

Metro Mining Limited

Quarterly Activities Report

January – March 2025



KEY HIGHLIGHTS

- **Significant reliability focused upgrades completed across mine and marine assets**
- **Ship loading recommenced 21 March and first vessel sailed 30 March**
- **Record Q1 shipments of 184,000 WMT and FOB revenue of \$9M**
- **Contract price negotiation for Q2 2025 completed with expected 20% increase in FOB price vs Q4 2024. March sales price indicative of Q2 outcome**
- **Cash on hand at end of the quarter of \$12.2 million**
- **6.5 to 7.0 million WMT of shipments planned for 2025**

Metro Mining Limited (ASX: MMI) ('Metro', the 'Company') is pleased to deliver its Q1 2025 operational update. The quarter, as usual, has been dominated by maintenance and upgrade work during the Far North Queensland wet season, however, 184,000 Wet Metric Tonnes (WMT) of bauxite was also loaded and shipped to customers. This is a record for a calendar year Q1 and a progression of Metro's strategy to safely increase output during the March quarter wet season.

5.7 million WMT shipments were achieved in CY 2024, as Metro's 7 million WMT per annum expansion project ramped up, with target run rates being demonstrated by year end. Marine and mine-site maintenance and upgrade programs were completed, including a major refurbishment of barge loading facility / pontoon and replacement of transfer chutes on Offshore floating terminal (OFT) Ikamba with much larger stainless steel chutes. Production commenced mid-March and ship-loading on 21 March.

Increased production is being delivered in a period of sustained growth in the aluminium value chain and increased demand for traded bauxite market as China posted a third successive year of record bauxite imports of 159 million tonnes, up 12% from 2023. Spot bauxite prices have been stronger but more volatile in this environment but most of Metro's offtake is already contracted and contract prices negotiated in Q1 for Q2 2025 for Metro offtake are expected to result in a 20% increase from the end of 2024, on an FOB basis. March unit FOB revenue on the tonnage shipped of \$62 /WMT is indicative of the Q2 contract prices.

With the expansion flow sheet delivered and in place and the remaining assets receiving significant maintenance attention and upgrades in the Q1 shutdown, the combination of strong prices, economies of scale and improved reliability are expected to add significantly to the industry leading margins of \$17.4 /WMT already delivered in Q4 2024. The CY 2025 target is 6.5 to 7.0 million WMT of production and shipments.

Net cash flow from operations and corporate results in \$12.2 M cash in bank at the end of the period.

Simon Wensley, CEO & MD of Metro Mining said: "First quarter 2025 saw an intense and focused maintenance upgrade program across our site and marine assets, which has all been delivered in time for a mid-March restart. Thanks to our teams and contractors for their safe and hard work, often in difficult conditions.

It hasn't been difficult to get caught up in the recently more volatile economic environment, however, when I was up at Skardon River last week for a season restart celebration, I sensed a calm and confident preparedness for the upcoming year. I am comforted by the fact that Metro now has confirmed, strong and reliable offtake partners, installed capacity with further upside delivering

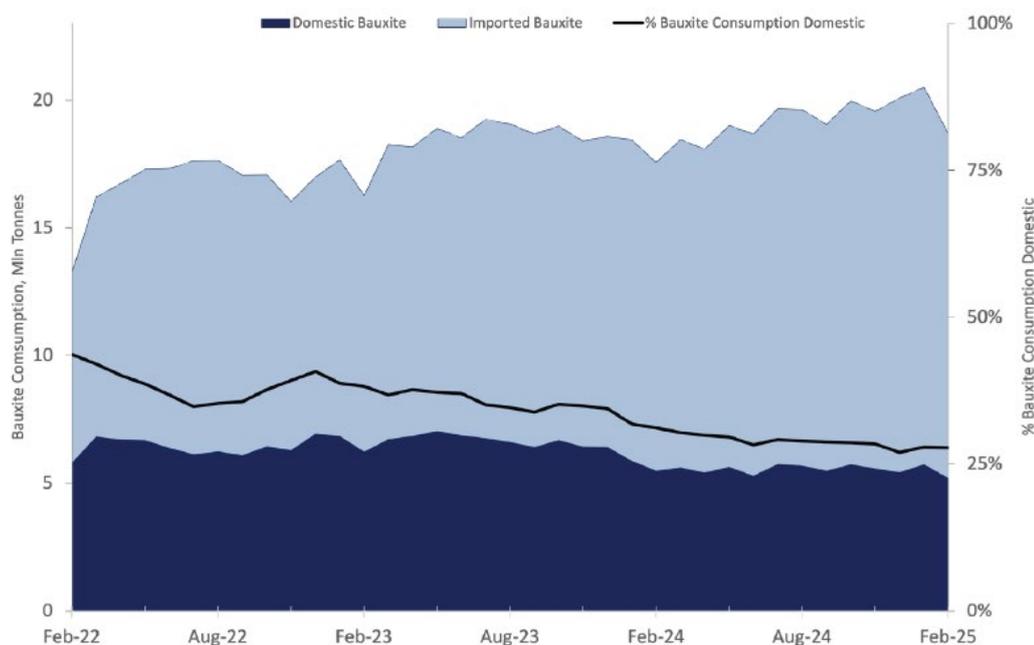
an industry leading cost position and an experienced operations and corporate team with a singular focus on delivery in 2025."

Bauxite market

An increasing tightness in the alumina market in 2024 resulted in record alumina prices above RMB 5700 /tonne (T) or US\$ 790 /T, by year end and also underpinned a third successive record year of Bauxite imports to China of 159 million T for the full CY 2024, 12% above CY 2023. This also resulted in a spike in traded bauxite prices, with Guinea reference spot price reaching US\$ 130 /dry metric tonne (DMT) as bauxite stocks reached record lows.

As expected, these market conditions could not be sustained and in Q1 2025, the alumina price in China has corrected back to below RMB 3000 /T. This has resulted in more than 10 million T of (annualised) alumina capacity "swinging" out during the quarter affecting consumption of both domestic and imported bauxite.

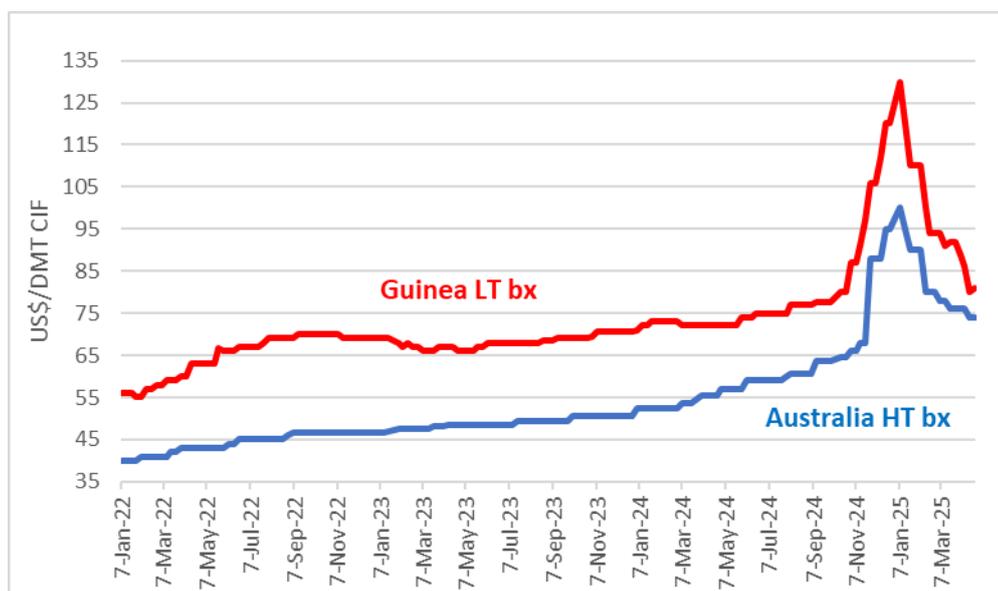
China Bauxite Consumption- Imports and Domestic (MT/month; CM Group)



Spot traded bauxite prices have also corrected but have remained somewhat more resilient with, as of 23 April 2025, spot Guinea bauxite at US\$81 /DMT, up 45% since January 2022, and spot prices for Australian high temperature (HT) bauxite at US\$75 /DMT, up 85% since January 2022.

Whilst there has been increasing supply out of Guinea in Q1 2025, it has coincided with reduced wet season supply from Australian producers. Further, there are signs that transshipping/river constraints have emerged in Guinea as well as further Government restrictions on 3 producers as well as the GAC mine which continues to remain closed. These items all contribute to procurement uncertainty out of Guinea and the strategic benefit of offtake from Metro Mining.

Traded Bauxite Prices Jan 2022 to Jan 2025 (US\$/DMT CIF China: CM Group)



Metro's shipment guidance for 2025 is 6.5 to 7.0 million WMT predominantly all covered by offtake contracts with large quality customers. Approx 80% of Metro's offtake volume is negotiated quarterly, and the Metro sales team negotiated Q2 contract pricing in February 2025 with various customer visits and meetings. The projected outcome for Q2 FOB prices is an increase in unit FOB price by approx. 20% over Q4 2024. This is new price level is directionally indicated by the March 2025 loaded volume outcome of A\$ 62 /WMT FOB.



Pictures: Left: Metro Sales Team discussing market factors with Mr Qiao Jun, GM Operations of Shandong Lubei Chemical. Right: Metro CEO, Simon Wensley and BergeBulk Shipping, CCO Duncan Bond formally signing a new long term freight agreement in front of a model of one of BergeBulk's new high efficiency 210,000 DWT Capesize vessels which will increasingly visit Bauxite Hills Mine for loading.

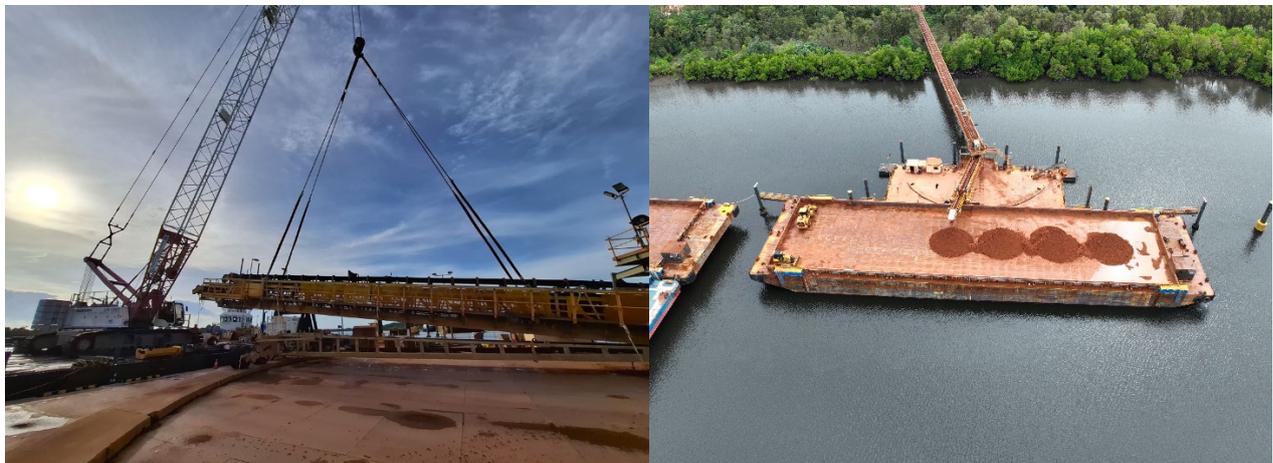
Operational Performance

Bauxite Hills Mine Operations

Q1 shipped, 184,000 tonnes, was a Bauxite Hills wet season record. Due to favourable weather and sea state conditions loading continued until 6 January at which time production ceased and the 2025 wet season shutdown capital and maintenance works program commenced. Post wet season mining restarted 15 March, ship loading 21 March which is the earliest season start for Bauxite Hills. The extended operating season is primarily due to the realised gains from of the 2024 expansion program, mainly the Ikamba offshore floating terminal which is designed to safely load in a higher seas state at target rates, and the wobbler screening circuit designed for wet ore at 1,500 THP.

An extensive maintenance program was successfully undertaken during the wet season. Major works included a full refurbishment of the barge loading system, supporting pontoon structure, and export conveyor, an extensive overhaul of the apron 1 major components and site screening circuit and upgrades to the plant SCADA program logic controller (PLC) enabling full plant automation. Other works included the installation of a new product sample station, upgrades to the site airport fuel systems to support Dash-8 100 series 34 seat planes, onsite laboratory upgrades, and workers camp accommodation refurbishment. The shutdown program undertaken now places Bauxite Hills in a strong position to provide a reliable mine to ship product flow to meet the 2025 budget.

Following on from a record 185 hectares rehabilitated in 2024 a further 43 hectares of rehabilitation was complete in Q1, this is again a site record.



Pictures: Left: Lifting the barge loader / stinger from the transport barge on to the pontoon at Skardon River following refurbishment in Weipa. Right: First ore on to barge 17 March 2025.



Pictures: Left: New, low friction Matrox lining boards fitted to the Apron Feeder to enhance throughput rates and reduce blockages. Right: Mandang pulling a loaded bauxite barge.

Marine Operations

Despite a significant reduction of marine assets in January due to scheduled maintenance, coupled with barge loading facility (BLF) limitations, 100 K WMT was transhipped in six days. The favourable weather offshore in January together with improved weather capability of screening and transhipping assets highlights the opportunity to review the December / January operating model including end of season marine asset demobilisation strategy. Plans were made to prepare for bed levelling to commence in March, with consultations undertaken with all stakeholders to heighten navigation safety.

Post cessation of production, OFT Ikamba and FCB TSA Skardon mobilised with assist tugs Mandang and TSA Brizo to Weipa for wet season maintenance. Mandang had arrived and been cleared for operation early in January. Opportunity was taken to conduct a Port State Control inspection by AMSA on both Ikamba and Mandang resulting in a number of routine observations and deficiencies which were immediately addressed. Evidence of rectification was provided to AMSA by Class inspector who attended a follow-up inspection.

With a reduced fleet, transhipping resumed on March 21st with a geared Ultramax vessel (60,000 DWT), to ensure loading could commence despite any delay in Ikamba maintenance and completion by end of month mindful of weather challenges, which was achieved. Ikamba returned to operations on March 29th and conducted a successful wet commissioning. Mandang also entered full operational mode, assisting offshore and contributing to towing barges as required. Although extended by continuing rough weather until mid-April, bed levelling objectives were achieved restoring the controlling depth in the river estuary channel in line with previous years.

Marine wet season maintenance campaign

Ikamba was mobilised to Skardon on 25 March following dry commissioning and Class inspection. Wet commissioning was successful, with operational speed gradually increased from 40% to 80% under close monitoring of critical system parameters. Performance has significantly improved, with the newly installed stainless steel transfer chutes and hopper linings performing effectively and showing minimal to no blockages, with wet cargo. The newly commissioned air cannons are also enhancing material flow through the hoppers. System upgrades include a fully operational moisture

analyzer delivering real-time cargo moisture data, and a belt scale—now in service—to continuously monitor conveyor capacity. Both cranes have been fully serviced and are now online and remotely accessible, allowing for remote diagnostics and data validation. Safety performance has improved, reflected in a higher safety index following the renewal of conveyor power cables and upgrades to the Engine Control Room (ECR) panels.

Safety Performance

Metro's safety statistics for the quarter (January – March) were as follows:

Safety statistic	Bauxite Hills Mine	Ikamba
Serious Accident	0	0
High Potential Incident	2	2
Lost Time Injuries	1	2
Medical Treatment Injuries	1	1
First Aid Injuries	8	3

In 2025, to align with the Brady review (<https://www.bradyheywood.com.au/brady-review/>) and the direction being taken Queensland's Resources Health & Safety inspectorate, Metro has shifted its focus and KPI's on encouraging the reporting of High Potential Incidents (HPI) and the investigations of such incidents informing the development of Critical Risk Registers and controls to mitigate those risks.

- BHM HPIs were:
 - A maintainer's neck suffered pain from vibration from a metal cutting activity. This event was also classified as an LTI.
 - A trailer overturned during unloading due to failure of the tipping hydraulics. No injury, no damage.
- Marine HPIs were:
 - A line securing Ikamba to a mooring in Weipa parted resulting in uncontrolled movement. The Ikamba was quickly brought under control by the associated assist tug. No injury, no damage.
 - A fire in the Ikamba galley. Brought under control. No injury, minor damage. Electrical system inspection triggered.

The key safety activities and initiatives undertaken between January and March included:

- Culture focus - Metro site leadership meeting conducted prior to season start setting out objectives and metrics to achieve "Safe, Continuous, Tonnes" and a culture of "Safety Citizenship". A safety reset was conducted, setting expectations prior to the operating season. Leading indicator, safety element targets have been met for the quarter.
- Systems focus – Conducted an external audit for the BHM safety management system (aligned with ISO 45001 standard). The Marine team revised the Vessel SMS, deliver and developed a suite of additional operational procedures for the newly arrived Tug Mandang. The site workforce management system is being updated to a new system (INX) with the transition to be finalised in Q2 2025.

- Training focus - additional training packages organised for site leaders (G2, ICAM, Lean Six Sigma), and a training provider was identified to be utilised in-house for Nationally recognised training packages and qualifications onboard Ikamba starting mid-2025.

Mining Exploration Activities

During the period further resource delineation drilling was carried out on MDL423 and exploration drilling on EPM26144 and EPM15376. Sample analysis results are due in early in Q1 2025.

Season Launch 2025

On 9 April 2025, Metro Mining leaders and the Injinoos Dance Group came together to launch the start of the 2025 Production and Shipping Season. Simon Wensley, CEO and MD was delighted to be joined by Ankamuthi Elder, Mr Charles Woosup, Director, Paul Lucas and TSA Managing Director, Bill Bisset for the celebration and to welcome the team back to Skardon River for 2025.



Picture: Left: Ikamba Captain Esmende with Metro NED, Paul Lucas, Maintenance Supervisor Jasmy Dcunha and MMI team. Centre: Community Engagement Superintendent Jaeme Davey with Ankamuthi Elder, Mr Charles Woosup. Right: Injinoos Dancers performing in the Yarning Circle at BHM camp.

Corporate

Financial position

Metro's financial position at the end of the quarter was as follows:

- Cash position was A\$12.2M.
- Senior Secured Debt facilities: US\$ secured debt facility totalling US\$56.6M, including the US\$5.2M drawdown of Tranche 4 during the quarter. Amortisation of the facility commences in July 2025.
- Metro had in place A\$/US\$ currency hedges with total notional value of US\$50M at an average exchange rate of AUD/USD 0.68.
- Metro does not publish unit revenue, cost and margin data for the quarter due to the low level of production and concentration of maintenance and fixed costs.

Environment, Social, Governance (ESG)

Metro had no reportable environmental incidents during the quarter.

During the quarter our ESG activities included:

- Metro continued to progress a system to capture and report its Scope 3 emissions. The roadmap has been finalised, with the implementation of the recommendations to commence in Q2 2025.
- Metro commenced work on the site water balance and Water Management Plan with a draft expected in April 2025. The Water Management Plan and water balance were last updated in 2018.
- Metro has completed the installation of the new fleet of diesel generators at port and camp which have significantly enhanced fuel consumption performance, fire control systems and expected reliability.
- Metro continued progressing its Reconciliation Action Plan activities during the quarter. At the end of the quarter, of the 41 actions, 39 are completed with the remaining actions to be settled in Q2 2025.

Tenement Schedule

The following tenements are owned 100% by the Metro Group.

Tenement	Project Name	State
EPM 25879	Southern Cape York	QLD
EPM 26144	Skardon West	QLD
EPM 26198	Skardon Gap West	QLD
EPM 27611	Skardon North West	QLD
MDL 423	Skardon North	QLD
MDL 425	Skardon South	QLD
ML 100130	BH1 Haul Road	QLD
ML 20676	Bauxite Hills 1	QLD
ML 20688	Bauxite Hills 6 East	QLD
ML 20689	Bauxite Hills 6 West	QLD
EPM 15278	Pisolite Hills North	QLD
EPM 15376	Ducie River	QLD
EPM 16755	Skardon River North	QLD
EPM 16899	Skardon River	QLD
EPM 17499	Eucid	QLD
EPM 18242	Skardon	QLD
EPM 18384	Skardon Channel	QLD
EPM 25878	Northern Cape York	QLD
ML 40069	Skardon Pipeline	QLD

ML 40082	Skardon Buffer	QLD
ML 6025	Skardon River No 1	QLD

The following tenements are owned 100% by the Columboola Joint Venture, of which the Metro Group is a 49% participant.

Tenement	Project Name	State
MDL 3003	Columboola A	QLD
MDL 3038	Columboola B	QLD
EPC 1165	Columboola	QLD

About Bauxite and Metro Mining

Bauxite is the ore used to make aluminium, a critical and high growth metal in the energy transition. Metro Mining is an independent bauxite producer and explorer, with its 100% owned Bauxite Hills Mine operating on the Weipa bauxite plateau approximately 95k, North of Weipa, near the coast on the Skardon River. Metro Mining produces a high alumina bauxite, shipping direct to customers in very large ore carriers. Metro Mining recognises and has productive agreements with the Traditional Owners of the land on which it operates and is proud of its high percentage of indigenous employees and the economic impact it has in Cape York and Far North Queensland.

Forward-Looking Statements

This report may contain 'forward looking statements' concerning the financial conditions, results of operations and business of the Company. All statements other than statements of fact are or may be deemed to be 'forward looking statements'. Often, but not always, 'forward looking statements' can be identified by the use of forward looking words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'continue', 'outlook', and 'guidance' or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, future or anticipated production or construction commencement date and expected costs, resources and reserves, exploration results or production outputs. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions, but known and unknown risks and uncertainties could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to, price fluctuations, actual demand, currency fluctuations, drilling and production results, resource and reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Metro does not give any representation, assurance or guarantee that the occurrence of these events expressed or implied in any forward-looking statements in this report will actually occur and does not make any representation or warrant, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates or forecasts contained in this report.

Appendix 5B

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

Name of entity

METRO MINING LIMITED

ABN

45 117 763 443

Quarter ended ("current quarter")

31 March 2025

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 (Refer: Note A)	18,827	18,827
1.2 Payments for		
1. exploration & evaluation	-	-
2. development	-	-
3. production	(25,875)	(25,875)
4. staff costs (Refer: Note B)	(8,116)	(8,116)
5. administration and corporate costs	(3,337)	(3,337)
1.3 Dividends received	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid (Refer to Item 3.9)	-	-
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	(18,501)	(18,501)

Note A: 'Receipts from customers' is only cash received and excludes amounts outstanding under letters of credit.

Note B: 'Staff costs' include both corporate and operational staff.

2. Cash flows from investing activities		
2.1 Payments to acquire or for		
1. entities	-	-
2. tenements	-	-
3. property, plant and equipment	(3,305)	(3,305)
4. exploration & evaluation	-	-
5. investments in joint venture	-	-
6. other non-current assets	-	-
2.2 Proceeds from the disposal of:		
1. entities	-	-
2. tenements	-	-

3.	property, plant and equipment	-	-
4.	investments	-	-
5.	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
	- Release of / (payment for) Financial Assurance	-	-
2.6	Net cash from / (used in) investing activities	(3,305)	(3,305)

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	8,046	8,046
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)		
	- Interest Paid	(2,393)	(2,393)
	- Principal Elements of Lease Payments	(2,516)	(2,516)
	- Other	-	-
3.10	Net cash from / (used in) financing activities	3,137	3,137

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	31,192	31,192
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(18,501)	(18,501)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,305)	(3,305)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,137	3,137
4.5	Effect of movement in exchange rates on cash held	(335)	(335)
4.6	Cash and cash equivalents at end of period	12,187	12,187

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	12,187	31,192
5.2	Call deposits	-	-

5.3	Bank overdrafts	-	-
5.4	Other (Restricted cash)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,187	31,192

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	-
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.

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>			
7.1	Loan facilities	90,425	90,425
7.2	Credit standby arrangements		
7.3	Other		
7.4	Total financing facilities	90,425	90,425
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.		
	Nebari Partners LLC US\$56.6M, SOFR + 7%, 13 March 2027. Secured		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(18,501)
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)	(18,501)
8.4	Cash and cash equivalents at quarter end (item 4.6)	12,187
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	12,187
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.7

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?
- The current quarter is impacted by the annual wet season shutdown. Normal operations commenced for the year on 15 March 2025. No further steps are required to fund operations.
- 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?
- N/A; refer to section 8.8.1
- 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?
- Yes, the entity recommenced normal operations in March 2025
- 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: 28 April 2025

Authorised by: BY THE BOARD

(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.