

QUARTERLY ACTIVITIES REPORT, SEPTEMBER QUARTER 2026

A quarter of strong delivery at AMU's flagship Lo Herma ISR uranium project, with an upgraded Mineral Resource Estimate lifting total resources to 9.96Mlbs U₃O₈, Indicated Resources up 72% to 4.79Mlbs and resources within the proposed Scoping Study mine units. AMU also completed its 120-hole 2025/26 drilling program and large-scale aquifer pump testing at Mine Unit 1, and secured A\$1.235 million through a convertible loan note facility. Since quarter end, positive pump test results have indicated aquifer characteristics supportive of ISR development, and shareholders approved all General Meeting resolutions, leaving AMU well positioned as it advances the Lo Herma Scoping Study.

SEPTEMBER QUARTER ACHIEVEMENTS:

- **Reported** an updated Lo Herma Mineral Resource Estimate of 7.16Mt @ 630ppm U₃O₈ for 9.96 million pounds (**Mlbs**) U₃O₈, including 4.79Mlbs Indicated (48%), a 16% increase in total resources and a 72% increase in Indicated Resources compared to the December 2024 MRE.
- **Increased** resources within the proposed Scoping Study footprint (Mine Units 1, 2 and 3) by 23% to 7.38Mlbs U₃O₈, with confidence lifting from 32% to 54% Indicated.
- **Completed** the 120-hole 2025/26 resource drilling program, with final results from the 50-hole program reported on 10 July 2026 (21 holes above grade cut-off and 13 exceeding the target GT of 0.2). The Lo Herma database now contains 1,077 drill holes.
- **Increased** the Lo Herma Exploration Target Range and AMU's total Wyoming Mineral Resources which now stand at 11.62Mlbs U₃O₈.
- **Commenced and completed** large-scale aquifer pump testing at Mine Unit 1 (ASX 19 and 27 August 2026), following installation of seven new hydrogeological monitoring wells.
- **Completed** an A\$1.235 million unsecured convertible loan note Facility, with funds received and Convertible Loan Notes issued on 11 September 2026.
- **Advanced** the Lo Herma Scoping Study, targeted for early Q4 2026, using the updated resource base and project-specific hydrogeological inputs.

SUBSEQUENT TO QUARTER END:

- **Reported positive Mine Unit 1 aquifer test** results on 22 October 2026. The pumping well sustained a pump-limited 19.2 gpm for 48 hours with drawdown stabilising at approximately 16.9 feet, consistent with the ~20 gpm per-well assumption being evaluated for the Scoping Study, and testing indicated confinement of the production aquifer supportive of ISR operations.
- **Received shareholder approval for all resolutions** at the General Meeting held on 23 October 2026, each carried on a poll, including ratification of the Tranche 1 Convertible Notes, the Facility Options and the issue of Tranche 2 Convertible Notes.

American Uranium Limited (ASX: AMU; OTCQB: AMUIF) (**American Uranium, AMU or the Company**) is pleased to report its activities during the September quarter 2026.

LO HERMA ISR URANIUM PROJECT

Mineral Resource Reaches 9.96Mlbs as Indicated Resources Grow 72%

On 4 August 2026 the Company announced an updated uranium Mineral Resource Estimate (**MRE**) at its Lo Herma Project (**Lo Herma** or the **Project**) located in Wyoming's Powder River Basin (**Figure 1**). The update follows completion of the Company's 2025/26 resource development program, comprising a total of 120 drill holes, which was focused on building confidence and scale to support the planned Scoping Study. The MRE for the Project is focused on mining by In-Situ Recovery (**ISR**)

method and is reported at an appropriate cut-off grade of 200 ppm U_3O_8 and a minimum grade thickness (**GT**) of 0.2 per mineralised horizon as:

7.16 million tonnes total mineralisation at an average grade of 630 ppm U_3O_8 for 9.96 million pounds (**MIbs**) of U_3O_8 contained metal classified as 4.79MIbs Indicated (48%) and 5.17MIbs Inferred.

This updated MRE represents the cumulative outcome of AMU's 2025/26 drilling campaign and is compared in this release against the Lo Herma MRE announced to ASX on 16 December 2024, which established the previous 8.57MIbs resource base supporting prior study workstreams.

The Exploration Target Range (**ETR**) for Lo Herma has also been updated (**Table 5**). Originally reported on 5 April 2023 and subsequently updated on 5 July 2023, 16 December 2024 and 31 March 2026, the Lo Herma ETR has now increased to between 5.88 to 7.90 million tonnes at a grade range of 500 ppm to 700 ppm U_3O_8 .

The potential quantity & grade of Exploration Targets is conceptual in nature and there has been insufficient exploration to estimate a JORC-compliant MRE. It is uncertain if further exploration will result in the estimation of a MRE in the defined exploration target areas. In addition to drilling conducted in 2026, Exploration Targets have been estimated based on historical drill maps, drill hole data, aerial geophysics (reported during 2023) & drilling by AMU conducted during 2023 to verify the historical drilling information. There are now 1,077 drill holes in the Lo Herma project area with the 2023, 2024, 2025 & 2026 drill programs conducted by AMU designed, in part, to test the Lo Herma ETR.



Sources: Wyoming State Geological Survey Uranium Resources Database (facility locations); BRS Engineering GIS layers (project boundary). Roads and truck routes © OpenStreetMap contributors (OSRM routing). Road miles from the 55 Ranch Road start point, rounded up to the next mile. Routes are indicative and do not establish a truck-legal haul route or plant access. No processing or tailing arrangement is in place. Smith Ranch-Highland: Google Maps best route, 18.5 mi (OSRM routing gives about 15 mi).

FIGURE 1: LO HERMA LOCATION WITHIN WYOMING'S ESTABLISHED ISR PRODUCTION CORRIDOR

LO HERMA URANIUM PROJECT – LOCATION & BACKGROUND

Lo Herma is located in Converse County, Wyoming, ~46 miles (74 km) by road northeast of Casper and 21 miles (33 km) by road north of Glenrock, in the southern Powder River Basin, one of the most productive ISR uranium districts in the United States (Figure 1). The Project covers ~13,992 acres, comprising unpatented lode mining claims, two State of Wyoming mineral leases and four private mineral leases. Several ISR processing facilities are located within potential road-trucking distance of the Project, including facilities operated by Cameco, Energy Fuels, Uranium Energy Corp, Peninsula Energy and Ur-Energy. The Powder River Basin region has been the mainstay of Wyoming uranium production since the 1970s.

As reported to ASX on 14 March 2023, AMU acquired a comprehensive historical data package, with an estimated replacement value of over A\$15m, for the Lo Herma region. The data package included original data for circa 1,771 drill holes for ~530,000 feet (~162,000m) of drilling.

The original drill data was used to prepare an inferred MRE and ETR for Lo Herma using the historical exploration results. Subsequently AMU conducted a 26 hole exploration program in the winter of 2023 followed by a 73 hole resource development drill program in the summer of 2024, results of which were previously reported on 20 December 2023, 31 July 2024, 12 September 2024 & 19 September 2024 and supported the previous MRE and ETR updates for Lo Herma on 16 December 2024. Subsequently an interim MRE update was provided on 31 March 2026.

Completion of the 2025/26 Resource Drilling Program

During the early part of the quarter, on 10 July 2026, AMU reported the final results from its resource drilling program at Lo Herma. A total of 32 additional mud rotary drill holes for approximately 9,514 metres (31,215 feet) were completed since the initial 18 holes reported on 26 May 2026, bringing the program total to 50 holes for approximately 12,757 metres (41,855 feet). The program comprised 29 infill drill holes at Mine Unit 1, 16 step-out drill holes to the south of Mine Unit 2 and 5 hydrogeological test wells at Mine Unit 1.

Of the 50 drill holes completed, twenty-one (21) intercepted mineralisation meeting or exceeding the 0.02% (200ppm) eU_3O_8 grade cut-off and thirteen (13) exceeded the target Grade Thickness (GT) of 0.2. The strongest result across the program was 5.8 metres (19 feet) at an average of 0.056% (560ppm) eU_3O_8 with a GT of 1.06 in hole LH-26-026. Of the final 32 holes, the strongest intercept was 6.9 metres (22.5 feet) at an average of 0.044% (440ppm) eU_3O_8 , with a GT of 0.99, in hole LH-MW-005. Results confirmed continuity of roll-front mineralisation across Mine Units 1 and 2, with multiple stacked mineralised horizons contributing to GT outcomes.

Completion of this program marked the end of the broader 120-hole 2025/26 resource development campaign, with all results incorporated into the updated MRE reported on 4 August 2026. Full drill hole intercepts were reported to ASX on 10 July 2026.

LO HERMA MINERAL RESOURCE ESTIMATE UPDATE

Table 1 shows the latest Lo Herma MRE update, in accordance with the JORC Code (2012):

TABLE 1: LO HERMA PROJECT UPDATED MINERAL RESOURCE ESTIMATE AS AT 4 AUGUST 2026

MINERAL RESOURCE CLASSIFICATION	TONNES (Millions)	AVERAGE GRADE (PPM U_3O_8)	CONTAINED U_3O_8 (Million Pounds)
LO HERMA INDICATED	3.55	610	4.79
LO HERMA INFERRED	3.61	650	5.17
LO HERMA MRE TOTAL	7.16	630	9.96

The MRE has been calculated by applying a cutoff grade of 200 ppm U_3O_8 and a grade thickness (GT) cutoff of 0.2 GT. All available exploration data was evaluated using roll-front mapping techniques and modelled using GT contour methodology. GT contour modelling is widely accepted

and used within the uranium industry for modelling roll-front style deposits. A range of criteria has been considered in determining resource classification including data quality, geologic continuity, and drill hole spacing which is discussed in Appendix 1, JORC Code Table 1 report.

The cut-off parameters used are typical of In-Situ Recovery (**ISR**) uranium industry standards within the Powder River Basin and the Wyoming ISR Uranium industry at large. The cut-off criteria used in the estimation is applicable to mining by ISR methods or conventional open pit mining. In order to be amenable to ISR mining methods, all resources must occur below the static water table and the permeability and transmissivity of the host deposit must allow for adequate flow and control of lixiviant. The hydrogeologic data is focused on defined mine unit areas (**Figure 2**).

ISR methods have been shown to be effective in similar deposits within the same geologic region and formations. Aquifer testing to date has shown that the focus areas at Lo Herma fall within the expected hydrogeologic parameters of Powder River basin ISR projects. It is the opinion of the CP that it is appropriate to include all of the mineralised sand horizons across the project within the current MRE. While hydrogeologic testing has only been conducted on a subset of the Lo Herma property resource areas, any resources falling outside of the hydrogeologic parameters for ISR may warrant evaluation under alternative development scenarios.

A sensitivity analysis conducted, held grade cut-off at 200 ppm while varying GT cut-off (**Table 2**).

TABLE 2: SENSITIVITY ANALYSIS OF TOTAL LO HERMA RESOURCE AT VARIED GT CUTOFFS

GRADE THICKNESS (GT) CUTOFF (200 PPM Grade Cutoff)	TONNES (Millions)	AVERAGE SUM THICKNESS (FT)	AVERAGE GRADE (PPM U ₃ O ₈)	POUNDS U ₃ O ₈ (Millions)
0.1%FT GT CUTOFF	9.33	5.08	600	12.31
0.2%FT GT CUTOFF	7.16	6.83	630	9.96
0.3%FT CUTOFF	5.45	8.60	650	7.79
0.4%FT GT CUTOFF	4.66	9.74	680	6.32

AMU's original MRE for Lo Herma (ASX 5 July 2023) used data from up to 845 digitised original historical drill logs to construct the resource modelling. AMU conducted a 26-hole exploration program in the winter of 2023 followed by a 73-hole resource development drill program in the summer of 2024, which supported the 16 December 2024 MRE update. The latest MRE is compared against that 16 December 2024 MRE.

Prior to drilling undertaken in 2025 and 2026, AMU held data from 957 drill holes within the current Lo Herma mineral holdings. The MRE and ETR have now been updated following completion of 120 additional drill holes reported on 5 March 2025 (4 holes), 18 December 2025 (50 holes), 31 March 2026 (16 holes), 26 May 2026 (18 holes) and 10 July 2026 (32 holes). The Lo Herma MRE now incorporates 1,077 drill holes.

Results from the 2025/26 drilling campaigns were used to better define existing resource areas, expand mineralised trends, and upgrade resource classification in areas relevant to future development planning. Total mineral resource pounds of uranium across the global Lo Herma Project area have increased from 8.57Mlbs in December 2024 to 9.96Mlbs, while the Indicated component has increased from 2.78Mlbs (32%) to 4.79Mlbs (48%).

The increase in contained pounds reflects both resource expansion and improved definition of mineralised trends across the Project. Resource growth has been driven by expansion within the C Sand and TFL Sand horizons, together with a substantial increase in resource confidence within the proposed Scoping Study area. Importantly, resources within the proposed Scoping Study area have increased to 7.38Mlbs U₃O₈, with 54% now classified as Indicated, providing a stronger foundation for mine planning and project evaluation.

SCOPING STUDY FOCUS AREA

While the Lo Herma Project covers a broader mineralised footprint, current technical work is deliberately focused on three priority areas—Mine Unit 1 (**MU1**), Mine Unit 2 (**MU2**) and Mine Unit 3 (**MU3**) (**Figure 2**) which represent the most advanced and best-understood parts of the project.

These areas have been prioritised as they are expected to form the foundation of the initial development concept being assessed, and where the completed 2025/26 drilling, testing and technical work has progressively improved confidence ahead of the planned Scoping Study. **Figure 2** and **Table 4** summarise the location and current status of these focus areas.

The objective of recent drilling at the Project has been to expand and upgrade confidence levels at the proposed mine unit areas, with a particular focus on Mine Units 1 and 2. The latest update has increased total combined resources within the proposed Mine Units 1, 2 and 3 to 7.38Mlbs, including 3.97Mlbs classified as Indicated (54%). This represents a significant increase from the 5.98Mlbs used in the 2024 development work and materially lifts confidence from the previous 32% Indicated level to 54% Indicated. The updated resource base is expected to provide a stronger foundation for mine planning, production scheduling and economic evaluation in the Scoping Study now expected in early Q4 2026.

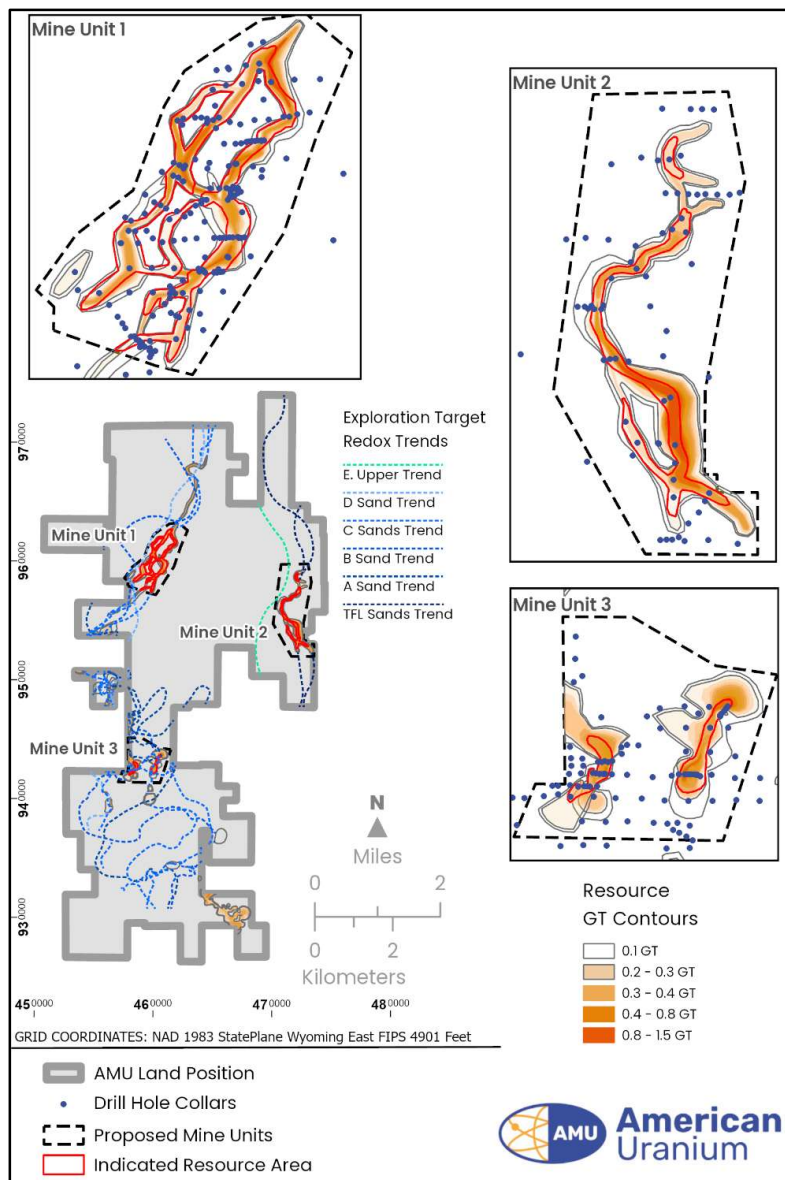


FIGURE 2: LO HERMA PROJECT PROPOSED MINE UNITS AND MINERAL RESOURCE AREAS

The mineralised sand horizons at Lo Herma are labelled by established convention from the original exploration effort in the 1970's. The sands of interest from stratigraphic high to low are the D, C, B, A, and TFL sand horizons (**Figure 3**). In certain portions of the project the sands may split into

smaller subunits and merge back into consolidated sand units. For the purposes of resource modelling, sub sands were composited into the main horizons due to stratigraphic proximity and geologic relationships. Changes in total resource calculation by mineralised sand horizon are summarised in **Table 3** below.

TABLE 3: UPDATED LO HERMA MINERAL RESOURCE ESTIMATE BY MINERALISED HORIZON

MINERALISED SAND HORIZON	2024 MRE			CURRENT MRE		
	TONNES (Millions)	AVERAGE GRADE (PPM U ₃ O ₈)	CONTAINED U ₃ O ₈ (Million Pounds)	TONNES (Millions)	AVERAGE GRADE (PPM U ₃ O ₈)	CONTAINED U ₃ O ₈ (Million Pounds)
D SAND	0.21	640	0.29	0.21	640	0.29
C SAND	3.19	640	4.53	3.50	680	5.27
B SAND	1.33	590	1.72	1.35	590	1.76
A SAND	0.02	660	0.03	0.02	660	0.03
TFL SAND	1.46	620	1.99	2.08	570	2.61
TOTAL	6.21	630	8.57	7.16	630	9.96

TABLE 4: UPDATED MRE SUMMARY BY PROPOSED MINE UNIT AREA (MINE UNITS 1, 2 & 3)

PROPOSED MINE UNIT	TOTAL CONTAINED U ₃ O ₈ (Million Pounds)	INDICATED U ₃ O ₈ (Million Pounds & %)	INFERRED U ₃ O ₈ (Million Pounds & %)	NOTES
Mine Unit 1	3.23	2.02 (63%)	1.21 (37%)	Updated with 2025/6 Drilling
Mine Unit 2	2.61	1.43 (55%)	1.18 (45%)	Updated with 2025/6 Drilling
Mine Unit 3	1.54	0.52 (34%)	1.02 (66%)	No new drilling, updated by added land position
TOTAL (MU1-3)	7.38	3.97 (54%)	3.41 (46%)	Planned study area

Exploration and development drilling, together with hydrogeological and metallurgical testing, has been undertaken across three discrete areas within the Lo Herma Project, defined as Mine Unit 1 (**MU1**), Mine Unit 2 (**MU2**) and Mine Unit 3 (**MU3**) (**Figure 2**). Data generated from this work have been used for internal evaluation purposes only, including preliminary assessments of leach characteristics, conceptual wellfield and process flowsheet design, and high-level engineering and capital cost inputs. This work is progressing to support a future Scoping Study, which AMU is targeting for completion in early Q4 2026, subject to the Mineral Resource Estimate achieving sufficient confidence to support Scoping Study-level production targets and financial assumptions, consistent with JORC Code (2012) and ASX Guidance Note 31.

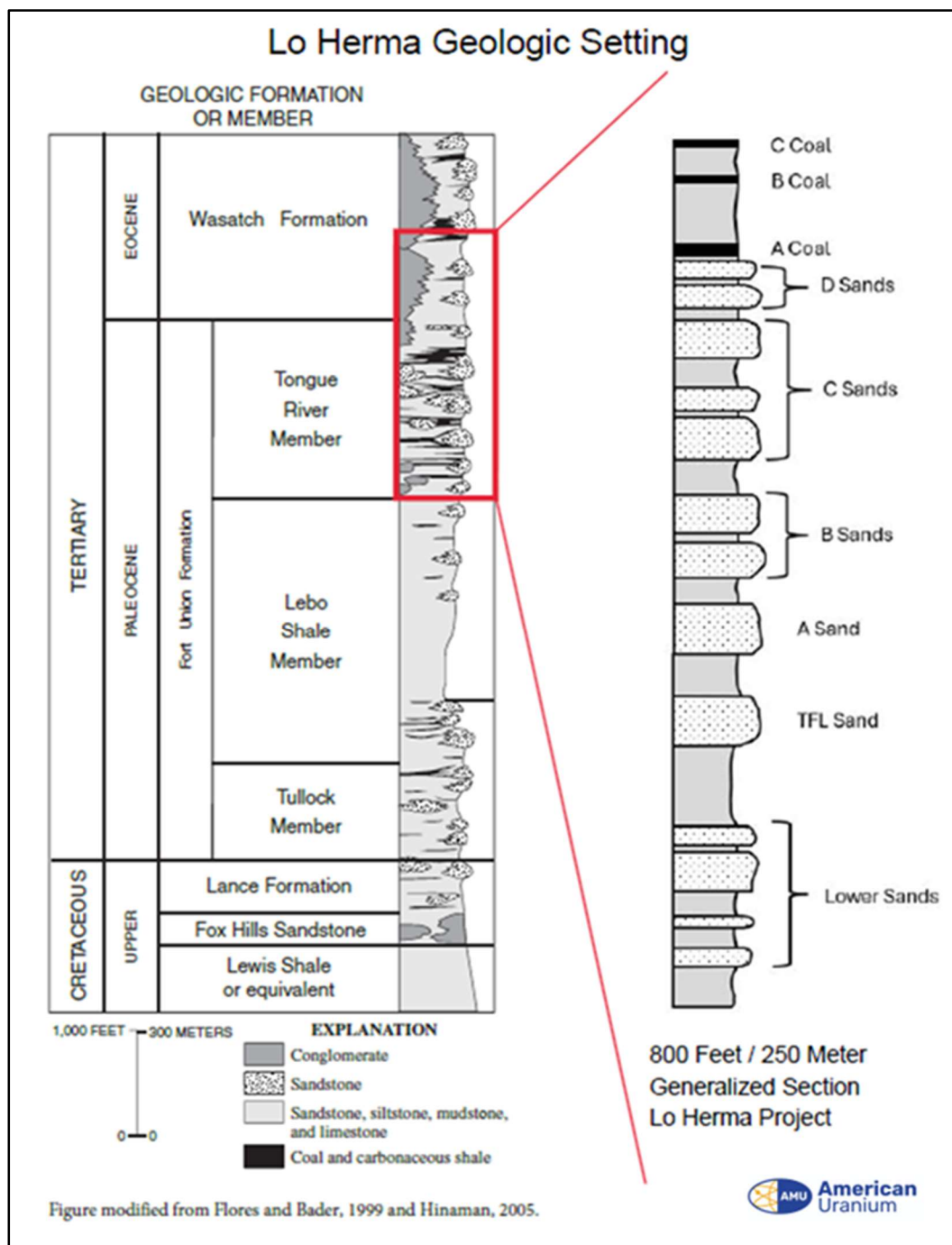


FIGURE 3: LO HERMA GEOLOGICAL SETTING – WASATCH & FORT UNION FORMATIONS

LO HERMA EXPLORATION TARGET RANGE UPDATE

The initial ETR for Lo Herma was advised to ASX on 5 April 2023. An additional data package containing drill maps with geologically interpreted redox trends was subsequently secured by AMU as advised to ASX on 27 June 2023. The additional redox trend interpretations from this data package allowed for an update to the previously reported ETR to be reported on 05 July 2023. A further updated ETR was published on 16 December 2024 and 31 March 2026 to incorporate additional drilling results.

The Lo Herma ETR has been updated again in conjunction with the updated MRE. The previous 31 March 2026 estimate¹ of 5.79 to 7.54 million tonnes at a grade range of 500 ppm to 700 ppm U₃O₈ has been updated to reflect the conversion of exploration target areas into the current MRE and the added redox trend length from the addition of new mineral rights to the south and north of Mine Unit

¹ The previous ETR was advised to ASX on 31 March 2026.

2 and new claims on the east side of the project. The updated ETR for the Lo Herma project is increased to 5.88 to 7.90 million tonnes at a grade range of 500 ppm to 700 ppm U_3O_8 .

The potential quantity & grade of Exploration Targets is conceptual in nature and there has been insufficient exploration to estimate a JORC-compliant MRE. It is uncertain if further exploration will result in the estimation of a MRE in the defined exploration target areas. In addition to drilling conducted in 2024, Exploration Targets have been estimated based on historical drill maps, drill hole data, aerial geophysics (reported during 2023) and drilling by AMU conducted during 2023 to verify the historical drilling information. There are now 1,077 drill holes in the Lo Herma project area with drilling conducted by AMU during 2023, 2024, 2025 and 2026 designed, in part, to test the ETR.

The ETR was calculated by mapping estimated redox trends by sand horizon across the Lo Herma area, outside of the defined MRE areas. High and low range mineralisation parameters were defined based on average values extracted from the MRE and applied to the mapped theoretical redox trend lengths within each sand horizon. The ranges of estimated results are tabulated by individual sand horizons in **Table 5**. A plan map of the interpreted mineralised redox trends is shown in **Figure 2**.

TABLE 5: LO HERMA EXPLORATION TARGET RANGE (ETR) SUMMARY BY SAND HORIZON

HOST SAND HORIZON	MIN TONNES (Millions)	MAX TONNES (Millions)	MIN GRADE (ppm eU_3O_8)	MAX GRADE (ppm eU_3O_8)
D SAND	0.52	0.65	500	700
C SAND	2.06	2.58	500	700
B SAND	1.48	1.84	500	700
A SAND	1.04	1.30	500	700
TFL SAND	0.52	1.20	500	700
EAST UPPER	0.26	0.33	500	700
TOTAL	5.88	7.90	500	700

The potential quantity & grade of Exploration Targets is conceptual in nature and there has been insufficient exploration to estimate a JORC-compliant MRE. It is uncertain if further exploration will result in the estimation of a MRE in the defined exploration target areas. In addition to drilling conducted in 2024, Exploration Targets have been estimated based on historical drill maps, drill hole data, aerial geophysics (reported during 2023) and drilling by AMU conducted during 2023 to verify the historical drilling information. There are now 1,077 drill holes in the Lo Herma project area with drilling conducted by AMU during 2023, 2024, 2025 and 2026 designed, in part, to test the ETR.

Planning is underway for potential additional exploration and infill drilling work in the future to further test the ETR in strategic locations across the project. The historical drilling development primarily targeted shallow mineralisation for conventional mining, with a much later focus on deeper areas with ISR potential. Most of the ongoing exploration potential is within the lesser explored northern portion of the project, the deeper sand horizons, and the deeper sands of the Fort Union formation including to the south of Mine Unit 2.

FUTURE DEVELOPMENT PLANS

Following completion of the 2025/26 drilling program and this updated MRE, AMU intends to incorporate the revised resource base and upcoming hydrogeological pump-test results into the Lo Herma ISR Uranium Project Scoping Study, targeted for early Q4 2026.

The Scoping Study will evaluate development options across proposed Mine Units 1, 2 and 3, including potential phasing, ISR wellfield design, processing pathways, permitting strategy, and hydrogeological and metallurgical considerations (Figure 4).

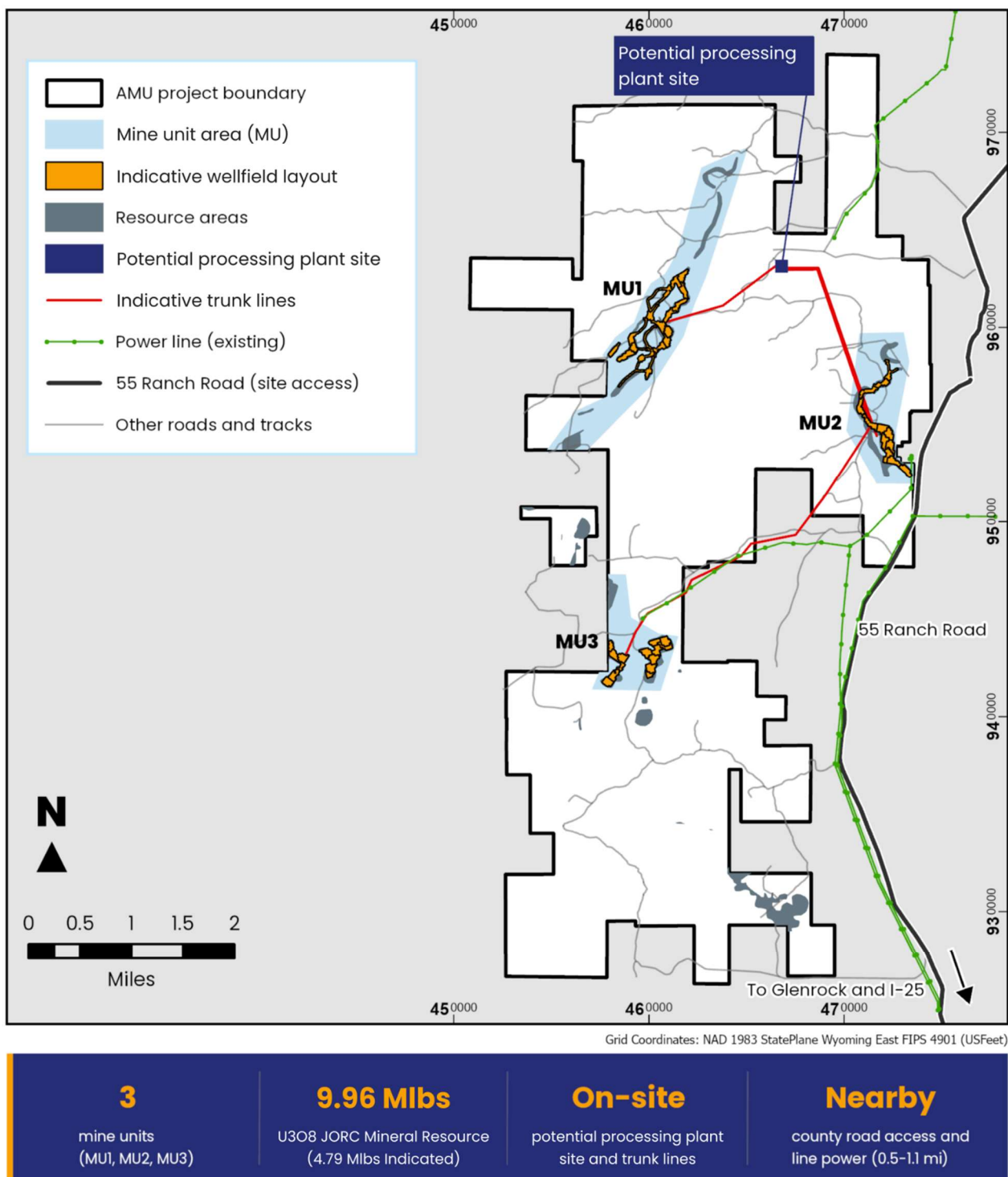


FIGURE 4: LO HERMA PROPOSED MINE UNITS, INDICATIVE WELLFIELD LAYOUT AND POTENTIAL PROCESSING PLANT SITE

Consistent with established ISR development models in Wyoming, the Study will assess both standalone development scenarios and conceptual processing pathways involving regional ISR infrastructure, including the potential application of central processing plant and satellite wellfield configurations. These concepts are development frameworks only and do not imply any agreement, arrangement, commitment, access right or processing availability with any third party.

TABLE 6: SUMMARY OF AMU WYOMING RESOURCES & ETR (AS AT 4 AUGUST 2026)

AMU WYOMING MINERAL RESOURCES	TONNES (Millions)	AVERAGE GRADE (PPM eU ₃ O ₈)	CONTAINED U ₃ O ₈ (Million Pounds)
LO HERMA MRE INDICATED 04/08/2026	3.55	610	9.96 incl. 4.79Mlbs Indicated (48%)
LO HERMA MRE INFERRED 04/08/2026	3.61	650	
GREAT DIVIDE BASIN INFERRED MRE (ASX 05/04/2023)	1.32	570	1.66
TOTAL MINERAL RESOURCES	8.48		11.62

WYOMING EXPLORATION TARGETS	MIN TONNES (Millions)	MAX TONNES (Millions)	MIN GRADE (ppm U ₃ O ₈)	MAX GRADE (ppm U ₃ O ₈)
GREAT DIVIDE BASIN ETR (ASX 5/4/2023)	6.55	8.11	420	530
LO HERMA ETR – (ASX 04/08/2026)	5.88	7.90	500	700
TOTAL EXPLORATION TARGET	12.43	16.01		

The potential quantity and grade of Exploration Targets is conceptual in nature and there has been insufficient exploration to estimate a JORC-compliant Mineral Resource Estimate. It is uncertain if further exploration will result in the estimation of a MRE in the defined exploration target areas. In addition to drilling conducted in 2026, Exploration Targets have been estimated based on historical drill maps, drill hole data, aerial geophysics (reported during 2023) and drilling by AMU conducted during 2023 to verify the historical drilling information. There are now 1,077 drill holes in the Lo Herma project area with the 2023, 2024, 2025 and 2026 drill programs conducted by AMU designed, in part, to test the Lo Herma ETR.

Mine Unit 1 Pump Testing

During the quarter, AMU completed a large-scale aquifer pumping test at proposed Mine Unit 1, representing the next phase of hydrogeological evaluation at Lo Herma following the 2025 single-well pump tests, which demonstrated sustained flow rates and minimal aquifer drawdown. As announced on 16 July 2026, seven additional hydrogeological monitoring wells were installed in consultation with Petrotek Corporation (**Petrotek**), with completion and development finalised in early August 2026. Commencement of testing was announced on 19 August 2026 and its completion on 27 August 2026.

The test was centred on the existing pumping well LH MW-003, completed in the Middle C Sand (the Production Zone Aquifer or **PZA**) from 374 to 404 feet below ground level. Four PZA observation wells were positioned approximately 426 to 452 feet from the pumping well at roughly 90-degree intervals to evaluate directional transmissivity, with dedicated monitoring wells in the overlying A Coal and D Sand and in an underlying sand.

Positive Aquifer Test Results (Subsequent to Quarter End)

On 22 October 2026, AMU reported the results of the test, as designed and analysed by Petrotek. The pumping well sustained a pump-limited average rate of 19.2 gallons per minute (**gpm**) for 48 hours, with drawdown stabilising at approximately 16.9 feet. The pumping rate is consistent with the ~20 gpm per-well assumption being evaluated for the planned Scoping Study.

All four PZA observation wells responded, recording drawdown of approximately 0.6 to 0.9 feet. Transmissivity estimates ranged from approximately 510 ft²/day to 605 ft²/day, indicating little directional variation within the area tested and supporting the use of standard production well patterns as a Scoping Study mine planning assumption. Hydraulic conductivity was estimated at approximately 7 to 11 ft/day.

The overlying A Coal showed no pumping-related response, supporting its interpretation as a confining unit at the test location. The D Sand, above the production zone, recorded approximately 1.6 feet of drawdown, the significance of which will be assessed in further hydrogeological work. The underlying sand recorded approximately 0.2 feet of drawdown, indicating hydraulic separation supportive of continued ISR evaluation. These test-location observations do not constitute a permitting determination.

TABLE 7: SUMMARY OF LO HERMA MINE UNIT 1 PUMP TEST RESULTS

Parameter	Result
Pumping rate / duration	19.2 gpm average / 48 hours (limited by test pump capacity)
Pumping well drawdown	16.9 ft maximum drawdown
Observation well drawdown	0.6–0.9 ft at 426–452 ft (all four observation wells responded)
Transmissivity (observation wells)	510–605 ft ² /day, with little directional variation
Transmissivity (pumping well)	~270 ft ² /day (drawdown analysis)
Hydraulic conductivity	~7–11 ft/day (observation wells)
Storativity	1.1–1.6 × 10 ⁻⁴
Overlying A Coal	Head approximately 73 ft above the PZA, no pumping-related response
Overlying D Sand	Maximum drawdown 1.6 ft, ratio ~10:1 (pumping well to overlying well)
Underlying sand	Maximum drawdown 0.2 ft, ratio ~85:1 (pumping well to underlying well)

Observation-well estimates are based on small drawdowns of less than 1 foot that were affected by barometric-pressure changes. Aquifer-property estimates depend on the analytical solution applied and carry uncertainty. Further technical detail is provided in the ASX announcement dated 22 October 2026.

The results provide project-specific hydrogeological inputs for the planned Lo Herma Scoping Study, which the Company considers sufficient to complete the Study's base case. The Study is being prepared using the 4 August 2026 MRE as its primary resource basis. The final Study footprint, any production target and the development sequence have not been determined and remain subject to completion of the Study and reporting in accordance with the JORC Code and ASX Listing Rules.

AMU is also advancing towards commencement of a groundwater baseline program using the Mine Unit 1 monitoring network, intended to build water-level and water-quality data relevant to potential future aquifer exemption, Class III Underground Injection Control and related permitting applications. Any commencement of monitoring would not constitute submission or approval of a permit application.

CORPORATE

Capital Raising

The funds raised from both the Entitlement Offer and Convertible Loan Notes will be used primarily for further resource expansion and infill drilling at the Company's 100% owned Lo Herma ISR Uranium Project in Wyoming, continued hydrogeological and metallurgical studies, completion of the Lo Herma ISR Scoping Study, property acquisitions, landholding costs and for general working capital.

Non-Renounceable Entitlement Offer

As reported in the previous quarter, in addition to the Placement, AMU launched a pro-rata non-renounceable Entitlement Offer to eligible shareholders with registered addresses in Australia, New Zealand and Canada. The offer was for one (1) New Share for every six (6) existing Shares held at the record date at an issue price of A\$0.12 per New Share, with a 1-for-2 free attaching option exercisable at A\$0.16 expiring 30 June 2029.

The Entitlement Offer closed on 15 July 2026. The Company received valid applications for 836,450 Shares and 418,193 free attaching Options, generating gross proceeds of A\$100,374. Following completion of the Offer, 20,716,427 Shares and 10,358,245 free attaching Options remained available for placement until October 15, 2026, as Shortfall Securities from the total of up to 21,552,877 Shares and 10,776,438 free attaching Options offered. No Shortfall Securities were placed before 15 October 2026.

Convertible Note

On 25 August 2026, AMU advised that it had secured binding commitments for an unsecured convertible loan note Facility to raise up to A\$1.235 million within the Company's existing issuance capacity.

The Facility is intended to provide funding flexibility as AMU progresses ongoing hydrogeological evaluation, completion of the Lo Herma Scoping Study and advancement of permitting activities. These workstreams are expected to materially advance the technical and permitting status of Lo Herma and inform future development and strategic evaluation decisions.

The Facility comprises unsecured convertible loan notes with an 18-month term and a 12% coupon. The Facility includes lender conversion rights, AMU conversion rights, attached options and participation rights in certain Strategic Transaction scenarios. A summary of the material terms of the Facility is set out in Table 8 below.

On 11 September 2026, AMU advised completion of the raising, with funds received and the Convertible Loan Notes issued within the Company's ASX Listing Rule 7.1 capacity.

The Company convened a general meeting seeking shareholder approval for the Facility Options, any Shares issued in lieu of interest and the proposed issue of up to a further A\$1.3 million of Convertible Loan Notes on substantially the same terms as the Facility. At the General Meeting held on 23 October 2026, subsequent to the quarter, all resolutions were carried on a poll. Shareholders ratified the prior issue of the Tranche 1 Convertible Notes and approved the issue of the Tranche 1 Note Options, Coupon Shares and Advisor Options, the Tranche 2 Securities (1,250,000 Convertible Notes, 4,860,000 Note Options and 3,461,538 Coupon Shares) and Tranche 2 Advisor Options, and Director participation by Bruce Lane under ASX Listing Rule 10.11 (refer ASX announcement dated 23 October 2026).

Investor Presentation: On 17 September 2026, AMU released its investor presentation for the RIU Uranium Investment Day conference, outlining the Lo Herma development pathway toward the planned Scoping Study.

TABLE 8: SUMMARY OF MATERIAL TERMS OF THE FACILITY

Item	Summary of material terms
Facility size	A\$1.235 million before costs.
Instrument	Unsecured convertible loan notes. No security interest is granted over AMU or subsidiary assets and the Facility ranks equally with the Company's other unsecured creditors
Term	18 months from initial drawdown unless repaid, redeemed or converted earlier.
Coupon	12% per annum. Lenders are entitled to a minimum of 12 months' interest on amounts converted, repaid, redeemed or refinanced within 12 months of drawdown. Interest may be satisfied in cash or Shares, subject to required approvals and applicable law.
Conversion price	For any conversion, the Conversion Price will be the lower of: (i) a 20% discount to the price of the next Qualifying Capital Raise; and (ii) a 20% discount to the 30 trading day VWAP immediately prior to conversion, subject to a minimum Conversion Price of A\$0.065 unless otherwise approved by shareholders. A Qualifying Capital Raise includes bona fide equity raisings of at least A\$500,000.
Conversion rights	Ordinary lender conversion is restricted during the first six months. Lender conversion may occur earlier in connection with a Qualifying Capital Raise or immediately before completion of a Strategic Transaction. After six months, lenders may elect conversion if the 15 trading day VWAP is at least A\$0.095 and AMU may elect conversion if the 15 trading day VWAP is at least A\$0.11, in each case subject to the definitive documentation and any required approvals.
Facility Options	Four AMU Options for every A\$1 funded. The Options are exercisable at A\$0.16 and expire on 30 June 2029. The Options are issued independently of conversion rights and remain on issue whether the Loan is repaid or converted, subject to their terms and any required approvals.
Use of funds	Lo Herma hydrogeological and pump testing activities, Scoping Study and permitting

Item	Summary of material terms
	workstreams, claims and portfolio optimisation activities, adviser and legal costs, working capital and general corporate purposes.
Strategic Transaction rights	If a Strategic Transaction occurs during the term of the Facility, lenders may elect either conversion immediately before completion or repayment in accordance with the definitive documentation. Where a qualifying Strategic Transaction valued at A\$25 million or more completes and a lender elects repayment, the lender may also become entitled to a Transaction Participation Payment equal to 5% of Net Realised Transaction Proceeds, capped at 50% of the lender's funded principal amount.
Repayment rights	AMU may repay, redeem or refinance all or part of the Facility before maturity, subject to applicable law, directors' duties, solvency requirements and the ASX Listing Rules.
Approvals and ASX matters	Completion remains subject to final documentation, receipt of funds and customary conditions. AMU intends to seek shareholder approval for the Facility Options, any Shares issued in lieu of interest and the proposed issue of up to a further A\$1.3 million of Convertible Loan Notes on substantially the same terms as the Facility. The Company will lodge any required ASX forms.
Lead Manager & Broker	CPS Capital Group Pty Ltd is acting as Lead Manager and Broker to the Facility. CPS is entitled to a 2% management fee and a 4% placing fee on funds raised under the Facility, together with 2,000,000 Lead Manager Options and up to 4,940,000 Broker Options exercisable at A\$0.16 and expiring on 30 June 2029, subject to any required shareholder approval.

Additional ASX Information

AMU provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1: Exploration & Evaluation Expenditure during the quarter was \$1,663,000. Full details of exploration activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2: No substantive mining production & development activities occurred during the quarter.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the quarter were accrued, with nil cash paid (Appendix 5B items 6.1 and 6.2).

This notice is authorised by the Directors of American Uranium Limited.

For Further Information, please contact:

Bruce Lane
American Uranium Ltd - CEO/Director
info@americanuranium.com.au

Beverly L. Jedynak
Viriathus Capital - Investor Relations
beverly.jedynak@virithus.com

- Ends-

COMPETENT PERSONS STATEMENT

With respect to the exploration results in this release, 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. 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 market announcement.

The information in this release that relates to MREs at the Lo Herma Project was prepared by BRS and released on the ASX platform on 4 August 2026. The Company confirms that it is not aware of any new information or data that materially affects the MRE in this publication. The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form & context in which the BRS findings are presented have not been materially modified.

The information in this release that relates to MREs at the Great Divide Basin project was prepared by BRS and released on the ASX platform on 5 April 2023. The Company confirms that it is not aware of any new information or data that materially affects

the MRE in this publication. The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form & context in which the BRS findings are presented have not been materially modified.

The information in this release that relates to Exploration Targets is based on information compiled and fairly represents the exploration status of the projects. Doug Beahm has reviewed the information and has approved the scientific and technical matters of this disclosure. Mr. Beahm is a Principal Engineer with BRS Engineering Inc. (BRS) with over 50 years of experience in mineral exploration and project evaluation. Mr. Beahm is a Registered Member of the Society of Mining, Metallurgy and Exploration, and is a Professional Engineer (Wyoming, Utah, Colorado and Oregon) and a Professional Geologist (Wyoming). Mr. Beahm has worked in uranium exploration, mining, and mine land reclamation in the Western US since 1975 and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and has reviewed the activity which has been 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 & Ore Reserves. Mr. Beahm provides his consent to the information provided.

The hydrogeological information in this report is based on the report titled "Regional Pump Test, August 2026 LH MW-003, Mine Unit 1" dated 14 October 2026, prepared by Petrotek Corporation, independent hydrogeological consultants to the Company, and was released on the ASX platform on 22 October 2026. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This announcement may contain forward looking statements which involve a number of risks and uncertainties. Forward-looking statements are expressed in good faith and are 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 risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. The forward-looking statements are made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results or otherwise.

APPENDIX 1 - LAND TENURE AND MINERAL RIGHTS HELD ON 30 SEPTEMBER 2026 – USA

	NAME	LODE CLAIMS & LEASES	ACRES	STATE & COUNTY	HOLDER - ENTITIES 100% OWNED BY AMU	% HELD @ START OF QUARTER	% HELD @ END OF QUARTER
WYOMING GDB	THOR	137	2,819	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	LOKI	102	2,107	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	ODIN	102	2,107	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	ODIN II (LOKI WEST)	155	3,182	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	WICKET I	60	1,240	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	LOGRAY I	69	1,426	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	TEEBO	42	868	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	LOGRAY II	52	1,074	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	WICKET II	103	2,128	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	WICKET III	37	764	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	THOR II	28	744	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
	THOR, LEASES 0-43595 & 0-43596	2 x State Leases	1,280	Wyoming, Sweetwater	Branka Minerals LLC	100%	100%
WYOMING GREEN MOUNTAIN	GREEN MOUNTAIN	339* (664 @ 30 June)	7,148* (13,863 @ 30 June)	Wyoming, Fremont	Logray Minerals LLC	100%	100%
WYOMING POWDER RIVER BASIN	LO HERMA	645	11,992	Wyoming, Converse	Lo Herma LLC	100%	100%
	LO HERMA, PRIVATE MINERAL RIGHTS LEASE	-	1,040*	Wyoming, Converse	Lo Herma LLC	-	-
	LO HERMA, LEASES, 0-43641 & 0-43642	2 x State Leases	960	Wyoming, Converse	Lo Herma LLC	100%	100%
UTAH	WOODRUFF	18	372	Utah, Garfield County	Voyager Energy LLC	100%	100%
	MOKI	24	496	Utah, Garfield County	Voyager Energy LLC	100%	100%
	JEFFREY	28	578	Utah, Garfield County	Voyager Energy LLC	100%	100%
	POINT	20	413	Utah, Garfield County	Voyager Energy LLC	100%	100%
	CRESCENT CREEK Leases 36 & 2	2 x State Leases	1,289	Utah, Garfield County	Voyager Energy LLC	100%	100%
	RAT NEST	14	289	Utah, Garfield County	Voyager Energy LLC	100%	100%
	PINTO	25	517	Utah, Garfield County	Voyager Energy LLC	100%	100%

* During the quarter, the Company relinquished 325 unpatented lode claims at the Green Mountain Project.

Appendix 5B

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

Name of entity

AMERICAN URANIUM LIMITED

ABN

33 124 792 132

Quarter ended ("current quarter")

30 SEPTEMBER 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(58)	(203)
(e) administration and corporate costs	(184)	(800)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	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)	-	-
1.9 Net cash from / (used in) operating activities	(242)	(1,002)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(1,663)	(4,045)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
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	Cash acquired on acquisition	-	-
2.6	Net cash from / (used in) investing activities	(1,663)	(4,045)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	2,740
3.2	Proceeds from issue of convertible debt securities	1,235	1,235
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(82)	(249)
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	1,253	3,726

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,242	1,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(242)	(1,002)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,663)	(4,045)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,253	3,726
4.5	Effect of movement in exchange rates on cash held	-	(28)
4.6	Cash and cash equivalents at end of period	590	590

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	570	1,222
5.2	Call deposits	20	20
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)	590	1,242

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	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		
Payments of Directors fees and salaries		

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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)	540	-
7.4	Total financing facilities	540	-
7.5	Unused financing facilities available at quarter end		130
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.		
	<p>On 12 September 2023, the Company entered into an At-the-Market (ATM) Financing Deed with 8 Equity Pty Ltd an agreement with 8 Equity Pty Ltd. The ATM facility provides the Company with up to \$2,000,000 of standby equity capital over the initial 3-year term, which has been extended by a further 1 year. Under the agreement, the Company issued 97 million shares in September 2023 as collateral against the facility. These shares were issued at no cost.</p> <p>To date, the Company has utilised the ATM to raise \$157,630. The remaining standby equity capital available under the ATM, on a post consolidation basis, is currently 2,126,996 shares which has been marked to market in this cashflow report as \$129,747.</p> <p>There is no guarantee that the Company will be able to execute a utilisation under the Agreement, which is subject to, for example, market conditions and the prevailing share price. AMU retains full control of all aspects of the placement process. There are no requirements on the Company to utilise the facility and it may terminate the Agreement at any time, without cost or penalty.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(242)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,663)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,905)
8.4	Cash and cash equivalents at quarter end (item 4.6)	590
8.5	Unused finance facilities available at quarter end (item 7.5)	130
8.6	Total available funding (item 8.4 + item 8.5)	720
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.4
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No. The September quarter's expenditure included the completed Lo Herma resource drilling program and the large-scale Mine Unit 1 pump testing program, which are not expected to recur at the same level in the December 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?

Answer: Yes. During the quarter the Company completed the A\$1.235 million unsecured Convertible Loan Note Facility (11 September 2026) and subsequent to quarter end, at a general meeting held on 23 October 2026, shareholders approved the issue of the Tranche 2 Convertible Notes on substantially the same terms. The Company also retains access to its ATM facility and continues to assess further funding options.

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: Yes, on the basis of the funds raised under the Convertible Loan Note Facility, the proposed further issue of up to A\$1.3 million of Convertible Loan Notes and refreshed share issuance capacities approved by shareholders on 23 October 2026, and the Company's demonstrated ability to raise further funds as required.

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

Compliance statement

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

Date: 29 October 2026

Authorised 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.