# Quarterly Activities Report

## June Quarter 2026

# Quarterly Activities Report – June 2026 Quarter

## HIGHLIGHTS

- Kaoko Metals successfully listed on the ASX on 7 May 2026 following strongly supported IPO, raising $6.5 million (before costs) at $0.20 per share.
- Completed acquisition of 100% interest in the Chalkos Copper-Silver Project and settled the earn-in for the Karibib Project, consolidating Kaoko's high-quality Namibian project portfolio.
- Maiden field programs commenced at both Chalkos and Karibib immediately following listing.
- Maiden diamond drilling at Chalkos fast-tracked, with structural geological work completed at the priority Donkey Hill and Otniel prospects.
- **Events subsequent to quarter-end:**
  - New outcropping copper mineralisation discovered at the Bootless prospect at Chalkos, with further extensions identified at Otniel and Donkey Hill.
  - High-grade copper, gold and tungsten confirmed at Karibib, with rock chip assays including grades up to 4.9% Cu, 0.85g/t Au and 0.68% $WO_3$ *(KAO ASX announcement 16 July 2026)*.
  - Maiden drilling of Chalkos set to start, with diamond drilling contract awarded to Optimine Exploration & Drilling Namibia for initial ~2,000-3,000 metre program at Donkey Hill and Otniel.

Kaoko Metals Limited ("Kaoko Metals" or "the Company") is pleased to present its Quarterly Activities Report for the quarter ended 30 June 2026. The quarter marked a transformational period for the Company, encompassing its successful ASX listing, the completion of the project acquisitions that established its Namibian exploration portfolio and the rapid commencement of maiden field programs at both the Chalkos Copper-Silver Project and the Karibib Gold-Copper-Tungsten Project.

**Managing Director Gerard O'Donovan commented:**

*"The June Quarter was a defining period for Kaoko Metals as we successfully completed our IPO and rapidly transitioned into an active explorer with two highly prospective projects in Namibia. In just a few months, we have progressed from listing on the ASX to completing extensive field programs, refining our geological understanding of both the Chalkos and Karibib Projects and positioning the Company to commence its maiden diamond drilling campaign.*

*"Our exploration teams have delivered an exceptional body of work during the quarter. At Chalkos, we have strengthened our confidence in the scale and structural controls of the copper system, while at Karibib we have confirmed the exciting potential of a large polymetallic system prospective for copper, gold, silver and tungsten.*

*"The momentum has continued beyond quarter-end with the appointment of Optimine Exploration as our drilling contractor, the expansion of known surface copper mineralisation at Chalkos and outstanding assay results from Karibib.*

*"With drilling now imminent, a strengthened technical team and multiple exploration catalysts ahead, we see Kaoko entering an exciting phase of its potential. I would like to thank our shareholders for their strong support during our successful listing and acknowledge the dedication of our employees, consultants, contractors and Namibian stakeholders whose efforts have enabled us to achieve so much in such a short period of time."*

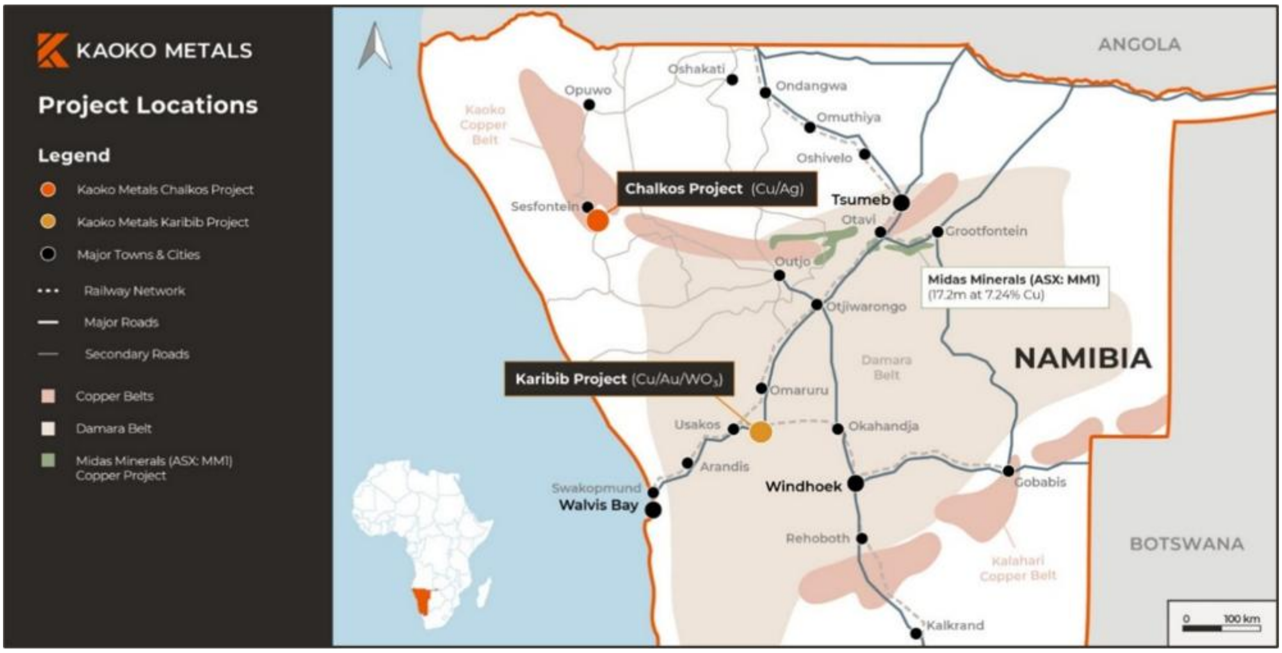


*Figure 1 – Kaoko Metals Project Locations*

## CHALKOS COPPER-SILVER PROJECT – KAOKO COPPER BELT

The 100% owned Chalkos Copper-Silver Project is located within the emerging Kaoko Copper Belt in north-west Namibia, a highly prospective yet under-explored terrane, increasingly recognised as analogous to the globally significant Central African Copperbelt. The Project hosts outcropping copper mineralisation with surface grades of up to 69.6% Cu and 2,030g/t Ag (refer to the Company's Prospectus dated 23 February 2026).

Immediately following listing, a local Namibian contractor commenced site works to improve access ahead of the Company's maiden fieldwork and drilling program. Engagement of local Namibian contractors and communities is a core component of the Company's operational strategy and commitment to responsible in-country development.

In June 2026, the Company completed a management and technical site visit across its Namibian project portfolio, focused on final reconnaissance, drill-target definition and logistics planning. Structural geological work was completed at the Donkey Hill and Otniel prospects to refine drill targeting and improve the Company's understanding of potential mineralisation controls.

Following the site visit, Kaoko refined its near-term exploration strategy and elected to prioritise maiden diamond drilling at Chalkos ahead of the previously planned maiden program at Karibib, reflecting the compelling nature of the targets defined at Donkey Hill and Otniel and faster-than-anticipated progress on site access and drill readiness works.

Subsequent to quarter-end, the Company announced the discovery of outcropping visible copper mineralisation at the newly named Bootless prospect, located within the previously untested ~2.2km long corridor between Otniel and Donkey Hill (refer ASX announcement dated 2 July 2026).

Fieldwork also extended the mapped mineralised footprint at Otniel by up to 200m, now extending to more than 600m across multiple trends, and at Donkey Hill East by approximately 60m, to more than 800m across three trends. Observed in-situ mineralisation includes chalcocite, malachite, azurite and chrysocolla in both vein and disseminated styles, with assay results expected in the September 2026 quarter.


***Figure 2 – Plan view of Donkey Hill and Otniel showing location of the Bootless prospect***

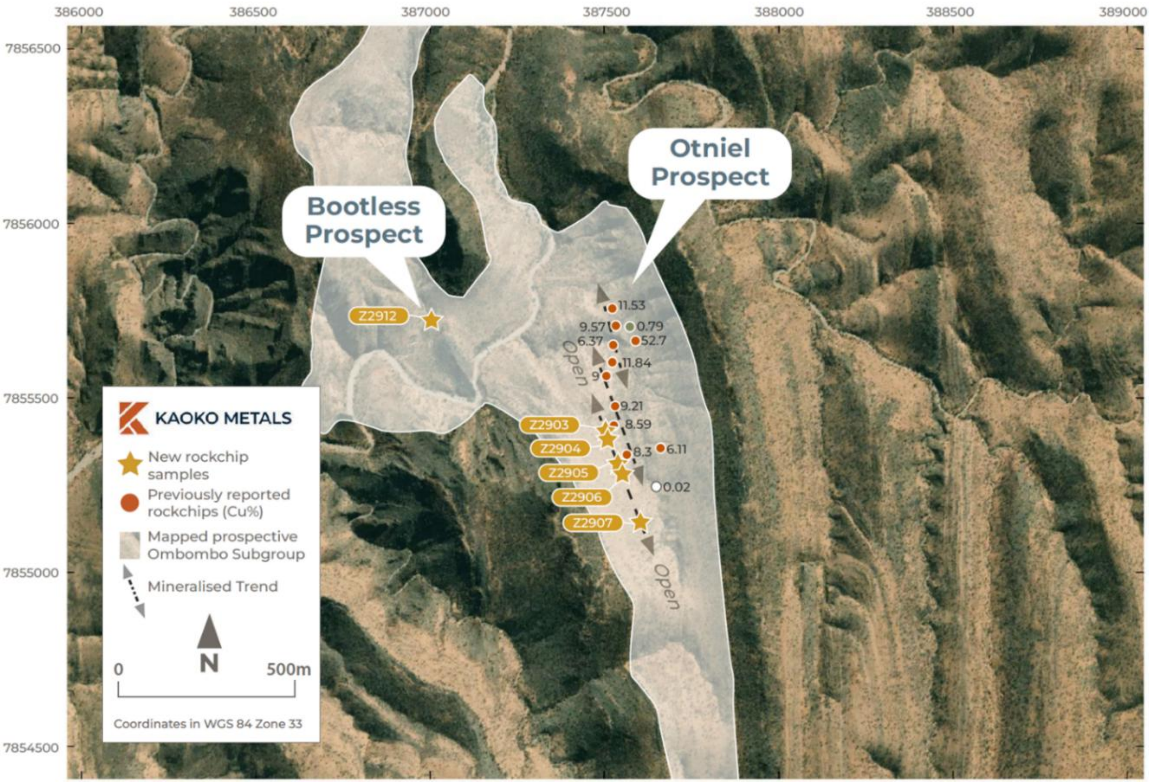


*Figure 3 – Plan view of Otniel showing new mineralised extensions and historically mapped occurrences*

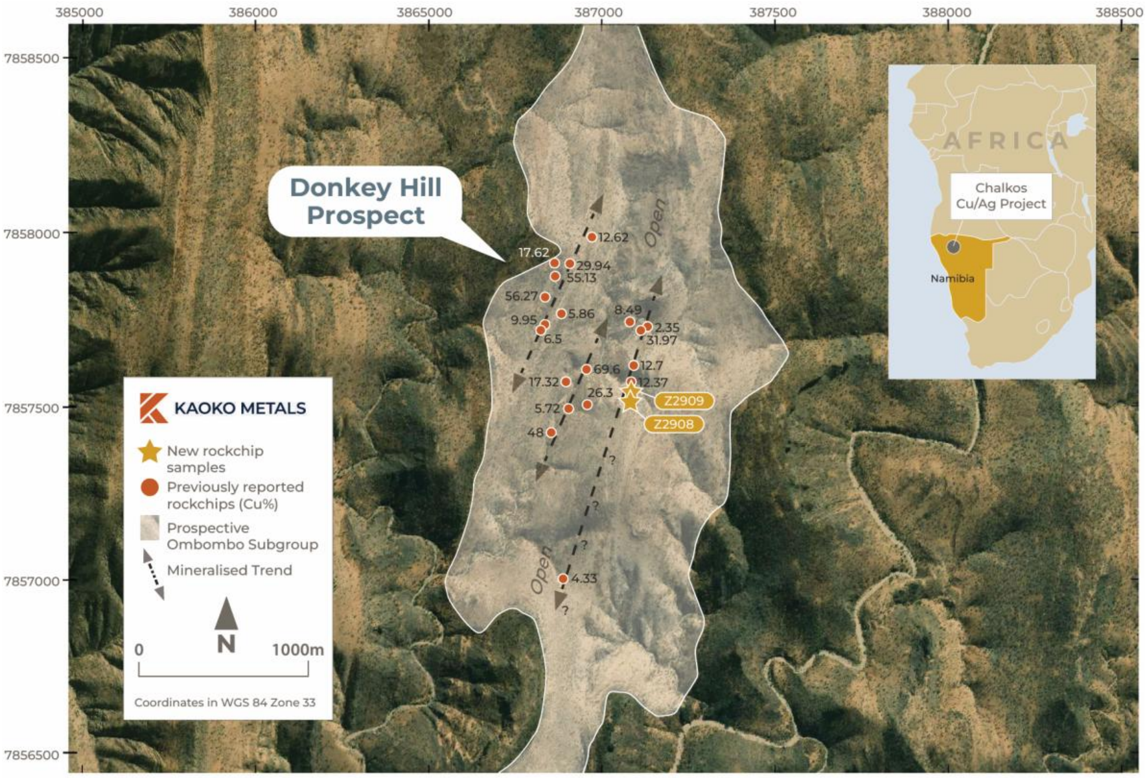


*Figure 4 – Plan view of Donkey Hill showing new mineralised extensions and historically mapped occurrences*

***Figure 5 – Technical Team on the ground at Donkey Hill[1]***

***Figure 6 – Stakeholder Engagement at Chalkos***

[1] Refer to Company's Prospectus dated 23 February 2026 for details of historical mineralisation results at Donkey Hill

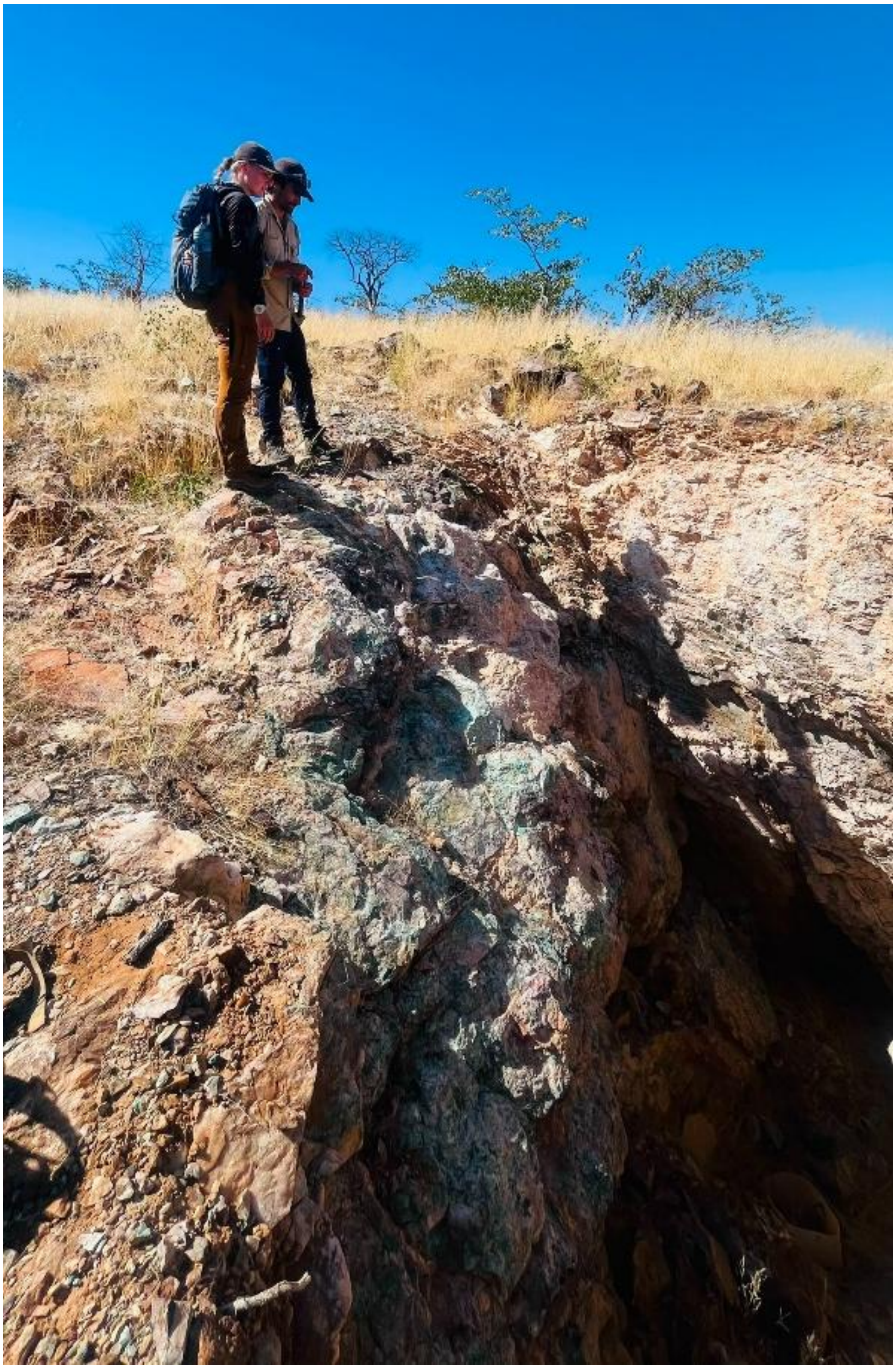

***Figure 7 – Structural Geologists at Donkey Hill[2]***

[2]Refer to Company's Prospectus dated 23 February 2026 for mineralisation results at Donkey Hill

On 23 July 2026, the Company awarded the contract for its maiden drilling program at Chalkos to Optimine Exploration & Drilling Namibia, following a competitive tender process. The maiden program is initially planned to comprise approximately 2,000-3,000 metres of diamond drilling to test the shallow copper mineralisation visible at Donkey Hill and Otniel, then define the depth, continuity and structural controls of the mineralised system.

Mobilisation to site is expected within 1-2 weeks of the contract award, with drilling to commence shortly thereafter.

## KARIBIB GOLD-COPPER-TUNGSTEN PROJECT – DAMARA BELT

The Karibib Gold-Copper-Tungsten Project (earning up to 85%) is located in the prolific Damara Belt in central Namibia and covers approximately 250km$^2$. During the quarter, Kaoko's in-country technical team, led by Country Manager Mr Lisias Pius, mobilised to site and commenced a comprehensive maiden field program comprising high-resolution drone surveys, mapping validation, rock sampling, trenching, drill site development and tungsten target assessment.

Following the June 2026 site visit, the Company determined to undertake a comprehensive regional geochemical program ahead of drilling. This program applies systematic soil and calcrete sampling methodologies that have proven highly effective elsewhere in Namibia, with the aim of significantly expanding the Company's pipeline of drill-ready targets.

Subsequent to quarter-end, assay results from the Company's initial reconnaissance rock chip sampling program confirmed a highly prospective multi-commodity mineral system hosting copper, gold and tungsten (refer ASX announcement dated 16 July 2026).

Significant results included up to 4.9% Cu, 0.85g/t Au and 0.68% $WO_3$, with mineralisation identified across multiple prospects. The project-scale surface geochemical program has since commenced and is progressing strongly, ahead of expectations.

| Sample ID | Sample Type | Easting | Northing | Cu % | Au g/t | Ag g/t | $WO_3$ % |
|---|---|---|---|---|---|---|---|
| Z2814 | Dump | 575650 | 7526248 | 4.90 | 0.07 | 2 | 0.06 |
| Z2809 | Dump | 575660 | 7526168 | 3.19 | 0.85 | 46 | 0.48 |
| Z2804 | Dump | 575784 | 7526114 | 2.66 | 0.41 | 16 | 0.26 |
| Z2849 | Trench | 575780 | 7527277 | 1.91 | 0.16 | 8 | 0.01 |
| Z2803 | Dump | 575805 | 7526134 | 1.73 | 0.60 | 15 | 0.45 |
| Z2848 | Trench | 575771 | 7527269 | 1.72 | 0.07 | 3 | 0.01 |
| Z2802 | Dump | 575806 | 7526111 | 1.50 | 0.02 | 20 | 0.68 |
| Z2815 | Dump | 575648 | 7526246 | 1.10 | 0.11 | 9 | 0.16 |
| Z2806 | Dump | 575688 | 7526181 | 1.06 | 0.15 | 14 | 0.48 |
| Z2816 | Dump | 575796 | 7526116 | 1.01 | 0.21 | 10 | 0.02 |
| Z2859 | Dump | 585743 | 7523026 | 0.99 | 0.81 | 1 | 0.01 |

**Table 1 – Significant Rock Chip Assay Results. Refer to ASX announcement dated 16 July 2026 for full results.**

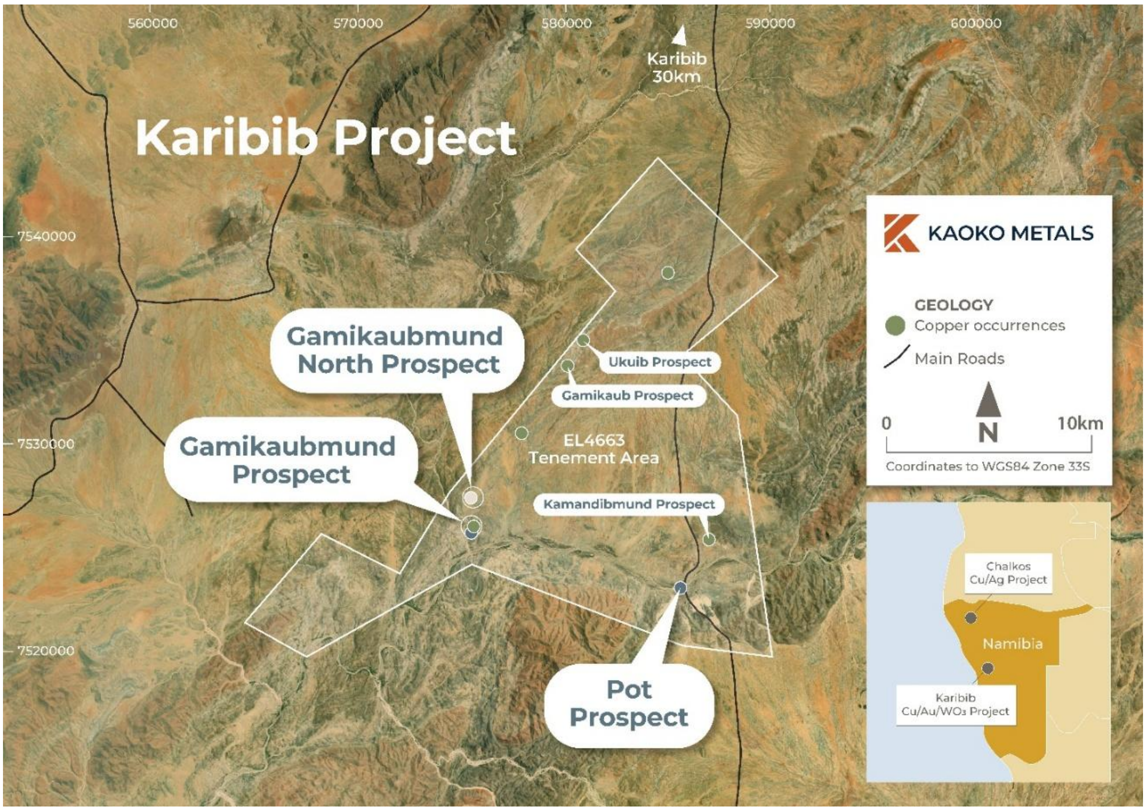


*Figure 8 – Location of the Karibib Project and prospect areas*

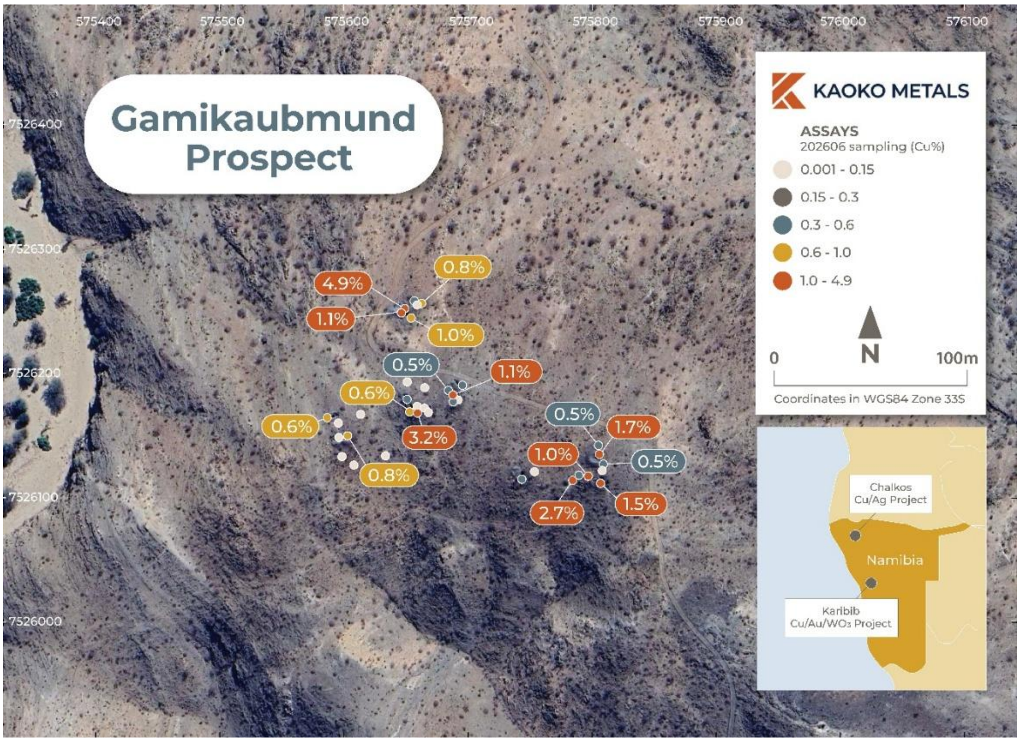


*Figure 9 – Gamikaubmund Prospect area and grab sample results*

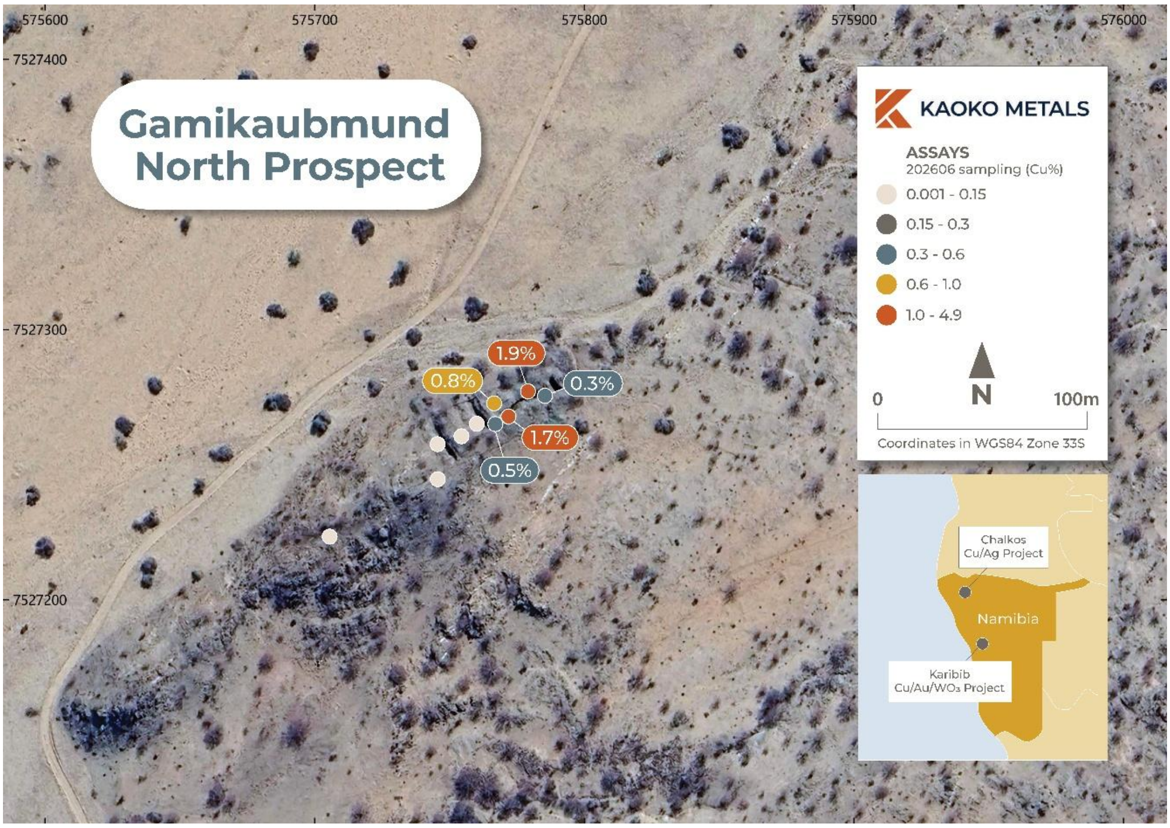


***Figure 10 – Gamikaubmund North Prospect area and grab sample results***

***Figure 11 – Kaoko Metals Team led by Lisias Pius at Karibib Project, Namibia***

## EXPLORATION – NEXT STEPS

Kaoko's focussed and high-priority work programs include:

- Mobilisation of Optimine's drilling equipment and personnel to the Chalkos Project;
- Completion of final drill-site preparation and logistical activities;
- Commencement of maiden diamond drilling at Donkey Hill and Otniel prospects;
- Geological and structural logging of drill core;
- Progressive submission of drill-core samples for laboratory analysis;
- Continuation of project-scale geochemical sampling at Karibib Project; and
- Integration of Karibib geochemical results into geological, geophysical and historical datasets.

## CORPORATE

Kaoko Metals was admitted to the official list of ASX Limited on 6 May 2026, with official quotation of its shares commencing on 7 May 2026 under the code "KAO". The Company's Initial Public Offering closed oversubscribed at the maximum subscription, raising $6.5 million (before costs) through the issue of 32,500,000 shares at $0.20 per share.

In conjunction with the listing, the Company completed the acquisition of a 100% interest in the Chalkos Copper-Silver Project, including the acquisition of minority interests in the licence-holding entities, and settled the earn-in agreement over the Karibib Gold-Copper-Tungsten Project, under which the Company may earn up to an 85% interest in stages. The initial Karibib earn-in payment of $150,000 was made during the quarter and consideration securities for the Chalkos acquisition were issued in accordance with the Prospectus.

The Company held its Annual General Meeting on 29 May 2026, with all resolutions passed by way of a poll. Following shareholder approval, William Buck Audit (Vic) Pty Ltd was appointed as the Company's external auditor.

Subsequent to the quarter-end Kaoko announced the appointment of Mr Callum Standing as Consulting Geologist.

Mr Standing is a co-founder of Kaoko Metals and has played an integral role in the Company's development since its inception. His appointment formalises his ongoing involvement in advancing the Company's exploration strategy and provides additional technical expertise as Kaoko transitions into active drilling.

His appointment complements the existing exploration team and enhances the Company's ability to rapidly interpret exploration results as drilling commences.

## FINANCE

Cash and cash equivalents at 30 June 2026 totalled $5.23 million. During the quarter, the Company received $6.5 million (before costs) in proceeds from its Initial Public Offering.

Exploration and evaluation expenditure incurred during the quarter totalled approximately $245,000, on initial programs as outlined in this report. There was no substantive mining production or development activity during the quarter.

In accordance with ASX Listing Rule 5.3.5, payments to related parties and their associates during the quarter totalled $52,415, comprising consulting fees paid to the Managing Director for services since June 2025 to the date of listing on the ASX in May 2026 of $45,000 and Non-Executive Director fees and superannuation of $7,415.

## USE OF FUNDS – ASX LISTING RULE 5.3.4

The following table compares the Company's actual expenditure for the quarter ended 30 June 2026 against the use of funds statement in its Prospectus dated 23 February 2026 (maximum subscription).

| Use of funds item | Prospectus Year 1 $ | Actual – June 2026 quarter $ | Difference / remaining |
|---|---|---|---|
| Costs of the offer | 785,537 | 758,031 | 27,506 |
| Exploration expenditure – Chalkos and Karibib | 2,065,319 | 270,304 | 1,795,015 |
| Karibib project earn-in fee | 150,000 | 150,000 | – |
| Directors and management fees | 518,840 | 76,302 | 442,538 |
| Corporate costs and working capital | 469,957 | 266,555 | 203,402 |
| **Total** | **3,989,653** | **1,521,192** | **2,468,461** |

Actual expenditure to date is consistent with the Company's stated objectives and business plan.

## MINING TENEMENTS – ASX LISTING RULE 5.3.3

The Company's interests in mining tenements at the end of the quarter, and interests acquired during the quarter, are set out below. All tenements are Exclusive Prospecting Licences ("EPLs") located in Namibia and are held through the Company's Namibian subsidiary entities.

| Tenement | Project | Location | Interest at beginning of quarter | Interest at end of quarter |
|---|---|---|---|---|
| EPL 7608 | Chalkos Copper-Silver | Kunene Region, Namibia | Nil | 100% |
| EPL 7943 | Chalkos Copper-Silver | Kunene Region, Namibia | Nil | 100% |
| EPL 4663 | Karibib Gold-Copper-Tungsten | Erongo Region, Namibia | Nil | Right to earn up to 85% |

## COMPLIANCE STATEMENT

The information in this report relating to exploration results is extracted from the Company's ASX announcements as cross referenced and from the Company's Prospectus dated 23 February 2026, which are available at kaokometals.com.au and asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that the form and context in which the Competent Person's findings are presented have not been materially altered.

## About Kaoko Metals

Kaoko Metals is an ASX-listed exploration company focused on unlocking large-scale copper, silver and gold opportunities in Namibia's highly prospective Damara and Kaoko belts.

The Company's flagship Chalkos Copper-Silver Project is located within the under-explored Kaoko Copper Belt, where known mineralisation represents only a small portion of a substantial landholding. Kaoko Metals is applying systematic, modern exploration techniques to define and expand existing mineralisation, while targeting new discoveries across its broader tenure.

In parallel, the Karibib Gold-Copper-Tungsten Project is situated in the prolific Damara Belt, in close proximity to established operations including the Navachab Gold Mine and the Twin Hills Gold Project. The Company is focused on advancing known zones of mineralisation through staged exploration and resource definition, with the objective of building a meaningful, multi-commodity resource base.

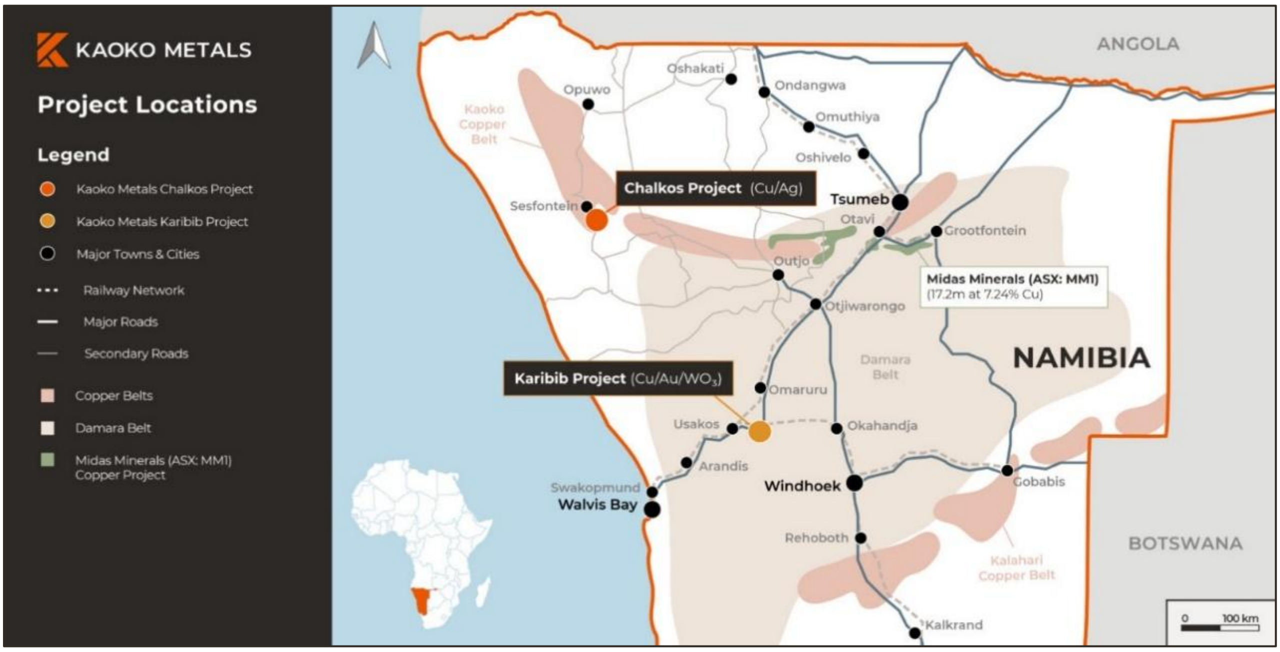


*Figure 12 – Kaoko Metals Project Locations*

Kaoko Metals' strategy is centred on disciplined, high-impact exploration, leveraging geological expertise and data-driven targeting to deliver scalable discoveries and long-term shareholder value.

*This report has been authorised for release by the Board of Directors of Kaoko Metals Limited.*

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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**+61 419 929 046**

## Forward Looking Statement

This announcement contains forward-looking statements which 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.

## Proximate statements

This announcement contains references to Mineral Resources, mines and exploration projects of other parties either nearby or proximate to Kaoko Metals projects and/or references that may have topographical or geological similarities to Kaoko Metals' projects, being the Chalkos copper-silver project and the Karibib copper-gold-tungsten project. It is important to note that such discoveries or geological similarities do not in any way guarantee that the Company will have any success at all or similar successes in delineating a Mineral Resource on any of Kaoko Metal's projects, being the Chalkos copper-silver project and the Karibib copper-gold-tungsten project.

# Appendix 5B

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

| Name of entity |
|---|
| Kaoko Metals Limited |

| ABN | Quarter ended ("current quarter") |
|---|---|
| 17 619 137 576 | 30 June 2026 |

| | 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 | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (245) | (322) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (29) | (29) |
| | (e) administration and corporate costs | (308) | (407) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 17 | 17 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | (565) | (741) |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (41) | (41) |
| | (d) exploration & evaluation | (210) | (210) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (6 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | (251) | (251) |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 6,500 | 6,759 |
| 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 | (758) | (872) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | 5,742 | 5,887 |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 218 | 249 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (565) | (741) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (251) | (251) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 5,742 | 5,887 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (6 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | 84 | 84 |
| **4.6** | **Cash and cash equivalents at end of period** | 5,228 | 5,228 |

| **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 | 2,228 | 218 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other – term deposits (3 months or less) | 3,000 | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | 5,228 | 218 |

| **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 | 52 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*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.*

| **7.** | **Financing facilities** *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.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | |

| **8.** | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (565) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (210) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (775) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 5,228 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 5,228 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 6.7 |

*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.*

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: Not applicable.

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: Not applicable.

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: Not applicable.

*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: 31 July 2026

Authorised by: The Board of Kaoko Metals Limited

(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.