



**ASX Announcement | 28 October 2020**  
**Rafaella Resources Limited (ASX:RFR)**

**Quarterly Activities Report: 30 September 2020**

*Rafaella Resources agrees to acquire high-grade nickel-copper sulphide projects during September quarter*

**Investment Highlights**

**Operational**

- Received updated Mineral Resource Estimate and exceptional ore sorting results at the Santa Comba tungsten and tin project
- Rafaella remains on track to complete the Santa Comba feasibility study in Q4 CY20
- Agreed to acquire 100% of the Midrim and Laforce nickel-copper-PGE sulphide projects (the 'Projects') in the highly prospective Belleterre-Angliers Greenstone Belt located in the Province of Quebec, Canada
- Received encouraging results from due diligence conducted by CSA Global during their assessment of the Projects
- Southern Geoscience Consultants identified 10 shallow level anomalies in addition to the known mineralisation at Midrim and Lac Croche.
- Metallurgical test work on Santa Comba shows good recoveries and ability to produce a clean high-grade marketable concentrate.

**Corporate**

- Completed a placement to raise approximately \$1.2m
- Announced Rafaella's Extraordinary General Meeting, which will be held on 29 October 2020 in Perth

**Rafaella Resources Limited (ASX:RFR) ("Rafaella" or the "Company")** is pleased to provide its Appendix 5B cash flow statement for the quarter ended 30 September 2020, along with the following operational summary.

Rafaella was established to develop mineral opportunities worldwide. During the quarter, Rafaella's principal activities centered on advancing its Santa Comba tungsten and tin project in Spain ('Santa Comba') and the acquisition of nickel-copper sulphide projects in Canada.

**Strong progress at Santa Comba continues**

In July, Rafaella announced the results of the recently updated Mineral Resource Estimate ('MRE') for the Santa Comba tungsten and tin project ('Santa Comba') carried out by independent consultants.

The total MRE for near-surface mineralization at Santa Comba increased by 103% with the overall Resource now 10.6 million tonnes of which nearly 60% are classified as Measured or Indicated. Total tungsten trioxide (WO<sub>3</sub>) contained within the Resource increased to 18,530 tonnes providing a substantial and de-risked inventory to feed into a mine plan as part of the ongoing feasibility study.

Once the feasibility study is completed, the Company intends to recommence drilling numerous prospects to add both tonnage and grade to feed Santa Comba's future expansion. Rafaella remains on track to complete the Santa Comba feasibility study in Q4 CY20. For a more detailed overview of the MRE upgrade, see the ASX announcement dated 1 July 2020.

In September, Rafaella announced the exceptional results of the ore sorting results from Santa Comba conducted by Tomra Sorting Solutions. Overall results showed a 50% rejection of unmineralized rock and an approximate doubling of feed grade, which will significantly lower the planned process capex and opex and enhance process efficiency via a simpler process flow sheet. For a more detailed overview of the ore sorting results, see the ASX announcement dated 2 September 2020.

Rafaella noted that tungsten remained classified as a critical material by the European Commission in a recent communication to the European Parliament. The two defining characteristics of a critical material are economic importance and supply risk. With over 69% of tungsten supply coming from China, it remains a metal that presents significant supply risk. The Company believes that this highlights the importance of fast-tracking Santa Comba to production as soon as possible as it will provide Western economies with a long-term and reliable source of tungsten concentrate.

The Company announced the results of its Phase 2 gravity separation testing for Santa Comba conducted by Grinding Solutions Ltd based in the United Kingdom. The test work demonstrated that recoveries of at least 70% of the WO<sub>3</sub> can be achieved through a simplified process. The test work also verified that the project can deliver a highly marketable clean tungsten concentrate. These results are a key milestone in de-risking the project. For a more detailed overview of the metallurgical results, see the ASX announcement dated 26 October 2020.

#### **Potential expansion of portfolio via acquisition of Canadian nickel-copper sulphide projects**

In August, Rafaella announced that it had entered into a conditional agreement with Meteoric Resources NL (ASX: MEI) ('Meteoric') and Ressources Météore Sub Inc. (RMS), a wholly-owned subsidiary of Meteoric, to acquire 100% of the advanced nickel-copper sulphide Midrim and Laforce projects ('the Projects') within the mining-friendly jurisdiction of Quebec Province, Canada. For a summary of the material terms of the acquisition, see the ASX announcement dated 21 August 2020.

The following month, the Company engaged Tony Donaghy of CSA Global and leading geophysicists Southern Geoscience Consultancy to assist in its technical due diligence of the Projects. The CSA Global review assessed all the data made available by Orix Geosciences and found that significant exploration potential exists within the Projects for the discovery of high grade, high nickel tenor magmatic sulphide Ni-Cu-PGE mineralisation.

Upon CSA Global recommendation, Rafaella engaged Southern Geoscience Consultancy ('SGC') to review the geophysical data. The study revealed ten shallow level anomalies in addition to the known mineralisation at Midrim and Lac Croche. These anomalies are favourably associated with elevated magnetics that enhances their prospectivity. The review supported the findings of CSA Global that the Projects offer considerable upside. SGC concluded that previous work undertaken had not been effective given the relative shallow penetration of previous airborne EM surveys and suggested that significant potential may have been overlooked. Subject to completion of the acquisition of the Projects, the Company intends to plan for a new heli-borne EM survey for late 2020 to follow up on the SGC recommendation.

#### **Corporate**

In August, the Rafaella raised approximately \$1.2m at a price of \$0.066 per fully paid ordinary share. The raising is providing funds to progress Santa Comba, satisfy corporate overheads and supplement working capital.

The following month, the Company announced that it has extended the time period for its conditional agreement with Meteoric and RMS to acquire the Projects. The agreement was extended in order to allow for shareholder approval to be obtained at the Company's upcoming Extraordinary General Meeting, which is scheduled to be held at 10am AWST on Thursday 29 October 2020.

**Rafaella's Managing Director Steven Turner said:** "Rafaella has made a very strong start to the new financial year, with significant progress at Santa Comba and an exciting new acquisition that will further diversify our portfolio of world-class assets. The increase in total mineral resources along with the ore sorting and metallurgical test results were an exceptional outcome at Santa Comba and we are well on track to complete the feasibility study by year-end. Our due diligence of the Midrim and Laforce projects is also progressing and we are looking forward to providing further updates on this exciting opportunity."

### Corporate

Rafaella's cash position as at 30 September 2020 was \$1.526m.

### Financial commentary

The Appendix 5B for the quarter ended 30 September 2020 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$0.485m, including \$0.477m of drilling cost and ongoing study work associated with the Santa Comba project. Corporate and other expenditure for the quarter was \$0.258m. The total amount paid to Directors of the Company, their associates and other related parties was \$0.117m and includes salary, fees and consulting fees.

Securities on issue at 30 September 2020:

	Listed on ASX	Unlisted	Total
Fully paid ordinary shares	90,575,571	-	72,575,571
\$0.30 listed options expiring 31 October 2021	27,098,036	-	27,098,036
\$0.20 unlisted options expiring 19 July 2022	-	2,500,000	2,500,000
\$0.20 unlisted options expiring 27 August 2022	-	2,925,000	2,925,000
\$0.20 unlisted milestone 1 performance rights expiring 27 August 2022	-	2,900,000	2,900,000
\$0.20 unlisted milestone 2 performance rights expiring 27 August 2022	-	2,900,000	2,900,000
\$0.20 unlisted milestone 1 performance rights expiring 5 March 2023	-	1,000,000	1,000,000
\$0.20 unlisted milestone 2 performance rights expiring 5 March 2023	-	1,000,000	1,000,000
<b>Total</b>	<b>117,673,607</b>	<b>13,225,000</b>	<b>130,898,607</b>
Additional Milestone 1 consideration shares yet to be issued <sup>1</sup>	15,000,000	-	15,000,000
Additional Milestone 2 consideration shares yet to be issued <sup>2</sup>	15,000,000	-	15,000,000

This announcement has been authorised by the Board of Directors of the Company.

Ends

<sup>1</sup> and <sup>2</sup> Refer to ASX announcement on 27 May 2019 for full details.

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E: [julia@thecapitalnetwork.com.au](mailto:julia@thecapitalnetwork.com.au)**About Rafaella Resources**

Rafaella Resources Limited (ASX:RFR) is an explorer and developer of world-class mineral deposits worldwide. Rafaella owns the Santa Comba tin and tungsten development project in Spain and the McCleery cobalt and copper exploration project in Canada. The Santa Comba project is located in a productive tin and tungsten province adjacent to critical infrastructure and the McCleery project was previously under-explored and holds significant potential.

To learn more please visit: [www.rafaellaresources.com.au](http://www.rafaellaresources.com.au)

**Forward Looking Statements Disclaimer**

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

**Competent Persons Statement**

The information in this announcement that relates to Santa Comba Exploration Results and Historical Estimates is based on, and fairly represents, information and supporting documentation compiled under the supervision of Lluís Boixet Martí, a consultant to the Company. Lluís Boixet Martí holds the title of European Geologist (EurGeol), a professional title awarded by the European Federation of Geologists (EFG). EFG is a 'Recognised Professional Organisations' (ROPO) by the ASX, an accredited organisation to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves under the JORC (2012) Code. Lluís Boixet Martí consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Geophysical Exploration Results for the Midrim and Lac Croche claims is based on information compiled by Mr Russell Mortimer, who is employed as a Consultant to the Company through geophysical consultancy Southern Geoscience Consultants Pty Ltd. Mr Mortimer is a member of the Australian Institute of Geoscientists (AIG) and a member of the Australian Society of Exploration Geophysicists (ASEG) and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mortimer consents to the inclusion in the report of matters based on information in the form and context in which it appears.

## Schedule of Exploration Tenements

Project Name	Tenement Number	Interest Held: 30-Jun-20	Interests in mining tenements and petroleum tenements acquired or increased	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Interest Held: 30-Sep-20
Santa Comba	San Antonio	100%	-	-	100%
Santa Comba	Santa María	100%	-	-	100%
Santa Comba	Oportuna	100%	-	-	100%
Santa Comba	Carballeira	100%	-	-	100%
Santa Comba	Santa Bárbara	100%	-	-	100%
Santa Comba	Carmen Facción 1ª	100%	-	-	100%
Santa Comba	Ampliación a Oportuna	100%	-	-	100%
Santa Comba	Demasía a Santa María	100%	-	-	100%
Santa Comba	Primera Demasía a Oportuna	100%	-	-	100%
Santa Comba	Segunda Demasía a Oportuna	100%	-	-	100%
Santa Comba	Demasía a Carballeira	100%	-	-	100%
Santa Comba	Demasía a Santa Bárbara	100%	-	-	100%
Santa Comba	Primera Demasía a Carmen Facción 1ª	100%	-	-	100%
Santa Comba	Segunda Demasía a Carmen Facción 1ª	100%	-	-	100%
Santa Comba	Demasía a Ampliación a Oportuna	100%	-	-	100%

Project Name	Claim Name & Number	Grant Number	Interest Held: 30- Jun-20	Interests in mining tenements and petroleum tenements acquired or increased	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Interest Held: 30- Sep-20
McCleery	MM 1	YD81304	100%	-	-	100%
McCleery	MM 2	YD81305	100%	-	-	100%
McCleery	MM 3	YD81306	100%	-	-	100%
McCleery	MM 4	YD81307	100%	-	-	100%
McCleery	MM 5	YD81308	100%	-	-	100%
McCleery	MM 6	YD81309	100%	-	-	100%
McCleery	MM 7	YD81310	100%	-	-	100%
McCleery	MM 8	YD81311	100%	-	-	100%
McCleery	MM 9	YD81312	100%	-	-	100%
McCleery	MM 10	YD81313	100%	-	-	100%
McCleery	MM 11	YD81314	100%	-	-	100%
McCleery	MM 12	YD81315	100%	-	-	100%
McCleery	MM 13	YD81316	100%	-	-	100%
McCleery	MM 14	YD81317	100%	-	-	100%
McCleery	MM 15	YD81318	100%	-	-	100%
McCleery	MM 16	YD81319	100%	-	-	100%
McCleery	MM 17	YD81320	100%	-	-	100%
McCleery	MM 18	YD81321	100%	-	-	100%
McCleery	MM 19	YD81322	100%	-	-	100%
McCleery	MM 20	YD81323	100%	-	-	100%
McCleery	MM 21	YD81324	100%	-	-	100%
McCleery	MM 22	YD81325	100%	-	-	100%
McCleery	MM 23	YD81326	100%	-	-	100%
McCleery	MM 24	YD81327	100%	-	-	100%
McCleery	MM 25	YD81328	100%	-	-	100%
McCleery	MM 26	YD81329	100%	-	-	100%
McCleery	MM 27	YD81330	100%	-	-	100%
McCleery	MM 28	YD81331	100%	-	-	100%

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McCleery	MM 201	YD21035	100%	-	-	100%
McCleery	MM 202	YD21036	100%	-	-	100%



McCleery	MM 203	YD21037	100%	-	-	100%
McCleery	MM 204	YD21038	100%	-	-	100%
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McCleery	MM 206	YD21040	100%	-	-	100%
McCleery	MM 207	YD21041	100%	-	-	100%
McCleery	MM 208	YD21042	100%	-	-	100%
McCleery	MM 209	YD21043	100%	-	-	100%
McCleery	MM 210	YD21044	100%	-	-	100%
McCleery	MM 211	YD21045	100%	-	-	100%
McCleery	MM 212	YD21046	100%	-	-	100%
McCleery	MM 213	YD21047	100%	-	-	100%
McCleery	MM 214	YD21048	100%	-	-	100%
McCleery	MM 215	YD21049	100%	-	-	100%
McCleery	MM 216	YD21050	100%	-	-	100%
McCleery	MM 217	YD21051	100%	-	-	100%
McCleery	MM 218	YD21052	100%	-	-	100%
McCleery	MM 219	YD21053	100%	-	-	100%
McCleery	MM 220	YD21054	100%	-	-	100%
McCleery	MM 221	YD21055	100%	-	-	100%
McCleery	MM 222	YD21056	100%	-	-	100%
McCleery	MM 223	YD21057	100%	-	-	100%
McCleery	MM 224	YD21058	100%	-	-	100%
McCleery	MM 225	YD21059	100%	-	-	100%
McCleery	MM 226	YD21060	100%	-	-	100%
McCleery	MM 227	YD21061	100%	-	-	100%
McCleery	MM 228	YD21062	100%	-	-	100%
McCleery	MM 229	YD21063	100%	-	-	100%
McCleery	MM 230	YD21064	100%	-	-	100%
McCleery	MM 231	YD21065	100%	-	-	100%
McCleery	MM 232	YD21066	100%	-	-	100%
McCleery	MM 233	YD21067	100%	-	-	100%
McCleery	MM 234	YD21068	100%	-	-	100%
McCleery	MM 235	YD21069	100%	-	-	100%
McCleery	MM 236	YD21070	100%	-	-	100%
McCleery	MM 237	YD21071	100%	-	-	100%
McCleery	MM 238	YD21072	100%	-	-	100%
McCleery	MM 239	YD21073	100%	-	-	100%
McCleery	MM 240	YD21074	100%	-	-	100%
McCleery	MM 241	YD21075	100%	-	-	100%
McCleery	MM 242	YD21076	100%	-	-	100%
McCleery	MM 243	YD21077	100%	-	-	100%
McCleery	MM 244	YD21078	100%	-	-	100%

## Appendix 5B

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

Name of entity

Rafaella Resources Limited

ABN

49 623 130 987

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$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	(80)	(80)
	(e) administration and corporate costs	(258)	(258)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives (cashflow boost)	25	25
1.8	Other	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(313)</b>	<b>(313)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	(37)	(37)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(485)	(485)
	(e) investments	-	-
	(f) other non-current assets	-	-

## 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 (3 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 (cash from acquisition of entity)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(522)</b>	<b>(522)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,188	1,188
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	(11)	(11)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,177</b>	<b>1,177</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	1,180	1,180
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(313)	(313)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(522)	(522)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,177	1,177

## 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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	4	4
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,526</b>	<b>1,526</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	1,350	1,004
5.2	Call deposits	176	176
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>1,526</b>	<b>1,180</b>

## 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	80
6.2	Aggregate amount of payments to related parties and their associates included in item 2	37

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

Includes Director salaries and fees.

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

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		
N/A		

8. <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)	(313)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(485)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(798)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,526
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,526
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.9

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: No. The feasibility study work is completing with most studies now paid for.

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: The Company is expecting to complete a feasibility study within the next quarter, at which point funding will be sought for the development of its Santa Comba mine. The Company is confident that it will be able to source sufficient funding from a combination of debt and equity.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company continues to operate within budget and plan.

**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: 28 October 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.