

ASX ANNOUNCEMENT

30 January 2026

Quarterly Activities Report and Appendix 5B

HIGHLIGHTS

ABERCROMBY GOLD PROJECT

- Preparations advanced for the start of the 2026 drill campaign in Q1 2026
- Drilling to focus on growing the existing Mineral Resource Estimate of 11.12Mt @ 1.45 g/t Au for 518,000 oz Au¹
- Abercromby is interpreted to be a ductile gold deposit, potentially like the Never Never deposit discovered by Spartan Resources (now owned by Ramelius Resources) which hosts 7.5Mt at 8.8g/t Au for 2.1Moz²
- Drilling is designed to test for continuation of the high-grade lodes at the Capital Deposit, and potential repetitions of that deposit at the underexplored Capital South Prospect
- Geotechnical studies completed for the scoping study into a potential low-capex, fast payback mining proposal at Abercromby which takes advantage of:
 - Location on a granted Mining Lease in an established mining region
 - Non-refractory, free milling gold with high recoveries from CIL processing in the range 93% to 95%³
 - MOU agreement for potential toll treatment at Wiluna's non-refractory processing plant located 20km north-west of Abercromby⁴
 - Near-surface gold mineralisation amenable to open-pit extraction with high-grade extensions open at depth

BULLABULLING GOLD PROJECT

- Geophysical program planned to map prospective ultramafic horizons and finalise drill targets for a major 2026 drill campaign
- Resource at the neighbouring Bullabulling Gold Mine of Minerals 260 (ASX: Mi6) upgraded to 130Mt at 1.0g/t Au for 4.5Moz Au⁵ with strong indications for potential continuity of high-grade gold into BMG's tenure

¹ For details of the JORC-compliant resource, see Table 1 below and our ASX Release dated 17 April 2023 '518,000oz Au Maiden Mineral Resource for Abercromby Gold Project'. The resource is comprised of 4.15Mt @ 1.23 g/t Au for 165koz Au as indicated, and 6.96Mt @ 1.58 g/t Au for 353koz Au as inferred.

² See ASX announcement dated 20 October 2025 by Ramelius Resources Limited (ASX: RML) entitled 'Never Never PFS – Maiden 1.6M oz Ore Reserve'

³ See our ASX Release dated 6 February 2023 'High Gold Recoveries – Abercromby Met Testwork'

⁴ See our ASX Release dated 7 July 2025 'Processing Solution for Pathway to Gold Producer'

⁵ See ASX announcement by Mi6 dated 1 December 2025 'Bullabulling Gold Project Resource Doubles to 4.5M oz'

BMG Resources Limited (**ASX: BMG**) (**BMG** or the **Company**) is pleased to provide its Quarterly Activities Report for the period ended 31 December 2025.

Abercromby Gold Project

Scoping study: BMG continues on the path to being a near-term gold producer with further work completed during the quarter on the scoping study for a potential gold mining operation at Abercromby.

External consultants, MineGeotech, completed geotechnical analysis at Abercromby with their findings incorporated into the modelling of a mining operation for the scoping study.

Abercromby is well located for development – situated on a granted Mining Lease with proximal processing plants. BMG has already entered into a MOU with Wiluna Mining for a potential toll treatment arrangement at the Matilda CIL processing plant. Northern Star’s Jundee mining operation, with a 3.0Mtpa CIL plant, is located approximately 50km from Abercromby.

Metallurgical test-work completed by BMG confirmed that all Abercromby ore (oxide, transitional and fresh material) is amenable to conventional Carbon-in-Leach processing with high recoveries (in excess of 90%) with low reagent consumption.⁶

The very strong gold price environment is also likely to be favourable to the findings of the scoping study, which is scheduled for release in Q1 2026. BMG has already received expressions of interest from mining contractors to undertake contract mining at Abercromby, in recognition of the potential compelling and near-term mining opportunity.

Table 1: JORC-compliant Mineral Resource for Abercromby.

Classification	Type	Cut-Off	Tonnes	Au g/t	Ounces
Inferred	Open Pit	0.4	5,565,000	1.16	208,000
	Underground	1.25	1,401,000	3.24	146,000
Total Inferred			6,966,000	1.58	353,000
Indicated	Open Pit	0.4	3,858,000	1.18	146,000
	Underground	1.25	294,000	1.94	18,000
Total Indicated			4,152,000	1.23	165,000
Total Indicated and Inferred			11,117,000	1.45	518,000

Drilling for growth: The mineralisation at the Capital Deposit is interpreted to be a ductile gold deposit which remains open at depth and along strike. In addition to progressing the abovementioned scoping study, an extensive drill program is planned for Q1 2026 to grow the existing resource and test for similarities with major ductile gold deposits in Western Australia like the Never Never deposit.

⁶ See our ASX Release dated 6 February 2023 ‘High Gold Recoveries – Abercromby Met Testwork’

DDH1 Drilling has been engaged to carry out the diamond drill program.

Exploration and resource definition drilling is also planned for the large regional gold anomalous zones to the south of Capital, where first-pass drilling has already confirmed widespread, significant gold with potential to deliver further Capital-style discoveries.

Further details of the 2026 drill program will be announced shortly.

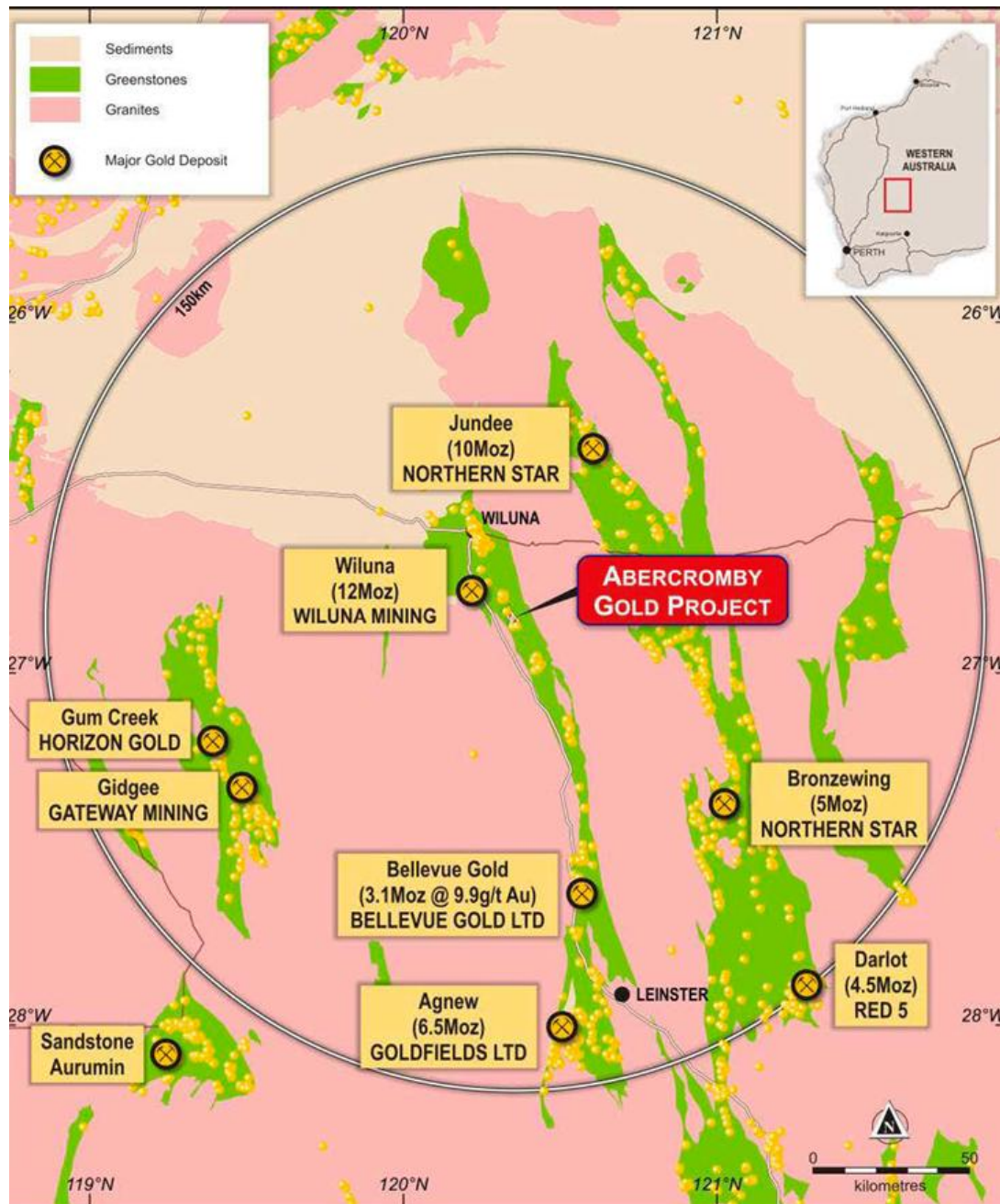


Figure 1 – Regional map of the Abercromby Project with other major gold mines highlighted.

Bullabulling Gold Project

BMG's tenure at Bullabulling comprises three areas – Bullabulling West, Bullabulling North and Bullabulling East; see Figure 2 below. The Bullabulling West area is contiguous with the tenure for Mi6's Bullabulling Gold Mine where drilling by Mi6 last year resulted in a resource upgrade from 60Mt @ 1.2g/t Au for 2.3Moz to **130Mt @ 1.0g/t Au for 4.5Moz Au**.

BMG's 2025 drill program focused on the Bullabulling North area which is interpreted to host the north-south oriented gold trend that hosts the Bullabulling Gold Mine and multiple other gold occurrences.

This latest drilling by BMG intersected gold hosted in quartz vein granodiorite, similar to the geology at the Bullabulling Gold Mine. The results were reported in our ASX Release dated 20 October 2025 '*Bullabulling – BMG Intersects Multiple Gold Lodes*' and in the September 2025 Quarterly issued on 31 October 2025.

During 2025, Mi6 reported new high-grade gold drill results at its Bullabulling Gold Mine⁷ – including **22m @ 3.25g/t Au and 162m @ 1.1g/t Au** – in an area which is contiguous to BMG's 100%-owned Bullabulling West. The Mi6 mineralisation is open towards the west and interpreted to extend into BMG's Bullabulling West area.

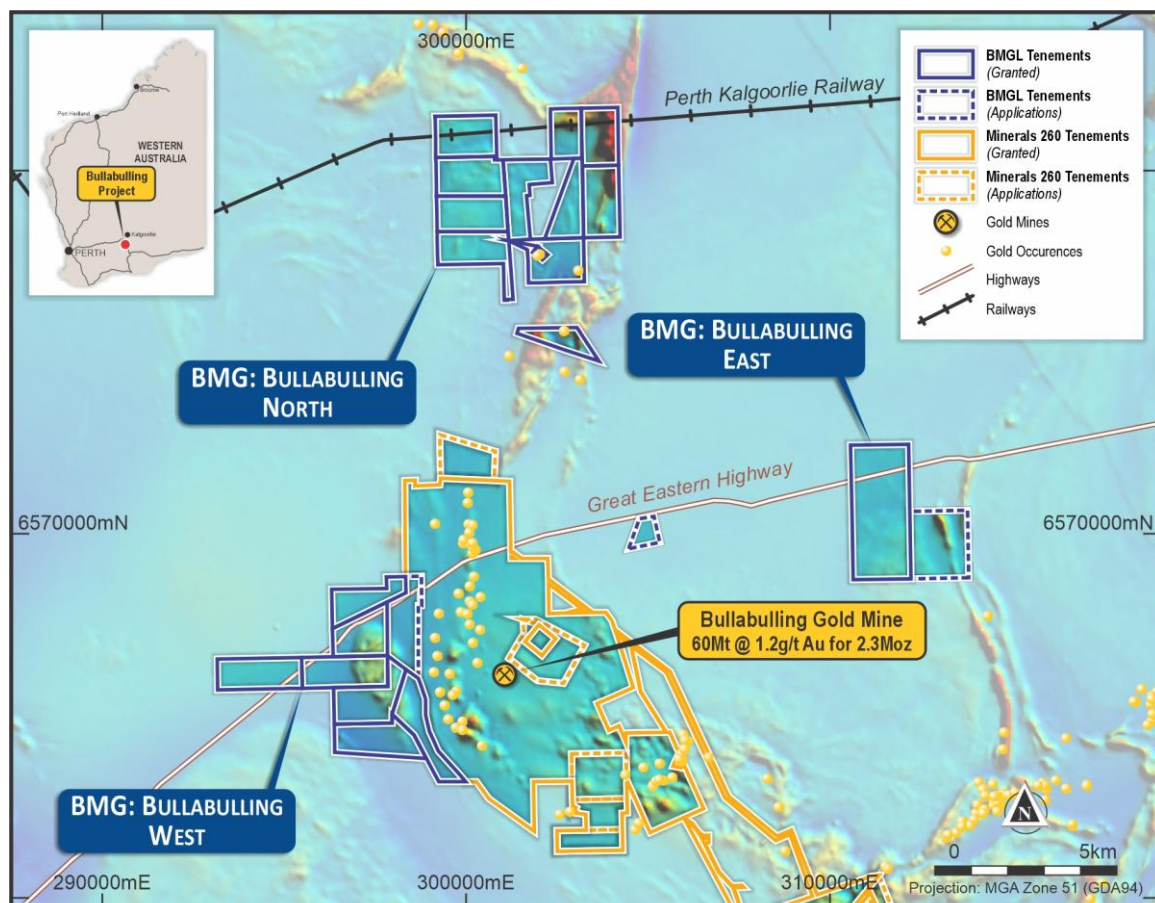


Figure 2 – map showing the BMG's Bullabulling Project and the adjacent Bullabulling Gold Mine of Mi6.

⁷ See ASX announcements by Minerals 260 Limited dated 7 July 2025 'Bullabulling Gold Project – Drilling Update'; and dated 4 August 2025 'Gold Discovered Along Strike and at Depth at Bullabulling'; and dated 9 September 2025 'High-Grade Gold Intercepts Expand Bullabulling Drill Program'.



Bullabulling West hosts a distinct magnetic anomaly – a strong target for potential gold mineralisation – and which has never been drill tested by BMG.

External geophysical consultants, Resource Potentials, have been engaged to design, complete and interpret a geophysical program for Bullabulling to better map the prospective ultramafic and generate gold targets.

A drill program to test priority targets will be scheduled for late Q1/early Q2 2026.

Other WA Gold Projects

No substantive work was completed during the quarter at BMG's 100% owned Invincible and South Boddington Projects.

Corporate

Strategic capital raise: On 3 December 2025, BMG announced it had received firm commitments to raise \$2,500,000 through a placement of 147,058,823 new shares at \$0.017 per share (New Shares). The New Shares were placed pursuant to section 708 of the Corporations Act 2001 (Cth) and rank equally with the Company's other shares on issue.

The New Shares were issued in a single tranche with 58,823,529 shares being issued under ASX Listing Rule 7.1 and 88,235,294 shares being issued under ASX Listing Rule 7.1A.

GBA Capital Pty Ltd acted as Sole Lead Manager to the placement.

Annual General Meeting: The Company held its AGM on 26 November 2025. All resolutions put to the shareholders at the AGM were unanimously approved; see ASX Release dated 26 November 2025 '*Results of Annual General Meeting*'.

Related Party Transactions

For the purposes of ASX Listing Rule 5.3.5, The Company advises that the amount of \$43,947 was paid to directors or their related parties during the period. This includes the gross amount of director fees, superannuation, and fees pertaining to the provision of office space for the Company.

This announcement has been approved for release by John Prineas, the Non-executive Chairman of BMG Resources Limited.

For further information, please contact:

John Prineas

Non-executive Chairman
BMG Resources Limited
p: +61 8 6109 6178
e: enquiry@bmgl.com.au

Reign Advisory Pty Ltd

e: BMG@reignadvisory.com
p: +61 2 9174 5388

Competent Person Statement:

This announcement refers to the maiden MRE for Abercromby with information which was previously released by the Company on 17 April 2023, 518,000oz Maiden Mineral Resource for Abercromby Gold Project, and 18 April 2023, Revision to Announcements on 17 April 2023. These announcements contain a competent person statement which includes the statements and consent pursuant to the requirements of ASX Listing Rule 5.22.

This announcement refers to the Scoping Study for Abercromby released by the Company on 31 October 2024, which includes a cautionary statement as to the reliance on scoping studies, further information on the material assumptions that apply, and other factors.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcements of 17 April 2023 and 18 April 2023 '518,000oz Maiden Mineral Resource for Abercromby Gold Project' and the Scoping Study announced 30 October 2024 continue to apply and have not materially changed.

Forward Looking Statements:

This announcement includes forward-looking statements that are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of BMG, the directors and the Company's management. Such forward-looking statements are not guarantees of future performance.

Examples of forward-looking statements used in this announcement include use of the words 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of announcement, are expected to take place.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, BMG does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This announcement has been prepared by BMG. The document contains background Information about BMG current at the date of this announcement.

The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares

in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by BMG (including any of its related bodies corporate), its officers, employees, agents and advisers.

ASX listing rule compliance

Tenement Information as required by Listing Rule 5.3.3.

Tenement ID	Registered Holder	Project / Location	Interest (%)	Change in quarter (%)
<u>M53/1095</u>	<u>Nova Energy Pty Ltd⁽¹⁾</u>	<u>Abercromby</u>	<u>100</u>	=
<u>M53/336</u>	<u>Nova Energy Pty Ltd⁽¹⁾</u>	<u>Abercromby</u>	<u>100</u>	=
<u>E45/4553</u>	<u>Delphi Resources Pty Ltd⁽²⁾</u>	<u>Invincible</u>	<u>100</u>	=
<u>E45/6222</u>	<u>Delphi Resources Pty Ltd⁽²⁾</u>	<u>Invincible</u>	<u>100</u>	=
<u>E45/6541</u>	<u>Delphi Resources Pty Ltd⁽²⁾</u>	<u>Invincible</u>	<u>100</u>	=
<u>P15/6281</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6282</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6283</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6284</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6285</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6286</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6411</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6412</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=
<u>P 15/6413</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	=

<u>P 15/6414</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6533</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6535</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6547</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6671</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6672</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6675</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6676</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6683</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6673</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>P 15/6692</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>E 15/1866</u>	<u>Lithium Dragon Pty Ltd⁽³⁾</u>	<u>Bullabulling</u>	<u>100</u>	<u>:</u>
<u>E80/6021</u>	<u>BMG Dragon Pty Ltd⁽⁴⁾</u>	<u>West Arunta</u>	<u>100</u>	<u>:</u>

(1) BMG holds the non-uranium and thorium mineral rights associated with mining leases M53/1095 and M53/336. Nova Energy is a wholly owned subsidiary of Toro Energy Limited.

(2) Delphi Resources Pty Ltd is a wholly owned subsidiary of BMG Resources Limited.

(3) Lithium Dragon Pty Ltd is a wholly owned subsidiary of BMG Resources Limited.

(4) BMG Dragon Pty Ltd is a wholly owned subsidiary of BMG Resources Limited.

Appendix 5B

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

Name of entity

BMG RESOURCES LIMITED

ABN

96 107 118 678

Quarter ended ("current quarter")

31 December 2025

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	(13)	(38)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(211)	(368)
1.3	Dividends received	-	-
1.4	Interest received	6	9
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	(218)	(397)

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	(129)	(465)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash (used in) investing activities	(129)	(465)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	3,100
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	(167)	(212)
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 financing activities	2,333	2,888

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	384	344
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(218)	(397)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(129)	(465)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,333	2,888

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	2,372	2,372

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	4	16
5.2	Call deposits	2,368	367
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)	2,372	384

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	(44)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The Company paid \$43,947 to directors or their related parties during the period. This includes the gross amount of director fees, superannuation, and fees pertaining to the provision of office space for the Company.

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

7. Financing facilities <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>	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)	(218)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(129)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(347)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,372
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,372
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.84
<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: Not applicable	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not applicable

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

Compliance statement

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

Date:30 January 2026

Authorised by: John Prineas – Chairman.....
(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.