

29 January 2025

Quarterly Activities Report December 2024

HIGHLIGHTS

- Recycling operations generated gross profit of ~A\$0.6m, representing a 179% increase relative to Q2 FY24 (pcp) and representing a gross profit margin of 43%
- Achieved significant recycling milestones, including recycling agreements with Wabtec, Infinitev and ReSource, and the award of a ~A\$850k grant from the Western Australian government
- Completed activities under the Mineral Resources related Joint Development Agreement (JDA) for LieNA® technology including refinement of high-quality lithium phosphate and demonstration plant engineering study
- Pathway and funding for the battery material (LFP, LMFP) demonstration plant defined including potential for government funding and VSPC level private strategic partners
- Strategic review completed confirming focus on growing battery recycling, advancing all technologies with strategic partners and targeting annual cost reductions of at least A\$1.5m¹
- Cash and listed investments of A\$5.6m, including sale of a 30% interest in the Bynoe Lithium Project and R&D tax incentive rebates

Livium Ltd (ASX:LIT) ("**Livium**" or the "**Company**") is pleased to release its quarterly business update and Appendix 4C for the period ended 31 December 2024 ("**Q2 FY25**").

COMMERCIAL MODEL DELIVERING PROFITABILITY AT REDUCED VOLUMES

Livium's subsidiary, Envirostream Australia Pty Ltd. ("**Envirostream**"), has continued to deliver improved financial results since the Company's transition towards an upstream 'Fee for service' model, which has resulted in a greater proportion of revenue being received upfront through service fees to customers.

Batteries received are contributing a higher gross profit than seen in the prior corresponding period ("**pcp**"), but down on Q1 FY25 due to reduced volumes on non-lithium-ion volumes and usual seasonal impacts. The Company remains focused on growing the battery recycling business to meet the strong medium-term forecast for end-of-life batteries. The Company is well positioned to access these volumes with the growing number of recycling services agreements. During the quarter, Envirostream entered into new exclusive recycling agreements with Wabtec², a global leader in the rail and mining industries, Infinitev³, a leading provider of remanufactured EV batteries in Australia for consumers, and ReSource, a company dedicated to transforming how materials are recovered and reused. These agreements diversify end-of-life lithium-ion battery sources, complementing previously executed battery recycling agreements with major original equipment manufacturers ("**OEM's**") such as BYD Auto, LG Energy Solution, Volvo Bus, and Hyundai Glovis.

In Q2 FY25, Envirostream delivered revenue of ~A\$1.3m and gross profit of ~A\$0.6m, representing a gross profit margin of ~43%. Envirostream also achieved a revenue unit rate⁴ of ~A\$9.77 in Q2 FY25, a 178% increase on the

¹ See ASX announcement, 'Livium strategy update', 28 January 2025

² See ASX announcement, 'Livium signs battery recycling agreement with Wabtec', 12 December 2024

³ See ASX announcement, 'LIT signs new battery recycling agreement with Infinitev', 9 October 2024

⁴ Revenue unit rate defined as total revenue divided by total collection volumes in the respective period

Divisions of Livium



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pcp, while the gross profit unit rate⁵ was A\$4.2/kg, a 594% increase relative to the pcp. Refer to Table 1 for further information.

Comment from Livium CEO and Managing Director, Simon Linge

"Our Q2 FY25 report demonstrates our commitment to strategy execution, with continuing gross profits for battery recycling, completion of our activities under the JDA with MinRes and progressing strategic partnerships and funding for battery materials.

Our progress has driven our technology development to clear inflection points, with strategic partners now being sought to advance growth of our technologies to their next phases. This refocus has resulted in a subsequent reduction in resources and costs as we enter the next phase of development.

Lastly, our capital discipline, including non-core asset sales, has resulted in Livium holding A\$5.6m in cash and listed investments at the end of the quarter."

Table 1. Battery recycling – quarterly financial information⁶

	Unit	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Revenue	A\$m	\$1.26	\$1.19	\$1.54	\$2.50	\$2.45	\$1.31
Cost of sales	A\$m	\$1.25	\$0.99	\$1.12	\$0.95	\$0.75	\$0.72
Gross profit	A\$m	\$0.02	\$0.20	\$0.41	\$1.56	\$1.71	\$0.59
Gross margin	%	1%	17%	27%	62%	70%	45%
Revenue unit rate	A\$/kg	\$3.05/kg	\$3.52/kg ↑	\$4.48/kg ↑	\$5.63/kg ↑	\$6.51/kg ↑	\$9.77/kg ↑
Gross profit unit rate	A\$/kg	\$0.04/kg	\$0.60/kg ↑	\$1.21/kg ↑	\$3.50/kg ↑	\$4.53/kg ↑	\$4.39/kg ↓

During the quarter, the Company achieved total collection volumes of 134 tonnes. 85 tonnes of large-format lithium-ion battery ("LIB") were collected, representing a ~5% decrease in large-format LIB collections relative to Q2 FY24 (89 tonnes).

The lower LIB collections during the quarter were expected due to seasonal changes and in light of acceleration of collections in the prior quarter to satisfy customer requirements. Over the first half of FY25 large-format LIB collections total 384 tonnes, a 138% increase relative to the first half of FY24. Envirostream's shift towards large-format LIBs, which comprised ~65% of total battery collections during Q2 FY25, exposes the Company to potentially higher volatility in collection volumes. The importance of this focus on large-format LIBs is because of the significantly higher margin opportunity relative to other mixed battery chemistries, as demonstrated by the relative gross profit unit rates in Table 1 in Q2 FY25 relative to the pcp.

The Company is focussed on increasing large-format LIB collections, to maintain attractive unit economics and generate greater volumes of mixed metal dust ("MMD") and scrap metals to enhance downstream revenues. With a continuing strong outlook for battery waste, the Company has maintained the strategic objective of developing nationwide collection, sorting, and storage capabilities. During the quarter, Livium was awarded a ~A\$850k grant from the Western Australian government⁷. The grant will be used to partially fund the development of a battery recycling facility in WA.

Refer to Figure 1 for additional information on battery collections volume and mix.

⁵ Gross profit unit rate defined as total cost of sales divided by total collection volumes in the respective period

⁶ Summary financials are unaudited and represent the battery recycling business only (i.e. financials presented do not represent Livium on a consolidated basis)

⁷ See ASX announcement, 'Livium awarded ~A\$850k grant by WA government to develop a battery recycling facility', 4 November 2024

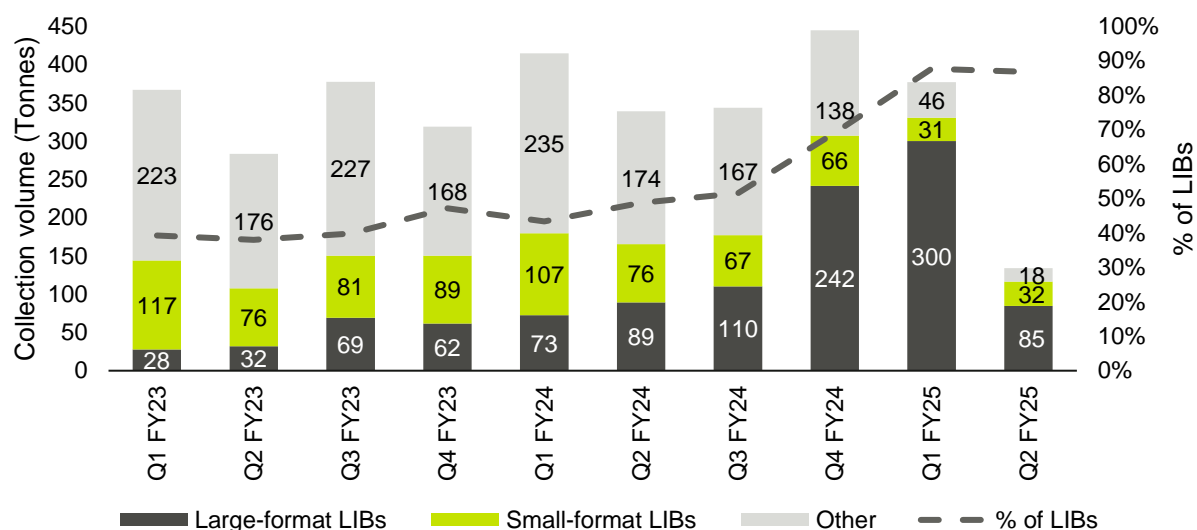


Figure 1. Battery collections volume and mix (FY23 to Q2 FY25)

LIVIUM AND MINRES AGREE NEXT STEPS FOR LieNA® COMMERCIALISATION ACTIVITIES

During the quarter, the Company announced the completion of activities under the Joint Development Agreement ("JDA") with Mineral Resources Ltd (ASX: MIN) ("MinRes")⁸. These activities included the development and operation of a pilot plant, successful refinement of lithium phosphate and completion of a demonstration plant engineering study ("Stage 1 Activities"). The completion of these activities marks a key milestone in the collaborative development of the Company's patented LieNA® technology.

Subsequent to the quarter, the Company further announced that it has agreed with MinRes the next steps for the commercialisation of the LieNA® technology⁹. Considering current lithium market conditions, Livium and MinRes will undertake additional activities to optimise the development of the LieNA® technology. The additional activities will include an assessment of alternate commercialisation pathways for the LieNA® technology, and the selection of the preferred lithium product for the LieNA® development, including the potential to produce a battery grade lithium carbonate ("Stage 1A Activities").

Stage 1A Activities will be fully funded through the remaining balance of MinRes' convertible note and LieNA® R&D tax incentive rebates. To allow Stage 1A Activities to be completed, MinRes and Livium have executed necessary variations to the JDA including extending the maturity date of the Convertible Note Deed to 30 September 2025, from its original date of 31 January 2025.

On successful completion of the Stage 1A Activities, MinRes' convertible note will convert into equity in a new joint venture ("JV") between MinRes and Livium, with each holding a 50% interest in the JV entity, LieNA Pty Ltd, which owns the LieNA® technology. LieNA Pty Ltd is currently a wholly owned subsidiary of Livium.

If the Stage 1A Activities are not completed successfully and MinRes elects not to convert to equity, then the JV entity will pay MinRes 50% of the value of the LieNA® technology (as agreed or otherwise determined by an expert) as repayment of the purchase price under the convertible note. The JV plans to license the LieNA® technology to third parties at a target headline gross product royalty rate of 8%¹⁰. The royalty model materially expands Livium's addressable market as it has the potential to capture a fee on all tonnage processed via any mine utilising the LieNA® technology.

⁸ See ASX announcement, 'Livium completes activities under JDA with Mineral Resources', 17 December 2024

⁹ See ASX announcement, 'Livium and Mineral Resources agree next steps for LieNA® commercialisation pathway', 13 January 2025

¹⁰ The Company cautions that although it considers this to be a reasonable expectation, there is no guarantee that this rate will be achieved

BATTERY MATERIAL (LFP) PREFERRED PATHWAY DEFINED

During the quarter, the Company provided an update on the development strategy for its Battery Materials division, VSPC, as it progresses towards commercialisation¹¹. Following a detailed assessment of development pathways, the Company has selected Australia as its preferred location for establishing a demonstration plant following internal risk assessments and customer engagement. Two key factors of the assessment related to the expected availability of Australian government funding coupled with the requirement to build a larger offshore plant, which introduces higher risks.

The proposed development pathway includes the construction of a demonstration plant capable of continuous operation to produce both lithium ferro phosphate ("LFP"), and the emerging lithium manganese ferro phosphate ("LMFP"). The small-scale demonstration plant is capital efficient and allows sample sizes in line with customer's product qualification requirements, which will facilitate the securing of binding offtake for VSPC products. With binding offtake expected from this development, the demonstration plant serves as a critical stepping stone toward the establishment of a full-scale production facility with an expected capacity of 25,000 tpa of LFP or LMFP. A 25,000 tpa production facility has the potential to generate annual revenues of ~US\$319m, assuming an LFP price of ~US\$12.75/kg¹².

The Company has continued to evolve its VSPC product suite and has recently added new offerings in line with market demand and with the potential for reduced production costs. The demonstration plant will have capability to produce these new product offerings without significant change to the prior designs.

Livium's preferred funding pathway seeks to eliminate reliance on shareholder contributions, whilst maximising value creation for stakeholders. To achieve this the Company is pursuing non-dilutive government funding combined with private strategic partners, who will invest directly into VSPC. Progress has been made to fund the development and operation of the demonstration plant.

INTELLECTUAL PROPERTY UPDATE

During the quarter, the United States Patent and Trademark Office (USPTO) granted patent PCT/AU2019/050540 ('Process for recovering lithium values') related to the Company's lithium phosphate precipitation and refining technology, that is also applicable to the LieNA® process.

CORPORATE UPDATE

During the quarter, the Company's name changed from Lithium Australia Limited to Livium Ltd reflecting the final step in our shift from mining to critical materials in the battery industry. 'Liv' connotes life, further reinforcing our commitment to a better life for all. A promise which is positive, optimistic, enabling and purposeful. Built for today's increasingly environmentally conscious and activated marketplace. Whilst 'ium' represents both our core capability - Lithium, as well as being aligned to the word continuum. Which speaks to our dedication to delivering a truly sustainable circular economy.

As at 31 December 2024, the Company held cash and listed investments of A\$5.6m. During the quarter, ~A\$0.9m in cash was received in R&D Tax Credits with a further ~A\$0.8m received subsequent to the quarter¹³.

During the quarter, Livium completed the sale of its remaining 30% interest in the Bynoe Lithium Project for A\$0.5m to Charger Metals NL¹⁴.

Subsequent to the quarter, Mr George Bauk resigned as Non-Executive Chair to pursue a new executive role¹⁵. Non-Executive Director Phil Thick has assumed the role of acting Chair in the interim as the Board considers the required future skills and composition.

¹¹ See ASX announcement, 'Livium provides update on Battery Materials (VSPC) development strategy', 18 December 2024

¹² Avenira Limited (ASX; AEV) Announcement (Scoping Study, 2 March 2023), Ave. LFP Basket

¹³ See ASX announcement, 'Livium receives A\$1.7 million in R&D tax incentive rebates', 9 January 2025

¹⁴ See ASX announcement, 'Livium completes sale of Bynoe Lithium Project interest', 18 November 2024

¹⁵ See ASX announcement, 'Non-Executive Chair Resignation', 6 January 2025

ASX ANNOUNCEMENT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

The Company is committed to ESG compliance.

Refer to Appendix 1 for further details of ESG metrics.

Authorised for release by the Board.

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Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

About Livium

Livium (previously Lithium Australia) is aiming to lead and enable the global transition to sustainable lithium production. The Company operates Australia's market leading battery recycler, produces critical battery material lithium ferro phosphate (LFP), and has developed a patented lithium extraction technology (LieNA®). Livium's revenue-generating recycling business and technologies are well-placed to capitalise on growing global lithium-ion battery demand and provides diversification benefits to global supply chains.

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Appendix 1 – Additional information

Key ESG metrics

Pillars	Items	#
People	Year to date lost time injury incidents	0
People	Current agreements with First Nations Peoples	0
Environment	Outstanding closure matters at quarter end	1 ¹⁶
Corporate governance	Year to date bribery and/ or corruption incidents	0

Director's corporate governance committee roles

Non-Executive Director	Committee role
George Bauk	Member of Remuneration & Nominations Committee Member of the Audit & Risk Committee
Phil Thick	Chair of Remuneration & Nominations Committee Member of the Audit & Risk Committee
Kristie Young	Chair of the Audit & Risk Committee Member of Remuneration & Nominations Committee

Payments to related parties of the entity and their associates

In accordance with ASX Listing Rule 4.7C.3, payments made during the quarter and included in items 6.1 and 6.2 of ASX Appendix 4C – 'Quarterly cash flow report for entities subject to Listing Rule 4.7B' – comprise the following.	
6.1 Aggregate amount of payments to related parties and their associates included in cash flows from operating activities	A\$169,000
This includes payments of directors' remuneration for services to the economic entity	A\$169,000
Payment to directors' associates for services provided to the economic entity	A\$nil

Securities on issue as at the end of the quarter

Class	Number
Quoted	
Ordinary shares (ASX: LIT)	1,340,010,927
Options exercisable at \$0.0499 expiring 28-Feb-2025 (ASX: LITOA)	61,705,490
Options exercisable at \$0.10 expiring 19-Oct-2025 (ASX: LITOB)	139,329,261
Unquoted	
Performance Rights (various expiry dates)	149,870,000
Options exercisable at \$0.031 expiring 24-Jul-2028 (LITAE)	39,000,000
Options exercisable at \$nil expiring 31-Dec-2028 (LITAZ)	6,357,905

¹⁶ Relates to the Ravensthorpe rehabilitation

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Livium Ltd

ABN

29 126 129 413

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		2,028	4,366
1.2 Payments for			
(a) research and development		(476)	(964)
(b) product manufacturing and operating costs		(582)	(1,643)
(c) advertising and marketing		(243)	(456)
(d) leased assets		-	-
(e) staff costs		(1,897)	(3,744)
(f) administration and corporate costs		(313)	(803)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		32	56
1.5 Interest and other costs of finance paid		(17)	(28)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		912	995
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(556)	(2,221)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(120)	(272)
(d) investments		-	(20)
(e) intellectual property		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	(660)	(1,954)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2	47
	(d) investments	744	744
	(e) intellectual property	-	-
	(f) 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	(34)	(1,455)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	400	3,371
3.2	Proceeds from issue of convertible debt securities	-	1,214
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(14)	(224)
3.5	Proceeds from Borrowing	-	-
3.6	Repayment of borrowings	(173)	(362)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Payments for lease liabilities	-	-
3.10	Net cash from / (used in) financing activities	213	3,999

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,441	4,749
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(556)	(2,221)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(34)	(1,455)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	213	3,999
4.5	Effect of movement in exchange rates on cash held	20	12
4.6	Cash and cash equivalents at end of period	5,084	5,084

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	5,084	5,441
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)	5,084	5,441

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	169
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 (Convertible Notes)	4,500	4,219
7.4	Total financing facilities	4,500	4,219
7.5	Unused financing facilities available at quarter end		281
7.6	<p>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.</p> <p>Other Facilities \$4,500,000.00 Convertible Notes</p> <p>On 4 August 2023, the Group entered into a convertible note deed ("Deed") with ASX-listed mining company Mineral Resources Ltd ("MinRes") in accordance with a joint development agreement for disruptive lithium extraction technology LieNA®, executed on the same date. On 10 January 2025, the parties signed a variation in relation to the Deed which included an extension of the maturity date to 30 September 2025.</p> <p><i>Issuer:</i> LieNA Pty Limited, a wholly owned subsidiary the Company. <i>Investor:</i> Lithium Resources Investments Pty Ltd, a wholly owned subsidiary of Mineral Resources Ltd. <i>Use of Funds:</i> Development and operation of a pilot plant, successful refinement of lithium phosphate and completion of a demonstration plant engineering study ("Stage 1 Activities") and an assessment of alternate commercialisation pathways for LieNA®, and selection of the preferred lithium product for the LieNA® development, including the potential to produce a battery grade lithium carbonate ("Stage 1A Activities"). <i>Interest Rate:</i> Nil%. <i>Maturity Date:</i> 30 September 2025. <i>Face Value:</i> \$1.00 per Convertible Note. <i>Security:</i> Each Note is an unsecured obligation of LieNA Pty Limited. <i>Conversion Rights:</i> Prior to maturity date, the Investor may elect to convert the notes at the earlier of full drawdown of \$4,500,000 or the project meeting specified milestones. <i>Conversion Effect:</i> Upon conversion, the full \$4,500,000 converts into 50% of the shares on issue in LieNA Pty Limited at the date of the conversion notice.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(556)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,084
8.3	Unused finance facilities available at quarter end (item 7.5)	281
8.4	Total available funding (item 8.2 + item 8.3)	5,365
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	9.7
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 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

8.6.2 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

8.6.3 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

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 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: 29 January 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 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 standard applies 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.