

March 2025 Quarterly Activities Report

Albion Resources Limited (ASX: ALB) ("Albion" or "the Company") is pleased to present the following summary of activities undertaken during the March 2025 quarter, highlighting strong early progress at the newly acquired **Yandal West Project**.

Quarterly Key Highlights:

Yandal West Project (WA)

- Finalised the acquisition of the **Yandal West Project** and tranche 2 of share placement.
- Initial IP survey results at **Ives Find** (a prospect within the Yandal West Project) identified **seven high priority geophysical targets**, which will be evaluated through follow-up geophysics to refine drill planning.
- Commenced **Dipole-Dipole IP surveys** (results pending).
- Completed a regional **soil sampling program** (results pending).
- On track for a mid-year drill campaign.
- Maintained strong relationships with Traditional Owners and supported the cultural and environmental integrity of the area.
- Gained approval of a **Program of Work (PoW)** from DMIRS for both Ives Find and Barwidgee.

Corporate and Capital Structure

- Appointed **Chris Tuckwell** to the Board on 29 January 2025.
- Appointed **Peter Goh** as Chief Executive Officer on 5 March 2025.
- Albion maintains a strong financial position, with approx. **\$4 million in cash** as of 31 March 2025 and **132 million shares on issue**. This puts the Company in a robust position to execute its planned exploration programs.

Message from the CEO - Peter Goh

"We're incredibly excited about the acquisition of new tenure at Yandal West and the upcoming drill campaign. Since finalising the deal and funding in January, and with my official start in March - we've hit the ground running. Our focus is clear: to advance exploration quickly and efficiently, with drilling as our immediate priority. These developments mark a strong step forward in Albion's mission to deliver a meaningful gold discovery in one of WA's most prospective regions. I'm also pleased to welcome Chris Tuckwell to the Board, his deep mining experience will be a major asset as we grow Albion into a focused, results-driven exploration company."

Looking ahead to the June quarter, Albion aims to:

- Evaluate Dipole-Dipole IP results at Yandal West (targeting May).
- Interpret soil sampling assays and prioritise drill targets based on geochemistry and geophysics at Yandal West (targeting May).
- Commence a drill campaign with AC drilling, followed by RC drilling at Yandal West.
- Work with the **Kultju Traditional Owners** to conduct **heritage surveys in early May**, in preparation for a maiden drilling campaign at Yandal West targeting mid-year 2025. The Company recognises the deep cultural connection the Kultju people have to this land and is committed to ensuring exploration activities are conducted in a way that respects and preserves these values. Albion seeks to build long-term, respectful relationships based on open dialogue, transparency, and shared benefit, and views the involvement of Traditional Owners as a critical part of responsible resource development.
- Launch refreshed website, branding, and communications to better reflect this momentum and the exciting road ahead.

Yandal West Project (WA):

On 29 January 2025, the Company completed the acquisition of Yandal West Project after receiving the requisite shareholder approvals at the 22 January 2025 shareholder meeting.

The Yandal West Gold Project encompasses three contiguous tenements covering a total area of 61km². Albion now owns an 80% ownership in E53/1612 and E53/1816 (20% Diversified Asset Holdings Pty Ltd) and 100% ownership in E53/1369.

The project lies within the Northeastern Goldfields Province of the Yilgarn Craton, in the northern section of the Yandal Greenstone Belt (Figure 1). The Yandal Greenstone Belt is an elongate, fault-bounded, north-northwest-trending belt of Archean mafic rocks and intercalated banded iron formations and felsic volcanoclastic rocks (Figure 2). The belt contains the multi-million-ounce Jundee and Bronzewing gold deposits owned and operated by Northern Star Resources (ASX: NST), as well as Wiluna Gold Mine to the North West (Figure 1). For more information on the project background see ASX ALB announcement 28 November 2024.

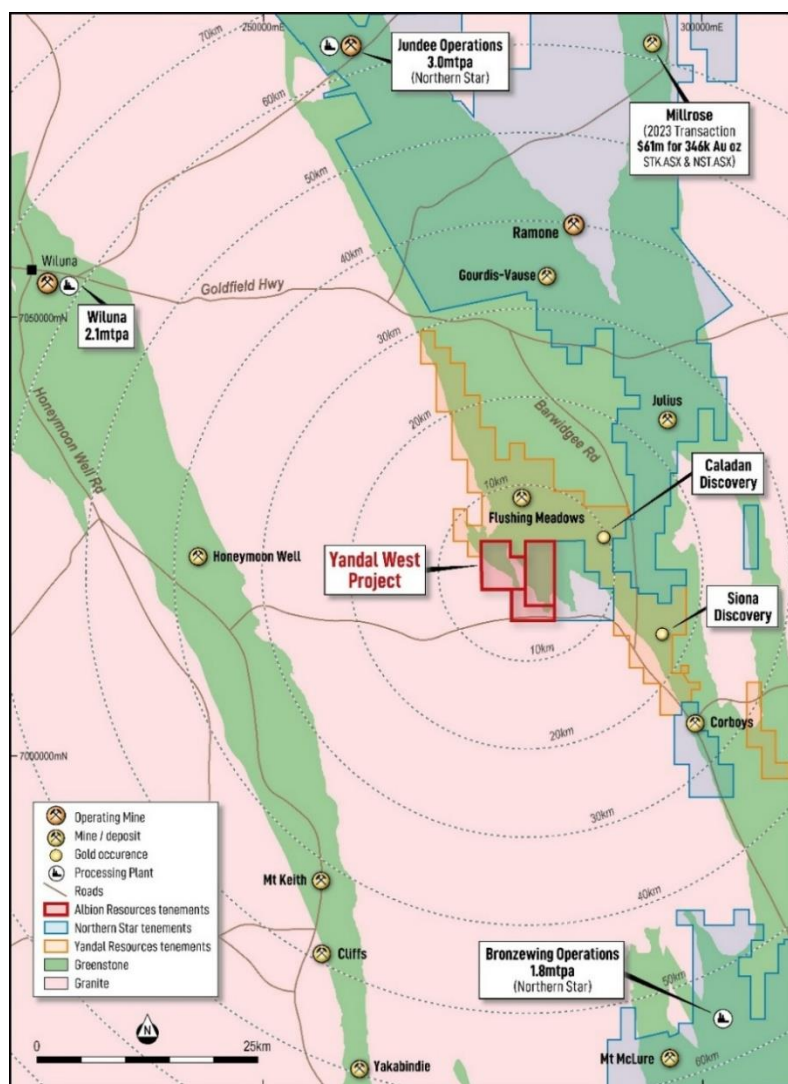


Figure 1: GSWA 1:2,500,000 bedrock geology map showing the location of the Yandal West Project on the Yandal Greenstone Belt and major gold mines and discoveries and nearby operating companies.^{1,2,3}

¹ The Millrose deposit was purchased from Strickland Metals Ltd by Northern Star Limited for \$61m, see the ASX Announcement 26 June 2023.

² The processing capacity for Jundee and Bronzewing Processing Plants (care and maintenance) were obtained from the Northern Star Website, see the company website [Bronzewing Operations | Northern Star](#) and website [Jundee Operations | Northern Star](#) (Accessed 29 April 2025).

³ The process capacity for Wiluna (owned by Wiluna Mining) includes a 2.1 mtpa CIL processing facility, a modern 750 ktpa gold concentrator, a gas-fired power station and a 300-person camp, see the company website [Projects Overview: Wiluna Mining Corporation](#) (Accessed 29 April 2025).

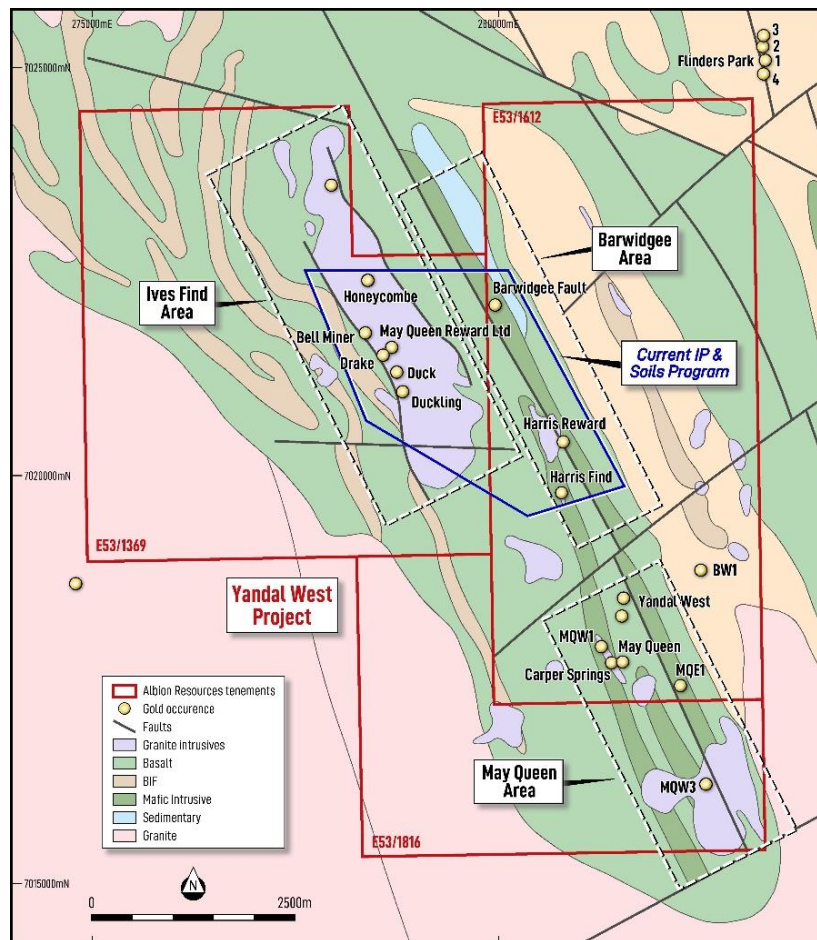


Figure 2: GSWA 1:500,000 bedrock geology map and the location of the granite and porphyry intrusives (from GSWA 1:250,000 surface geology map) and location of main gold occurrences.

During and Subsequent to the Quarter End

Albion advanced exploration by undertaking the following:

- Undertook a review of the priority targets at Yandal West.
- Commenced gradient array IP surveys and soil sampling surveys (results pending).
- Received results from the Gradient Array IP Survey (at Ives Find) **identifying seven priority targets**.
- Initiated Dipole Dipole Surveys to refine drill targets (results pending).

Once the soil samples are received and evaluated, Albion will prioritise drill targets for the upcoming drilling campaign.

The gradient array IP survey at Ives Find commenced in March with results announced to the ASX on the 10th April 2025⁴ (see the announcement for details and information on the competent person).

Ives Find Gradient Array IP Survey Results

Albion Resources recently completed a Gradient Array Induced Polarisation (GAIP) survey covering 2.4 km by 1.2 km grid at the Ives Find Prospect. The survey used 50m station and dipole spacing with 100m receiver line spacing.

⁴ ASX Announcement ALB, IP Survey Identifies 7 High Priority Anomalies at Ives Find, released 10th April 2025.

The survey was designed to detect resistivity anomalies (suggesting quartz) and chargeability anomalies, (indicating semi-sulphides), which are promising indicators of gold mineralisation, particularly when they align. These findings will be instrumental in shaping the upcoming drill campaign, set to begin mid-year.

Resistivity Results

The resistivity survey is designed to detect quartz veins and silicification that are commonly associated with gold mineralisation in the Yandal Greenstone Belt. Figure 3 highlights resistivity anomalies across Ives Find, with the pink denoting the highest resistivity.

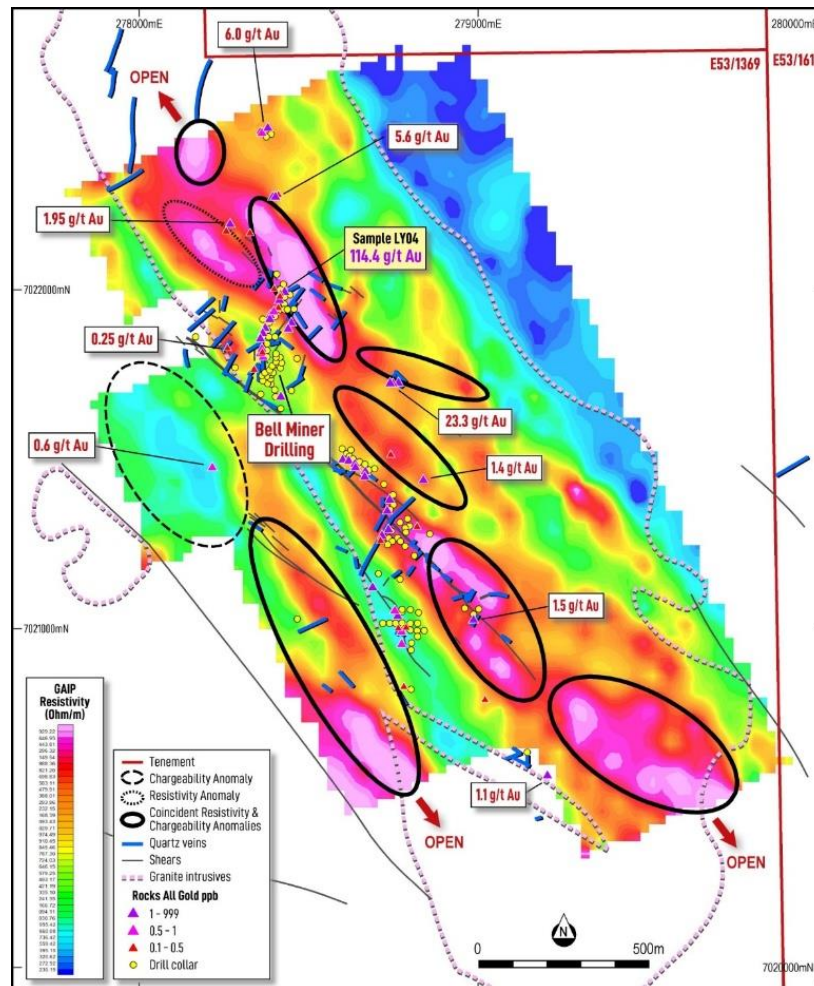


Figure 3: GAIP Resistivity Image showing the Ives Granite contacts, historical mapping for quartz veins and structures as well as rock assays >0.1 g/t Au and recent ALB rock sample LY04.

Resistivity Results - Key Findings

- A variable 2.5 km long northwest trend of resistivity anomalies that obliquely crosscuts the Ives Find granite plus one area along the southwestern contact.
- The resistivity anomalies are open to the northwest and southeast.
- Eight new resistivity anomalies have been identified (as shown by black and black dotted circles in Figure 3), all previously undrilled within the central parts of the anomalies.
- Seven of these resistivity anomalies coincide with the chargeability* anomalies (as shown by the black circles in Figure 3 & 4). **More information on chargeability described in the next section*
- Historical mapping of northwest and northeast trending quartz veins and structures in the central and western portions of the Ives Granite are mapped within or close to the resistivity anomalies, reinforcing the validity of the data.
- Historical rock assays show elevated gold in northwest and southeast trending quartz veins, partially coinciding with resistivity anomalies, further, reinforcing the validity of the data.

- The southeast anomaly located along the contact of the granite is extremely encouraging, showing similarities to Yandal Resources' Siona discovery. The anomaly along the southwestern contact of the granite is also worthy of further investigation.
- The undrilled area north of Bell Miner is a compelling drill target strongly supported by surface assays up 5.6 g/t at surface (see Figure 3 & 4).

Chargeability Results

The chargeability survey was designed to detect disseminated sulphide that is commonly associated with gold mineralisation in the Yandal Greenstone Belt. Figure 4 demonstrates the chargeability over Ives Find, with the pink denoting the highest chargeability.

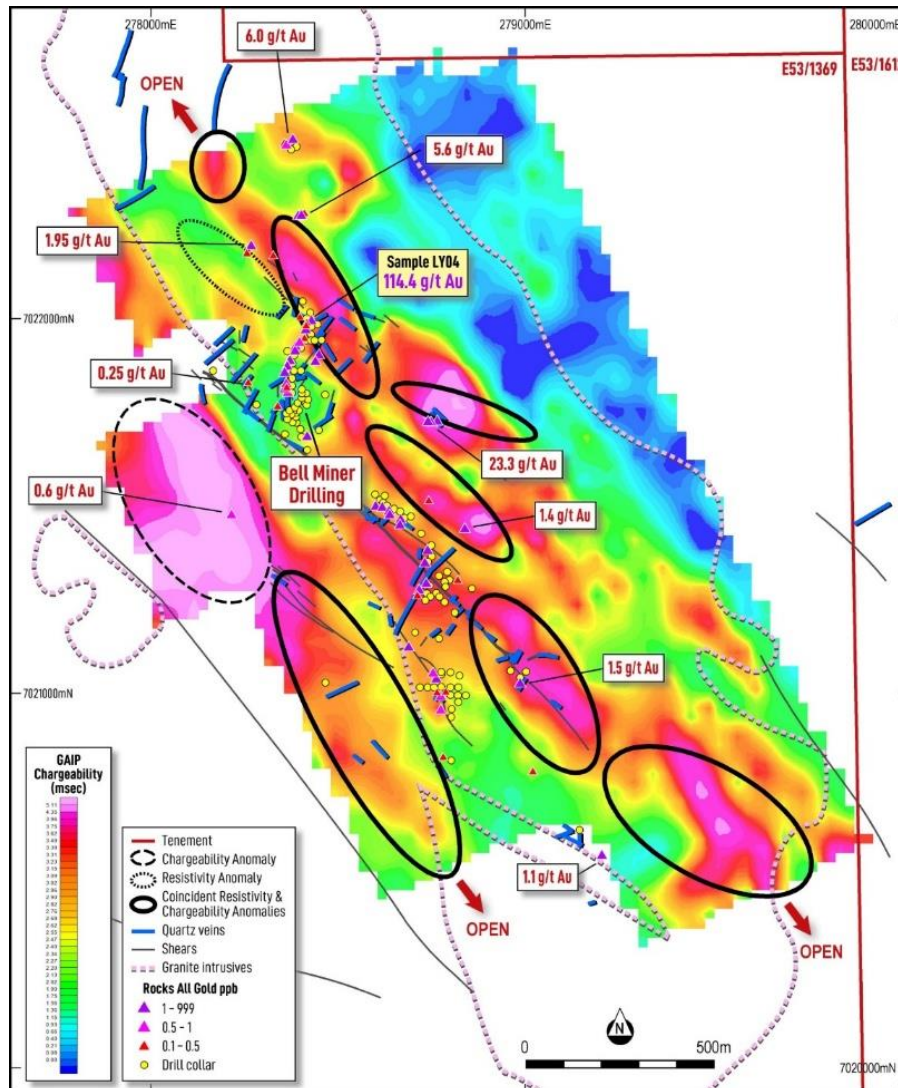


Figure 4: GAIP Chargeability Image showing the Ives Granite contacts, historical mapping for quartz veins and structures as well as rock assays >0.1 g/t Au and recent ALB rock sample LY04.

Chargeability Results - Key Findings

- Seven chargeability anomalies have been identified that are coincident and sub-parallel trends to the resistivity (as shown by the black circles in Figure 3) that occur within or along the contacts of the granite.
- Coincident chargeability-resistivity anomalies are open to the southwest and northwest (Figure 4).
- The strongest, central portions of each of the seven anomalies have not been drill tested.
- Historical rock assays of elevated gold in rocks chips are partially coincident with at least four of the coincident chargeability-resistivity anomalies. Including up to 23.3 g/t Au associated with one of the strongest chargeability anomalies which greatly enhances the prospectivity of this target area (Figure 4).

- During recent field work by Albion, one rock chip sample was taken of one of the known quartz veins at the Bell Miner workings (LY04 in Figure 3 and 4) with gossanous sulphide containing and returned assays of 114.4 g/t Au, 45.8 g/t Ag, 0.33% Cu, 0.25% Pb and 0.53% Zn (See Figure 4). This is explained in more detail below (See section Rock Chip Sample By Albion).
- One additional strong unexplained chargeability anomaly extending over 500m has been located to the west of the granite (marked by the dash black circle outside the granite in Figure 4). A historical rock sample from the area returned 0.6 g/t Au which supports the prospectivity of the area. Although this does not coincide with a resistivity anomaly, it warrants further investigation.

Rock Chip Sample by Albion

During recent fieldwork Albion took one sample of one of the known gold-bearing quartz veins at the historical Bell Miner workings (Figure 5). The purpose of this sample is to confirm if there is gold associated with the quartz and sulphide material in order to better understand the mineralisation style for geophysical and geochemical exploration purposes. The assay results from the lab confirmed the rock chip contained gossanous sulphide and returned 114.4 g/t Au, 45.8 g/t Ag, 0.33% Cu, 0.25% Pb and 0.53% Zn (See Figure 3 and 4 for the location).



Figure 5: Photograph of sample LY04 of quartz veins with gossanous disseminated sulphide that assays 114.4 g/t Au, 45.8 g/t Ag, 0.33% Cu, 0.25% Pb and 0.53% Zn.

This work confirms that quartz veins with high grade gold are certainly coincident with sulphide some of which is rich in base metals and even silver. This is an important observation since it shows the association between gold with quartz silica, detected by IP resistivity, and sulphide, detected by IP chargeability. This will also help guide Albion as the company leverages off soil samples and historical rock chips to identify drill targets.

Mongers Lake Project:

The Mongers Lake Project covers a portion of the Yalgoo-Singleton Greenstone Belt in the Murchison Province of Western Australia, located between Capricorn Metals' Mt Gibson Gold Project and Silver Lakes' Rothsay Gold Projects (Figure 6). The Mongers Lake Project has been subject to limited historical exploration despite the regional prospectivity.



Figure 6: Mongers Lake Project Location Map on GSWA 500k Geology

Recent Activities

No ground activities were completed on the Mongers Lake during the quarter.

Leinster Project:

The Leinster Project, located 30km southeast of Leinster, covers an area of 42km² and is prospective for nickel-copper being located adjacent to BHP's Nickel West Weebo Ni deposit.

Recent Activities

No ground activities were completed on the Leinster Project during the quarter.

Lennard Shelf Project:

Albion's Lennard Shelf Project is located in the world class Mississippi Valley type Zinc-Lead province, the Lennard Shelf, approximately 30 km southeast of Fitzroy Crossing in the Kimberley, Western Australia. Despite hosting significant historic mines, Pillara (19.3Mt @ 7.8% Zn + 2.6% Pb) and the Cadjebut Trend (16.4Mt @ 8.9% Zn + 5% Pb), regional exploration in the Lennard Shelf Province has been largely overlooked since the late 1980's. The Lennard Shelf Project contains comparable geology to Pillara and the Cadjebut Trend.

Recent Activities

No ground activities were completed on the Lennard Shelf Project during the quarter.

Management and Board:

On the 29 January 2025, Mr Julian Jarman stepped down as the Non-Executive Director and Chris Tuckwell was appointed as the Non-Executive Director.

Chris Tuckwell is currently a Non-Executive Director of ASX listed Arrow Minerals Ltd and has previous experience as a director of ASX listed companies including having been the Managing Director of MACA Limited for over 11 years and with Ausdrill Limited in offshore country and joint-venture boards. Mr Tuckwell has over 40 years' experience in mining, mining services and mine development.

On the 24th March 2025, Peter Goh was appointed CEO of Albion Resources. Mr. Goh is a seasoned resources analyst and Chartered Accountant with over 17 years of experience in the resources industry. With expertise evaluating projects spanning gold, mineral sands, rare earths, uranium, copper, and iron ore, Mr. Goh has developed a deep understanding of the complexities and opportunities within junior resources companies.

Corporate:

On 29 January 2025, the Company completed the acquisition of Yandal West Project after receiving the requisite shareholder approvals at the 22 January 2025 shareholder meeting. The following transpired on completion of the acquisition:

- The Company raised an additional \$1.26M at \$0.045 through the issue of 28,127,778 fully paid ordinary shares;
- The Company issued 22,222,222 fully paid ordinary shares (\$1m) consideration shares and 30,000,000 share performance rights to the vendor of the project. 15,000,000 Tranche A share performance rights vest on the Company declaring a JORC compliant Mineral Resource of a minimum of 250,000oz of contained gold with a grade of at least 0.75g/t (cut-off grade of at least 0.5g/t) on the project tenements. 15,000,000 Tranche B share performance rights vest on the Company announcing a decision to mine.
- The Company issued 10,000,000 unquoted options to brokers in placement fees. The options are exercisable at \$0.07 and expiry of 29 January 2028.
- The Company issued 8,000,000 performance rights to directors and advisors per the terms and conditions set out in the Notice of Meeting on 23 December 2024. Performance rights vest on a 10-day VWAP of \$0.07 and expire on 29 January 2028.

On 5 March 2025, the Company issued 2,000,000 unquoted options exercisable at \$0.07 expiring 29 January 2028 to technical advisors. On this date, the Company also announced the appointment of Chief Executive Officer (CEO) Peter Goh (effective 24 March 2025), and issued 3,000,000 unquoted options exercisable at \$0.07 expiring 29 January 2028 (issue effective on 24 March 2025).

Cash on hand as the end of the quarter was \$4.08M.

Related Party Payments

Pursuant to item 6 in the Company's Appendix 5B – Quarterly Cashflow Report for the Quarter ended 31 March 2025, the Company made payments of \$57k to related parties which relate to existing remuneration arrangements (director fees and superannuation).

Exploration

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$36k. Full details of activity during the Quarter are set out above.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

In line with obligations under ASX Listing Rule 5.3.3, Albion provides the following information with respect to its Mining Tenement holdings as at 31 March 2025.

Project	Sub-Project/Prospect	Tenement	Status	% Held	Change During Quarter
Lennard Shelf	Pillara East	E04/2637	Granted	100%	-
Lennard Shelf	Pillara East	E04/2672	Granted	100%	-
Leinster	Leinster	E36/1005	Granted	100%	-
Mongers Lake	Red Well – Clay Pan	E59/2576	Granted	100%	-
Mongers Lake	Rothsay South	E59/2641	Granted	100%	-
Yandal West	Ives Find	E53/1369	Granted	100% GTE ¹	Project Acquired
Yandal West	Barwidgee	E53/1612	Granted	80% GTE ^{1,3}	Project Acquired
Yandal West	May Queen	E53/1816	Granted	80% GTE ^{1,2,3}	Project Acquired

Note 1 – Title of the tenements are in the process of being transferred from Great Western Exploration Ltd (GTE) to Albion.

Note 2 - An extension application was submitted for tenement E53/1816, before the deadline in Jan 2025 and the extension confirmation is pending. License expenditure commitments all in good standing for E53/1816.

Note 3 - GTE has 80% ownership tenements E 53/1612 and E 53/1816 (20% Diversified Asset Holdings Pty Ltd), the 80% GTE ownership is being transferred to Albion.

This announcement has been approved for release by the Board.

FOR FURTHER INFORMATION:

Peter Goh

Chief Executive Officer

+61 401 500 770

peter.goh@albionresources.com.au

Competent Persons Statement

The information in this announcement that relates to historical exploration results was first reported by the Company in its IPO prospectus dated 18 March 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus. Mineral Resource estimates for neighbouring properties sourced from US Geological Survey, "Compilation of Mineral Resource Data for Mississippi Valley-Type and Clastic-Dominated Sediment-Hosted Lead-Zinc Deposits". USGS Open-File Report 2009-1297.

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Leo Horn. Mr Horn is a member of the Australian Institute of Geoscientists. Mr Horn has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 5B

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

Name of entity

ALBION RESOURCES LIMITED

ABN

94 620 545 664

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(36)	(112)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(141)	(387)
1.3	Dividends received (see note 3)		
1.4	Interest received	28	83
1.5	Interest and other costs of finance paid		
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	(149)	(416)

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 (9 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,266	2,000
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	(102)	(151)
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	1,164	1,849

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,061	2,643
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(149)	(416)
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)	1,164	1,849

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,076	4,076

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	1,921	906
5.2	Call deposits	2,155	2,155
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)	4,076	3,061

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	57
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(149)
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)	(149)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,076
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,076
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	27.3
<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: N/A	
<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: **30 April 2025**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

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.