



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

26 October 2023

ASX Code:

SFX

Directors:

Mr Bruce Griffin
Executive Chair

Mr Gordon Cowe
Non-Executive Director

Mrs Vanessa Kickett
Non-Executive Director

Mr Ian MacIver
Non-Executive Director

Mr John Richards
Non-Executive Director

Registered Office:

Level 2, 41-47 Colin Street
West Perth WA 6005

Share Registry:

Link Market Services
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Capital Structure:

Ordinary Shares: 392.8M
Unlisted Options: 3.0M
Unlisted Rights: 4.3M

Market Capitalisation:

A\$204 million

Cash Reserves:

A\$23.6 million
(as at 30 Sep 2023)

Investor Relations:

Bruce Griffin
T: +61 8 6555 8777
E: info@sheffieldresources.com.au

Mark Di Silvio
T: +61 8 6555 8777
E: info@sheffieldresources.com.au

HIGHLIGHTS

Thunderbird Mineral Sands Project (Sheffield interest – 50%)

- Thunderbird ore mining and processing commenced in October 2023
- Site construction and commissioning activities substantively complete in Q3, with handover to operations occurring in October 2023
- Waste mining activities significantly advanced during the quarter, with the Dry Mining Unit (DMU) mobilised and installed, and mining operations underway
- Full completion of construction activities expected to be ahead of schedule and within budget of \$484m
- First product shipment from Thunderbird on track for Q1 2024

South Atlantic Project

- Planning of 10,000m drill program continued, commencing late 2023
- Current Bujuru test work expected to be complete in Q4 2023
- PFS work scope commenced, with study starting Q4 2023

Corporate

- Cash balance of \$23.6m as at 30 September 2023 (unaudited)
- Investor & Shareholder Webinar – Tuesday, 31 October 2023



Figure 1: Thunderbird Process Plant site (October 2023)



KEY ACTIVITIES

Kimberley Mineral Sands Pty Ltd (KMS) (Sheffield interest – 50%)

Site construction activities at the Thunderbird Mineral Sands Project (Thunderbird) in the Kimberley region of Western Australia were substantively completed during the quarter, with first ore production in October 2023. Following completion of construction and commissioning activities, the initial stages of operations will see a gradual ramp up through to steady state processing, production of concentrates, and building of concentrate product stockpiles on site and at the port of Broome in preparation for the first delivery of product to customers. Sheffield expects Kimberley Mineral Sands will load the first shipment of concentrate product early in Q1 2024.

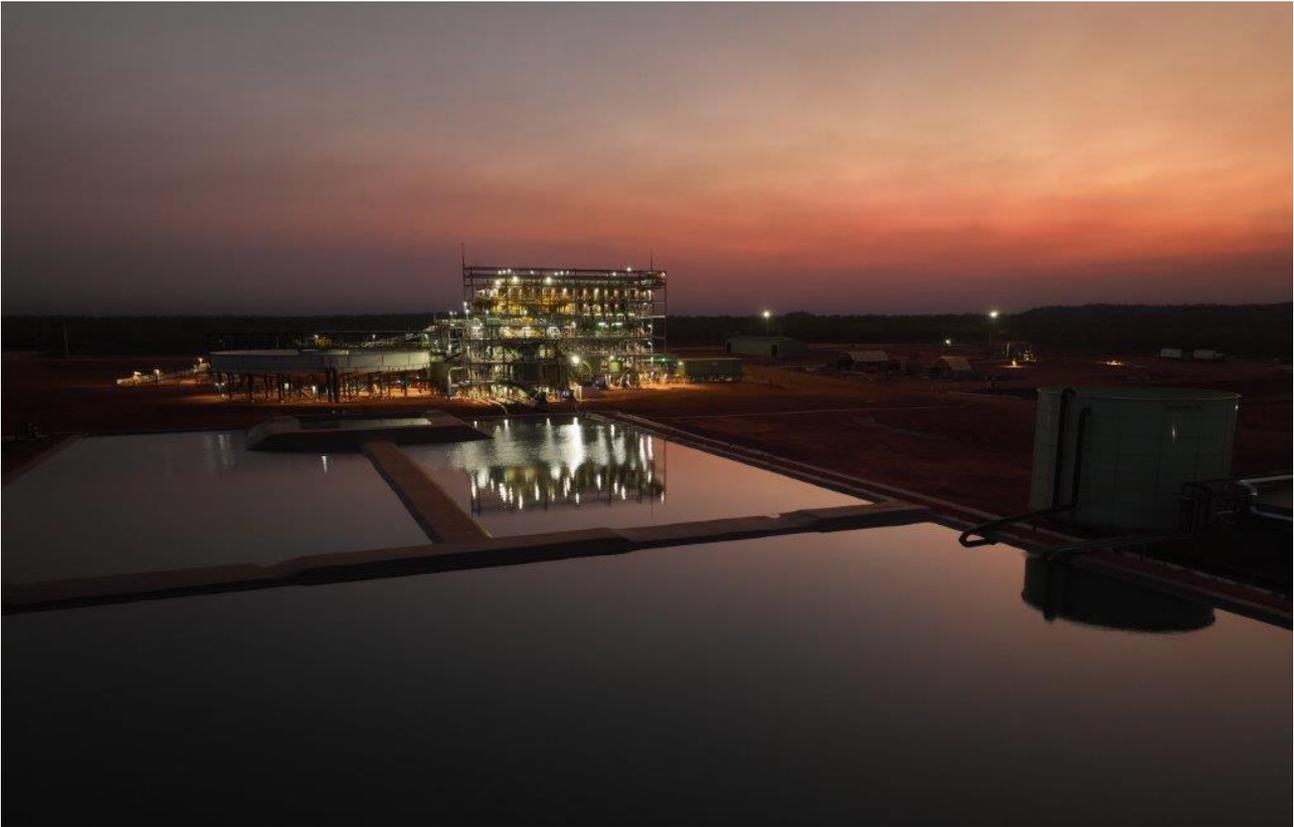


Figure 2: Thunderbird Mineral Sands Project – ready for operations

Thunderbird Construction Activities

Construction of the Wet Concentrate Plant and Concentrate Upgrade Plant was completed during the quarter, with final commissioning activities approaching completion at quarter end. Borefield, water and air services, were tested and commissioned during the quarter. Commissioning of the tailings storage facility, stormwater storage pond, and final roadworks along the 30km mine access road intersecting with the Great Northern Highway were successfully completed during the quarter.

The Thunderbird LNG storage facilities were fully commissioned during the quarter, including first fills of LNG storage tanks, and testing and energising of associated LNG systems. The power generation units were fully commissioned following the end of the quarter, with the 16 megawatt high efficiency power station now fully operational.



Figure 3 & 4: Tailing storage facility (above) and Stormwater storage pond (below)



Thunderbird Operations Activities

Preparations for the commencement of operations continued during the quarter, focussed on waste stripping and preparatory activities ahead of commencement of ore mining. Training of process operators and operational staff continued, with senior operators gaining sound exposure to plant control systems throughout commissioning cycles.

Waste mining contractor, Carey Mining, advanced the starter pit throughout the quarter, and experienced mineral sands mining contractor Piacentini & Son to mobilised and installed the Dry Mining Unit (DMU) within the starter pit during the quarter. DMU commissioning continued into October 2023, ahead of first ore production.

Product logistics arrangements progressed during the quarter, with concentrate to be loaded into rotainers at site and transported by road train to a storage yard near the Port of Broome. Following vessel arrival into the Port of Broome, rotainers will be shuttled from the laydown area in Broome to the Port and loaded on to vessels using the existing crane. Under a contracted supply agreement, an initial tranche of rotainers will be delivered to Thunderbird for use during the December quarter. Remaining commercial agreements with third party contractors and port services are scheduled for completion during the December quarter.

First product shipment from Thunderbird remains on track for Q1 2024.



Figure 5: Dry Mining Unit in position during the quarter

Project schedule and budget

With first ore production having commenced following the end of the quarter in October 2023, it is expected that all project construction and pre-production operating activities will be completed within the original budget estimate of \$484m, with first product shipment from Thunderbird remaining on track for Q1 2024. The total budget of \$484m includes allowances for project financing costs, remaining

contingency and working capital provisions (refer ASX announcement “Final Investment Decision” of 10 October 2022).

At the end of September 2023, KMS cash reserves totalled \$107m following final drawdown of loan facilities to total \$286m (\$40m cost overrun facility remains undrawn). The KMS project expenditure and cashflow position is described in Figure 6 below. With approximately \$60m in available working capital and cost overrun facility proceeds following completion of the construction program at a cost totalling \$424m, KMS remains well funded ahead of first shipment of product, expected in Q1 2024.

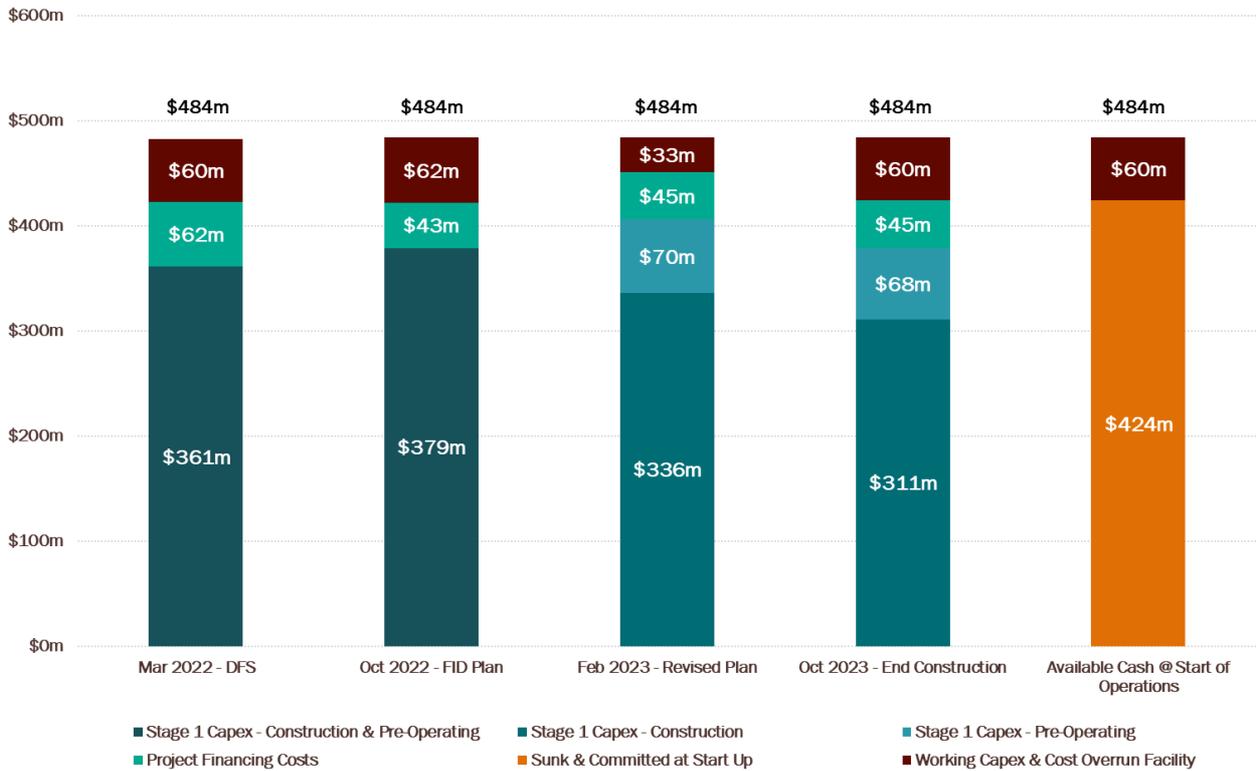


Figure 6: Total Project Expenditure & Available Proceeds – October 2023

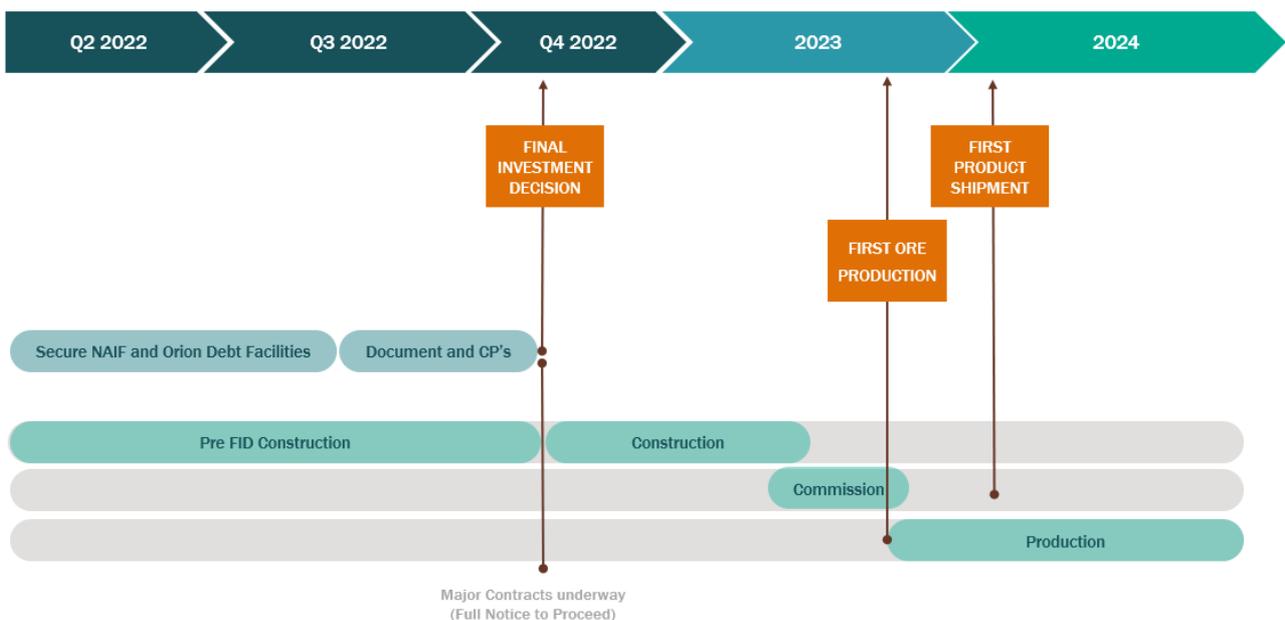


Figure 7: Timeline to First Product Shipment from Thunderbird

Project Timeline

A forecast timeline through first production, and through to first shipment of product, is shown above. Construction activities and commissioning were substantively completed during the September quarter. Ore mining and processing was initiated following the end of the quarter, with a gradual ramp up through to steady state processing, production of concentrates, and building of concentrate product stockpiles on site and at the port of Broome planned in preparation for the first delivery of product to customers.

Sheffield expects Kimberley Mineral Sands will load the first shipment of concentrate product early in Q1 2024.

Production volumes assumed at FID (refer ASX announcement “KMS Bankable Feasibility Study Presentation” of 24 March 2022) for the calendar year 2024 were 8.7m tonnes of ore mined and production of 519,000 tonnes of magnetic concentrate, 138,000 tonnes of zircon concentrate and 28,000 tonnes of paramagnetic concentrate. No production had been forecast for the 2023 calendar year.

Subject to continuing ramp up of production toward steady state operations, Sheffield intends to provide production guidance commencing in the 2025 financial year.

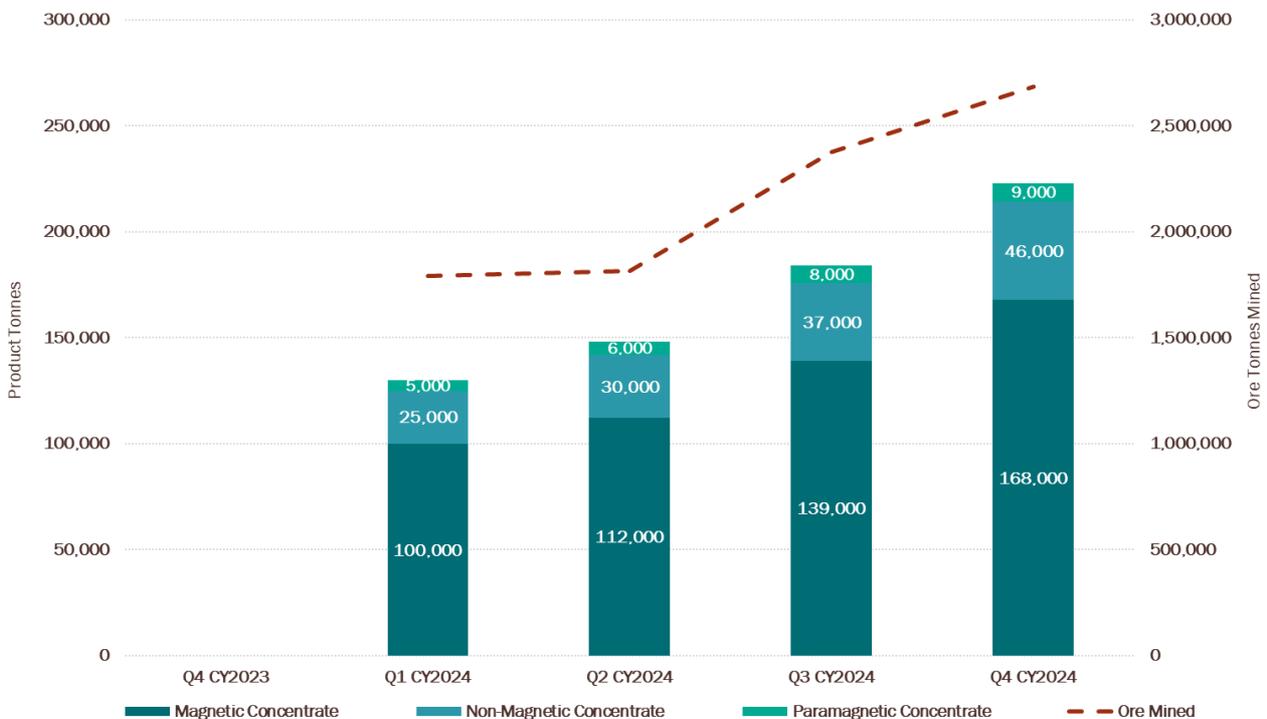


Figure 8: Thunderbird Targeted Production Volumes – KMS Bankable Feasibility Study (ASX Announcement 24 March 2022)

Markets¹

Premium zircon from major producers moved from c.US\$1,350 per tonne in mid-2019, peaking at c.US\$2,200 per tonne during prior to softening to current levels around US\$2,000 per tonne during 2023. With inventory levels remaining low, some new supply coming online, offset by reduced production from some existing operations, the market remains balanced and major producer prices are expected to remain around US\$2,000 per tonne through 2023, well above long term price forecasts.

¹ Zircon market update sourced from TZMI/ZIA and company analysis. Titanium feedstock market update sourced from TZMI and company analysis

In the near term, weakening demand for ceramics in China and Europe, driven by elevated interest and inflation rates, may see some pressure on zircon prices. However, price appreciation is expected during the medium to long term, as the market outlook for zircon continues to indicate an emerging supply deficit as leading, mature operators representing >50% of the market forecast flat or declining production.

Global sulfate ilmenite prices remain very high relative to long term forecasts at US\$300 to \$320 per tonne FOB. Sulfate ilmenite prices are expected to soften throughout the remainder of 2023, with increased competition and weakening short term demand in China. Longer-term, high-grade pigment feedstock demand for production of chloride grade pigment is forecast to grow, and chloride slag (produced from sulfate ilmenite) is the most likely source of new supply.

Product Offtake Agreements

KMS has in place non-magnetic (zircon) and magnetic (ilmenite) concentrate take or pay offtake agreements, accounting for in excess of 80% of forecast production volume for the initial five year production period for Thunderbird.



Figure 9: Thunderbird Power generation and LNG storage facilities were fully commissioned during the September quarter

Community Engagement

KMS continued community engagement and consultation processes throughout the quarter. These included hosting over 200 people at the recent Kimberley Economic Forum event, along with general forums with stakeholders within the Kimberley region, providing information on site activities and forthcoming business opportunities.

Further community engagement activities are scheduled throughout 2023.

South Atlantic Project

The South Atlantic Project is located within the Rio Grande do Sul Coastal Plain, a region located in the southernmost state of Brazil, Rio Grande do Sul, along the coast of the Atlantic Ocean.

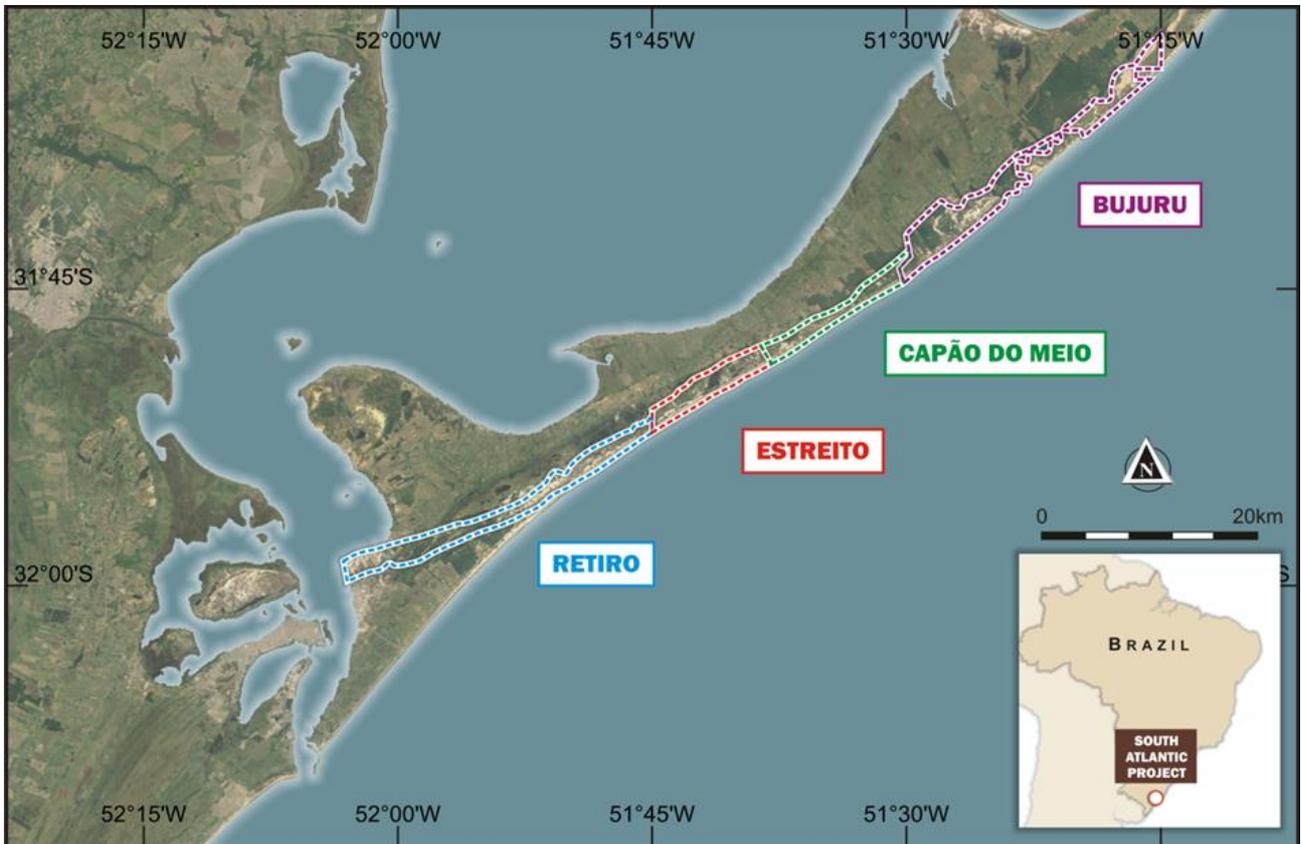


Figure 10: South Atlantic Project – prospects, including Retiro and Bujuru Exploration Targets

RGM Work Program Activities

Planning to support a drilling program of up to 10,000m, commencing in the December quarter and designed to convert the exploration targets at Retiro and Bujuru into resources continued to progress during the quarter, with construction of a purpose built mineral sands drill rig nearing completion in-country. RGM have engaged an experienced mineral sands driller and geologist to manage and operate the rig.

During the quarter, RGM reviewed proposed development options for the South Atlantic Project to support a Pre-Feasibility Study (PFS). A PFS scope has subsequently been agreed with an experienced third party mineral sands consultancy, with PFS activities scheduled to be completed by June 2024.

IHC Robbins commenced a test work program in Australia on bulk samples taken from Bujuru, with test work expected to be completed during the December quarter.

IBAMA, the national environmental regulator, has progressed the Retiro Installation Licence (LI) application submitted in 2022, with a team of representatives scheduled on a site visit during the December quarter. Approval of the LI is currently expected early in 2024 and upon approval, RGM may apply for a Mining Decree for Retiro.

CORPORATE ACTIVITIES

As at 30 June 2023, Sheffield held cash reserves of approximately \$23.6m (unaudited).

The Company remains fully funded to execute its proposed work program through to the end of 2025 with no further equity forecast to be required for Stage 1 of Thunderbird and current cash of \$24m sufficient to fund corporate costs (~\$2m per annum), the South Atlantic Option (~\$2m remaining) and possible acquisition of 20% of the South Atlantic Project (~\$17m).

Please note the year-to-date position of the Quarterly Cashflow Report should be read in conjunction with this report. During the quarter, a total sum of \$300,578 was paid to related parties and their associates for Director fees, superannuation benefits and non-recurring annual bonus payments.

Investor & Shareholder Webinar – Tuesday, 31 October 2023 (2.00pm Perth / 5.00pm AEDT)

Sheffield Resources Limited will host an investor and shareholder webinar on Tuesday, 31 October 2023 (2.00pm Perth / 5.00pm AEDT) to discuss today's announcement and recent progress at Thunderbird.

Hosted by Bruce Griffin, Executive Chair, investors and shareholders will be able to ask questions of Sheffield management following the presentation.

Webinar details are as follows:

https://us06web.zoom.us/webinar/register/WN_7wkQAWgcQHq8LkqyKXfpYQ

This announcement is authorised by the Board of Sheffield Resources Limited.



Mr Bruce Griffin
Executive Chair
26 October 2023

ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited is focused on assembling a portfolio of global mineral sands development and production assets to generate cash returns and growth.

Our core asset is our 50% investment in Kimberley Mineral Sands Pty Ltd (KMS), the owner of the world class Thunderbird Mineral Sands mine in north-west Western Australia.

Additionally, Sheffield executed a binding agreement in February 2023, providing the Company with an option to acquire up to an initial 20% interest in the South Atlantic Mineral Sands Project in Brazil.

KIMBERLEY MINERAL SANDS

Kimberley Mineral Sands Pty Ltd, (KMS) is a 50:50 Joint Venture between Sheffield and Yansteel. The joint venture owns and operates the Thunderbird Mineral Sands Project and adjacent tenements on the Dampier Peninsula.

KMS is governed by a four person Board of Directors with Sheffield and Yansteel each nominating two directors. Key Joint Venture decisions require unanimous approval of both shareholders. KMS operates as a standalone entity with its own management and employees.

THUNDERBIRD MINERAL SANDS PROJECT

The Thunderbird Mineral Sands Project (“Thunderbird”) is one of the largest and highest grade mineral sands discoveries in the last 30 years. The 2022 KMS Bankable Feasibility Study shows Thunderbird is a technically low risk Project, that generates strong cash margins from globally significant levels of production over a decades long mine-life.

With operations commencing in October 2023, Thunderbird is expected to generate a high-quality suite of mineral sands concentrate products suited to market requirements. These products include a zircon concentrate and a magnetic concentrate that contains a high quality ilmenite suitable smelting into chloride slag or for manufacturing titanium dioxide pigment.

Thunderbird is located in one of the world’s most attractive mining investment jurisdictions and is well placed to deliver long term, secure supply of high quality products to a range of potential customers.

ABOUT YANSTEEL

Yansteel is a wholly-owned subsidiary of Tangshan Yanshan Iron & Steel Co., Ltd, a privately owned steel manufacturer headquartered in Hebei, China producing approximately 10mt per annum of steel products and has annual revenues of ~A\$6bn.

Construction of a 500ktpa integrated titanium dioxide processing facility including a titanium slag smelter has commenced by the company. This complex will consume the magnetic concentrate from Stage 1 of the Thunderbird Mineral Sands Project under a take or pay offtake agreement.

SOUTH ATLANTIC PROJECT

The South Atlantic Project is located in south east Brazil. Four main deposits have been identified within the project area: Retiro, Estreito, Capao do Meio and Bujuru with Exploration Targets developed for the Retiro and Bujuru deposits. The combined Exploration Target for Retiro and Bujuru is estimated between 500 and 720 Mt of material at an average grade of 4.0% to 3.2% HM.

The tenements are held by RGM. Sheffield entered into an option agreement with RGM in February 2023 with Sheffield to provide US\$2.5m to fund project related activities over an 18 month period and earn an option to acquire up to 20% of RGM with the payment of a further US\$12.5m (US\$15.0m in total) to acquire a 20% interest. Should Sheffield elect to exercise the option, subject to various conditions being satisfied, including project financing being obtained and all funds required for project construction being secured, Sheffield may exercise a further options to increase its interest in RGM up to 80%.

Schedule 1: Interests in Mining Tenements as at the end of the quarter as required under ASX Listing Rule 5.3.3

Kimberley Mineral Sands Joint Venture (Sheffield interest – 50%)¹

Project	Tenement	Holder	Interest	Location	Status
Mineral Sands	E04/2081	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2083	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2084	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2171	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2349	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2390	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2456	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2478	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2494	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2509	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2540	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2554	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2571	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2597	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L04/82	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L04/83	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L04/84	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L04/85	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L04/86	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L04/92	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L04/93	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	M04/459	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted

Notes:

¹Thunderbird Operations Pty Ltd is a wholly owned subsidiary of Kimberley Mineral Sands Pty Ltd (refer to ASX announcement 12 March 2021). Kimberley Mineral Sands Pty Ltd is a 50:50 incorporated joint venture between Sheffield Resources Ltd and YGH Australia Investment Ltd (Yansteel).

Appendix 5B

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

Name of entity

Sheffield Resources Limited

ABN

29 125 811 083

Quarter ended ("current quarter")

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	(592)	(592)
(e) administration and corporate costs	(442)	(442)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	253	253
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 (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(782)	(782)

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	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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	Loans to third party entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	-	-

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	(31)	(31)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of finance lease	-	-
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	(31)	(31)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	24,407	24,407
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(782)	(782)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(31)	(31)

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

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	23,594	23,594

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	1,008	1,881
5.2	Call deposits	22,586	22,526
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)	23,594	24,407

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 – Salary, Bonus & Directors Fees	301
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil

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.

7.	Financing facilities <i>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.</i>	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.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(782)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(782)
8.4 Cash and cash equivalents at quarter end (item 4.6)	23,594
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	23,594
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	30
<i>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.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>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.</i>	

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: 26 October 2023

Authorised by: By the Board of Sheffield Resources Limited

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

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.