter the company has spent time on the ground planning the next round of Resource drilling at the Cleveland tin project. Additionally, the geological team spent time exploring other mineralised areas of the tenement, including the historic Godkin mining area to establish additional targets to support future programs.

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Corporate

Cash Position

At 30 September 2023, cash at bank totalled ~$2.16 million and the Company had on issue 194,740,085 Shares, 3,540,000 unlisted options (a further 7,500,000 unlisted options have agreed to be issued subject to shareholder approval at the upcoming AGM) and 3,300,000 unlisted performance rights.

Major Shareholder on-market purchases

Elementos' two largest shareholders both purchased shares on market and updated the market of the increase in their proportional ownership of the company.

1. Chairman Andy Greig increased his stake from 12.07% to 13.58%
2. JM Financial Group Limited increasing their stake from 6.16% to 7.17%

Tin Pricing

The London Metals Exchange (LME) tin price dropped 12.6% during the quarter from US$27,700/t to US$24,200/t as the market navigated a period of weak demand and weak supply (www.LME.com). The Shanghai Futures Exchange (SHFE) held firmer dropping only 2% during the quarter, closing at US$30,293/t (www.metal.com/tin).

Tin prices have remained relatively flat during the post-quarter period closing on 30 October at US$25,065/t on the LME and ~US$29,403/t on the SHFE.

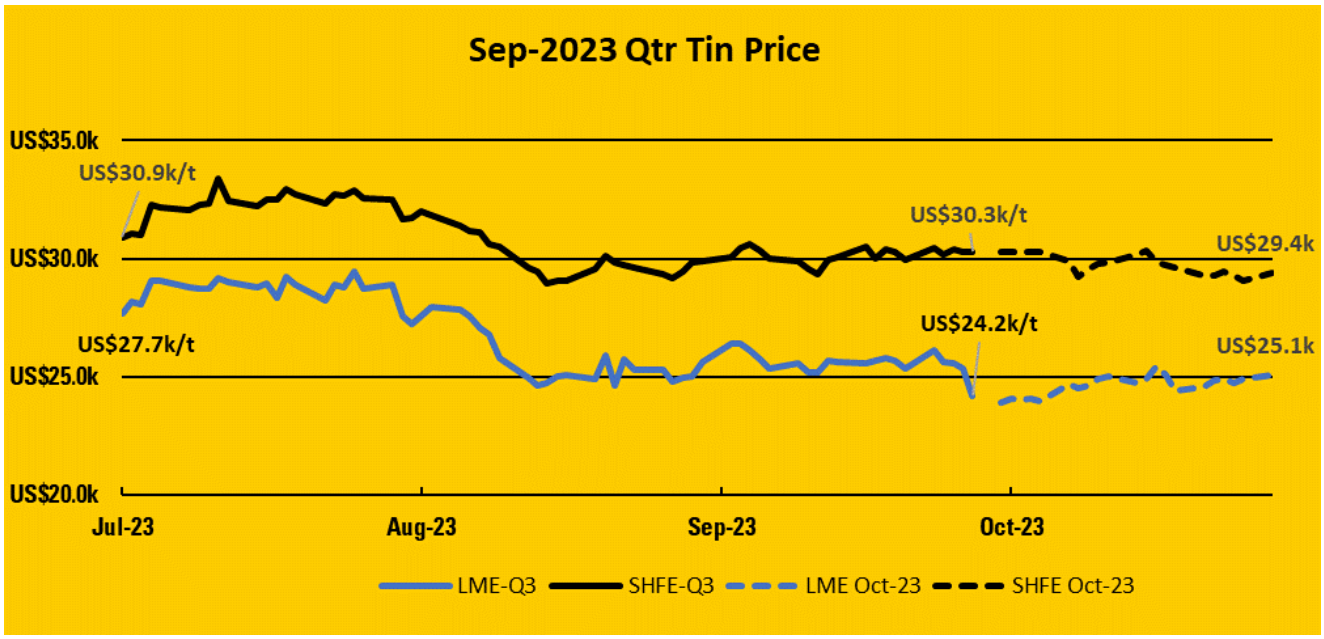

Figure 4. *Tin Price Movements*

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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 $708,000.
- Payments of $122,000 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 September 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 JORC 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

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

ASX Announcements during the Quarter

The following announcements were lodged on the ASX Market Announcements Platform during the quarter:

Date	Description
19-Jul-23	Noosa Mining Conference Investor Presentation
31-Jul-23	Quarterly Activities/Appendix 5B Cash Flow Report
3-Aug-23	Elementos confirms zinc at Oropesa Tin Project
8-Aug-23	Change of Director's Interest Notice
14-Aug-23	Change of Director's Interest Notice
18-Aug-23	Change of Director's Interest Notice
23-Aug-23	Change in substantial holding
28-Aug-23	Notification of cessation of securities - ELT
11-Sep-23	Notification regarding unquoted securities – ELT
11-Sep-23	Proposed issue of securities – ELT
25-Sep-23	Annual Report to shareholders
25-Sep-23	ASX Appendix 4G
28-Sep-23	2023 Annual General Meeting

These announcements are available for viewing on the Company's website at **elementos.com.au**.

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:

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Managing Director
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Email: jd@elementos.com

Please visit us at: www.elementos.com

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Company Profile

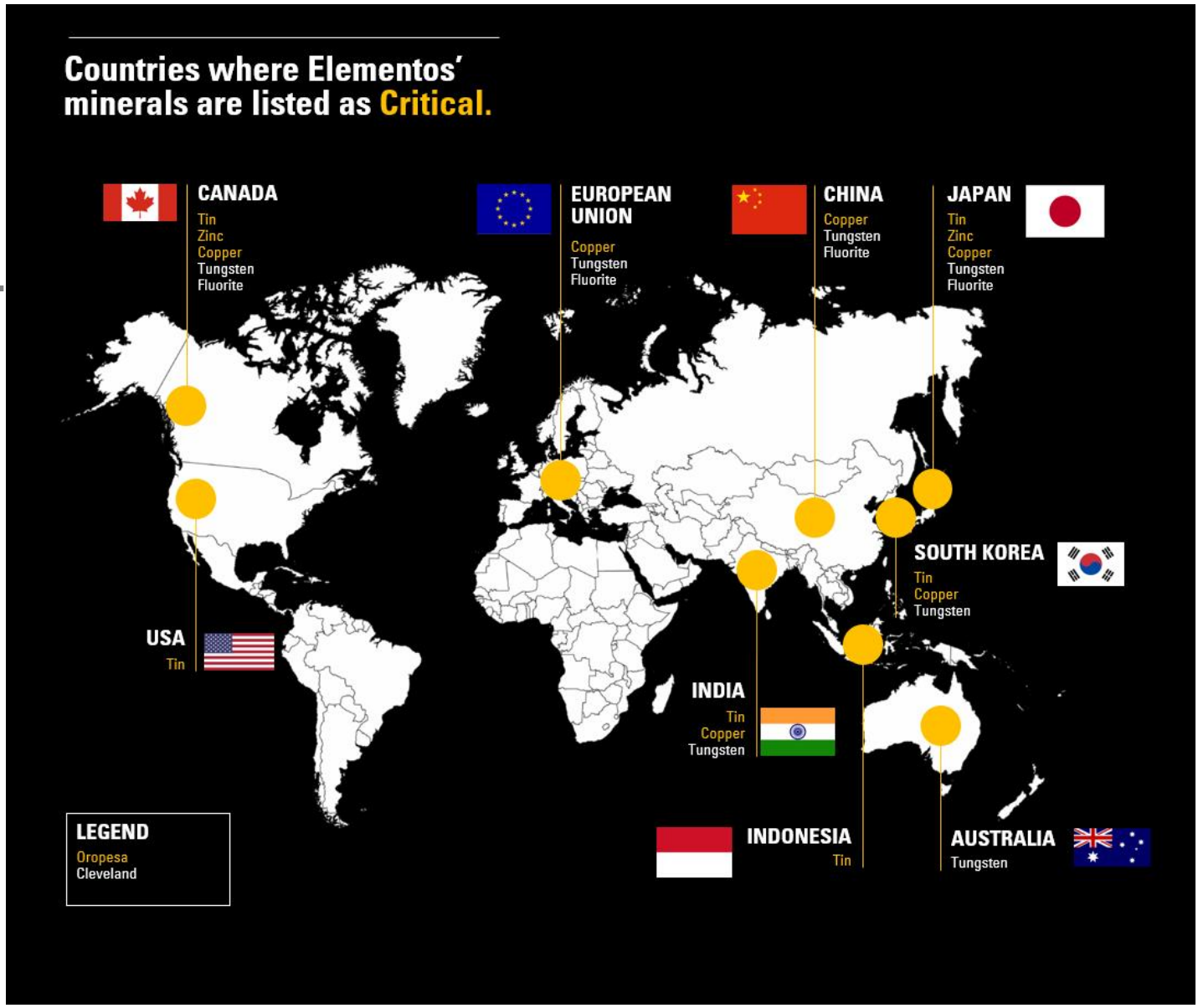
Elementos Limited's strategy is to deliver sustainable shareholder value through the development of its portfolio of tin assets including Oropesa in Andalucía, Spain and Cleveland in Tasmania, Australia.

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).

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 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	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(235)	(235)
	(e) administration and corporate costs	(342)	(342)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	10
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (details)	-	-
1.9	**Net cash from / (used in) operating activities**	**(568)**	**(568)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(708)	(708)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(708)**	**(708)**

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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	(11)
3.10	**Net cash from / (used in) financing activities**	**(11)**	**(11)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,450	3,450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(568)	(568)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(708)	(708)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	(11)

Consolidated statement of cash flows		**Current quarter $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**	**2,163**	**2,163**

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	2,117	3,405
5.2	Call deposits	46	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)**	**2,163**	**3,450**

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	122
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)	(568)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(708)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,276)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,163
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,163
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.7

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 significant additional exploration and evaluation expenditure during the June 2023 quarter associated with the significant expenditure associated with works on the Definitive Feasibility Study (DFS), with a number of associated payments for June Qtr works being paid during the September Quarter 2023. These DFS payments have materially reduced from mid-August 2023 onwards and are not forecast to reach similar spending levels when the DFS recommences.

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 any formal steps to raise additional funds but maintains communication with parties who can assist.

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 a number of significant Definitive Feasibility Study workstreams there has been a material reduction in exploration and evaluation expenditure from mid – August 2023.

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 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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