Sultan Resources
ACN: 623 652 522

CORPORATE DETAILS

ASX Code: SLZ

DIRECTORS

JEREMY KING
CHAIRMAN

STEVE GROVES
NON-EXECUTIVE DIRECTOR

DAVID LEES
NON-EXECUTIVE DIRECTOR

CONTACT
Suite 11
23 Railway Road
Subiaco WA 6008

www.sultanresources.com.au

SULTAN
RESOURCES

ASX ANNOUNCEMENT

27 July 2022

JUNE QUARTERLY REPORT

For the period 1st April– 30th June 2022

Sultan Resources Limited ("SLZ" or "the Company") is pleased to provide shareholders with the following update for the Company's activities for the quarter ended 30th June 2022.

WA PROJECTS

Lake Grace Nickel-Copper-PGE Project

During late December 2021 and early January 2022, Sultan completed an aircore drilling program across three areas at the Company's Lake Grace Nickel Project (ASX Announcements 16/12/2021, 12/01/2022). A total of 74 holes for 2,324m were completed. Sultan's licences contain historically drilled ultramafic rocks with evidence of nickel and cobalt bearing sulfides and detailed airborne magnetic surveying by the company (ASX Announcement 03/07/2020) has revealed several unexplored areas with geophysical characteristics indicative of ultramafic rocktypes. The aircore program was designed to confirm the presence of ultramafic rocks interpreted from the magnetics and help determine the prospectivity of the region for hosting Ni-sulphide deposits.

Aircore Drilling Summary

The aircore program commenced at Target area 1 ("Kulin Hill") in the northern end of the project at Kulin (E70/5095, Figure 2) where previously identified ultramafic rocks have been noted in historic drilling and mapping by Sultan (see ASX Announcement 20/11/2020). One traverse at this target was completed and confirmed the presence of ultramafic lithology in at least 3 holes (see ASX Announcement 16/12/2021). The aircore holes lie approximately 2km northwest of the historic diamond holes and confirm the strike extent of the ultramafic target.

The rig also completed a further 9 traverses at Target Area 2 some 20 km southeast of Kulin Hill (Figure 2). These holes ranged up to 61m in depth and intersected a variety of rocktypes ranging from felsic gneiss and granite to highly magnetic, mafic gneiss and the two deepest holes in the area (60 & 61m) ended in dark green to black, magnetic mafic rocks containing olivine, pyroxene and feldspar. Further work is required to classify the highly magnetic, mafic rocktypes and verify if they could belong to a larger mafic-ultramafic sequence. It is noted that the Gonneville Resource at Jumilar (see CHN ASX Announcement 09/11/2021) is hosted in a mafic-ultramafic intrusive complex ranging from gabbro (mafic) to pyroxenite (UM), peridotite (UM) and harzburgite (UM). Sulphide mineralisation is hosted predominantly in ultramafic units though the mafic gabbroic units are also noted to host sulphide mineralisation.

At Target Area 3 a total of 10 traverses were completed (Figure 3). This area, which is much closer to Lake Grace, revealed some intersections of mafic granulites which are the host rocks to gold mineralisation previously drilled by Sultan at Lake Grace (see ASX Announcement 03/07/2019) as well as at established gold resources at Katanning (ASX: AUC) and Tampia (ASX: RMS) in a similar geological setting. No ultramafic rocks were recognised in the holes at Target 3. The magnetic anomaly at Target Area 3 is strongly deformed and, if it represents folded mafic granulites, would present as a highly prospective, previously unrecognised gold target.

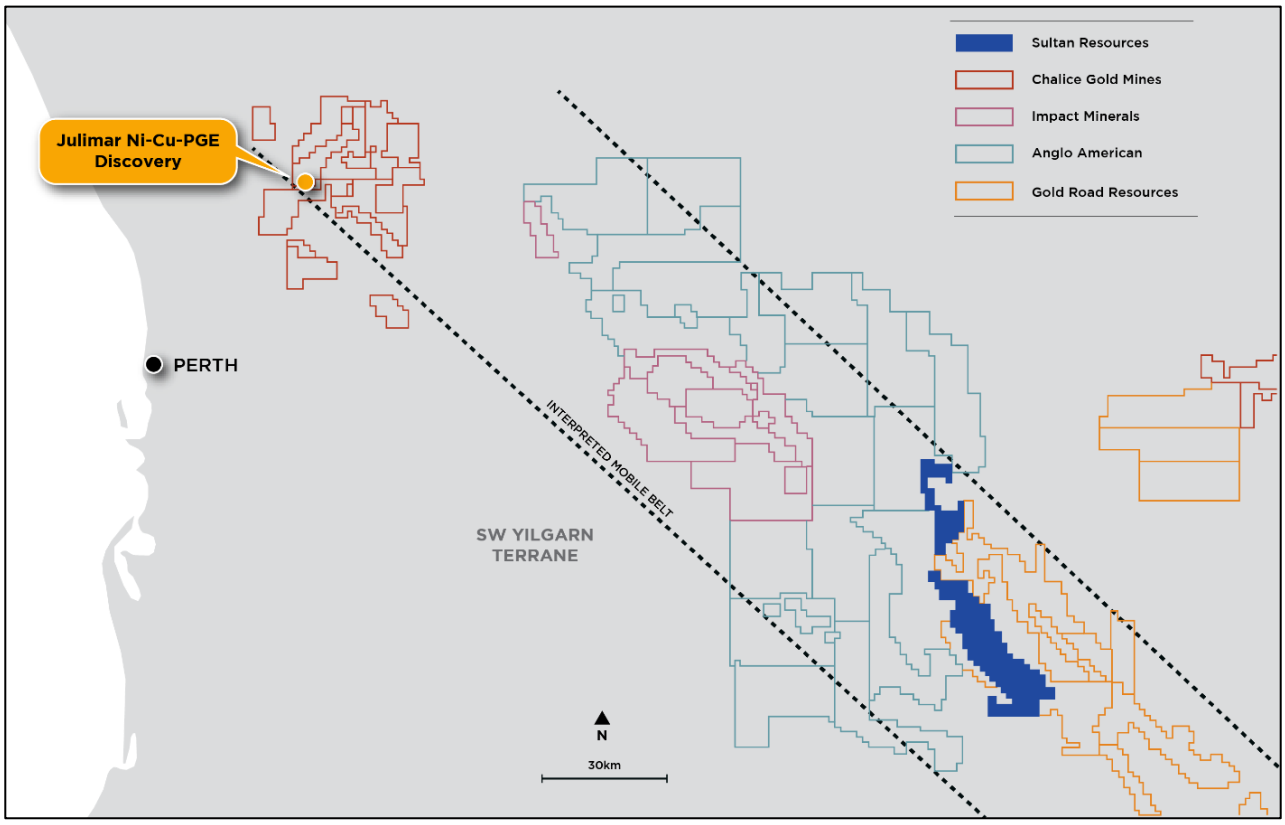

Figure 1: Sultan's Lake Grace portfolio of tenements in relation to the recent applications by Anglo American (blue outline), Impact Minerals (maroon outline) and the Gold Road Resources/Cygnus Gold JV (orange outline). All of Sultan's tenure lies within an interpreted mobile zone prospective for Ni-Cu mineralisation (see Impact Minerals announcement dated 10/06/2020)

Aircore Drilling Results – First Batch

Assay results for the first 13 of the 74 holes drilled were received during the quarter (see ASX Announcement 04/05/2022). The first four of these were into the magnetic target in the far north of the Kulin Hill tenure, six were drilled across the magnetic anomaly across target area 2 in the south of the Kulin Hill tenure and three were into the magnetic target area 3 in the Lake Grace tenure.

Kulin Hill Results

Three of the four holes drilled at Kulin Hill showed strongly elevated responses in elements such as Ni, Cr, Mg, Fe, S and Co that are indicative of weathered ultramafic lithology. All three holes showed these strong responses throughout their entire length, indicating that the sequence is quite thick and warrants deeper testing of the fresh ultramafic sequence. Microscopic examination of the holes showed the sequence to be weathered throughout and consequently did not reveal the presence of sulphide minerals. The first hole in the traverse was deliberately drilled outside the magnetic anomaly to help define the western contact and correspondingly did not intercept ultramafic chemistry.

Assay results of note from the three ultramafic holes include:

SLGAC02: 0 – 28m (Entire Hole) 28m @ 0.27% Ni, 74ppm Co, 0.85% Cr, 0.2% S.
Significant assay maxima include: 1m @ 0.46%Ni (25-26m), 1m @245ppm Co (25 – 26m),**11m @ 1.31%** Cr (0 – 11m).

SLGAC03: 0 – 87m (Entire Holes) 87m @ 0.27% Ni, 134ppm Co, 0.51% Cr
Significant assay maxima include: **4m @ 0.56% Ni** (50 – 54m), **4m @ 320ppm Co** (46 – 50m), **8m @ 1.52% Cr** (8 – 16m), 7m @ 0.22% S (79 – 86m)

SLGAC04: 0 – 58m (Entire Hole) 58m @ 0.43% Ni, 170ppm Co, 0.55% Cr
Significant assay maxima include: **2m @ 0.76% Ni** (56 – 58m), **4m @ 575ppm Co** (18 – 22m), **26m @ 1.1% Cr** (0 – 26m), 2m @ 0.3% S (56 – 58m)

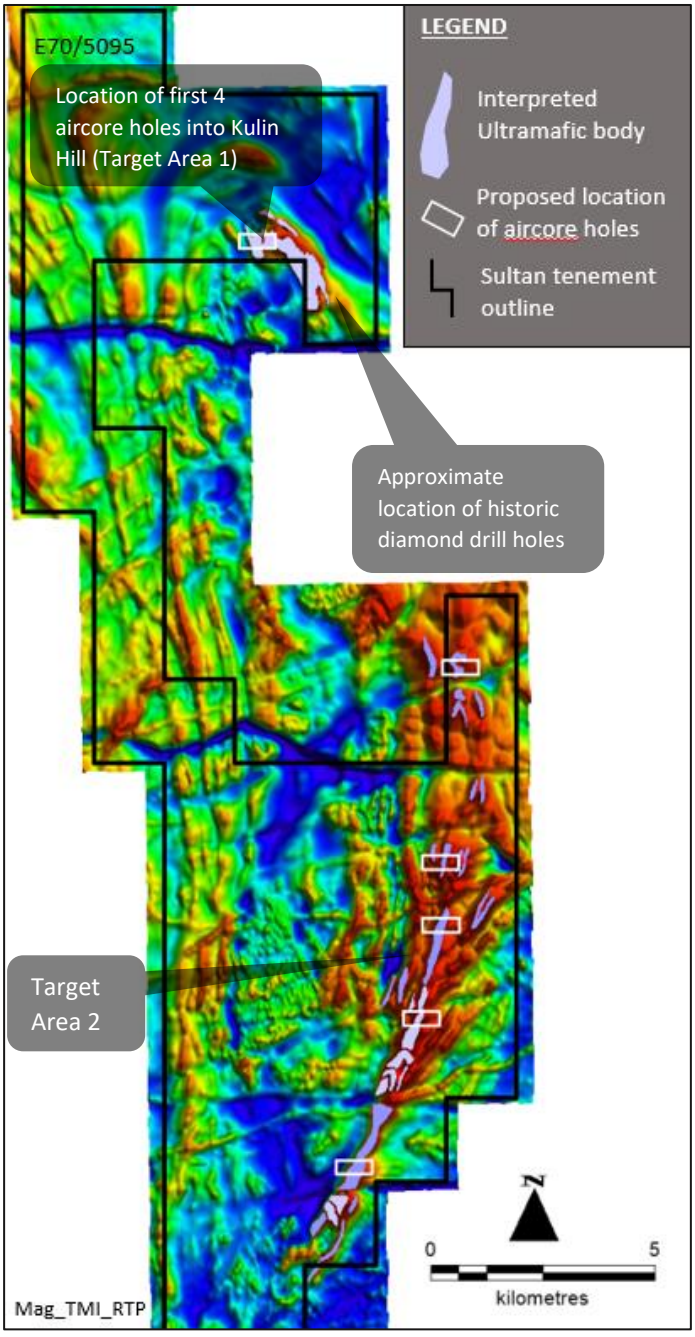

Figure 2: Location of the interpreted ultramafic bodies (purple) and positions of potential aircore traverses over the Total Magnetic Intensity reduced to pole image over E70/5095.

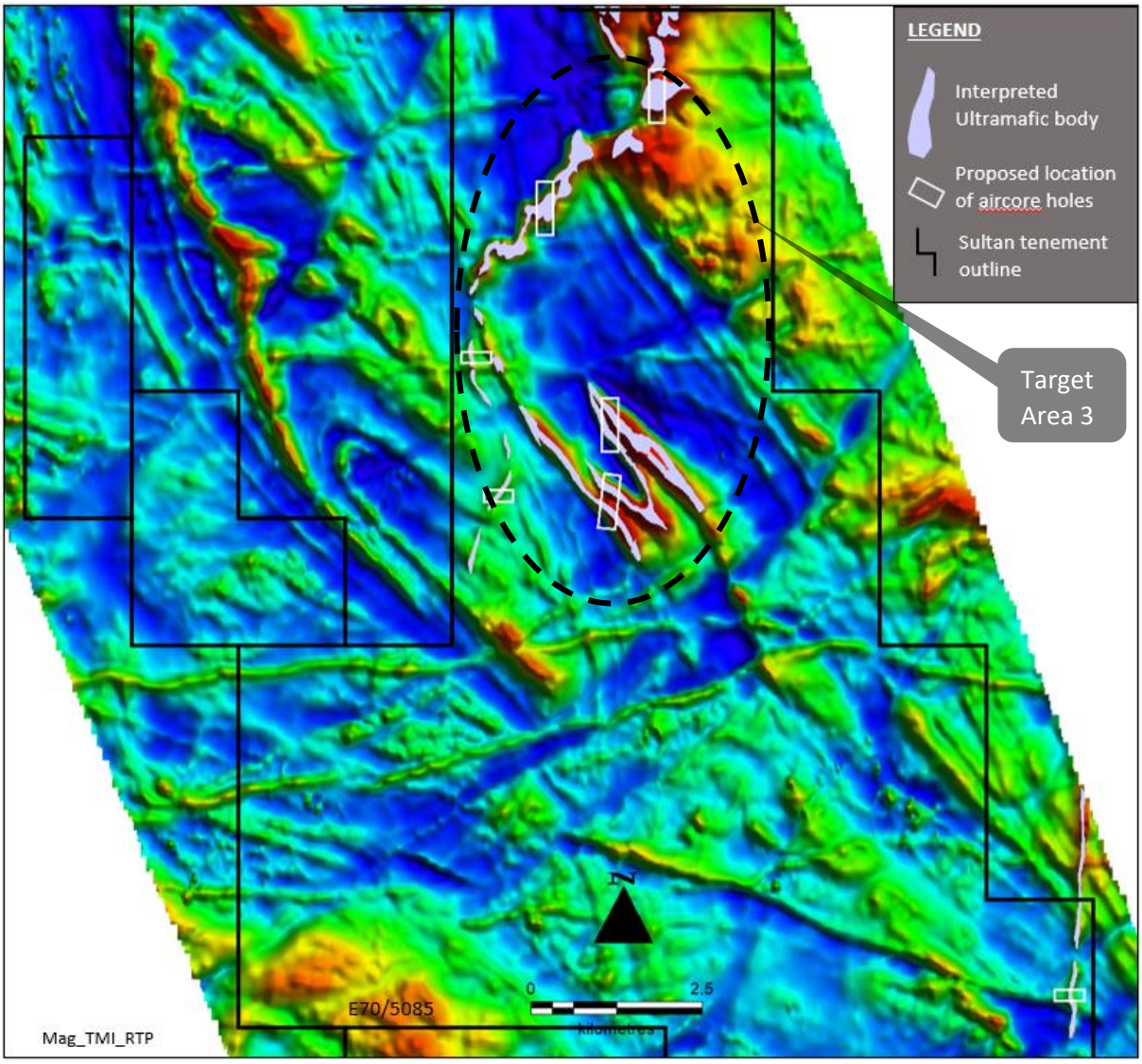

Figure 3: Location of the interpreted ultramafic bodies (purple) and positions of completed aircore traverses at Target Area 3 over the Total Magnetic Intensity reduced to pole image over E70/5085.

Discussion

The assay results show that the three holes (SLGAC02, SLGAC03 and SLGAC04) drilled into semi-ultramafic to ultramafic composition geology that correlates with the northern end of the Kulin Hill magnetic target. The results demonstrate that the magnetic target in the north is a mid to upper mantle derived rock sequence, with the fresher material in these holes containing magnetite within the ultramafic sequence. The geochemistry and logged geology of the aircore holes confirms that the northern end of the Kulin Hill prospect contains the same layered ultramafic sequence as intersected in the historical drilling in the southern area of the same anomaly (ASX Announcement 12/01/2022). Sultan has now defined a significant ultramafic exploration target on the Kulin Hill Project with an area of over 2.2km of strike and up to 900m wide to explore.

The semi-ultra to ultramafic chemistry is confirmed by the high Ni and Cr content of the weathered rock which was almost always over 0.2% and 0.3% respectively. Microscopic examination of the drill chips has revealed the visual recognition of green Ni-containing secondary minerals in places and in some of the weathered rock Cr can be as high as 1.9%. However, an even better confirmation is the large intersection from 26m to EOH in SLGCA03 where the MgO content is over 20% MgO (Figure 8), suggesting only partial weathering of the semi-ultra to ultramafic chemistry. MgO content at this level, along with Ni over 0.15% and Cr over 0.3% as it is in this intersection, is definitive evidence of ultramafic geology. At this stage, due to the extent of weathering in the holes, there is no conclusive evidence of Ni-sulphides. However, the high MgO intersection in SLGCA03 is the least weathered and contains an interval between 79-84m where S content is above 0.2%. In lightly to unweathered rocks, sulphur at this level could represent sparsely populated disseminated Ni-sulphides. If so, this would be definitive evidence of fertile target geology in the

area of drilling. Also of particular interest is the bottom of hole sample in SLGAC04 (57-58m). This sample shows less weathering and has a higher S content than average for the drilling at 0.36% S. MgO is still strong at 6% MgO and higher Co values at 195ppm, Ni content of 0.65% and a Ni/Cr ratio over indicates the potential for the presence of disseminated Ni-sulphides in the unweathered version of this rock unit.

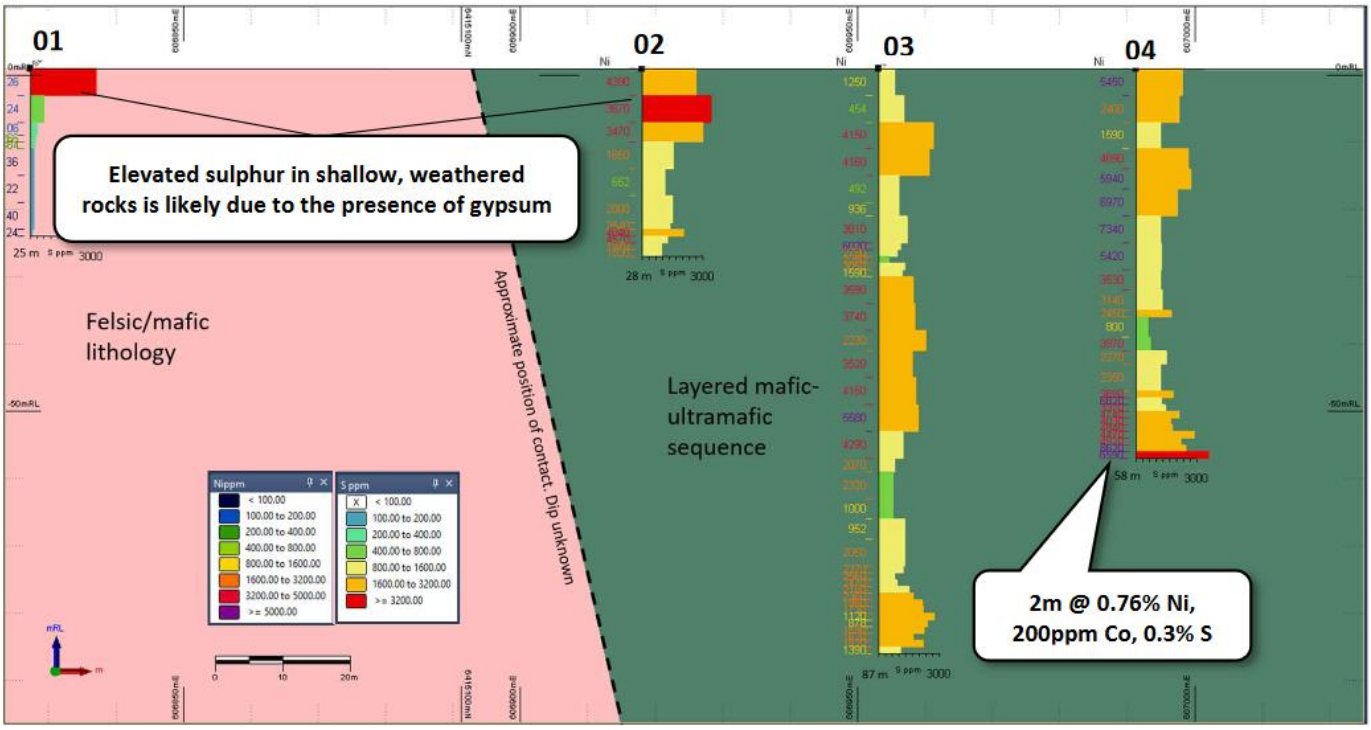

Figure 4: Cross section, looking north, of the three aircore holes drilled into the ultramafic sequence. The drill traces show Ni ppm values down the left side and S% on the right. Of particular note is the increase in sulphur towards the bottom of holes 03 and 04 in less weathered material and coincident with elevated Ni levels.

None of the other assays received from the other 9 holes in the batch showed ultramafic chemistry. The holes drilled over the magnetic anomaly so far show the chemical signature of weathered mafic rocks. The remainder of the assays will provide a much clearer indication of the potential of these rocks for hosting base or precious metal mineralization. In conclusion, the shallow AC drilling has intersected semi-ultra to ultramafic geology in the north and has proven that Sultan has a very large intrusive ultramafic target for Ni-sulphide mineralization at the Kulin Hill Project. The target is over 2.2km long and up to 900m wide.

Proposed Follow-up Work Program

The successful confirmation of over two kilometres of strike of a thick mafic-ultramafic sequence containing Ni-bearing sulphides at Kulin Hill has elevated the prospect to be Sultan's priority target in the 2022 field season.

Sultan has submitted a Program of Works to allow for follow up drilling from the aircore area where landowner access agreements are already in place. This work will include deeper RC drill holes to at least 400m depth followed by down-hole EM to test for any conductors at depth if warranted. Two other areas to the north of the aircore area have been added to the PoW to allow for a variety of potential hole locations (Figure 5).

The program will consist of 3 to 4 x ~400m deep holes. Sultan have secured access to a powerful Topdrill Reverse Circulation drill rig which is being used exclusively by the Company's geological contractors, Zephyr Professional, for the 2022 field season. Zephyr has secured the rig for use across their various clients' projects and can schedule the rig for the proposed program once the PoW is approved.

Negotiations to access the full length and breadth of the body, some of which extends beneath a salt lake, are ongoing and once granted, will allow the Company to assess the full potential of the target. A work program consisting initially of electromagnetic techniques such as Fixed Loop EM or magnetotellurics (MT) will be undertaken to detect any areas of strong conductance that might mark the location of sulphide accumulation. Any conductors identified will be ranked and the priority targets drilled with either Reverse Circulation and/or diamond methods.

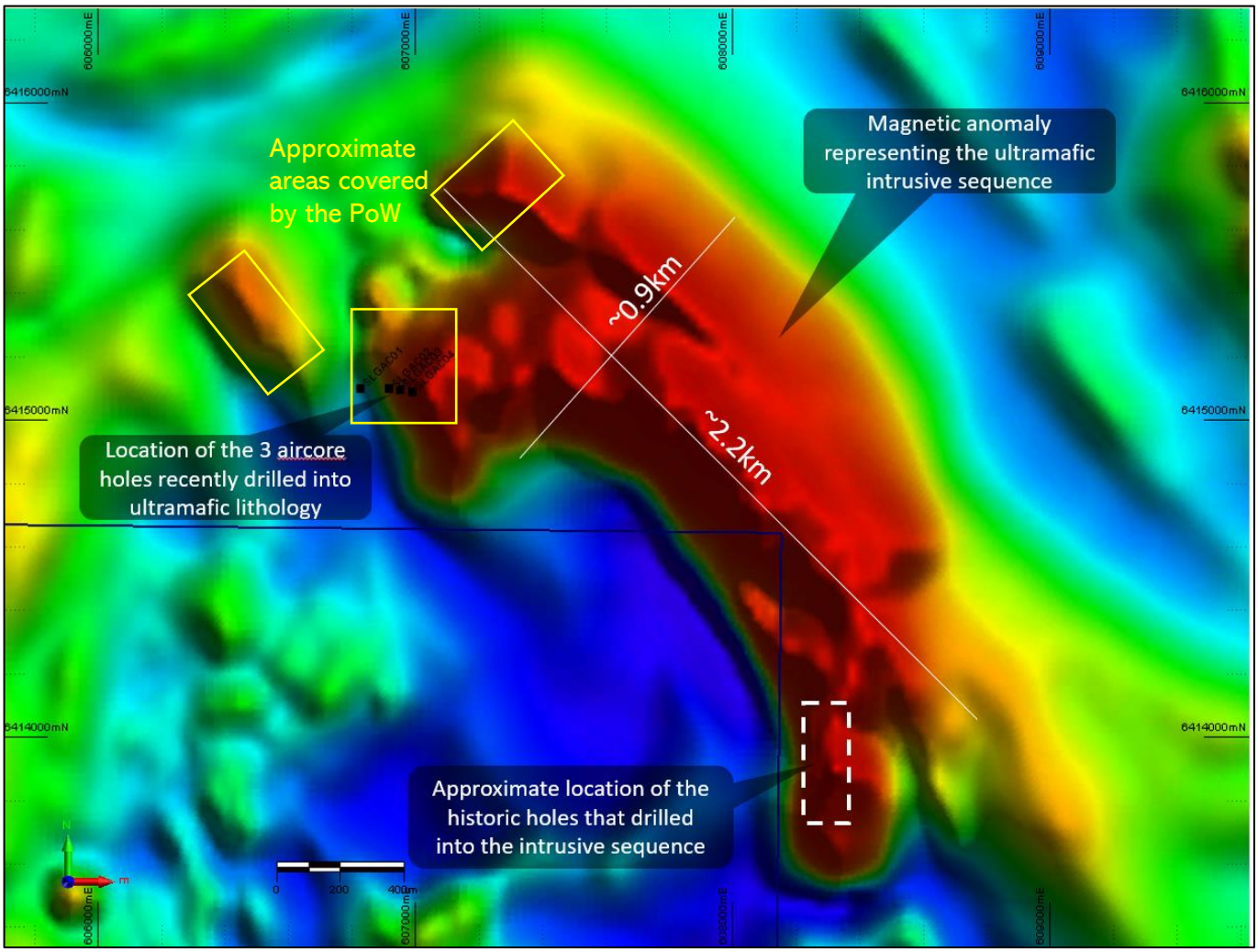

Figure 5: Plan view of the strong magnetic anomaly representing the ultramafic sequence. Sultan's recent aircore holes were completed on the northwestern edge of the body, some 2 km away from historic drilling to the southeast. Approximate areas covered by the recently submitted PoW are indicated by yellow boxes.

LACHLAN FOLD BELT PROJECT

During the quarter Sultan continued to review and compile all exploration data so far collected across its suite of highly attractive porphyry and epithermal exploration targets in the Macquarie Arc volcanic rocks of the Lachlan Fold Belt, NSW. No field work was undertaken, with the review aimed at defining the next round of exploration and drill targets across the projects.

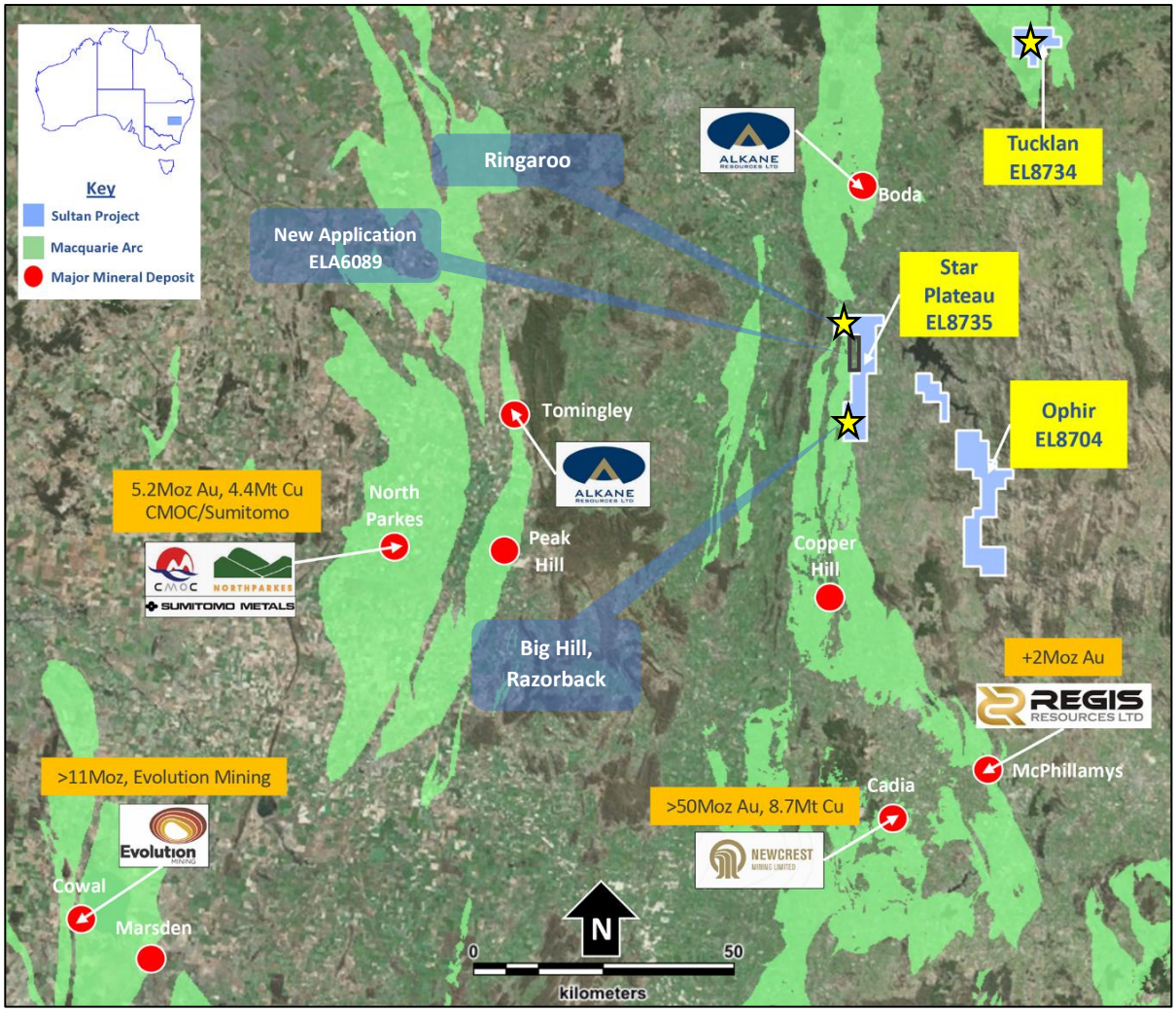

Figure 5: Location Map – Sultan Tenements over the prospective Macquarie Arc sequence with priority targets indicated.

PORTFOLIO OVERVIEW

New South Wales – Lachlan Fold Belt

The Company has 100% ownership of a 326km^2 portfolio of ground in Lachlan Fold Belt prospective for porphyry gold-copper, epithermal gold, placer-style gold and base metals. The portfolio lies in close proximity to a number of established and recently discovered porphyry gold and copper deposits.

Western Australia

Sultan has 100% ownership of a 779km^2 portfolio of ground prospective for gold, nickel, cobalt and base metals and lies in close proximity to a number of significant recent discoveries. Sultan's portfolio consists of three project areas:

- Thaduna in the Peak Hill area approximately 190km NE of Meekatharra,
- Lake Grace approximately 250km SE of Perth
- East Tallering 180km east of Geraldton

CORPORATE

In June 2022, the Company announced that Managing Director Steve Groves will transition to the role of Non-Executive Director. Steve will remain as a non-executive Director to ensure his in-depth project and corporate knowledge is available to the Company for the search and smooth onboarding of a replacement executive director. The Company also announced the appointment of Hannah Cabatit as Company Secretary to replace Mr. Mauro Piccini.

Sultan's cash position as at 30 June 2022 was $1.6million.

DATE OF AGM AND CLOSING DATE FOR DIRECTOR NOMINATIONS

The Board of SLZ advises that the Annual General Meeting of the Company will be held on Tuesday, 22 November 2022. A notice of meeting for the Annual General Meeting will be prepared by the Company and will be announced to ASX and provided to the Shareholders in due course.

The closing date for the receipt of nominations for the election of Directors is at least 35 business days prior to 22 November 2022. Any nominations must be received no later than 5:00pm (AWST) at the Company's Registered Office prior to this date.

ADDITIONAL ASX INFORMATION

ASX Listing Rule 5.3.1

Exploration and Evaluation during the quarter was $108,000. The majority of this was spent on the Company's Lake Grace Nickel and Lachlan Fold Belt projects.

ASX Listing Rule 5.3.2

There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.5

Payments to Related Parties & their Associates	Total Amount
Director Fees and Superannuation	$76,152
Company Secretarial, Registered Office and Financial Management Services	$40,728

ASX Listing Rule 5.3.3

SCHEDULE OF TENEMENTS

Western Australia

Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure
Thaduna Project							
E52/3461	Sultan 100%	Live	6 blocks	11/07/2016	31/10/2017	30/10/2022	$20,000
E52/3481	Sultan 100%	Live	1 block	19/10/2016	8/02/2018	7/02/2023	$10,000
Tallering East Project							
E59/2185-I	Sultan 100%	Live	22 Blocks	17/06/2016	1/02/2017	31/01/2022	$22,000
Lake Grace Project							
E70/5081	Sultan 100%	Live	58 blocks	21/11/2017	23/07/2018	22/07/2023	$58,000
E70/5082	Sultan 100%	Live	37 blocks	23/11/2017	31/07/2018	30/07/2023	$37,000
E70/5085	Sultan 100%	Live	65 blocks	24/11/2017	23/07/2018	22/07/2023	$65,000
E70/5095	Sultan 100%	Live	54 blocks	1/12/2017	31/07/2018	30/07/2023	$54,000
E70/5179	Sultan 100%	Live	28 blocks	1/6/2018	05/02/19	04/02/2024	$28,000

New South Wales

TENEMENT	REGISTERED HOLDER	GRANT OR APPLICATION DATE	EXPIRY DATE	STATUS	AREA	ANNUAL RENTAL FEE	ANNUAL ADMIN LEVY	SECURITY REQUIRED	SECURITY HELD	MINERALS	Expenditure requirement
EL 8704 (1992)	Colossus Metals Pty Ltd	5 March 2018	5 March 2023	Current	60 Units	$3,600	$100	$10,000	$10,000	Group 1	$75,000
EL 8734 (1992)	Colossus Metals Pty Ltd	16 April 2018	16 April 2025	Current	16 Units	$960	$100	$10,000	$10,000	Group 1	$50,000
EL 8735 (1992)	Colossus Metals Pty Ltd	16 April 2018	16 April 2025		37 Units	$2,220	$100	$10,000	$10,000	Group 1	$75,000
ELA 9070 (1992)	Sultan Resources Ltd	02 March 2021	02 March 2027	Current	4 Units	$240	$100	$10,000	$10,000	Group 1	$14,000
Total: 4					**117 Units**	**$7,020**	**$400**	**$40,000**	**$40,000**		

The mining tenements relinquished during the quarter and their location – Dalwallinu Project E70/4884

The mining tenement interests acquired during the quarter and their location – None

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter – N/A

Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the quarter - N/A

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on historical and recent exploration information compiled by Mr Steven Groves, who is a Competent Person and a Member of the Australian Institute of Geoscientists and is also a Non-Executive Director of Sultan Resources Limited. Mr Groves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Groves consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement.

Appendix 5B

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

Name of entity	
Sultan Resources Limited	
ABN	**Quarter ended ("current quarter")**
35 623 652 522	30 June 2022

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(3)	(36)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(44)	(146)
	(e) administration and corporate costs	(144)	(360)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
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**	**(191)**	**(542)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(3)
	(d) exploration & evaluation	(105)	(1,360)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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 (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(105)**	**(1,363)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,200
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	-	(225)
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**	**-**	**1,975**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,919	1,553
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(191)	(542)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(105)	(1,363)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,975

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,623**	**1,623**

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	1,623	1,919
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,623**	**1,919**

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	117,000
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.

6.1	Director and consulting fees paid to Directors and/or Director related entities	$76,152
	Financial management and Company secretary fee paid to Director related entity	$40,728

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(191)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(105)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(296)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,623
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,623
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**5.48**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: N/A

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: N/A

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: N/A	
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: ....27 July 2022.....

Authorised by: The Board of Sultan Resources Limited
(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.