

ASX Announcement



25 July 2022

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: June 2022

Terrain Minerals Limited (ASX: TMX) (Terrain) is pleased to provide the following update on its activities for the June 2022 quarter:

HIGHLIGHTS:

Lort River Project – Rare Earth Elements (REE)

- New project three areas granted covering a total of 320km²
- Planning for drilling is underway
- Historic data review assays show a high percentage of valuable magnet rare earth elements (up to 35% of the total grade):

Shallow 1m auger samples returned Rare Earth Oxide (TREO) grades of:

- 580 ppm TREO in VKU28733 (25% Magnet REO of total grade)
- 525 ppm TREO in VKU28802 (27% Magnet REO of total grade)
- 513 ppm TREO in VKU28806 (28% Magnet REO of total grade)
- 505 ppm TREO in VKU28712 (35% Magnet REO of total grade)
- 504 ppm TREO in VKU28729 (29% Magnet REO of total grade)

Smokebush – Gold Exploration Project

- Desktop review completed to re-visit base metal and REE
 - 250~ RC rock chip samples submitted for XRF analyses for REE minerals
- Terrain is exploring new opportunities regarding project advancement

Corporate Update

- Wild-viper update
- Terrain currently holds One million Red5 Ltd shares
- New WA tenement area applications submitted
- New opportunities continue to be assessed

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Lort River Rare Earth Project

In May 2022, Terrain was granted the Lort River rare earths (REE) project tenements. This large tenement package is directly adjacent to emerging clay hosted rare earth discoveries in the region. During the quarter, Terrain conducted a review of historic data further highlighting the exploration potential at the Lort River Project. Terrain intends to continue its systematic approach to exploration with the aim of advancing towards drilling at the Lort River Project.

About Lort River Project:

The new tenements cover a total area of 320km² of highly prospective exploration acreage for REE within the now tightly held and emerging southern Esperance clay hosted REE province of Western Australia. The project areas are predominately situated over freehold agricultural land and located within 50km of the town and port of Esperance and located between other ASX explorers who have already demonstrated the existence of clay hosted REE within the region (Refer to Diagram 1).

Companies operating within the region are having success with identifying clay hosted rare earth mineralisation within this newly emerging rare earth mineral province. These include Meeka Gold Ltd (ASX: MEK) at the Cascade Project (which is located to the east of Terrain's Lort River Project) with grades up to 4,029ppm TREO reported. In addition, Odette Six Metals Ltd have also reported clay hosted REE.

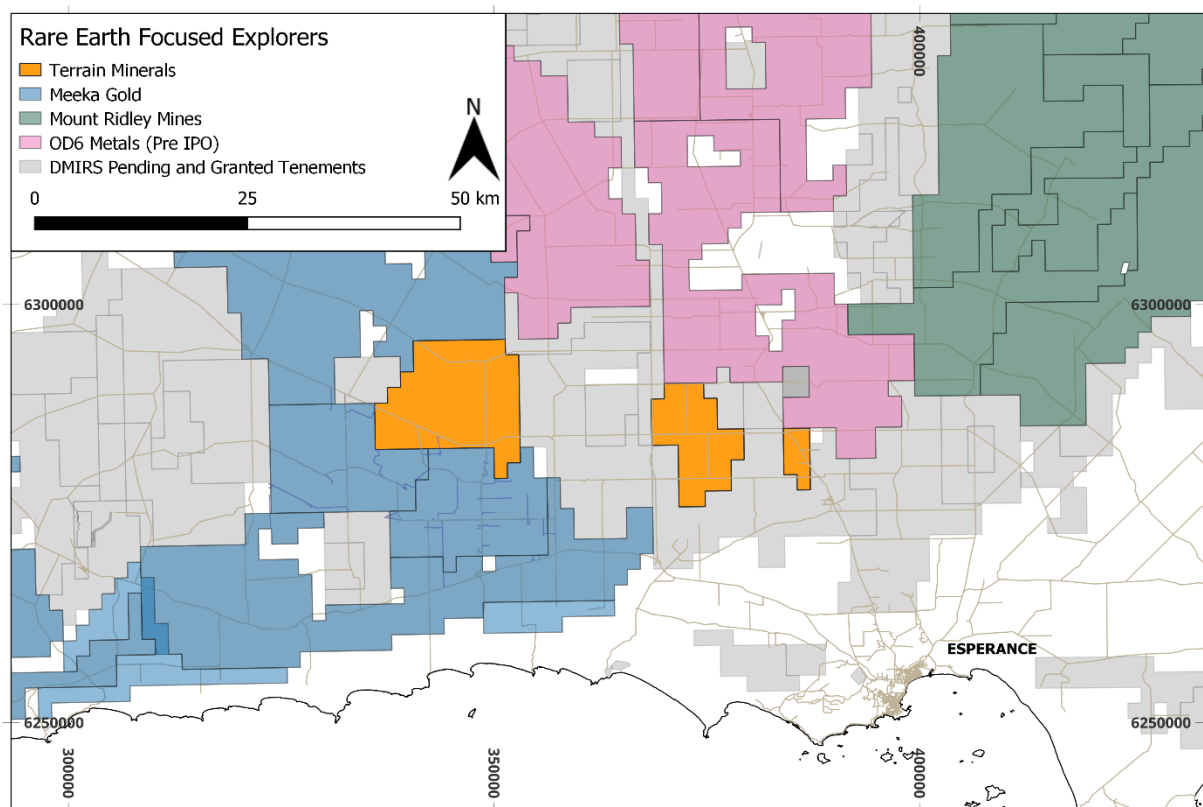


Diagram 1: Terrain new granted Lort River, REE exploration tenements in Yellow.

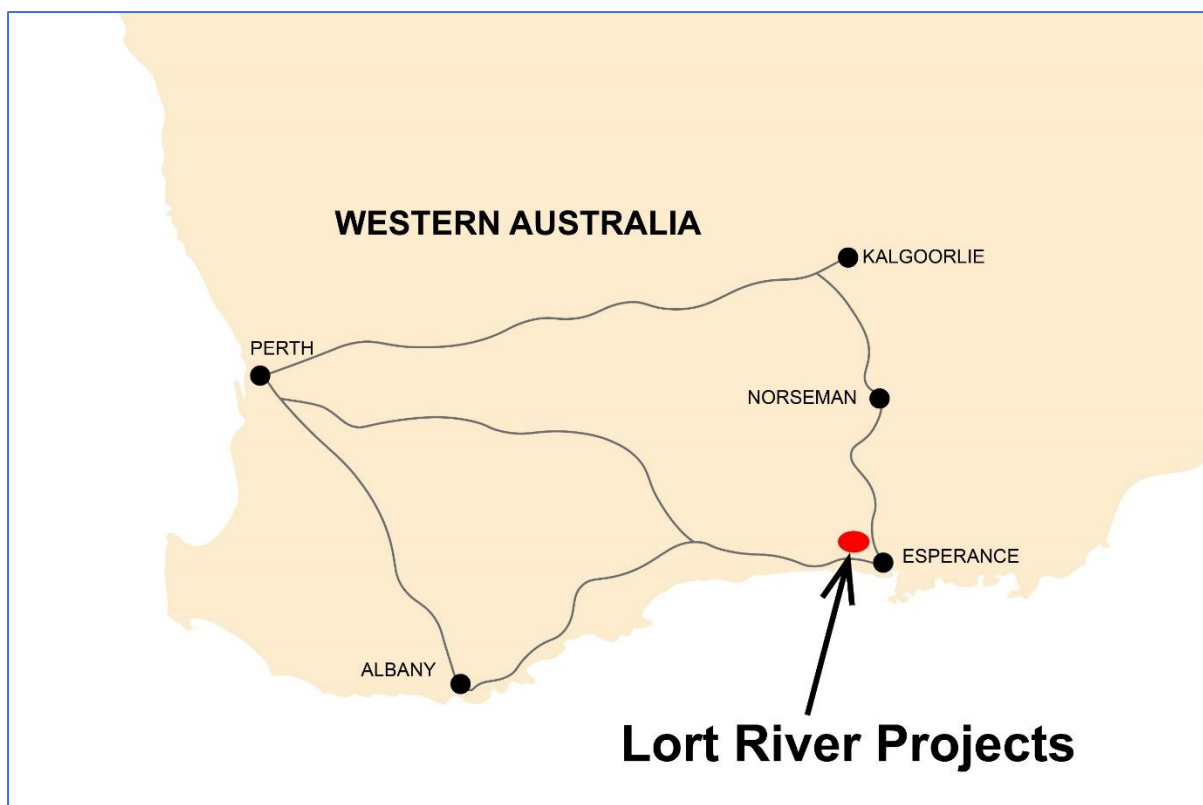


Diagram 2: Location of Lort River Project (TMX 100%) where surface REE clay type anomaly has been identified.

Lort River Project - Historic Data Review:

During the quarter, Terrain conducted a review of historic auger drilling data at its 100% owned Lort River Project with high-grade clay type rare earths (REE) soil anomaly identified over large areas.

High-Grade Rare Earths Soil Anomalies Identified

- Assays show a **high percentage of valuable magnet rare earth elements** (up to 35% of the total grade).
- **The shallow auger samples returned Total Rare Earth Oxide (TREO) grades of:**
 - 580 ppm TREO in VKU28733 (25% Magnet REO of total grade)
 - 525 ppm TREO in VKU28802 (27% Magnet REO of total grade)
 - 513 ppm TREO in VKU28806 (28% Magnet REO of total grade)
 - 505 ppm TREO in VKU28712 (35% Magnet REO of total grade)
 - 504 ppm TREO in VKU28729 (29% Magnet REO of total grade)

Refer: Collar and Drilling Tables 1 and 2 in ASX release heading/date below.

- Assays also show high Scandium (Sc) grades, a valuable metal and potentially important addition to the high-grade rare earth mineralisation.
- **Terrain intends to advance exploration at Lort River, targeting the underlying clay horizon** below the shallow soil anomaly.
- The tenure also covers the Kateup Creek, Helms, Bishops Hat and Lauriana Shear Zones and is prospective for gold and base metals, in addition to the shallow, high-grade, high value rare earth mineralisation already identified.

These exciting results are from historic shallow auger samples taken ~1m below surface and appear to have been taken along road reserves relating to early-stage gold exploration activities. Terrain will target the more prospective underlying clay horizon where it is hoped that grades will improve within larger zones. The high-grade soil results span Terrains two western tenements (E63/2208 and E63/2209), over 300km². The Company's eastern tenement (E63/2207) has never been explored for rare earth mineralisation and is also considered prospective for further REE soil anomalies (Refer to Diagram 3).

In addition to the high-grade rare earth soil anomalism spread across large areas of the Lort River Project, the tenure covers significant sections of major regional shear zones. This includes the Kateup Creek and Helms Shear Zone, the Bishops Hat Shear Zone and the Lauriana Shear Zone, positioned on the western side of a major bifurcation in the red island shear zone where both the Belgian and Lauriana Shears splay off to the west (Refer to Diagrams 6 & 7). In addition to rare earth targets, these shear zones present significant untested and highly prospective targets, for gold and base metals.

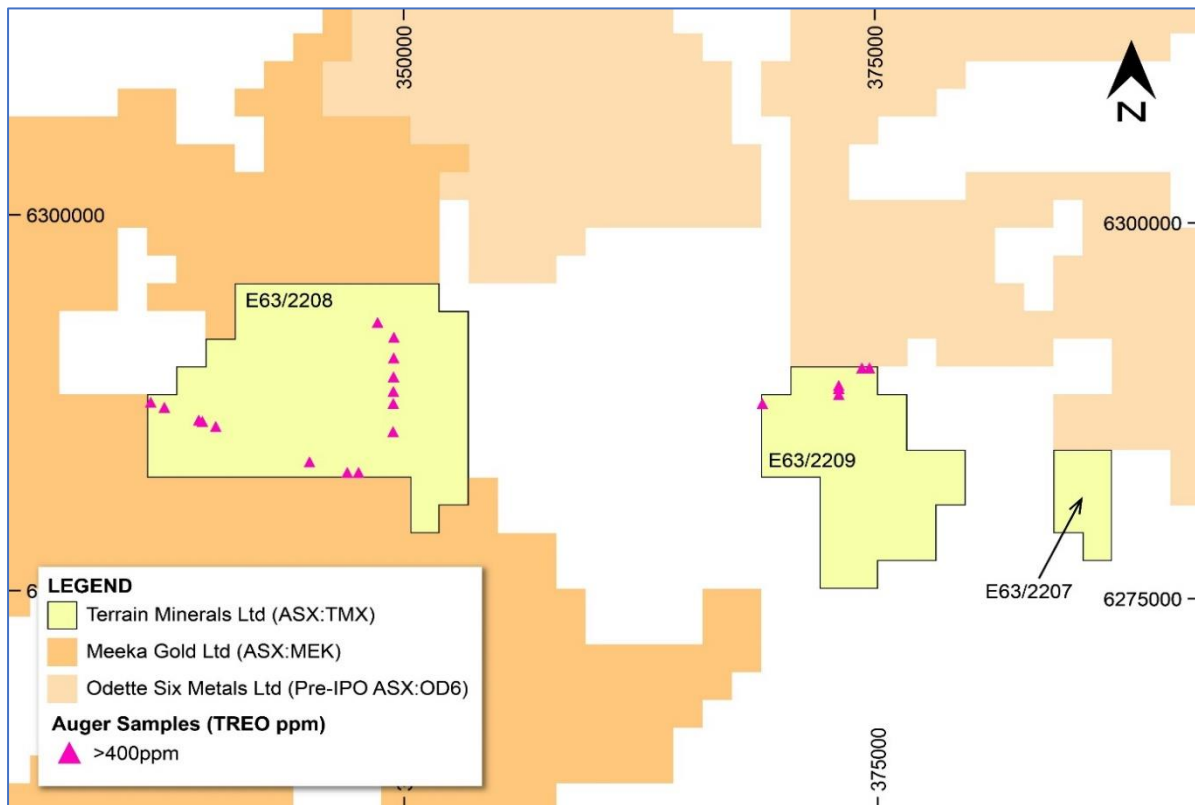


Diagram 3: Higher-grade rare earth surface sample locations.

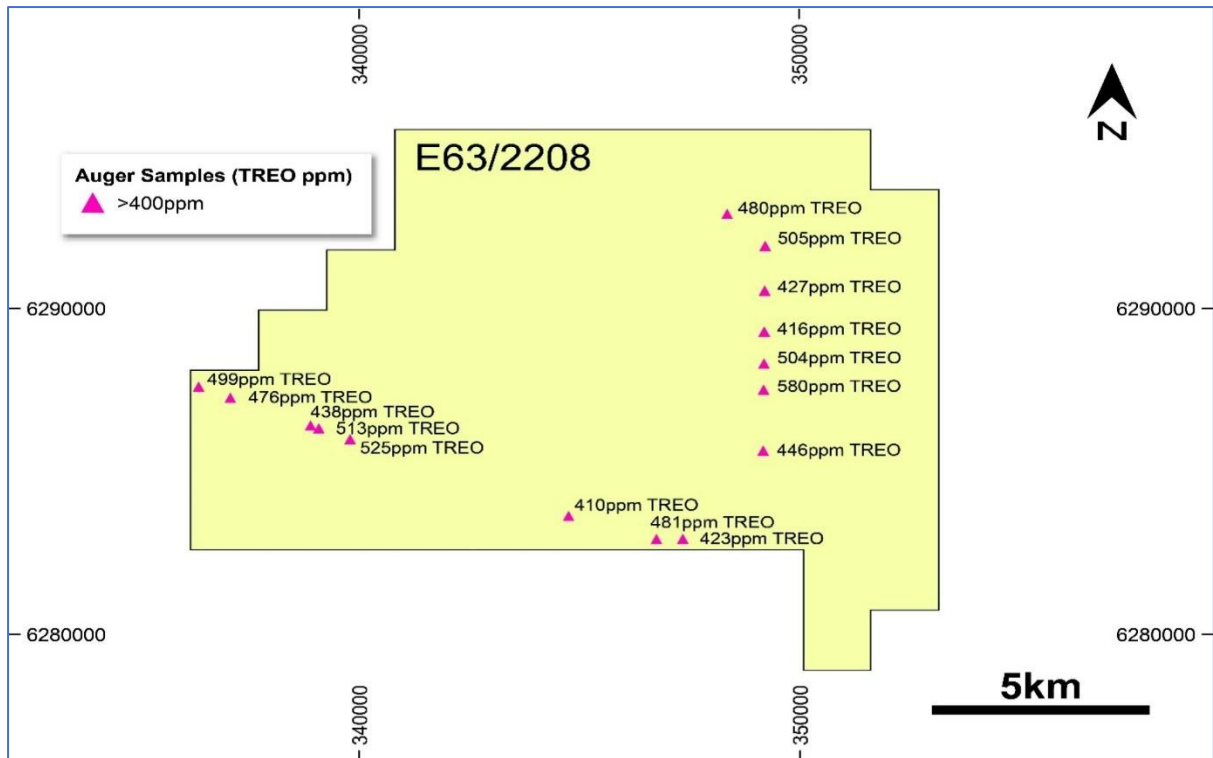


Diagram 4: Some of the Higher-grade rare earth surface assays within this large tenement E63/2208.

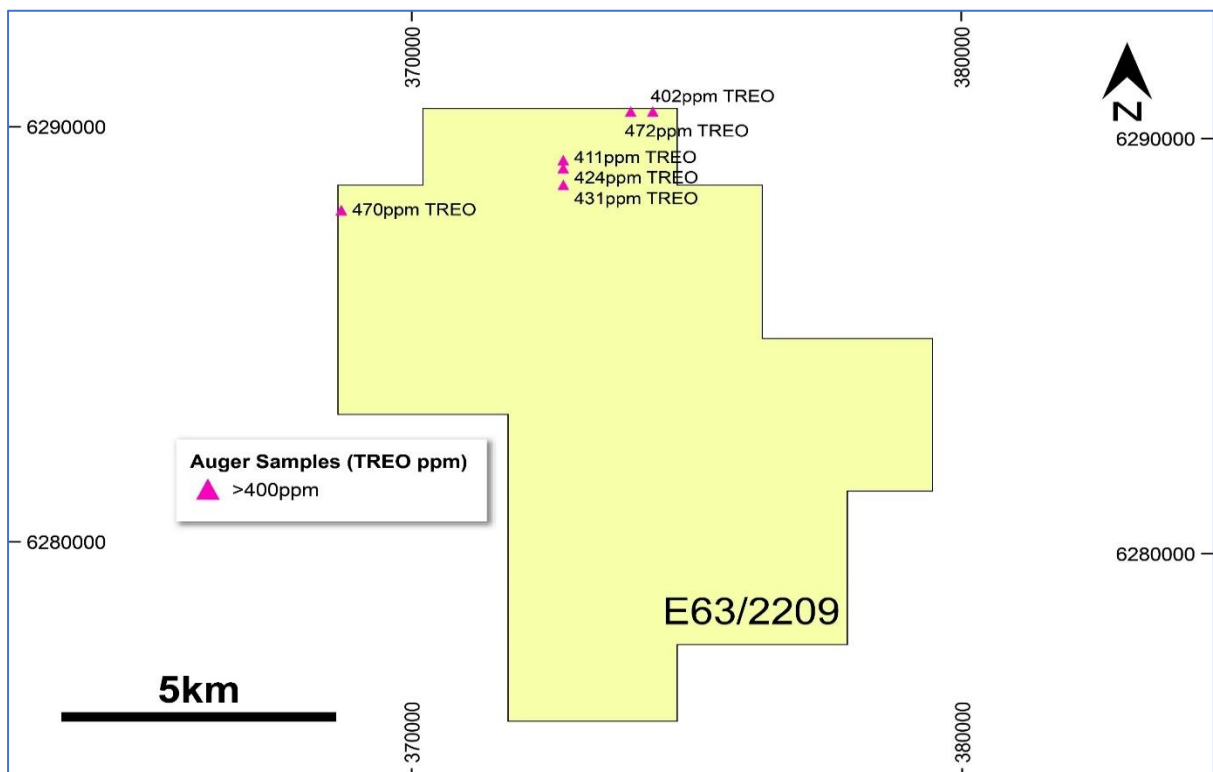


Diagram 5: Higher-grade rare earth surface assays within E63/2209.

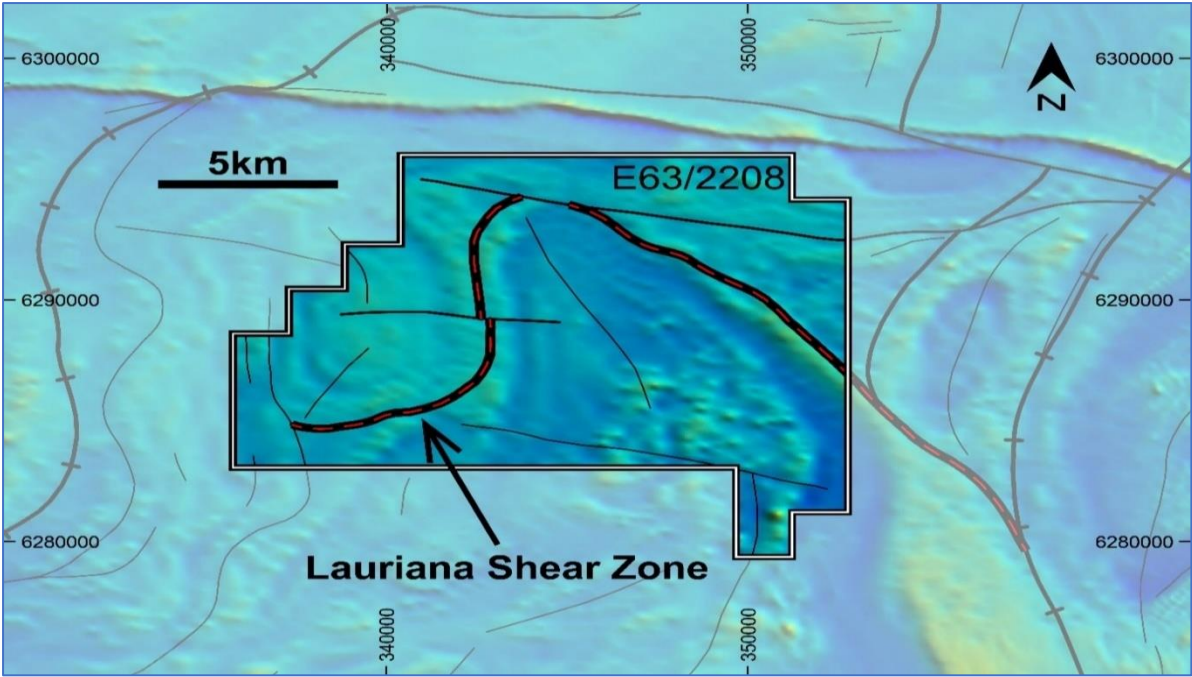


Diagram 6: E63/2208 tenement boundary (TMX 100%) overlaid on regional magnetics showing highly prospective Lauriana Shear Zone and second order structures.

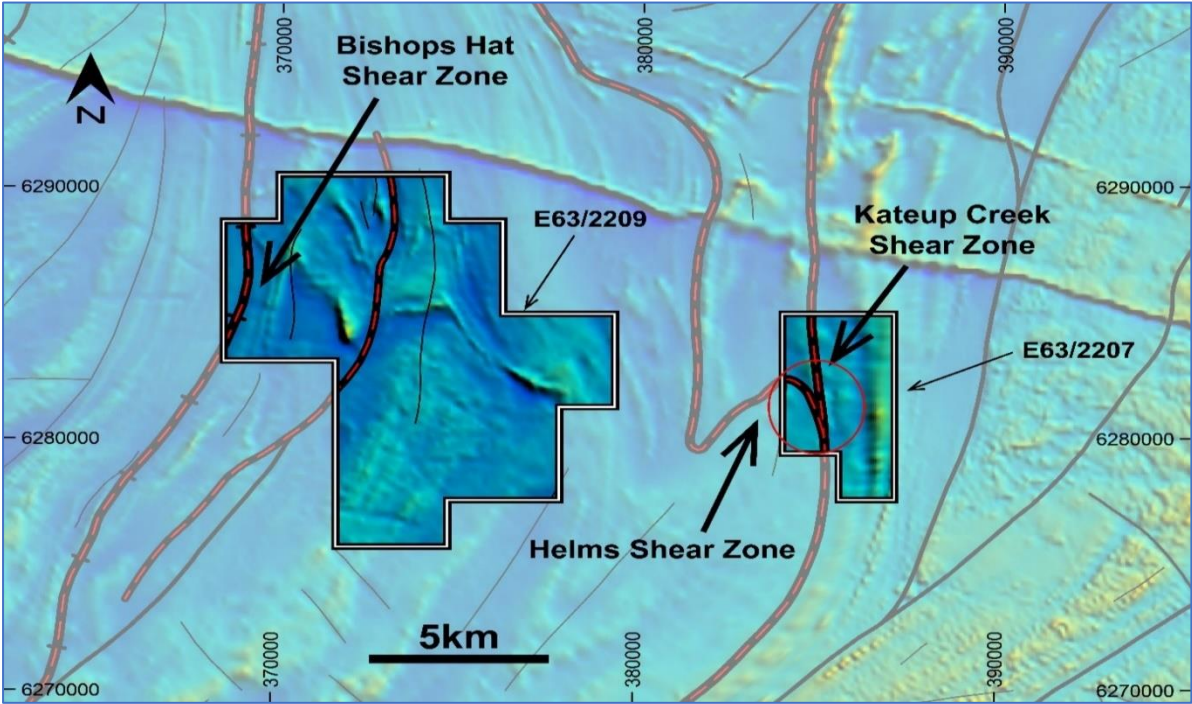


Diagram 7: E63/2207 and E63/2209 tenement boundaries (TMX 100%) overlaid on regional magnetics showing highly prospective regional shear zones and second order structures.

Lort River Project - Drilling Program:

Terrain is currently working through the regulatory requirements to obtain program of works (POW) approval for drilling. Drilling will be targeting shallow, high-grade clay rare earth mineralisation as well as testing for other mineral occurrences. Drilling is planned along roadside reserve sites in cleared areas that are already heavily disturbed. The first drill program is designed to be a "test of concept" program to test the existence of shallow REE enriched clays in with the top ~20m. Terrain notes that demand for drill rigs is still high and as such unable to reserve a drill rig until the POW have been approved.

Note: For additional information refer to ASX announcement:

- **5 May 2022** - Lort River (320km²) Rare Earth Project Highly Prospective Tenements Granted
- **30 May 2022** - High-Grade Clay Type Rare Earths (REE) Soil Anomaly Identified at Lort River Project

Smokebush Gold Project

Terrain's geological team is currently reviewing the historical data to see if there is potential for base metals including copper and rare earth. Terrain's geological team has submitted ~250 RC rock chip samples for bench top XRF analyses, results will be releases if any economic grades are identified.

Although the Smokebush project appears to be in a different geological setting, the project review is warranted due to the recent activities announced by ASX listed company Tempest Minerals limited (ASX: TEM) which is located to the north of the project.

At the same time Terrain is looking at several options in advancing this project further, one possibility being at a project level.

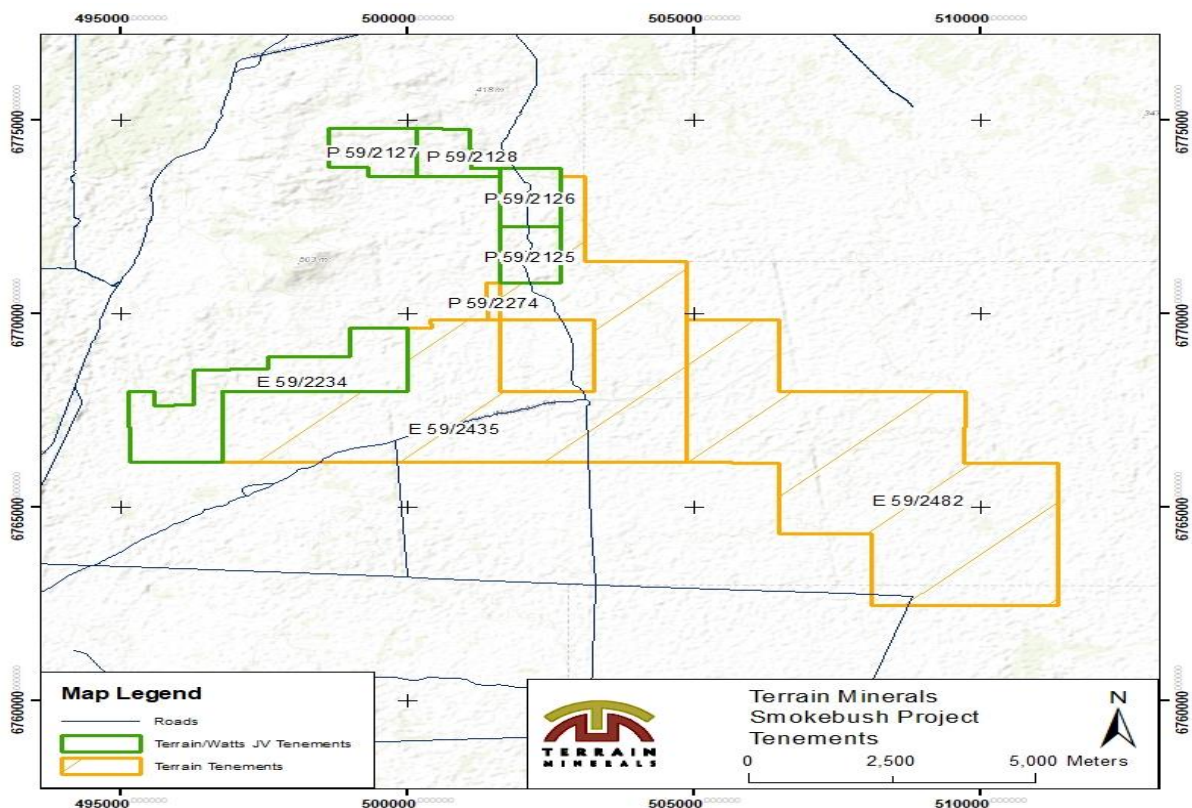


Diagram 8: Smokebush Project Location (tenement outlines in Green-JV tenements and Orange-Terrain 100%).

Note: For additional information refer to ASX announcement:

- **2 December 2019** - Farm-in Agreement for the Smokebush Gold Project at Mt Mulgine, 65km West of Paynes Find WA.
- **18 December 2019** - Smokebush Exceptional Historic Drilling Results Identified During Project Due Diligence.
- **3 March 2020** - Exciting Results from Smokebush Gold Project.
- **08 October 2020** - High Grade Rock Chips at Smokebush Gold Project.
- **12 October 2020** - Exciting Drilling Results at Smokebush Gold Project.
- **3 December 2020** - New Application Granted with Exciting Historic Results at the Paradise City Gold Prospect - Smokebush Gold Project.
- **12 February 2021** - Ground Geophysics & Mapping Refines Targeting Matrix at Smokebush Gold Project.
- **17 March 2021** - Drilling & Project Update - Smokebush Gold Project.
- **22 April 2021** - 2,100m RC Drilling Program Commenced at the Smokebush Gold Project.
- **27 May 2021** - New Rock Chip Samples & Drilling Update Smokebush Gold Project.
- **19 July 2021** - Positive First Pass Drilling Results Smokebush Gold Project.
- **13 September 2021** - New Geological Interpretation (Monza) & Exploration Update, Smokebush Gold Project.

Wild-viper Gold Exploration Project

During the quarter, Terrain continued to conduct several desks top studies on the project. Terrain is currently at the warden court dealing with a special prospecting licence (SPL) application from a prospector who is seeking to have an area granted which is in the proximity of Terrain's proposed drilling program. Terrain is defending its mineral rights within its granted tenement area.

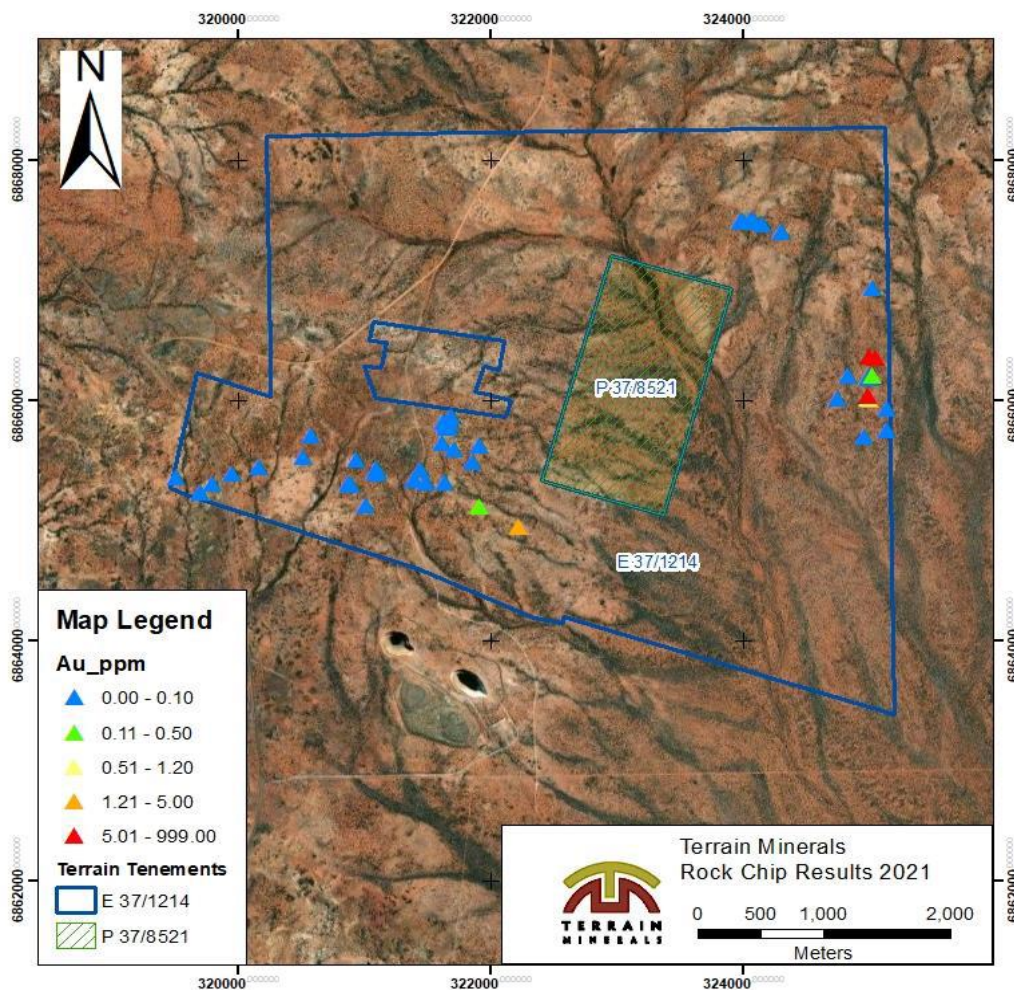


Diagram 9: Wild Viper Project, P37/8521 Terrain has the right. Other Blue cut of is RED 5 Ltd Great Western gold mine

About Wild-viper Gold Project:

The 100% owned Gold exploration project is Located 68 km north of Leonora and adjacent to the Goldfields Highway and is situated on the Weebo pastoral leases and forms part of the historic Wilsons Patch mining area. Terrain considers this project an exciting exploration opportunity that has seen limited modern exploration. This Strategically located package is surrounded by the Great Western Gold Project (now 100% owned & being mined by Red5 Ltd - ASX: RED) and is also adjacent to Northern Star Resources (ASX: NST) Bundarra gold deposits as well the historic Black Cat workings. The newly secured Wilson Patch tenement is also under explored and is highly prospective due to being held in private hands for several decades.

Note: For additional information refer to ASX announcement:

- **22 June 2020** - Wild-viper & Smokebush Gold Projects Update.
- **29 June 2020** - Strategic Acquisition at Wild-viper Gold Project "The Missing Piece of the Puzzle" & New Targets.
- **07 October 2020** - Wild-viper Gold Exploration Project Update.
- **05 November 2020** - Commencement of 2,650m drill program at Wild-viper Gold Project & Smokebush Gold update.
- **02 February 2022** - High Grade Rock Chips from New Areas at Wild Viper Gold Project.

Corporate

Share Investment

As at the date of this announcement, Terrain held 1 million Red5 Ltd shares (ASX: RED).

Issue of Securities

On 9 May 2022, the Company issued 25,000,000 fully paid ordinary shares as consideration for the purchase of mining data in the Dundas region of WA where Terrain has recently applied for tenements in (Lort River Project).

New Land Areas – Applications Calytrix Project

It is not Terrains normal or industry practice to release such information until at least the 35-day objection period has passed and in most cases until tenements have been fully granted.

As a result of an ASX Price and Volume Query on 31 March 2022, Terrain was required to inform the market of a new package of tenement applications located at Warrambo in the Yalgoo mineral field of Western Australia (**Calytrix Project**). As at the date of this announcement, Terrain has been granted two out of the four applications in respect to the Calytrix Project.

Also, in the same area of Calytrix but to the South-West, Terrain has also applied for a group of tenements, tentatively named the Dryandra Project, all applications pending.

Project Review

Terrain continues to search and assess potential 'company making' projects including Gold, Copper, Nickel and industrial minerals in Australia, Europe, and other regions. Several jurisdictions of interest have been identified. All economic commodities are being considered as indicated in previous Quarterly reports.

Terrain has been in advanced discussions and close to finalising a transaction regarding a project located in Eastern Europe. Unfortunately, due to regional issues which appear to be continuing for the foreseeable future, the board has withdrawn from this opportunity as they believe the risks are too high to proceed at this time.

Geological assessment and discussion are ongoing on other opportunities.

Justin Virgin
Executive Director

For further information, please contact:

Justin Virgin - Executive Director
Email: terrain@terrainminerals.com.au
Phone: +61 8 9381 5558

ABOUT TERRAIN MINERALS LIMITED:

Terrain Minerals Limited (ASX:TMX) is a minerals exploration company with a Western Australian based asset portfolio consisting of:

- **Investments:** As of the date of this announcement Terrain held 1 million Red 5 Limited shares
- **Lort River** – New REE 100% owned project, located 50km northwest of Esperance WA. Terrain has applied for program of work permits (POW) to conduct a shallow drill program along roadside reserve sites to test if rare earth minerals are present in wider zones of clays and at elevated grades to the known 1m auger samples.
- **Smokebush** - WA gold exploration Project JV (80% TMX) – Terrain has identified multiple drill targets along with several other prospective areas. Terrain executed its extraordinarily successful maiden RC drill program in August 2020, following up on historic drilling. The second phase of drilling has extended minerals a further 400m to 700m long and has also identified a new zone Monza Norths that appears to be on a different orientation. Further follow up work is also required over Paradise City (100% TMX), Wildflower and Hurley prospects with more mapping planned in 2022. Due to the recent discovery by Tempest minerals Ltd (ASX: TEM) a project review is underway looking at base for potential of base metals and rare earths.
- **Wild-viper** - WA gold exploration Project 100% owned – which incorporates the strategic land holding known as Wilson Patch (WP). Wild-viper tenement package is strategically located and surrounds Red5 Ltd - Great Western Project (GW) as well as being adjacent to Saracen's (ASX: SAR) Bundarra gold deposits. Terrain's released additional exploration results and can be seen above in this release.
- **Project Review** - Terrain Minerals continues to investigate potential projects across various commodities including Gold, Copper, Nickel, and other industrial minerals, REE and the platinumoid groups of metals in Australia and again in other jurisdictions like Africa, Continental Europe, and the Americas. Terrain is currently advancing conversations and investigating several opportunities offshore.

Authority

This announcement has been authorised for release by the Board of Director of Terrain Minerals Limited.

Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associated during the quarter totalled \$69,000. Terrain advises that this relates to Executive Director salaries and entitlements and Non-Executive Director fees. Please refer to the Remuneration Report in the Annual Report for further details on Director remuneration.

Competent Person Statement:

The information in this report that relates to historic exploration activities are based on information compiled by Mr. S Nicholls, who is a Member of the Australian Institute of Geoscientists and full time employee of Apex

Geoscience Australia Pty Ltd. Mr Nicholls has sufficient experience which 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'. Mr. Nicholls consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Compliance Statement:

The Company notes that within the announcement all the information is referenced directly to the relevant original ASX market releases of that technical data.

Terrain would like to confirm to readers that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of the estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Disclaimer:

Information included in this release constitutes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance" or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate environmental conditions including extreme weather conditions, staffing and litigation

Forward looking statements are based on the company and its management's assumptions made in good faith relating to the financial, market, regulatory and other relevant environments that exist and effect the company's business operations in the future. Readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements are only current and relevant for the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or advise of any change in events, conditions or circumstances on which such statement is based.

Appendix 5B

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

Name of entity

Terrain Minerals Limited

ABN

45 116 153 514

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(35)	(258)
(b) staff costs	(69)	(276)
(c) administration and corporate costs	(45)	(233)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - Net GST	(3)	47
1.9 Net cash from / (used in) operating activities	(152)	(720)

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	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-

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 (12 months) \$A'000
(c) property, plant and equipment	-	-
(d) investments net sale of Red 5 shares	-	660
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	-	660
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 (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,237	1,145
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(152)	(720)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	660
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,085	1,085

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

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	1,085	1,237
5.2	Call deposits	-	-
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)	1,085	1,237

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	69
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 <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)	(152)
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)	(152)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,085
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,085
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.14
<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: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes	
<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>	

**Schedule of Exploration Tenements held as at 30 June 2022 - Listing Rule 5.3.3
Interests in Mining Tenements**

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Wild Viper E37/1214	Western Australia	100%		
Smokebush E59/2435 E59/2482 E59/2274	Western Australia	100%		
Calytrix E59/2691 E59/2692 E59/2693 E59/2694 E59/2745	Western Australia	E59/2692 & E59/2694 Granted. With E59/2691, E59/2693 & E59/2745 Pending	100%	
Lort River E63/2207 E63/2208 E63/2208	Western Australia	100%	100%	

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Smokebush E59/2234 P59/2125 P59/2126 P59/2127 P59/2128	Western Australia	Terrain has earned 80% via on ground expenditure.		
Wilson Patch P37/8521	Western Australia	100% with royalty		

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: 25 July 2022

Authorised by:
Board of Directors

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.