



ASX Announcement | 31 January 2022
Hexagon Energy Materials Limited (ASX: HXG)

September – December 2021 Quarterly Activities Report

Pre-Feasibility Study identifies business improvement opportunities on the Northern Territory (Pedirka) Hydrogen Project, Graphite deal secured and further Ni-Cu-PGE progress at Hexagon's McIntosh Project.

EXECUTIVE SUMMARY

- Having undertaken a detailed strategic review of the Company's asset portfolio in the later part of 2021, Hexagon has defined a clear strategy for growth as a future energy and future energy materials business.
- Key milestones necessary for Hexagon's goals to participate in the large, global, future energy and future energy materials markets to be achieved have been clarified.
- The Hexagon management team looks forward to achieving these and continuing to grow momentum, through the imminent completion of the NT (Pedirka) Clean Hydrogen Project Pre-Feasibility Study (PFS), further McIntosh Project progress and the securing of key alliances across its other assets.

Hexagon Energy Materials Limited (ASX: HXG) ('Hexagon' or 'the Company') is pleased to provide this quarterly activities report for the period ending 31 December 2021 (Q2 FY22).

A strategic review of the Company's asset base and project development activities has been undertaken since the new management team has been in place. Q2 FY22 saw the Company lay out a clear plan to optimise value across Hexagon's highly prospective portfolio of assets and projects.

Hexagon's strategy is to participate in the large, global, future energy and future energy materials markets. The Company's portfolio of assets is well positioned to meet the demand created by the emerging market needs of these sectors.

Figure 1 below shows the Company's asset base and projects now categorised by Historic, Future Energy Materials and Future Energy. Figure 1 also shows the Company's plans to realise value across the multiple commodities in its portfolio through a combination of securing and leveraging key technical and commercial alliances, by commodity, and in-house development of core projects leveraging off the team's skill set and industry connectivity.

HEXAGON ENERGY MATERIALS LIMITED

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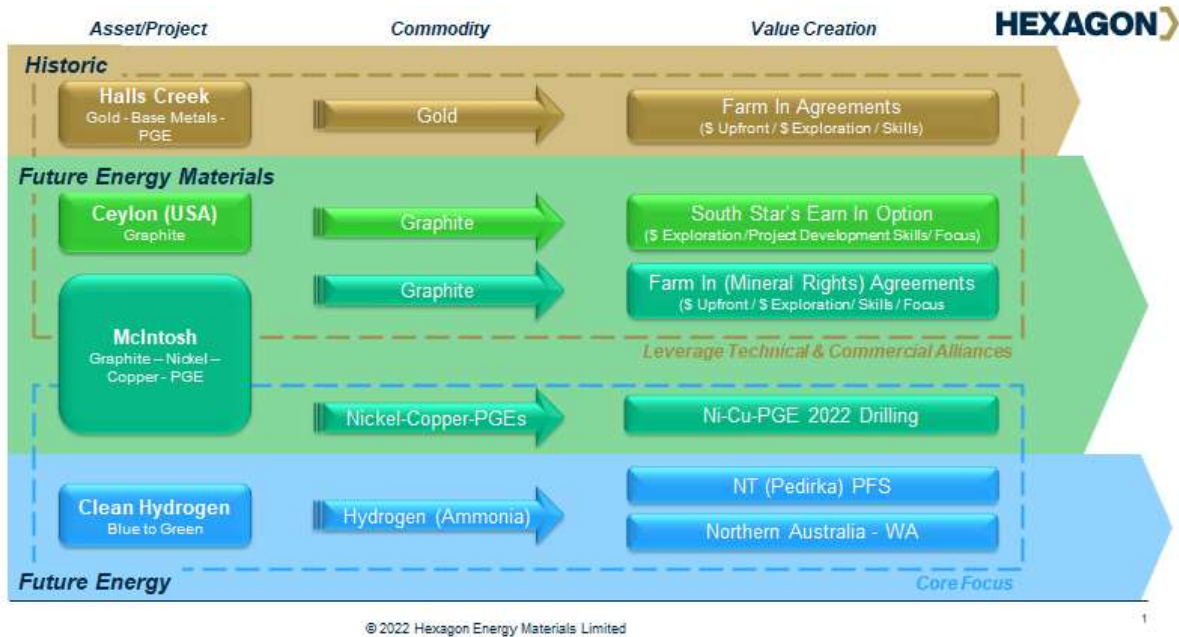


Figure 1: Hexagon's Strategy 2022

A. HIGHLIGHTS:

During the quarter Hexagon progressed its Historic, Future Energy Materials and Future Energy projects in the following ways:

1. **Historic** – Strategy: Secure commodity focussed technical and commercial alliances and realise value for shareholders:

Progress in Q2 FY22 included: Farm In agreement discussions with established, ASX listed gold companies who hold ground near Hexagon's well established gold province project at Halls Creek in Western Australia (WA). Hexagon is seeking to secure alliances which leverage relevant geological knowledge, provide additional capital investment and deliver an on-ground workforce and on-site equipment presence (drill rigs) across Hexagon's ground.

2. **Future Energy Materials** – Strategy: Capitalise on Hexagon's highly prospective Nickel, Copper and Platinum Group Element (Ni-Cu-PGE) and Graphite asset based at McIntosh by focussing in-house resources on progressing Ni-Cu-PGE's and securing new alliances to progress Graphite.

Progress during the quarter included:

- 2.1 At Hexagon's McIntosh Project in the Kimberley's in Northwest of WA:

- Further refinement of the Ni-Cu and PGE drilling program to take place during the 2022 field season. Applications have been lodged for the required program of work approvals and land clearances. This drilling program will see the Company further build on the systematic, regional and structural geological re-interpretation work to date at McIntosh. Dr Dennis Arne, Director of Telemark Geosciences, has been engaged to review and analyse the 5,200 soil samples collected during the 2021 field season in addition to the extensive further geophysical work program completed. This review will lead to further refinement of the McIntosh 2022 drilling program. All soil sample laboratory results were received during the quarter and Dr. Arne's work is now well underway.
- Negotiations over an Earn In agreement around Graphite mineral rights at McIntosh commenced. A technical and commercial alliance that leverages off the Company's

past (2015 to 2019) investments in Graphite at McIntosh that brings additional exploration including drilling funding to McIntosh, with all data/information shared, along with expertise in Graphite project development and end market sales is sought.

- 2.2 On 7 December 2021 a binding agreement was struck with South Star Metals Corp (TSXV: STS, OTCQB: STSBF) (South Star) over Hexagon's 80% owned Ceylon Graphite Project, located in Alabama in the USA. South Star agreed to acquire up to 75% of this project through the completion of three milestones and a C\$750,000 total investment. (HXG Announcement 8 December 2021). This technical and commercial alliance with South Star brings additional capital/project development funds into the Ceylon Graphite Project as well as proven project management, commodity and market knowledge and skills.

3. **Future Energy** – Strategy: Capitalise on the current market opportunity for Hexagon to grow a regionally significant Clean Hydrogen (blue Ammonia) business that leverages off the skill set and industry connectivity of the management team; by identifying the lowest risk and lowest cost route to market. Considering factors such as Carbon Capture and Storage (CCS) total costs, existing supporting and potential strategic partnerships.

Progress in Q2 FY22 included:

- Hexagon's PFS for the Northern Territory (NT) (Pedirka) Clean Hydrogen project continued to be made, with an update provided to the market on 14 December 2021. This update detailed the PFS findings at that time and confirmed that the PFS had entered its final stages, with completion by 28 February 2022. The Company has identified a number of business improvement options and opportunities which are being progressed as part of PFS close out.
- In January 2022 Hexagon applied to the WA Government for a lease over an 80 hectare site to develop a further Hydrogen project/Hub in WA.
- In January 2022 Hexagon secured a commercial and technical alliance (Memorandum of Understanding) with well-established renewable energy company FRV (HXG ASX Announcement 24 January 2022). This will allow Hexagon to optimise the renewable energy inputs in its Clean Hydrogen production. Hexagon applied for Federal Government grant funding to assess a Hydrogen Hub in partnership with FRV in November 2021, with that grant outcomes expected shortly

During the quarter, Hexagon also made important changes to its management team:

- On 18 October 2021 Ms. Merrill Gray joined Hexagon as Managing Director.
- In conjunction with Merrill's appointment, Justyn Stedwell stepped down from the Hexagon Board as a Non-Executive Director on 19 October 2021.
- On 1 December 2021 Mr. Ian Gregory joined the Company as Company Secretary, replacing Mr. Rowan Caren.

Hexagon's cash position at the end of the quarter was \$1.7 million.

Subsequent to the end of quarter, on 20 January 2022, Hexagon's Annual General Meeting was held. The Chairman's Address and MD's presentation and voting results from meeting are available on the Company's Announcements website page.

Hexagon's Managing Director Merrill Gray said: *"This has been a watershed quarter for Hexagon. We have thoroughly reviewed the opportunities that lie within Hexagon's portfolio of assets, and we have set clear milestones and goals that will move the Company forward, that we expect will yield steady value creation for our shareholders."*

B. DETAILED PROJECT OPERATIONAL UPDATES:

1. Halls Creek Gold and Base Metals Project.

The Halls Creek Project revealed further High Priority VTEM™ anomalies as well as further anomalies through the final report by Karen Gilgallon of Southern Geoscience Consultants that was received in mid-October 2021.

A comprehensive interpretation of the final data sets from the 2021 VTEM™ Max survey highlighted seven high, fifteen moderate, and two lower priority anomalies at Hexagon’s Halls Creek Project as shown in Figure 2 below. Expanding on the original assessment results as announced on 22 July 2021.

The AEM VTEM™ Max survey at the Halls Creek Project was designed to target potential Volcanic Massive Sulphide (VMS) style mineralisation within The Kongie Park formation highlighted in an extensive aero magnetic survey undertaken by HXG in 2019, across Tiger, Sophie Downs and Five Mile Bore (see ASX announcement 22nd July 2021).

Exploration drilling co-funding for use in a Halls Creek Project drilling program was during the quarter, secured through Round 24 of the Western Australian Government Exploration Incentive Scheme (EIS).

Discussions are underway with parties interested in working with Hexagon to progress gold and base metals and PGE exploration at Halls Creek.

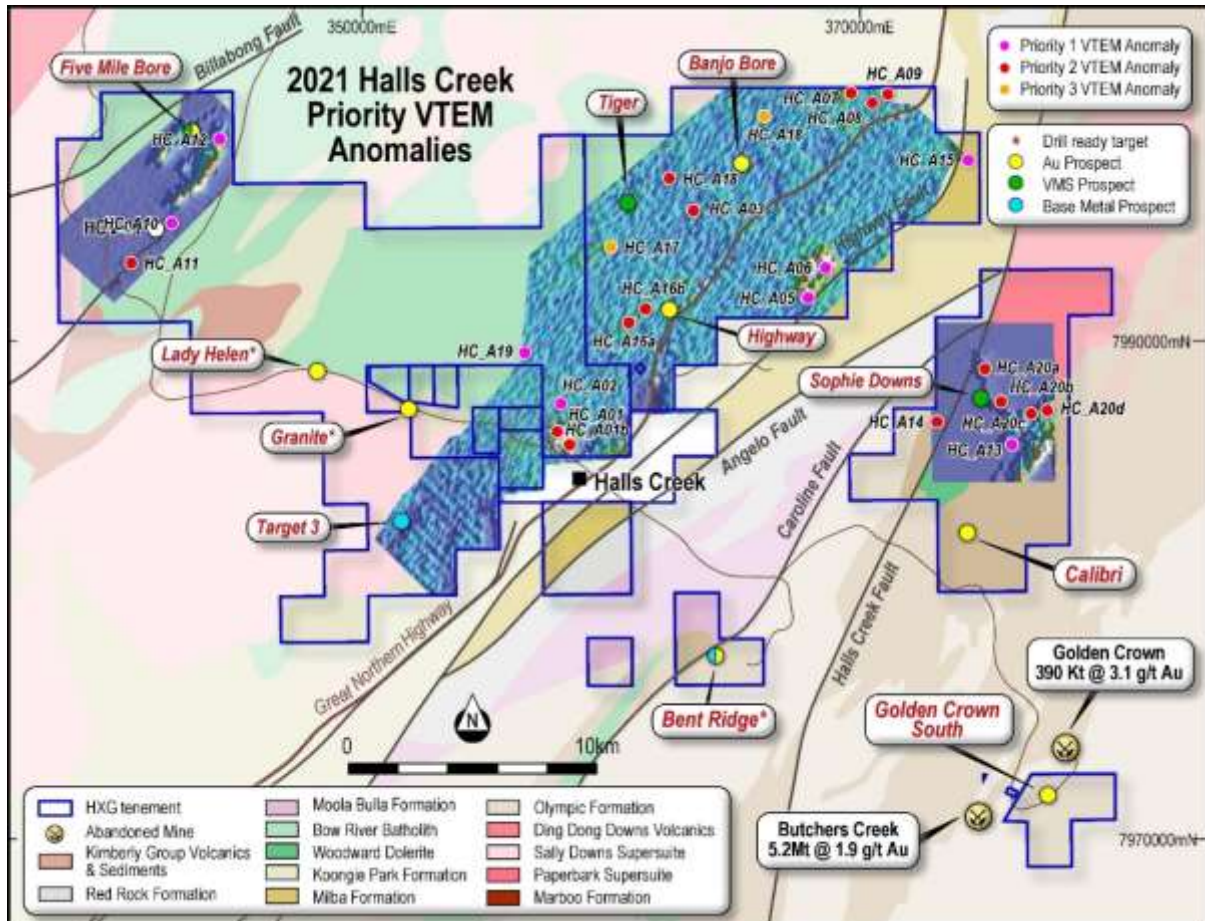


Figure 2: Location of anomalous VTEM responses on magnetic RTP image

2.1 McIntosh Nickel, Copper, PGE Project.

Across Hexagon’s 542 km² ground holding (17 exploration tenements) in the Kimberley region of WA, several high priority Ni-Cu-PGE areas including the Melon Patch North, Mabel Hill, Jackal and Hyena,

as shown in Figure 3 below were the subject of further systematic geological investigation and review during the quarter.

All 5,200 soil samples collected from across the McIntosh Project during the 2021 field season were sent to the laboratory for analysis with results received at the end of the quarter. This soil sampling program was developed based on the interpretation of historic geochemical data (29,558 geochemical samples) and a review of WAMEX historical reports dating from 1967 to 2018, which provided the basis for a systematic regional structural reinterpretation of the McIntosh Project, targeting Ni-Cu and PGEs. Structural geologist Dr Mark Rieuwers (SRK Consulting) was involved in this reinterpretation (ASX Announcement 28 June 2021).

Geochemist Dr Dennis Arne, Director of Telemark Geosciences, has been engaged by Hexagon to review the 2021 McIntosh Project soil sample results to support the refinement of Hexagon’s McIntosh Project 2022 field season work plans including further geophysical surveys and a drilling program. This review is now well underway with a report by Dr. Arne due in early February 2022.

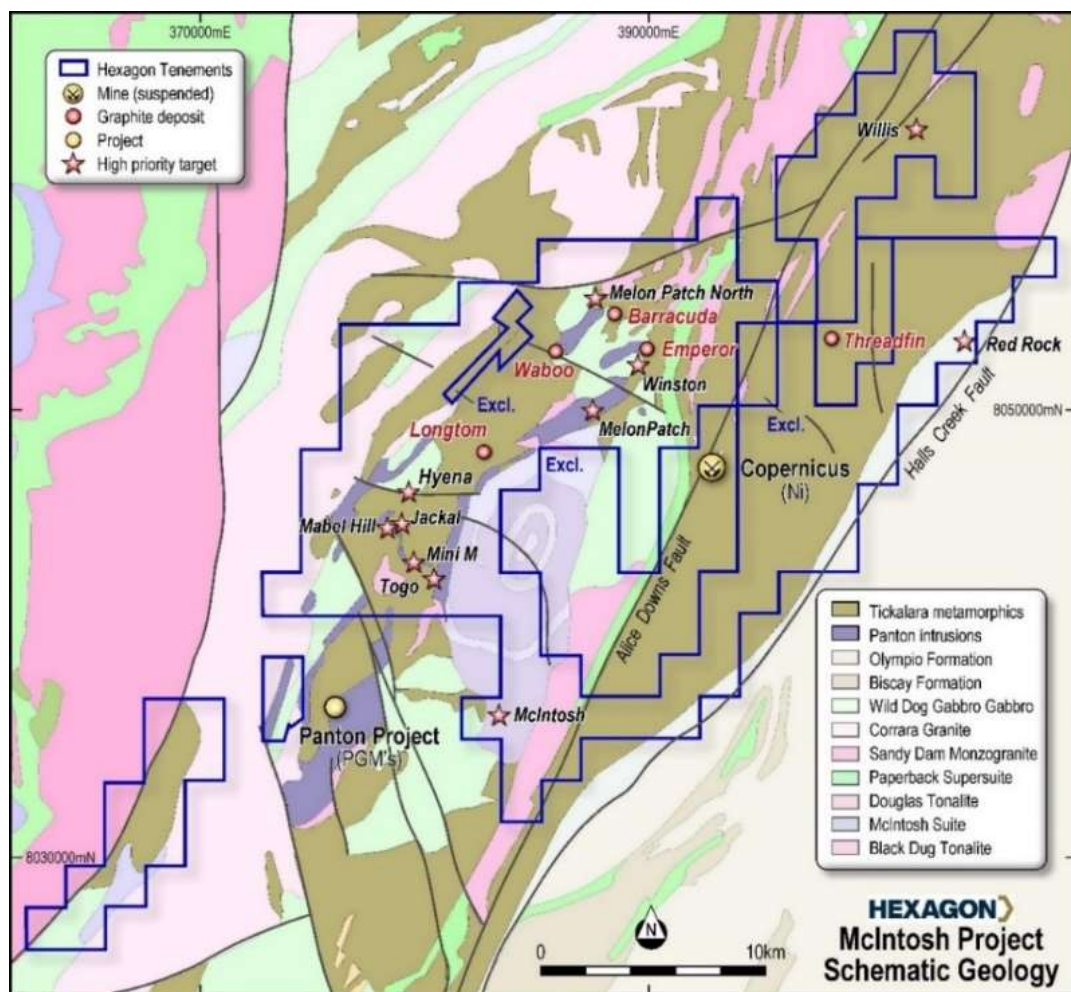


Figure 3: McIntosh Project showing priority areas

2.2 Ceylon Graphite (Alabama)

A binding Earn-in and Option agreement over Hexagon’s Ceylon Graphite Project located in Alabama, USA involving a 75% earn-in by Canada/North American based energy materials company, South Star, was signed during the quarter.

Hexagon currently owns 80% of the Ceylon Graphite Project, with the balance held by private owners including U.S. Critical Minerals LLC (“USCM”), as shareholders in the Project owner, Charge Minerals LLC.

The core elements of the agreement, which runs over three years, are:

A right for South Star to acquire an undivided 75% in the Project for C\$750,000 in expenditure (including meeting eligible costs as set out in the agreement struck) based on the following:

- (a) Expenditures on the Property of at least C\$250,000 by the first anniversary of the agreement;
- (b) Expenditures of at least C\$250,000 by the second anniversary of the agreement;
- (c) Expenditures of at least C\$250,000 by the third anniversary of the agreement; and
- (d) Preparation by South Star of a National Instrument 43-101 compliant Preliminary Economic Assessment.

After exercise of the option within the agreement, a JV company will be formed where all parties will participate in further exploration and development of the Ceylong Graphite Project and any operation of the Project, on a pro-rata basis in proportion to their percentage holdings.

For a period of six months following the 75% Earn-in option being exercised Hexagon and other deal participants individually have the right, but not the obligation, to sell their remaining 25% interest in the Project for an aggregate payment of C\$250,000 in South Star shares. For more details on this deal refer HXG Announcement 8 December 2021.

3. NT (Pedirka) Clean Hydrogen Project.

Substantial progress was made on the NT (Pedirka) Clean Hydrogen Project PFS to service the rapidly emerging Asia Pacific hydrogen market during the quarter, creating further business improvement opportunities.

Specific areas of progress included:

a) Engineering

- Hydrogen production technology options were reviewed with selections completed.
- Hydrogen plant design and engineering work was substantially advanced. Overall energy, mass and carbon balances and Capital Expenditure (CapEx) and Operating Expenditure (OpEx) estimates were completed across multiple technology options.
- Progress was made on renewable energy electricity supply options; meeting feedstock conversion and CO₂ compression for CCS requirements.
- Construction options were assessed.

b) Raw Materials, Transport and Handling

- End product, Raw material and Plant and Equipment (P&E) transportation options were assessed for various potential plant sites. New transport infrastructure requirements (CapEx and Pox) costs were specified.
- Water supply options for multiple locations were assessed in terms of quality, quantities and long term, sustainable access and costs.

c) Decarbonisation

- Multiple CCS options have been identified, with access and cost of CCS service provision negotiations with third parties advanced.

d) Commercials

- High level, overall project risk assessments were undertaken.
- Financial modelling to establish and compare commercial Project returns across multiple scenarios, based on all PFS generated information received, were substantially progressed.

- Optimisation studies commenced comparing Pedirka with other feedstocks and matched technology options/opportunities. As part of this, Hexagon and FRV applied through the Federal Government's Clean Hydrogen Industrial Hub grant program¹, for funding in partnership to complete a Hydrogen Hub feasibility study for Middle Arm at the Port of Darwin.

Hexagon's Hydrogen strategy remains focussed on developing large-scale Clean Hydrogen projects supplying global export markets. The Company is continuing to assess options to achieve this at the lowest risk and highest potential for commercial success in Northern Australia.

The global Clean Hydrogen market is forecast to reach US\$300 billion in sales by 2050². Japan is of particular interest to Hexagon as an export destination. The Basic Hydrogen Strategy by the Ministry of Economy, Trade and Industry (METI) 2017 puts Japan's hydrogen consumption alone at 5 -10 million tonnes per annum post 2030.

Hexagon's focus will initially be blue Ammonia, as a Hydrogen carrier, produced using fossil fuel feedstock and by using CCS. Hexagon will maximise its use of renewable energy on commercial terms in its blue Ammonia production. Longer term, Hexagon plans to transition to green hydrogen in liquid form once hydrogen production technologies and liquid hydrogen handling and transportation technologies deliver further cost reductions, necessary for fully renewable based hydrogen to become a commercially viable product at scale.

Hexagon has been assessing all options and opportunities as part of the NT (Pedirka) Hydrogen Project PFS. The Hexagon team has identified the following as key to realising commercial success across its hydrogen projects:

- Use of proven at scale technology;
- Capacity to leverage established port and transportation (end-product export) infrastructure;
- Sustainable access to large scale, low-cost energy (feedstock wise and in terms of conversion);
- Access to established, long term capacity CCS reservoirs and associated infrastructure;
- Sustainable access to quality water supply;
- Best practice stakeholder engagement including with landowners and communities;
- Binding, long-term end customer offtake contracts; and
- Access to Capital including through strategic partnerships.

The Hexagon Board is focussed on establishing the best way forward for Hexagon to deliver its Clean Hydrogen strategic objectives, ensuring that all of the potential improvement opportunities that have been identified through the PFS are thoroughly assessed and, as appropriate, incorporated in the PFS recommendations delivered on PFS close out.

What is critically important is that a lowest risk (technically and commercially) and lowest establishment cost Clean Hydrogen project, with the highest potential for commercial success and practical completion, is progressed as a result of the PFS completed by 28 February 2022.

For further details on the PFS see the HXG ASX announcements dated 19 May 2021, 24 June 2021, 14 December 2021 and 22 December 2021.

Further announcements on the PFS will be made in the coming month.

¹ AusIndustry Clean Hydrogen Industrial Hub grants <https://business.gov.au/grants-and-programs/hydrogen-hubs-development-grants>

² Source: Strategy& part of the PwC Network "The dawn of green hydrogen" Maintaining the (Gulf Co-operation Council) GCC's edge in a decarbonized world 2020 report. <https://www.strategyand.pwc.com/m1/en/reports/2020/the-dawn-of-green-hydrogen.html>

C. CORPORATE:

During the quarter, the Company paid the amounts noted at Item 6.1 on the Appendix 5B, being payments of \$130,000 to related parties and their associates. This was the aggregate amount paid to the directors including directors' fees, the managing director's salary and consulting fees.

Authorisation

This announcement has been authorised by the Board of Directors.

About Hexagon Energy Materials Limited

Hexagon Energy Materials Limited (ASX: HXG) is an Australian company focused on clean energy project development and energy materials exploration and project development.

Hexagon is developing a business to deliver decarbonised hydrogen (blue ammonia) into export and domestic markets, at scale. The Pre-Feasibility Study for the NT (Pedirka) H₂ Project located in Australia's Northern Territory, utilising gasification and Carbon Capture and Storage (CCS) is in progress, with a range of base case improvement opportunities in progression.

Hexagon's plan is to progressively increase its renewable energy usage transitioning from blue to green hydrogen production, on a commercial basis, over time.

Hexagon also owns the McIntosh Nickel-Copper-PGE and Graphite project in Western Australia (WA) and the Halls Creek Gold and Base metals project in WA. In the USA, Hexagon has an 80 per cent controlling interest of the Ceylon Graphite project located in Alabama, over which South Star Battery Materials Corp. (TSXV: STS) on 7 December 2021 signed an Option to earn up to 75% in.

Hexagon is actively securing and leveraging technical and commercial alliances, by commodity, across its portfolio of assets in conjunction with developing its core future energy and energy materials projects, consistent with its strategy and skill set.

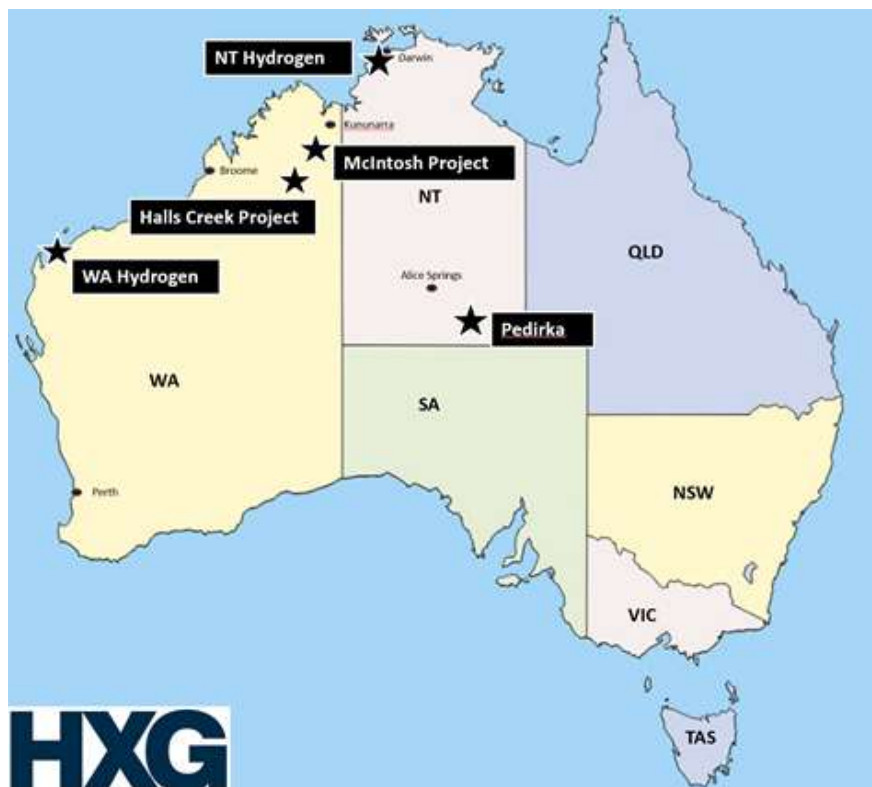


Figure 4: Hexagon Australian project location

To learn more please visit: www.hxgenergymaterials.com.au

FOR FURTHER INFORMATION,

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Competent persons' attributions

The information within this report that relates to Exploration Results including geological data for the McIntosh Project and Halls Creek Project is based on information generated and compiled by Mr Michael Atkinson. Mr Atkinson is a consultant to Company and a member of The Australian Institute of Geoscientists. He has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves and he consents to the inclusion of the above information in the form and context in which it appears in this report.

Appendix 5B

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

Name of entity

HEXAGON ENERGY MATERIALS LIMITED

ABN

27 099 098 192

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(536)	(1,029)
(b) development	-	-
(c) production	-	-
(d) staff costs	(145)	(205)
(e) administration and corporate costs	(227)	(427)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(907)	(1,659)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(2)
(d) exploration & evaluation (if capitalised)	(679)	(1,541)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(681)	(1,543)

3.	Cash flows from financing activities		
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	-	-
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 (Office Rental Lease Liability)	(17)	(33)
3.10	Net cash from / (used in) financing activities	(17)	(33)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,422	5,052
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(907)	(1,659)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(681)	(1,543)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	(33)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,817	1,817

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,750	1,875
5.2	Call deposits	67	1,547
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)	1,817	3,422

6. Payments to related parties of the entity and their associates

- 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

Current quarter \$A'000
130
-

6.1 – Payments to Directors.

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

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)	-	-
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)	(907)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(679)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,586)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,817
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,817
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.1
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: Yes	
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, the entity is planning to raise additional capital in the next quarter to enable the Company to continue to fund its operations. The Directors have historically demonstrated successful Capital Raisings/placements.	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The entity expects to continue its operations and meet its business objectives in the coming quarters based on the current cashflow forecast, prepared for internal purposes and its demonstrated ability to access funds through the capital markets.	

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.

31 January 2022

Date:

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.