

# Quarterly Report

For the quarter ending  
31 March 2020



mayurresources.com

## Highlights

### Central Cement & Limestone Project

- Signed all necessary landholder compensation agreements required for the development of the Project.
- Maintaining dialogue with interested equity partners including planning for site visits contingent on travel restrictions due to COVID-19.
- Mining Lease (ML) application has had first review by Mining Advisory Council, with final comments from Treasury experiencing some delays due to COVID-19 related impacts on Government processes.

### Orokolo Bay Industrial Sands Project

- Ground broken at the pilot plant site and site establishment and camp works completed.
- Updated Resource modelling has commenced and expected to be completed in May 2020.
- Chinese partner, CTRH, recommenced pilot plant assembly in China

- Further pilot plant activity is suspended due to COVID-19 restrictions with site now under care and maintenance and being administered by a small local team until PNG re-opens its borders
- DFS activity being finalised during next quarter

### Lae Enviro Energy Park Project

- Briefing to key Ministers continued including Treasurer Hon Ian Ling -Stuckey and Energy Minister Hon Kerenga Kua undertaken
- National Executive Council submission and discussions with key sponsoring Government Ministers although continuing remotely are significantly impacted by COVID-19 travel restrictions.

### Depot Creek Coal Project

- Completed analytical and initial geological interpretation work from Q4 2019 shallow drill program
- New 3D geological model prepared and updated Resource model to be completed in Q2 2020.

# Corporate

## COVID-19 impacts:

- Due to travel restrictions to PNG and other COVID-19 control measures implemented both in Australia and in PNG, Mayur has pro-actively scaled down its activities with its projects in PNG until borders re-open. While daily communications are being maintained with the PNG Team, the potential strategic partners travel arrangements to PNG as part of their ongoing due diligence processes, has been postponed until travel restrictions are lifted.
- In response the unprecedented global disruptions caused by the coronavirus pandemic, Mayur's board and management have taken swift action to put in place cash preservation measures, including the following:
  - staff headcount reductions,
  - implementation of a new remuneration plan for staff and Board that reduces the cash component between 25% - 75% with the balance allocated as Mayur shares / CDIs, (subject to 12 months voluntary escrow). This arrangement commenced in March 2020 for an initial three-month period, upon which it will be reassessed.
  - full review of all operating costs and contracts and rigorous pursuit of cost reductions and / or payment deferrals where possible have been pursued.
- Quarterly cash burn from the cost management initiatives and deferral of some project activities, has resulted in reductions of approximately 55%.
- Given the COVID-19 related travel restrictions and lockdowns, some activities in PNG are suspended, with a refined focus now on resource upgrades, approvals, feasibility study work and community/stakeholder engagement activities.
- During the quarter the Company made payments totalling \$132k to related parties representing Director remuneration.

## General Operations:

- Office based desktop activity has been ongoing where possible. This has included the Orokolo Bay Pilot Plant and DFS, as well as the ML and associated land compensation activities related to CCL.
- Positive dialogue has continued with various international counter parties, including China, in order to recommence activity as soon as travel restrictions and visa requirements permit.





# Projects

## Central Cement & Lime Project

The Central Cement and Lime (CC&L) project is an advanced greenfield project which involves the quarrying of extensive limestone deposits and the downstream production of clinker, cement and quicklime for both domestic and export markets. The project is located 25km north of the national capital, Port Moresby, and 7km from the Exxon PNG LNG Refinery.

### Quarterly highlights:

- Signed all the necessary landholder compensation agreements required for the development of the Project.
- Mining Lease application assessment by the PNG Government has incurred some delays due to COVID-19 disruptions.
- Stage 2 of the equity bidding process is ongoing in parallel with the debt financing. Mayur currently in dialogue with a number of parties including international investors, however due diligence activities are largely on hold pending a removal of travel restrictions.
- Memorandum of Agreement negotiations on going, whereby PNG State fiscal incentive regime, landowner spin off businesses and other central province and PNG state support arrangements will be captured.
- In country staff have continued with our community engagement program to keep stakeholders up to date on project progress, and the contents of the project benefits package.
- Maintained dialogue with potential product offtake parties both in PNG and Australia for the clinker, cement and quicklime products.



CCL Project proposed general layout – Kido quarry, plant site and wharf  
(3D model for indicative purposes only)

## Orokolo Bay Industrial Sands Project

The Orokolo Bay Industrial Sands Project consists of a mineral sands resource that can be developed via a relatively simple onshore, surface sand mining and processing operation.

- Completed pioneering and site enabling works for the pilot plant at its Orokolo Bay Industrial Sands Project<sup>1</sup>
- JV partner (CTRH) have incurred delays in China due to COVID-19 in finalising procurement and assembly of the pilot process plant, however they have now returned to work.
- When PNG lifts travel restrictions, we shall provide revised guidance on timing of CTRH mobilising.

### Orokolo Bay Definitive Feasibility Study (DFS):

- JORC resource upgrade modelling being undertaken by independent consultant with results due in Q2CY2020
- Other desktop aspects of the DFS that can be done remotely are being progressed and drafted during the current lockdown period



*Barge unloading to commence earthworks.*



*Camp construction underway utilising local carpenters and locally milled timber.*

## Amazon Bay Industrial Sands Project

The Amazon Bay Project in Milne Bay Province is an exciting addition to our industrial sands portfolio with significant potential for vanadium-rich titano-magnetite.

Vanadium is a key ingredient in steel manufacture and gaining interest for large-scale energy storage and provides an opportunity for the company to participate in the world's growing power storage industry.

Mayur has sustainably completed an Information Memorandum for the project as part of our development strategy to define a potential large-scale vanadium and titanium bearing resource.

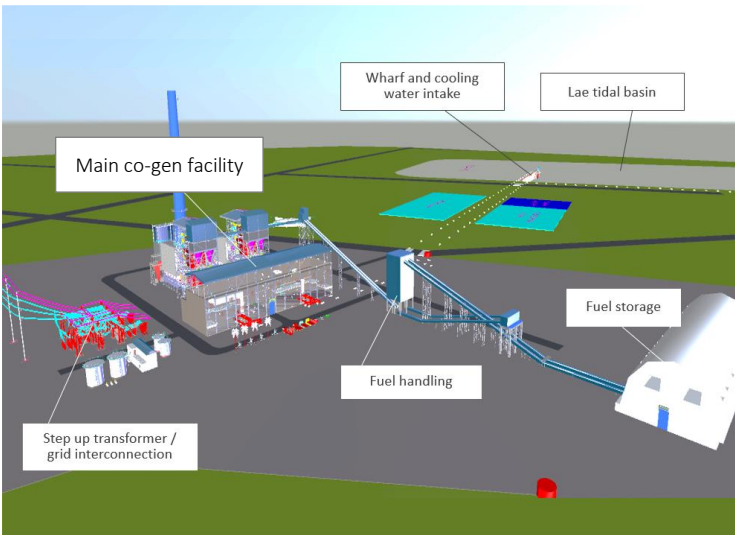
<sup>1</sup> Refer to ASX release dated 26 March 2020 – Mayur breaks ground on the pilot plant at its Orokolo Bay Industrial Sands Project



# Lae Enviro Energy Park Power (EEP) Project

Mayur’s proposed 52.5MW EEP Project comprises an integrated, solar, biomass woodchip, and coal plant in the city of Lae. The co-generation facility will also provide steam by-product for nearby industrial users. It is designed to improve reliability of supply and reduce the cost and environmental footprint of power generation in the city by displacing the current reliance on imported diesel and fuel oil. The EEP will also assist PNG in meeting its electrification target of 70% (currently 13%) by 2030.

- Reviewing revised Engineering, Procurement and Construction (EPC) bids for the project which include a new alternative boiler design enabling use of up to 50% biomass fuel and thus a lower utilisation of coal but still maintaining a far superior price of electricity vs a standard biomass power plant project.
- A full submission to the PNG Government (National Executive Council) for progression of the Power Purchase Agreement for the project has been prepared by Mayur.



A modern power station for Lae



## Depot Creek Coal Project

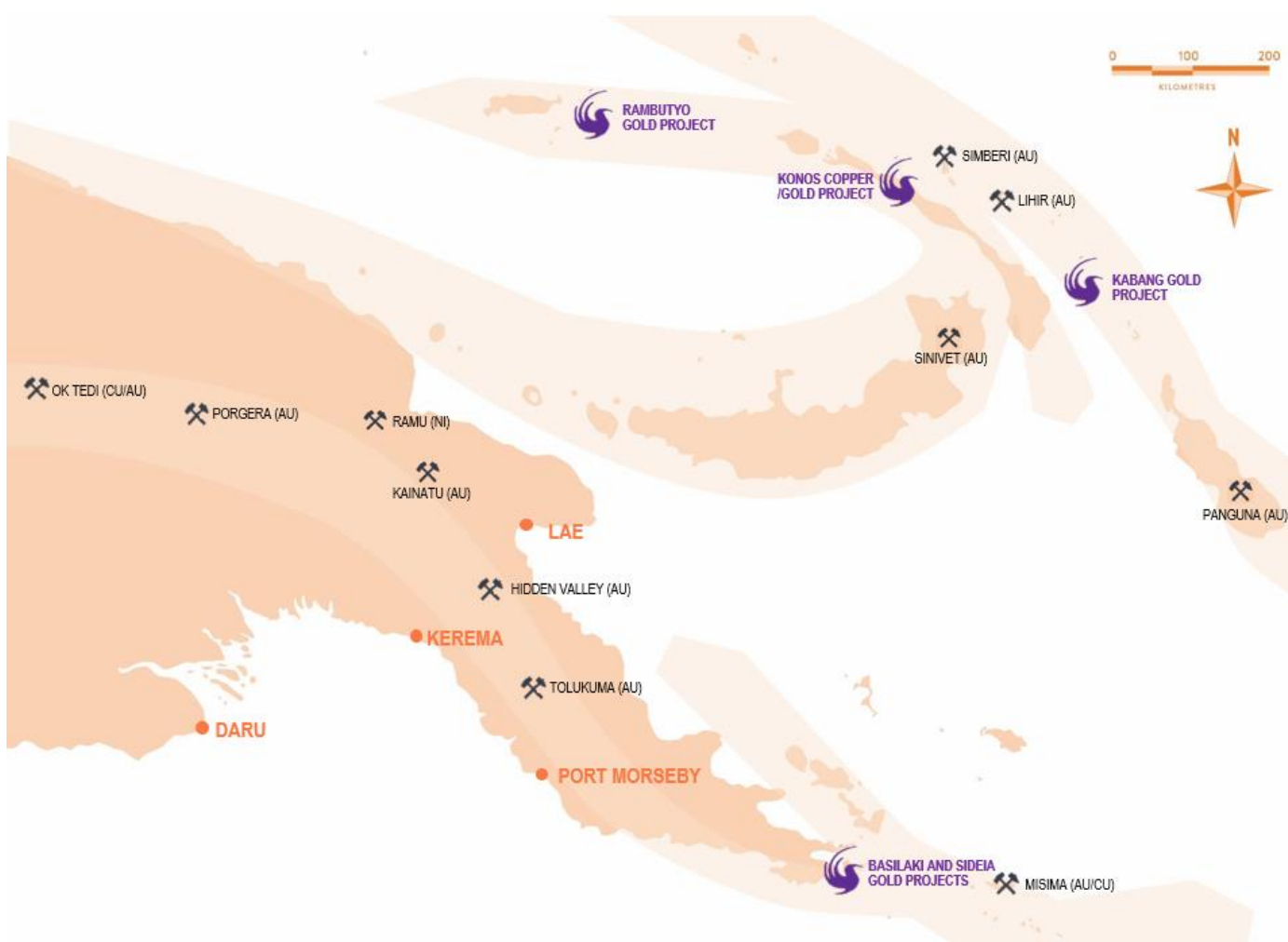
**Mayur holds a prospective coal tenement portfolio in Gulf Province, with a focus on the Depot Creek Project.**

- Work completed this quarter has involved progressing an updated resource model utilising all laboratory results from the previously reported backpack drilling program (Q4 2019) and the Lidar survey for accurate terrain modelling.
- All samples from the 45-hole shallow BQ core size (35mm) backpack drill program and 14 channel samples have been assayed by ALS in Brisbane.
- Coal seams along the 10kms strike of the previously mapped outcropping coal area (2018 mapping program) have been re-correlated using Lidar, mapped lineations, backpack drilling and across the seam channel sampling data.
- The coal quality results agree favourably with the previous six-hole HQ drilling program (2014). The in-situ coal is low ash (typically 3 – 6% ash adb), low total sulphur (typically 0.2 – 0.6% TS adb) with typical CV's in the range 5000 – 5600 kcal/kg adb.
- Utilising the new information, Mayur's technical consultants, Verum Group (previously CRL Energy) have prepared a 3D geological model correlating along strike the identified 5 main seams.
- As part of this work a revised drill target plan (Phase 2 drilling) has been prepared over the 11 Km strike length with holes planned north, west and south east of the existing Depot Creek Resource.
- Planning of the Phase 2 next stage drilling program scheduled to commence in Q1 CY2020 has been put on hold given the COVID 19 travel restrictions and the companies cash preservation initiatives. Reconsideration of this program will take place post PNG borders re-opening in parallel with the outcome of the imminent resource upgrade and whether such upgrade enables adequate reserve definition for the proposed DFS, thus potentially obviating the need to conduct such additional drilling program.

## Copper & Gold Exploration

The Mayur Board is assessing a number of options for shareholders with respect to the company's copper / gold portfolio. Options include assessing potential JV arrangements, enhancing the portfolio with new tenements and a spin out and separate listing of these assets. Discussions are being progressed on all fronts with the company confident it will be able to announce a clear pathway forward some time in Q32020.

- Basilaki and Sideia (EL2095) – EL was renewed in the quarter for a further two years and further work has now been put on hold due to COVID-19 related travel restrictions and the company's prioritisation of scarce resources.
- Konos (EL2591) - further detailed geochemical assessment and a ground geological mapping / sampling program has now been put on hold due to COVID-19 related travel restrictions.
- Feni (EL2096) – following dialogue with local landowners and the MRA an onsite warden's hearing for the renewal of the exploration permit was planned for May 2020. However, this has now been put on hold due to COVID-19 related travel restrictions
- Rambutyo (EL2594) – further work has now been put on hold due to COVID-19 related travel restrictions and the company's prioritisation of scarce resources.



# Tenement Interests

As at 31 March 2020 the Company had interests in the Exploration Licences (EL) as listed in Table 1, all located in Papua New Guinea.

5 ELs were successfully renewed during the quarter.

As noted in Table 1, one Exploration Licence (EL2096) continues to progress through the statutory assessment and renewal process (as prescribed by the PNG Mining Act.)

The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licence not being granted in the ordinary course of business.

	EL nr	Province	Commodity focus	Ownership	Acreage Km <sup>2</sup>
1	2095	Milne Bay	Copper / gold	100%	150
2	2096*	New Ireland	Copper / gold	100%	95
3	2594	Manus	Copper / gold	100%	522
4	2591	New Ireland	Copper / gold	100%	252
5	2150	Gulf	Industrial mineral sands	100%^	307
6	2266	Gulf	Industrial mineral sands	100%^	634
7	2267	Gulf	Industrial mineral sands	100%^	1,279
8	2268	Gulf	Industrial mineral sands	100%^	1,275
9	2269	Western	Industrial mineral sands	100%^	638
10	2297	Gulf	Industrial mineral sands	100%^	1,279
11	2304	Gulf	Industrial mineral sands	100%^	269
12	2305	Gulf	Industrial mineral sands	100%^	259
13	2556	Milne Bay	Industrial mineral sands	100%^	1,408
14	2303	Central	Limestone	100%	256
15	1873	Gulf	Coal	100%	256
16	1874	Gulf	Coal	100%	256
17	1875	Gulf	Coal	100%	314
18	1876	Gulf	Coal	100%	317

Table 1 - Exploration Licence list (\*EL currently under renewal; ^all industrial mineral sands ELs are subject to the JV farm in deal with CTRH)



# About Mayur Resources

Mayur Resources is an ASX-listed company focused on the development of natural resources in Papua New Guinea. The maturation of Mayur's diversified asset portfolio, which spans industrial minerals, power generation, coal, copper and gold, will contribute to nation-building and job creation in a country experiencing a significant growth trajectory. Mayur's unique portfolio of projects, many in close proximity to world-class producing mines, are located on or near to the coast enabling ease of access for development and future seaborne markets once in operation.

**ASX Code:** MRL

**Directors:**

Chairman - Rob Neale  
Managing Director - Paul Mulder  
Executive Director - Tim Crossley  
Non-Executive Director - Frank Terranova  
Non-Executive Director - Lu Kee Hong

**Company Secretary (Australia):**

Jonathan Hart  
Phone: +61 413 890 032

**Ordinary shares:** 176.9 million (31 March 2020)

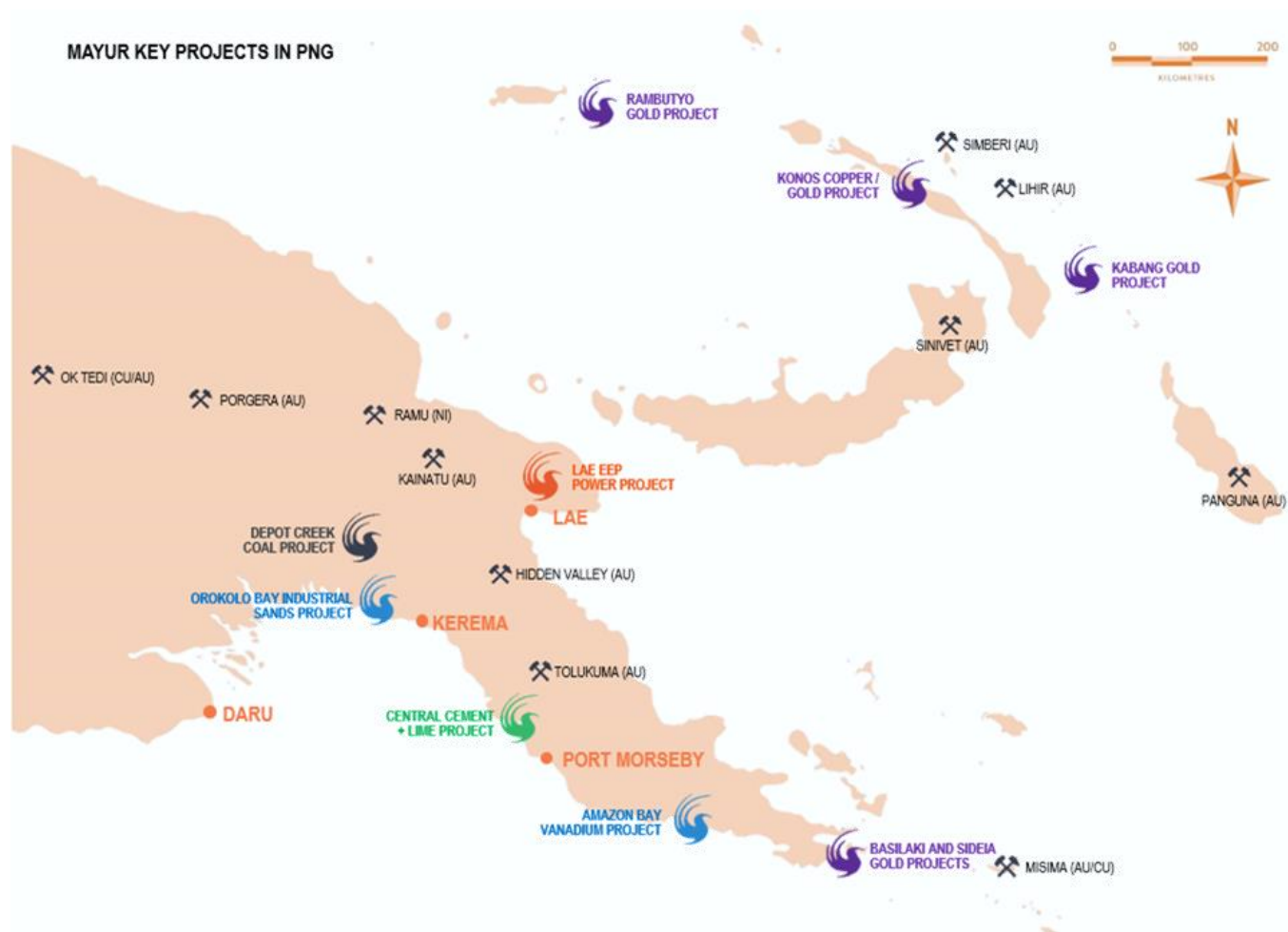
**Office locations:**

Australia (principal administrative office):  
Level 7, 300 Adelaide St, Brisbane, Qld 4000  
Phone +61 7 3157 4400

*Singapore (registered address):*  
80 Robinson Road, #02-00  
Singapore 068898

**Website:** [www.mayurresources.com](http://www.mayurresources.com)

ARBN 619 770 277



# Disclaimer

## Competent Person's Statement

Statements contained in this announcement relating to Mineral Resources and Ore Reserves estimates for the Central Cement and Lime Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Rod Huntley, who is a member of the Australian Institute of Geoscientists. Mr. Huntley has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Huntley qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Huntley is an employee of Groundworks Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Huntley takes responsibility for the form and context in which this initial Ore Reserves Estimate prepared for the Central Cement and Lime Project appears

Statements contained in this announcement relating to Mineral Resource estimates for the Orokolo Bay Industrial Sands Project and the Feni (Kabang) Gold project are based on, and fairly represents, information and supporting documentation prepared by Mr. Simon Tear, who is a member of the Australian Institute of Geoscientists. Mr. Tear has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Tear qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Tear is an employee of H&S Consultants Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Tear takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Orokolo Bay Project and Feni Gold appears.

Statements contained in this announcement relating to Mineral Resource estimates for the Depot Creek Coal Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Neill Biggs, who is a member of the Australian Institute of Geoscientists. Mr. Biggs has sufficient and relevant experience that specifically relate to the style of mineralisation.

Mr Biggs qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Biggs is an employee of Resolve Geo Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Biggs takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek Coal Project appears.

## Forward-Looking Statements

All statements other than statements of historical fact included in this Announcement including, without limitation, statements regarding future plans or objectives of Mayur Resources Ltd are forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are no guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

Mayur Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Announcement, except where required by law and existing stock exchange listing requirements.

## Appendix 5B

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

Name of entity

MAYUR RESOURCES LIMITED

ARBN

619 770 277

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) <sup>1</sup> \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(194)	(584)
	(e) administration and corporate costs	(514)	(2,122)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	14
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(705)</b>	<b>(2,692)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(13)	(326)
	(d) exploration & evaluation (if capitalised)	(1,423)	(3,694)

<sup>1</sup> Year to date cash flow information has been updated to reflect the categorisation of expenditure in accordance with the financial statements for the half-year ended 31 December 2019.

ASX Listing Rules Appendix 5B (01/12/19)

+ See chapter 19 of the ASX Listing Rules for defined terms



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) <sup>1</sup> \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
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	<b>Net cash from / (used in) investing activities</b>	<b>(1,436)</b>	<b>(4,020)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,797
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,643
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(514)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(1,182)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>7,744</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,991	2,797
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(705)	(2,692)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,436)	(4,020)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) <sup>1</sup> \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	7,744
4.5	Effect of movement in exchange rates on cash held	(3)	18
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,847</b>	<b>3,847</b>

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	3,847	6,036
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,847</b>	<b>6,036</b>

**6. Payments to related parties of the entity and their associates**

- 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

**Current quarter  
\$A'000**

132

-

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

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-

<b>7.5 Unused financing facilities available at quarter end</b>	
<b>7.6</b> 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.	

**Not applicable**

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(705)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,436)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,141)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,847
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,847
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.80

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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:

The global COVID-19 outbreak and imposed travel restrictions have impacted on Mayur's overseas activities resulting in a significantly lower forecast spend on its exploration and development activities than was incurred in the March quarter. In addition, the Company has implemented wide cost saving initiatives mentioned which are forecast to reduce cash expenditure by approximately 55% whilst those initiatives are in effect. Taking into consideration the above factors, the Company anticipates that total cash expenditure in the June and September quarters will be approximately \$2.26 million which is significantly less than the Company's \$3.84 million in cash reserves at 31 March 2020.

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:**

As noted above the Company anticipates that in light of its reduced activities due to the COVID-19 pandemic restrictions imposed in PNG and Australia that its cash expenditure in the short term will be significantly reduced. The Company considers that its current cash reserves will be sufficient to fund the Company's operations until the end of the calendar year pending a return to more normal business conditions. The Company is continuing to monitor the capital markets and the Company's funding requirements and will take steps to raise additional funding at the appropriate time.

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:**

As noted above the Company anticipates that in light of its reduced activities due to the COVID-19 pandemic restrictions imposed in PNG and Australia that its cash expenditure in the short term will be significantly reduced.

The Company therefore considers that it will be able to continue its operations and to meet its business objectives.

## 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 2020

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.