



**Alligator  
Energy**

## **QUARTERLY REPORT**

FOR THE PERIOD ENDING

**31 March 2026**

ASX: AGE

## Samphire transitions to Field Recovery Trial (FRT) operations with commencement of uranium extraction and strong initial results from the FRT

### Highlights for the Quarter:

- Pilot plant commissioning completed, confirming operational readiness and transition to trial uranium extraction.
- FRT successfully commenced, with uranium extraction initiated during the quarter.
  - Post quarter end, initial FRT results demonstrate recovery performance and operating parameters in line with or exceeding expectations.
- Bankable Feasibility Study (BFS) commenced, underpinning development pathway toward production.
- Board strengthened and leadership structure enhanced.

### MD & CEO Statement

Commenting on the March 2026 quarter, Alligator Energy's MD and CEO Andrea Marsland-Smith said:

*"The March quarter represents a transformational period for Alligator Energy, marking our transition from project construction into the trial, with the extraction of uranium at Samphire. Following the successful completion of commissioning in the quarter, we commenced uranium extraction through the FRT, achieving an important milestone in demonstrating the effectiveness of in-situ recovery under field conditions. Early performance from the wellfield and processing plant has met or exceeded our expectations, with post quarter-end results providing the confidence in recovery rates, permeability from the wellfield and process operating parameters from the pilot plant.*

*In parallel, the formal commencement of the BFS is another critical step in moving Samphire toward development. Bringing real operational data from the FRT into the study will significantly de-risk the project and give us greater confidence in future development decisions.*

*We have also strengthened our leadership structure during the quarter, aligning governance and capability with the Company's transition toward development and future production.*

*Looking ahead, we expect strong news flow and several value catalysts in the coming months. These include continued results from the FRT, an updated Mineral Resource Estimate incorporating the Plumbush satellite prospect, and drilling results from the aggressive campaign underway at Samphire. Together, this work will enhance our understanding of the Resource, optimise development parameters, and support the ongoing advancement of Samphire toward production.*

*With multiple workstreams now in progress, from the FRT and feasibility studies through to Resource growth and permitting, Alligator is entering a period of strong momentum and ongoing value generation."*

## Samphire Uranium Project Development

The March 2026 quarter marked a major transition for the Samphire Uranium Project, progressing from commissioning into the trial uranium extraction phase – with the Company successfully completing both dry and wet commissioning of the Samphire pilot plant, confirming that all systems are operating in accordance with the design and performance expectations. The completion of commissioning enabled the energisation of the plant, recruitment and induction of the full operations team, and final preparation for the trial operations. This milestone represented the final technical step prior to commencement of uranium extraction.

Following completion of commissioning, the Company undertook pre-conditioning of the first well test pattern, establishing hydraulic connectivity and preparing the ore zone for introduction of leaching reagents. This process was completed successfully, enabling the controlled introduction of reagents and the initiation of uranium extraction from the first trial wellfield.

The commencement of uranium extraction marks the first time that uranium-bearing solution has been recovered via the in-situ recovery (ISR) process at Samphire. Initial uranium-bearing pregnant liquor solution (PLS) containing dissolved uranium was readily flowing into the plant, confirming the hydrogeological conditions and process systems are functioning as intended at this early stage of trial operations.

Subsequent to the end of the quarter, Alligator reported strong initial results from the first test well pattern of the FRT, providing early validation of the project's technical and operational assumptions. The wellfield demonstrated consistent and stable performance as recovery progressed, with uranium-bearing solution produced at concentrations in line with expectations. Peak grades exceeding 200 mg/L  $U_3O_8$  have been recorded, with solution grades remaining above 100 mg/L  $U_3O_8$  based on onsite laboratory assays. These results indicate effective mobilisation of uranium within the orebody and confirm that the lixiviant chemistry is performing as designed.

The rate of recovery has also been encouraging, with uranium extraction from the test pattern exceeding approximately 55% after 39 pore volumes of solution circulation through the wellfield. This level of recovery at this stage of the trial is consistent with modelled expectations of grade, flow rates, reagent consumption and leaching efficiency. These outcomes provide important confirmation of the critical factors for successful future ISR operations.

While these results are preliminary and subject to ongoing validation, including duplicate assay at external certified laboratory for quality control purposes, they represent a significant step in de-risking the project. As the FRT progresses towards completion of the planned test cycles, further data will be collected to optimise operating conditions and support the advancement of the Samphire Project through feasibility and into development.

In parallel to the FRT, the Company formally commenced the BFS for the Samphire Uranium Project during the quarter. The commencement of the BFS follows the appointment of Ammjohn Solutions Pty Ltd as Project Manager and key engineering support, establishing the framework for a comprehensive and integrated study.

A central component of the BFS will be the integration of FRT results, such as uranium recovery performance, well spacing requirements and reagent consumption cost inputs among others. This approach is expected to significantly enhance the technical confidence of the study outcomes and reduce development risk by grounding the design and economic assumptions with site-specific data.

The BFS will evaluate key aspects of the project including wellfield design, processing plant configuration, operating costs, production profiles and execution strategy. It will also support future financing and development decisions, forming a critical foundation for progressing Samphire toward construction and production.

Completion of the BFS is targeted for the first half of calendar year 2027, aligning with the Company's broader development timeline and anticipated progression through permitting and approvals.



Figure 1: Samphire Field Recovery Trial Plant in full operation (view looking north)

### Samphire Development Activities and Outlook

Alligator continues to advance a range of complementary work programs across the Samphire Project and broader portfolio, aimed at enhancing Resource confidence, project scale and development readiness – with the coming months expected to deliver strong news flow and further value catalysts.

A key focus during the quarter was the preparation of an updated Mineral Resource Estimate (MRE) to incorporate the Plumbush satellite prospect, which is expected to be released in the upcoming June 2026 quarter. This work is expected to further strengthen the project's development potential, while providing updated inputs into the BFS.

In addition, the Company is nearing completion of approvals to undertake an aggressive drilling campaign at Samphire, targeting both Resource extension and improved geological and hydrogeological understanding of the deposit. These drilling activities are designed to refine wellfield design parameters, support Resource conversion, and identify opportunities to enhance project economics.

The FRT continues to progress in line with expectations, with the first wellfield currently advancing through its recovery cycle. The Company expects to substantially complete the first wellfield by the end of April 2026, following which the FRT operations will transition to the next wellfield, enabling continued recovery optimisation and data generation across multiple patterns.

## Other Projects

### Big Lake Uranium Project

Exploration activity at the Big Lake Uranium Project continued to build on the encouraging results achieved in late 2024, where drilling intersected significant thicknesses of unconsolidated sands hosting elevated uranium values. Four holes returned uranium grades exceeding 100 ppm, including two intersections within porous sand units exceeding 20 metres in thickness. These results confirm the presence of a highly prospective geological setting within the Namba and Eyre Formations, reinforcing Alligator's confidence in the region's potential to host a large-scale ISR-amenable uranium system.

Further rainfall and flooding events during the quarter have delayed the planned 2026 drilling campaign at Big Lake. As a result, it is now unlikely that drilling will commence prior to late May, with site conditions continuing to be closely monitored. Importantly, all contracts and preparations for the drilling program are in place, enabling the Company to mobilise quickly once access conditions improve.

### EnviroCopper Limited (15.61% interest)

During the quarter, EnviroCopper continued the trials at its Kapunda project, with initial positive results – with the pH consistently in the range to leach copper and EnviroCopper seeing an increase in metal concentrations.

## Corporate

The Company implemented several Board and leadership updates in the quarter, including:

- CEO Dr Andrea Marsland-Smith appointed as Managing Director, strengthening leadership alignment, Board skills set in ISR in particular, and execution capability;
- Planned retirement of long-standing NED Peter McIntyre following completion of the FRT; and
- Transition of Greg Hall to NED, effective 1 February 2026.

These changes reflect the Company's ongoing review of Board skills and capability through planned transitions, which positions the Board with appropriate capability for the next phase of growth.

During the quarter, the Company:

- Invested \$5.7m on exploration and evaluation activities; and
- Paid Executive Director salaries and Non-Executive Director fees of \$71,220.

Exploration and evaluation activities was significantly higher this quarter as a result of the field recovery trial operations – which is expected to be completed in the June 2026 quarter.

This announcement was authorised for release by the Board of Alligator Energy Ltd. Engage with this announcement at the Alligator Energy [InvestorHub](#).

As at 31 March 2026	
Cash Balance	A\$13.3M
Ordinary Fully Paid Ordinary Shares (AGE)	4,437.0M
Listed Options 4.7c (Exp 08/09/27) (AGEOD)	278.2M
Unlisted Director & Employee Incentive Performance Options	86.1M

### Contacts:

For more information, please contact:

**Ms Andrea Marsland-Smith**

*MD & CEO*

**Mr Joe Sutanto**

*CFO & Company Secretary*

For media enquiries, please contact:

**Jeffrey Sterlson**

*GM - Government Relations, Communications and Public Affairs*

[js@alligatorenergy.com.au](mailto:js@alligatorenergy.com.au)

## Competent Person's Statement

### Uranium

Information in this report is based on current and historic Exploration and Resource Drilling Results related to the Alligator projects is based on and fairly represents information provided by Dr Andrea Marsland-Smith who is a Member of the AusIMM. Dr Marsland-Smith is employed by Alligator Energy as Chief Executive Officer (CEO) and Managing Director and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity she is undertaking (including 23 years working with ISR uranium development and operations) to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Marsland-Smith consents to the inclusion in this release of the matters based on her information in the form and context in which it appears.

In relation to Exploration results referred to in this Quarterly report, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. In relation to the mineral resource estimate referred to in AGE ASX release 6 May 2025 or the production target referred to in AGE ASX release 14 December 2023 that is relevant for underpinning the field recovery trial at Samphire, the Company confirms that all material assumptions underpinning the production target, and the forecast financial information derived from the production target, in the initial announcement continue to apply and have not materially changed.

## Forward Looking Statement

This announcement contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company. These risks and uncertainties could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Actual results and future events could differ materially from anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

## About Alligator Energy

Alligator Energy Ltd is an Australian, ASX-listed, exploration company focused on uranium and energy related minerals, principally through its equity interest in EnviroCopper Limited. Alligator's Directors have significant experience in the exploration, development and operations of both uranium and copper projects.



**Alligator Group Tenure Holdings at Quarter End:**

The following information is provided pursuant to Listing Rule 5.3.3.

<b>ARUP (NT) Uranium</b>						
<b>Licence Number</b>	<b>Tenement Name</b>	<b>Ownership</b>	<b>Interest</b>	<b>Area (km<sup>2</sup>)</b>	<b>State</b>	<b>Status</b>
EL24921	Tin Camp Creek	TCC Project P/L	100	76.79	NT	Granted
EL24922	Tin Camp Creek	TCC Project P/L	100	194.59	NT	Granted
EL25002	Tin Camp Creek	TCC Project P/L	100	11.55	NT	Granted
EL24291	Beatrice	Alligator Energy Ltd	100	337.21	NT	Granted
EL26796	Beatrice	Alligator Energy Ltd	100	19.77	NT	Granted
EL27252	Nabarlek North	Northern Prospector P/L	100	6.75	NT	Granted
EL27253	Nabarlek North	Northern Prospector P/L	100	5.61	NT	Granted
EL28389	Nabarlek North	Northern Prospector P/L	100	110.83	NT	Granted
EL28390	Nabarlek North	Northern Prospector P/L	100	33.58	NT	Granted
EL29991	Nabarlek North	Northern Prospector P/L	100	26.87	NT	Granted
EL29992	Nabarlek North	Northern Prospector P/L	100	63.81	NT	Granted
EL29993	Nabarlek North	Northern Prospector P/L	100	57.06	NT	Granted
EL31480	Nabarlek North	Northern Prospector P/L	100	188.44	NT	Granted
EL26793, EL26794, EL26795	Beatrice	Alligator Energy Ltd	100	123.88	NT	Application
EL27777, EL27778, EL28176, EL28293, EL28315, EL28863, EL28864, EL28865, EL28950, EL31452, EL31453, EL31454, EL32075, EL32389, EL32390, EL32391	Various	Northern Prospector P/L	100	907.44	NT	Applications
<b>Eyre Peninsula (SA) Uranium</b>						
EL5926	Samphire	S Uranium Pty Ltd	100	332	SA	Granted
EL6350	Samphire	S Uranium Pty Ltd	100	38	SA	Granted
EL6835	Samphire	S Uranium Pty Ltd	100	61	SA	Granted
EL6901	Samphire	S Uranium Pty Ltd	100	119	SA	Granted
<b>Cooper Basin (SA) Uranium</b>						
EL6367	Big Lake	Big Lake Uranium Pty Ltd	100	818	SA	Granted
EL6847	Big Lake	Big Lake Uranium Pty Ltd	100	841	SA	Granted
EL6848	Big Lake	Big Lake Uranium Pty Ltd	100	877	SA	Granted
EL6849	Big Lake	Big Lake Uranium Pty Ltd	100	978	SA	Granted
EL6902	Big Lake	Big Lake Uranium Pty Ltd	100	939	SA	Granted
EL6903	Big Lake	Big Lake Uranium Pty Ltd	100	994	SA	Granted
EL6904	Big Lake	Big Lake Uranium Pty Ltd	100	975	SA	Granted

**Blackbush Mineral Resource Estimate reported above a 250ppm U<sub>3</sub>O<sub>8</sub> cut-off.**

JORC Category	Mt	Grade (U <sub>3</sub> O <sub>8</sub> ppm)	U <sub>3</sub> O <sub>8</sub> Metal (Mlbs)
<b>Indicated</b>	8.2	786	14.2
<b>Inferred</b>	3.9	443	3.8
<b>Total</b>	12.1	676	18.0

The model is reported unconstrained and above a 250 ppm U<sub>3</sub>O<sub>8</sub> lower cut-off grade for all zones in consideration of potential for recovery by in situ leach processes.

There is no historical depletion by production within the model area.

Estimation of the disequilibrium factored and topcut gamma data (feU<sub>3</sub>O<sub>8</sub>c) is by ordinary kriging using dynamic anisotropy for the mineralised zone.

Density is estimated by nearest neighbour estimation within the Kanaka Beds on the basis of logged geology as either 1.79 t/m<sup>3</sup> for lignitic material or 1.92 t/m<sup>3</sup> for other sediments; other paleochannel stratigraphies had a default of 1.90 t/m<sup>3</sup> assigned; saprolite capping the basement granite was assigned a bulk density of 2.16 t/m<sup>3</sup> and the primary basement granite was assigned a nominal bulk density of 2.70 t/m<sup>3</sup>.

The model assumes agglomeration of 12.5mE x 12.5mN x 1mRL parent blocks for definition of well fields for production.

The model does not account for dilution, ore loss, hydrogeology, or recovery issues. These parameters should be considered during the mining study as being dependent on the ISL treatment process.

Classification is according to JORC Code Mineral Resource categories.

Totals may vary due to rounded figures.

The mineral resource estimate in this report was reported by the Company in accordance with listing rule 5.8 on 6 May 2025. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimates in the previous announcement continue to apply and have not materially changed.

## Appendix 5B

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

Name of entity

Alligator Energy Limited

140 575 604

31 March 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(445)	(1,607)
	(e) administration and corporate costs	(1,279)	(2,898)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	271	746
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	702
1.8	Other	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,453)</b>	<b>(3,057)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(100)	(122)
	(d) exploration & evaluation	(5,685)	(11,379)
	(e) investments (EnviroCopper)	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	100
	(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 (property and tenement bonds)	-	(2,231)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(5,785)</b>	<b>(13,632)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	(88)
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 (lease payments)	(20)	(52)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(20)</b>	<b>(140)</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	20,578	30,149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,453)	(3,057)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,785)	(13,632)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(20)	(140)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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>13,320</b>	<b>13,320</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	320	7,578
5.2	Call deposits	13,000	13,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,320</b>	<b>20,578</b>

<b>6.</b>	<b>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	71
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.*

**NOTE: The payment amounts disclosed in 6.1 above relate to director fees for Non-Executive Directors**

7.	<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>	-	-
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.		

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)	(1,453)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(5,685)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(7,138)
8.4	Cash and cash equivalents at quarter end (item 4.6)	13,320
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	13,320
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.87
	<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?	
	It is unlikely the high net operating cash flows will continue – with the completion of the field recovery trials expected in the June 2026 quarter.	

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?

No additional steps taken. The Company is expected to receive funds from the sale of the NT tenements as announced to the market on 1 December 2025 this quarter as well as R&D tax refund.

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?

Yes – through a combination of lower planned expenditure as outlined in section 8.8.1 above as well as expected proceeds as outlined in section 8.8.2.

*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: .....24 April 2026.....

Authorised by: .....Board of Directors.....

(Name of body or officer authorising release – see note 4)

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.