

## **March Quarterly Activities Report**

### **Highlights**

- **Strongest production Quarter to date with 5,268ozs Au produced, driven by record grade (3.03g/t) and excellent recoveries (>75%);**
- **Stronger operating performance to continue into September Quarter (Mt Boppy expects 15% increase in recovered gold production over IPO forecasts following Resource Update announced 1 Feb 2021);**
- **~\$1.58m generated in Operating Cash Flow, the strongest Quarterly result this Financial Year;**
- **Cash balance was ~\$1.45m after repayment of US\$3m to the TransAsia Private Equity debt facility during the Quarter;**
- **Compilation of Wonawinta Mine Plan and maiden JORC Reserve are progressing well;**
- **Wonawinta Silver production is planned to commence in second half of calendar year; and**
- **Further Wonawinta Silver extension drill program to commence in May, initial Wonawinta Deeps drill program - assay results pending**

### **Company Highlights for March Quarter 2021**

Manuka Resources Limited commenced processing gold ores from its Mt Boppy Gold Project through its Wonawinta plant in April 2020, just 12 months ago. Since that time, we have:

- completed resource updates for both the Mt Boppy Gold Project and the Wonawinta Silver Project;
- commenced an internal feasibility for the restart of the Wonawinta Silver Project;
- progressed the refinancing of the existing senior secured debt facility; and
- recovered >16,700 oz Au.

Although production to date has been adversely affected by the extremely unusual weather events over the past 8 months, the March Quarter production was the Company's best to

date. The June Quarter is expected to continue this positive trend.

Manuka expects to recover around 15% more gold from its existing pit design before transitioning to silver production, than outlined in the prospectus for its July 2020 IPO. Consequently, the Company anticipates gold production continuing until late August, early September from the existing Mt Boppy pit design, before transitioning to silver production from the stockpiles on-site at Wonawinta.

The Company completed its second and third principal repayment of the TransAsia Private Equity debt facility in January and March 2021 for US\$1.5m each (a total US\$3.0m was repaid to TransAsia during the quarter). The refinancing of this facility is progressing well and is highly likely to result in a facility with reduced interest costs and longer tenor.

### **Mt Boppy Gold Project:**

- 5,268 ounces of Au produced this Quarter and 5,077 ounces sold at an average unhedged price of A\$2,284/oz.
- A total of 107,244 tonnes of ore was mined at Mt Boppy, while 78,598 tonnes were trucked to the Wonawinta plant during the Quarter at an average grade of 3.03g/t Au.
- Wonawinta plant recoveries averaging 75.07% for the quarter (target 75%).
- The Mt Boppy Resource Update announced 1 February 2021 materially increased the deposits grade and tonnes, along with an upgrading of tonnes from indicated to measured status resulting in an overall uplift in the remaining gold ounces for the project.

### **Operating Summary**

Summary		March Quarter	Financial Year (YTD)
Tonnes Milled	t	71,931	216,238
Gold in Circuit (31-03-21)	oz	1,230	1,230
Gold Recovered	oz	5,268	12,641
Gold Sold	oz	5,077	12,807
Gold Recoveries	%	75.07	74.21
Revenues	AUD \$'000	11,826	32,230

Summary		March Quarter	Financial Year (YTD)
Ore Mined	t	107,244	247,476
Existing Stockpiles	t	-	12,528
Waste Mined	t	118,720	396,240
<b>Total Mined</b>	<b>t</b>	<b>225,964</b>	<b>656,244</b>
Total Hauled (incl. mined & residual stockpiles)	t	78,598	229,758
<b>Average Head Grade</b>	<b>g/t</b>	<b>3.03</b>	<b>2.45</b>

## Summary

Manuka commenced processing Mt Boppy gold ore in April 2020 from the existing Mt Boppy stockpiles and commenced the processing of mined ore from July 2021. The March Quarter performance was a substantial improvement on the previous two Quarters. This trend is expected to continue. Production will now extend to August/September and the Company remains optimistic on achieving earlier forecast profits from the extended gold production term. The lower gold price in Australian dollars for the quarter impacted quarterly revenue.

On 1 April 2021 Manuka released a Resource Update and Upgrade at its Wonawinta silver project. The Update noted a 43% increase of Measured and Indicated Resources. Manuka is currently awaiting delivery of the Mine Plan and the maiden Reserve for Wonawinta confirming the commercial viability of the Silver Project.

The Company will commence silver production by processing the Wonawinta stockpiles following completion of gold production, which as outlined above is likely to end August/September this year.

Resource Category	Material (Mt)	Ag (g/t)	Ag Moz	Pb (%)	Pb kt
Measured	0.9	45	1.3	0.7	6.2
Indicated	8.5	48.5	13.2	0.79	67.5
Inferred	29.4	40	37.9	0.55	162.9
Total	38.8	42	52.4	0.61	236.6

Table 1: 2016 Resource Estimate reported >20g/t Ag

Resource Category	Material (Mt)	Ag (g/t)	Ag Moz	Pb (%)	Pb kt
Measured	1.1	47.3	1.65	0.69	7.5
Indicated	12.3	45.5	18.04	0.83	102.8
Inferred	24.9	39	31.25	0.39	96.9
Total	38.3	41.3	50.94	0.54	207.2

*Table 2: 2021 Resource Estimate reported >20g/t Ag*

### **Wonawinta Silver Project:**

- Following completion of its 14,000m in-fill RC drill program, Manuka released the Wonawinta Resource Update on 1 April 2021 showing a 43% increase in Measured and Indicated Resources
- Manuka is now awaiting completion of the Wonawinta Mine Plan and release of its maiden Wonawinta JORC reserve
- Silver production to commence from the processing of existing oxide stockpiles in 2H 2021

### **Growth and Exploration Outlook**

During the Quarter, Manuka continued with its previously announced three stage exploration program. The update to the program is as follows:

- a) Work on the Wonawinta in-fill drilling program was paused at the end of January, as the Company awaited analysis of drilling conducted to date. (These results fed into the Resource Update announced 1 April 2021). Manuka will recommence drilling on the ML's from early May 2021 as part of a broader resource extension and infill program focused on the southern area of the mining lease and the adjacent exploration licence.
- b) On 1 March 2021 Manuka announced the results of its most recent Mt Boppy drill program. This was the fourth release of drilling results beneath the existing pit design, and again highlighted the continuation of gold grades at depths of around 30m beneath the planned pit shell. The Mt Boppy exploration program will be continued once mining ceases at Mt Boppy, as will full consideration of future mining and processing options. The extent of mineralisation is encouraging.

Manuka has appointed Mining Associates to oversee a broader Canbelego / Mt Boppy structural review as we aim to identify the particular signature of Mt Boppy

and its possible replication elsewhere on our tenements.

- c) The initial deeper drill program targeting signs of the existence of deeper silver and base metal sulphides at Wonawinta (internally known as the “Wonawinta Deeps”) completed at the end of March 2021. The Company currently awaits the independent assay results of the drill program before scoping additional work programs to test the extent of primary mineralisation on the ML. As previously announced, preliminary indications are encouraging.

## **Cashflow and Hedging**

Manuka’s Operating Cash Flow generation further improved this Quarter with ~\$1.58m positive Operating Cash Flow, the best Quarterly performance this year. The strong operating performance experienced in the March Quarter is expected to continue in the current Quarter which augurs well for ongoing cash flow generation.

As noted earlier, the refinancing of the TransAsia Private Equity debt facility is progressing well and is highly likely to result in a facility with reduced interest costs and longer tenor, positively impacting cashflows.

The Company remains unhedged currently.

## **Corporate and Debt**

The Company completed its second principal repayment on the TransAsia Private Equity debt facility during January 2021 for the amount of US\$1.5m, and a further US\$1.5m during March 2021, leaving a balance of US\$10m as at 31 March 2021.

The Company also had a facility of A\$250,000 from the NAB (National Australia Bank) of which an amount of A\$42,000 was owing at 31 March, and a further total of A\$1.824 million is owing to subordinated lenders.

Total borrowings to 31 March 2021 were A\$14.978 million down substantially from A\$24.3 million (or A\$26.06 million if including convertible note interest due at that time) as at 30 June 2020.

Unused facilities available at Quarter end were A\$934k whilst the cash balance was ~\$1.45m.

In accordance with ASX Listing Rule 5.3.3, during the quarter, the Company made cash payments of \$0.083M to related parties and their associates (refer items 6.1 and 6.2 of the Appendix 5B). This was the aggregate amount paid to the directors including salary, directors’ fees, consulting fees and superannuation.

## Outlook Financial Year 2021

Operational guidance for FY21 was included with the release of Manuka's FY20 financial results. An update summary was attached to the September 2020 Quarterly.

The Company now expects to continue mining and producing gold from its Mt Boppy project until end August/September 2021, following which it will transition to processing its silver stockpiles at Wonawinta.

The Mt Boppy Resource Update released to the market on 1 February 2021 (see Table 3 below) sets out the Measured, Indicated and Inferred resource remaining within the deposit, with a total of 362,430 tonnes at an average grade of 4.62g/t Au for a total of 53,870 ounces.

For comparison, the Mt Boppy Ore Reserve estimate reported in July 2020<sup>1</sup> was 320,000 tonnes at 3.0 g/t Au, for 31,000oz Au, and the Company has already extracted over 16,700oz Au from operations since that date.

The updated Resource forms the basis for the remaining mining operations at Mt Boppy and company forecasts will be updated once our future development options at Mt Boppy are fully considered.

Resource	Category	Tonnes	Grade	Ounces	Stope fill
Current Open Pit (> 1.6 g/t)	Measured	147,980	4.46	21,220	0%
	Indicated	69,600	3.60	8,100	100%
Below current Pit (> 3.0 g/t)	Measured	59,250	5.96	11,350	0%
	Indicated	74,600	4.67	11,200	59%
	Inferred	11,000	6.7	2,000	0%
Sub Total	Measured	207,230	4.89	32,570	0%
	Indicated	144,200	4.15	19,300	79%
	Inferred	11,000	6.7	2,000	0%
Total		362,430	4.62	53,870	31%

Table 3: Mt Boppy Resource Summary (Mineral Resource 2020)

## Statement of commitments

The following information is provided pursuant to Listing Rule 5.3.4 for the period ending 31 March 2021. Use of Funds estimates for 'Exploration and in-drilling activities' have been fully expended as at 31 March 2021. Actual expenditure exceeded original estimates by \$0.582M due to expansion of the in-fill drilling program at Wonawinta and additional depth

<sup>1</sup> Prospectus for IPO released on ASX 10 July 2020

extension drilling at Mt Boppy, which have now been completed.

<b>Use of Funds<sup>2</sup></b>	<b>Estimate</b>	<b>Actual</b>	<b>Variance</b>
<b>Type</b>	(as per prospectus 22 May 2020)	from admission to 31 March 2021	Under / (Over)
	\$000	\$000	\$000
Exploration and in-drilling activities	3,579	4161	(582)
Interest on convertible notes	1,761	1,780	(19)
Unpaid cash costs of the Offer	965	1,103	(48)
Working capital	3,071	3,071	-
<b>Total Use of Funds</b>	<b>9,376</b>	<b>10,025</b>	<b>(649)</b>

### **Mining Exploration Activities**

In accordance with ASX Listing Rule 5.3.1 cash outflows for the quarter ended 31 March 2021 in relation to exploration and evaluation activities were \$1.665M (refer Item 2.1(d) of the Appendix 5B) and predominantly comprised expenditure on:

- field programs on exploration licences (EL's) held by Manuka Resources and Mt Boppy Resources targeting gold, silver and copper, including expansion of the drilling program to include the Wonawinta Deeps Exploration Program<sup>3</sup>
- Completion of the brownfields Wonawinta work program including completion of an in-fill drilling program on the ML and associated mineralogical test work

### **Mining Development Activities**

In accordance with ASX Listing Rule 5.3.2 cash outflows for the quarter ended 31 March 2021 in relation to mining development activities were \$0.584M (refer items 1.2(b) and 2.1(f) of the Appendix 5B) and comprised outgoings in relation to pre-mining development studies, consultants engaged on development of the Wonawinta Silver Project and ongoing metallurgical test work and tenement administration and management.

### **Mining Production Activities**

In accordance with ASX Listing Rule 5.3.2 cash outflows for the quarter ended 31 March 2021 in relation to mining production activities were \$7.26M (refer Item 1.2(c) of the Appendix 5B) and comprised the following:

<sup>2</sup> The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions. In light of this the Board reserves the right to alter the way the funds are applied.

<sup>3</sup> Refer ASX Announcement "Highly Encouraging initial indications from Wonawinta Deeps Sulphide Drilling Program", released to market 9<sup>th</sup> February 2021.

Mining and crushing contractors	\$2.58M
Hauling contractors	\$1.33M
Processing	\$3.35M

### Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 March 2021.

Tenement Location: **Wonawinta Silver Project** is situated approximately 90 kilometers to the south of Cobar, NSW, and comprises one (1) granted mining lease and seven (7) granted exploration licences as below, plus processing plant and associated infrastructure.

Tenement	Percentage held / earning	Change during quarter
ML1659	100%	-
EL6482	100%	-
EL7345	100%	-
EL6155	100%	-
EL6302	100%	-
EL7515	100%	-
EL6623	100%	-
EL8498	100%	-

Tenement Location: **Mt Boppy Gold Project** is situated approximately 45 kilometers east of Cobar, NSW, adjacent to the Barrier Highway. The Project comprises four (4) gold leases, two (2) mining leases, one (1) mining purpose lease and one (1) exploration licence which encompasses the MLs and extends the project area to the south.

Tenement	Percentage held / earning	Change during quarter
GL3255	100%	-
GL5836	100%	-
GL5848	100%	-
GL5898	100%	-
ML311	100%	-
ML1681	100%	-
MPL240	100%	-
EL5842	100%	-

There were no tenements acquired or disposed of during the quarter.



## About Manuka

Manuka Resources Limited (ASX: MKR) is an Australian mining and exploration company located in the Cobar Basin, central west New South Wales. It is the 100% owner of two fully permitted gold and silver projects which include the following:

- Mt Boppy Gold mine and neighbouring tenements. The Mt Boppy project is currently in production and processing its gold ore through the Company's processing plant at Wonawinta.
- Wonawinta silver project, with mine, processing plant and neighbouring tenements. The Wonawinta processing plant has a nameplate capacity of 850,000 tonnes per year.



**This announcement has been approved for release by the Board of Directors of Manuka Resources Limited.**

**For further information contact:**

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### Important Information

This report includes forward-looking statements and comments about future events, including the Company's expectations about the performance of its businesses. Forward-looking words such as "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" or other similar expressions are intended to identify forward-looking statements. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Given these uncertainties, recipients are cautioned to not place undue reliance on any forward-looking statement. Subject to any continuing obligations under applicable law, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this report to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. No Limited Party or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in the report will occur.

## APPENDIX 5B

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

**Name of entity**

Manuka Resources Ltd

**ABN**

80 611 963 225

**Quarter ended ("current quarter")**

31 March 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	12,617	32,820
1.2 Payments for		
(a) exploration & evaluation	(1)	(10)
(b) development	(98)	(166)
(c) production	(7,258)	(20,191)
(d) staff costs	(2,244)	(5,603)
(e) administration and corporate costs	(350)	(3,439)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(872)	(4,279)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(218)	296
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,576</b>	<b>(572)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(550)	(1,989)
(d) exploration & evaluation	(1,665)	(3,660)
(e) investments	-	-
(f) other non-current assets – (mine properties and development)	(486)	(594)

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

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)	(86)	(127)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,787)</b>	<b>(6,370)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	14,000
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	-	(887)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(4,495)	(6,119)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(39)	(113)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(4,534)</b>	<b>6,881</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	7,192	1,509
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,576	(572)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,787)	(6,370)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4,534)	6,881
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,448</b>	<b>1,448</b>

<b>5. Reconciliation of cash and cash equivalents</b> <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,448	7,192
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,448</b>	<b>7,192</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	75
6.2 Aggregate amount of payments to related parties and their associates included in item 2	8
<i>Note: 6.1 This is made up of amounts paid to the directors including salary, directors' fees, consulting fees and superannuation.</i>	
<i>Note: 6.2 This is made up of amounts paid to the directors including consulting fees in respect of exploration activities.</i>	

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>		
7.1	Loan facilities	15,912	14,978		
7.2	Credit standby arrangements	-	-		
7.3	Other (please specify)	-	-		
7.4	<b>Total financing facilities</b>	<b>15,912</b>	<b>14,978</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		934		
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.				
	<b>Lender</b>	<b>Facility type</b>	<b>Total Facility</b>	<b>Rate</b>	<b>Maturity</b>
	TransAsia Private Capital Limited	Secured Senior Debt Facility	13,154	14%	30/09/2021
	ResCap Investments Pty Ltd	Unsecured Working Capital Loan	2,000	16%	30/09/2021
	Gleneagle Securities (Aust) Pty Ltd	Unsecured Working Capital Loan	465	12%	31/12/2021
	Hindsight Trading Pty Ltd	Unsecured Working Capital Loan	250	16%	31/12/2020
	National Australia Bank Ltd	Business Options Loan	42	4.50%	30/04/2021
<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>			
8.1	Net cash from / (used in) operating activities (item 1.9)	1,576			
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,665)			
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(89)			
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,448			
8.5	Unused finance facilities available at quarter end (item 7.5)	934			
8.6	Total available funding (item 8.4 + item 8.5)	<b>2,381</b>			
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>26.8</b>			
	<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:

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:

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:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2021

Authorised by:  .....

Toni Gilholme – Company Secretary

On behalf of the 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.

6. By the Company lodging this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:
- presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
  - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.