ASX RELEASE

ASX Code: OZZ **23 July 2026**

JUNE 2026 QUARTERLY ACTIVITIES REPORT

OZZ Resources Limited (OZZ or the Company) is pleased to provide its activities report for the quarter ended 30 June 2026. On 26 May 2026, OZZ entered into a conditional share sale agreement to acquire 100% of the issued capital of Sulphide Minerals from its shareholders (“Acquisition Agreement”). Subject to the satisfaction of the conditions precedent to the share sale agreement (including shareholder approval and the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules), OZZ will, on completion, hold a 100% legal and beneficial interest in Sulphide Minerals Pty Ltd ("Sulphide Minerals") and, indirectly, a 100% interest in the Bedaburra Project.

KEY ACQUISITION HIGHLIGHTS

- OZZ entered into a binding agreement to acquire a 100% interest in two mineral exploration tenements located in the Murchison region of Western Australia, which cover an area of approximately 44km^2.
- Prospectus was lodged with ASIC on 5 June 2026 to raise up to $5 million to fund the Acquisition, exploration of the Bedaburra Project and re-compliance with Chapters 1 and 2 of the ASX Listing Rules. CPS Capital Group Pty Ltd (CPS) engaged as Lead Manager
- Completion of the proposed acquisition and lifting of the suspension in the Company’s securities remains subject regulatory approvals (including re-compliance with the ASX Listing Rules), a successful equity raise and additional standard conditions for a transaction of this nature.
- OZZ intends to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a junior exploration company with a focus on nickel, copper, cobalt and other critical minerals pivotal in the energy transition.
- OZZ shareholders approved all resolutions required for the Proposed Acquisition and associated capital structure at the General Meeting held on 19 June 2026.

DETAILS OF PROJECT

The Bedaburra Nickel–Copper–Cobalt Project ("Bedaburra Project" or the "Project") comprises two granted exploration licences, E52/4179 and E52/4195, covering a total area of approximately 43.54 km^2 in the Murchison Region of Western Australia.

The Project is considered prospective for two principal styles of nickel mineralisation:

(i) laterite-hosted nickel–cobalt mineralisation derived from in-situ weathering of ultramafic rocks; and

(ii) primary magmatic nickel–copper sulphide mineralisation associated with differentiated mafic–ultramafic intrusive architecture and potential feeder structures.

The Project also has indicative copper, cobalt, chromium, platinum group element (PGE) and iron prospectivity.

Tenement	Registered Holder	Grant Date	Expiry Date	Blocks	Area (km^2)
E52/4179	Sulphide Minerals Pty Ltd	15 May 2023	14 May 2028	7	21.77
E52/4195	Sulphide Minerals Pty Ltd	15 May 2023	14 May 2028	7	21.77
Total				14	43.54

Historical exploration comprises approximately 111 shallow drillholes completed principally by Conwest (Australia) NL, International Nickel Australia Limited (INAL/INCO), Western Mining Corporation, Helix Resources NL, Cliffs Asia Pacific Iron Ore and Trafford Resources. The deepest historical hole (BH65) was drilled to 103.6 m. Three of eight deeper holes targeting IP anomalies ended in sulphide mineralisation. Minor lode-type sulphide (pyrite, chalcopyrite and nickeliferous pyrrhotite) was reported at end-of-hole in BH62 at approximately 89.17 m, with the diamond core tail reportedly never assayed and the down-dip extension untested.

Recent work completed by Sulphide Minerals includes a systematic ultrafine-fraction soil geochemistry program (100 m × 100 m grid, aqua regia digestion, ICP-MS and ICP-OES multi-element suite of 67 elements analysed by Labwest, Perth) completed during 2025–2026. Results define coherent multi-element nickel, copper and cobalt anomalies coincident with historical geophysical anomalies.

Following Settlement, the Company intends to undertake a systematic, staged two-year exploration program comprising infill ultrafine soil sampling, modern airborne and ground electromagnetic surveys, modern gravity and IP over identified anomalies, reconnaissance aircore and shallow RC drilling of laterite Ni–Co targets, deeper RC and diamond drilling of untested coincident gravity/IP/EM anomalies (including down-dip of BH62), and integration and standardisation of historical datasets.

ASX Listings Suitability and Re-compliance

The Company's securities have been suspended from quotation since 20 June 2024. On 15 May 2026, the ASX Listings Suitability Committee confirmed that OZZ will have a structure and operations appropriate for a listed entity under Listing Rules 1.1 condition 1 and 1.19 on a post-Settlement basis.

The Company intends to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a junior exploration company focused on nickel, copper, cobalt and other critical minerals pivotal in the energy transition. Suspension will continue until the Company has completed re-compliance in accordance with Section 2.10 of Guidance Note 12 and ASX has reinstated the Company's securities to quotation.

Event	Date
Closing Date of the Offer (as extended)	24 July 2026 (5:00pm WST)
Issue of Shares under the Offers	12 August 2026
Despatch of holding statements	13 August 2026
Settlement of the Proposed Acquisition	17 August 2026
Expected re-quotation on ASX	24 August 2026

Maguires Gold Project – Option Agreement with Scorpion Minerals Limited

On 17 April 2026, OZZ shareholders approved the binding Option Agreement with Scorpion Minerals Limited (ASX: SCN) in respect of the Maguires Gold Project and the Old Prospect Gold Tenements. This approval was a key milestone enabling:

- progression of the transaction with SCN;
- advancement of development activities at Old Prospect; and
- alignment of both parties toward accelerated project delivery.

Also, during the Quarter, and in parallel with the SCN transaction, a Mining Licence Application (M20/568) was formally submitted over the Old Prospect North and South deposits. The Mining Licence Application covers:

- granted Prospecting Licence P20/2318 (Maguires Reward); and
- adjacent Prospecting Licence Application P20/2516 (supporting infrastructure and expansion).

The application is a critical step toward development, supporting planned open pit mining operations identified in prior scoping studies, integration of infrastructure and processing pathways, and advancement toward production readiness by SCN. This workstream forms a key condition-precedent support activity for the SCN transaction.

EXPLORATION SUMMARY

Project overview – Leonora projects: Mt Davis and Pinnacle Well

Tenure

Mt Davis

The Mt Davis project comprises of two granted contiguous prospecting licence applications P37/9552 and P37/9553. The total area covered by the tenure is 349Ha and the project is located approximately 20km north of Leonora adjacent to the Goldfields Highway.

Exploration

No substantial on ground exploration was undertaken on the project during the quarter.

Previous Exploration

A surface sampling and litho-geochemistry review was conducted by Kinematex Pty Ltd over the Mt Davis project. The soil sampling campaign completed at Mt Davis focused on interpreted mineralising structures has displayed targets for follow-up ground investigations and drilling permits. The results of the surface sampling and litho-geochemistry review were announced on 16 July 2024.

Gold anomalism is very subtle possibly due to detection limits, although gridding has produced a large anomalous 800m x 800m corridor in the centre of the array and a small anomaly in the central north of the array. Notable anomalies therein straddle the Mt George shear and the contact between Archean greenstones to the west and siliclastic rocks to the east.

Project overview – Leonora projects

Tenure

The Pepper Tree (previously named Pinnacle Well) project is comprised of 2 exploration licenses (E37/1287 and E37/1355).. The project is approximately 10km east of Mt Davis, about 25km north of Leonora and adjacent to the Great Northern Highway, (see Figure 3).

No substantial on ground exploration was undertaken on the project during the quarter.

Exploration

No substantial on ground exploration was undertaken on the project during the quarter.

Geological Setting

The Leonora project lies adjacent to the highly prospective Kalgoorlie-Kurnalpi terrane boundary in the Eastern Goldfields Superterrane of the Yilgarn Craton. Regional shearing and splays associated with the craton scale Keith - Kilkenny Fault are known to be the focus of major mineralisation in the district. Two significant (+4M oz) gold deposits situated respectively 5km to the north-west (King of the Hills) and 25km to the south (Sons of Gwalia) which are within the regional structures that pass through the Leonora project tenements.

Previous Exploration

The surface sampling and litho-geochemistry review, announced 16 July 2024, showed a subtle gold anomaly in the Southeast of the soil survey array supported by elevated arsenic pathfinder litho-geochemistry. In addition, there was Identification of subtle anomalies of Cs, Li, Rb, Be, Hf, Ba, and Sn in the Northwest and Southeast of the soil sample array and polymetallic anomalies in the Southeast corner of the array with notable Cu & Mo.

Project overview – Rabbit Bore project

Tenure

The Rabbit Bore project is comprised of a single exploration licence (E51/1671) covering an area of 2,390Ha. The project is located in the Central Murchison area approximately 55km north of the major mining centre at Cue. Discussions are being sought to resolve the agreement which is now out of date.

Exploration

No substantial on ground exploration was undertaken on the project during the quarter.

Geological Setting

The Rabbit Bore project lies at the northern end of the Mt Weld greenstone belt. The tenement contains a NE shear zone that is interpreted as an extension of the Big Bell Fault, that splays into several discrete structures south of the project area. This structure contains gold prospects at many locations along its entire length.

Potential exists for both gold and base metal mineralisation at Rabbit Bore.

Project overview – Peterwangy project

Tenure

The Peterwangy Project now comprises one granted exploration licence, E70/5114 , covering a combined area of 7 blocks in the Mid-West region of Western Australia. E70/5691 was relinquished.

Exploration

No substantial on-ground exploration was undertaken on the project during the quarter.

CORPORATE

During the quarter, OZZ announced the completion of its pro-rata non-renounceable entitlement offer of 19 fully paid ordinary shares (New Shares) for every 66 shares held by eligible shareholders on 23 March 2026 at an issue price of $0.04 per New Share (Offer), in accordance with the Prospectus dated 17 March 2026. The Offer was fully underwritten by CPS Capital Group Pty Ltd (CPS) for $1,065,498.

Take-up by existing shareholders was 8,633,372 New Shares, raising $345,335 (before costs). CPS placed the Shortfall, resulting in a further 18,004,086 New Shares being issued, raising an additional $88,653 in cash and converting $631,511 of debt to equity (before costs). Details of the debt conversion and underwriting arrangements are set out in sections 1.7 and 7.2.1 of the Prospectus dated 17 March 2026.

Appendix 5B Cashflow commentary

In payments to related parties of the entity and their associates (refer to 6.1), the $57,000 payment refers to the payment of director fees ($36,0000, registered office rent ($5,000) and accounting services ($16,000)

The net cash outflow from operating activities for the quarter was $176,000. $55,000 in exploration payments represented mainly by tenement management and rates. Corporate and administration costs were $125,000.

Cash and cash equivalents as at 30 June 2026 was $301,000.

Plaint / Forfeiture Proceedings

As disclosed in the Second Supplementary Prospectus dated 26 June 2026, on 22 June 2026 Turner River Holdings Pty Ltd (an entity unrelated to the Company) lodged applications in the Warden's Court at Leonora under section 96(1)(b) or section 98 of the Mining Act 1978 (WA) for the forfeiture of four of the Company's granted tenements (E37/1355, E37/1287, P37/9552 and P37/9553), alleging non-compliance with minimum expenditure conditions (Forfeiture Applications). A mention hearing for each Forfeiture Application is listed before the Warden at Leonora at 11:00am on 8 September 2026.

Prior to the Forfeiture Applications being lodged, the Company had applied under section 102 of the Mining Act for exemptions from the expenditure conditions for the same tenements and years. The exemption applications remain pending. The Applicant has objected to each exemption application and has filed an affidavit seeking an extension of time to lodge those objections outside the prescribed period; that extension application has not been determined. The Company has engaged specialist mining tenure and litigation advisers. The Board does not consider the affected tenements to be material to the matters described in the Prospectus, or the associated cost of proceedings (or any adverse costs order) to be material to the Company

This ASX announcement has been authorised for release by the Board of OZZ Resources Limited.

ENDS

For more information please contact:

Investors:
David Wheeler
Non-Executive Chair
OZZ Resources Ltd
Phone: +61 419 342 152

Competent Person's Statement

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code.

Information in this announcement relating to new Exploration results is based on information compiled by Mr Clint Moxham (a director of OZZ Resources Limited), who is a member of the AusJMM. Mr Clint Moxham has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Moxham consents to the inclusion of the data in the form and context in which it appears.

COMPETENT PERSONS STATEMENT- Mining Studies

The information in the report relating to mining design, scheduling and cost estimation is based on and fairly reflects information reviewed by Mr Andrew Hutson (consultant to OZZ Resources Limited). Mr Hutson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Hutson is a qualified Mining Engineer and has sufficient experience which is relevant to the mining studies and cost estimation undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mt Hutson consents to the inclusion in the ASX release of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to previously reported exploration results is extracted from either OZZ Resources Prospectus, lodged with ASIC on May 7, 2021 and the First and Second Supplementary Prospectus' lodged on May 25 and June 15 respectfully and available on OZZ's website www.ozzresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information with regard to reporting of previously reported exploration results, or historical estimates contained in the Prospectus and the form and context of the release have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original public release.

This announcement refers to exploration results which have been previously released to the ASX in prior OZZ announcements. A list of those announcements is set out below and available on OZZ's website www.ozzresources.com.au. The company confirms that it is not aware of any new information or data that materially affects the information previously reported.

- 18 August 2021, "Aeromagnetic Survey Identifies Multiple Prospective Copper Gold and Nickel Targets"
- 25 November 2021, "Highly Prospective Leonora Project Acquired"
- 13 January 2022, "Ozz Increases Leonora Tenement Holding"
- 14 February 2022, "Outstanding New Copper Gold and Nickel Targets to be fast-tracked for Drilling at Rabbit Bore"
- 4 March 2022, "Ozz Acquires High-Grade Leonora Goldfield"
- 11 April 2022, "Ozz Acquires Highly Prospective WA Rare Earths Project"
- 21 April 2022, "High Impact Drill Program to Commence in May"
- 27 April 2022, "Soil geochemistry results provide encouragement at Peterwangy and Pinnacle Well"
- 16 May 2022, "Drilling Commences at Rabbit Bore"
- 4 August 2022, "Geochemical sampling identifies 4 new drill targets"
- 16 July 2024 "Surface Sampling and Litho-Geochemistry Results"
- 5 June 2026 "Prospectus"
- 18 June 2026 "Supplementary Prospectus"
- 26 June 2026 "Second Supplementary Prospectus"

Forward-Looking Statements

This announcement might contain forward-looking statements with known and unknown risks and uncertainties. Factors outside of Ozz's control, may cause the actual results, performance and achievements of Ozz to differ materially from those expressed or implied in this presentation. To the maximum extent permitted by law, Ozz does not warrant the accuracy, currency or completeness of the information in this announcement, nor the future performance of Ozz, and will not be responsible for any loss or damage arising from the use of the information. The information contained in this presentation is not a substitute for detailed investigation or analysis of any particular issue. Current and potential investors and shareholders should seek independent advice before making any investment decision in regard to Ozz or its activities.

Mining Tenements as at 30 June 2026 (All tenements are within Western Australia)

Project	Tenement	Status	Date Granted	Area (Ha)	Interest	Change during Quarter
Maguires	M20/568	Pending	Pending	312	100%	Application
Rabbit Bore	E51/1671	Granted	7/04/2016	2390	80%	
Mt Davis	P37/9552	Granted	18/03/2022	169	100%	
	P37/9553	Granted	18/03/2022	181	100%	
Peterwangy	E70/5114	Granted	14/12/2018	2390	100%	
Pepper Tree	E37/1287	Granted	6/04/2017	2391	100%	
	E37/1355	Granted	6/02/2019	3885	100%	

Appendix 5B

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

Name of entity
OZZ RESOURCES LIMITED (ASX: OZZ)

ABN	Quarter ended (**Current quarter**)
98 643 844 544	**30 June 2026**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 Months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for:	-	-
	(a) exploration and evaluation (if expensed)	(55)	(140)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(125)	(240)
1.3	Dividends received (see note 3) y	-	-
1.4	Interest received	1	1
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) :	-	100
1.9	**Net cash from / (used in) operating activities**	(179)	(279)
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from 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**	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 Months) $A'000
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	434	434
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	(13)	(13)
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**	421	421
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	59	158
4.2	Net cash from / (used in) operating activities (item 1.9 above)	242	143
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	301	301

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	301	59
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter** (should equal item 4.6 above)	301	59

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	57
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 and 6.2 your quarterly activity report must include a description of, and an explanation for, such payments

Directors Fees - $36,000 Company Secretarial, Registered Office and Accounting Services - $21,000

	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)	(179)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	**Total relevant outgoings** (Item 8.1 + Item 8.2)	(179)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	301
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	301
8.7	**Estimated quarters of funding available** (Item 8.6 divided by Item 8.3)	1.68

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:

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. During the quarter, OZZ announced its intention to raise capital of up to $5 million (before costs) via a public offer to fund exploration activities associated with the proposed acquisition of Sulphide Minerals Ltd, a nickel-copper-cobalt focussed exploration entity.

   The proposed acquisition is expected to increase the Company's expenditure in line with the use of funds outlined in the Prospectus lodged on 5 June 2026 (as amended by the Supplementary Prospectus dated 18 June 2026 and the Supplementary Prospectus dated 26 June 2026).

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:

   On 19 June 2026, shareholders approved the proposed acquisition, together with the issue of shares pursuant to the public offer. Completion of the capital raising, settlement of proposed acquisition and re-quotation of the Company's securities on the ASX are expected to occur in mid-August 2026.

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, refer above.

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: Thursday, 23 July 2026

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 – e.g. 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.