

**NADİR METAL RAFİNERİ
SANAYİ VE TİCARET A.Ş.**

**INDEPENDENT REASONABLE ASSURANCE
REPORT ON SILVER SUPPLY CHAIN IN
ACCORDANCE WITH INTERNATIONAL
STANDARDS ON ASSURANCE ENGAGEMENTS
ISAE 3000 –ASSURANCE ENGAGEMENTS
OTHER THAN AUDITS OR REVIEWS OF
HISTORICAL FINANCIAL INFORMATION
AS OF 31 DECEMBER 2018**

Independent Reasonable Assurance Report on Nadir Metal Refiner's Compliance Report 2018

To The Board of Directors and Management of Nadir Metal Refinery

We were engaged by Nadir Metal Rafineri Sanayi ve Ticaret A.Ş. ("Nadir Metal Refinery or Nadir Refinery") to provide reasonable assurance on its London Bullion Market Association (LBMA) Refiner's Compliance Report ('the Report') related to period from January 1st to December 31st 2018.

Scope of our work

A reasonable assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to give reasonable assurance over the Refiner's Compliance Report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Report whether due to fraud or error.

In making those risk assessments, we considered internal control relevant to the preparation and presentation of the Refiner's Compliance Report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Nadir Metal Refinery's internal control over the preparation and presentation of the Refiner's Compliance Report. Our engagement also included: assessing the suitability of the Reporting Criteria in the circumstances of the engagement; evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Refiner's Compliance Report; the reasonableness of estimates made by the directors; and evaluating the overall presentation of the Refiner's Compliance Report.

Management Responsibilities

The management of Nadir Metal Refinery is responsible for the preparation and presentation of the Report in accordance with the LBMA Responsible Silver Guidance (the Guidance). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report.

Our Responsibility

Our responsibility is to carry out a reasonable assurance engagement and to express an independent conclusion to Nadir Metal Refinery, based on the procedures performed and evidence obtained, as to whether the Report, in all material respects, describes fairly the activities undertaken during the year to demonstrate that compliance is in accordance with the requirements of the LBMA Responsible Silver Guidance. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board and the guidance set out in the LBMA Responsible Silver Programme -Third Party Audit Guidance for ISAE 3000 Auditors (the "Audit Guidance"). ISAE 3000 requires that we obtain sufficient, appropriate evidence on which to base our conclusion.

This report has been prepared for Nadir Metal Refinery for the purpose of assisting the management in determining whether Nadir Metal Refinery has complied with the Guidance and for no other purpose. Our assurance report is made solely to Nadir Metal Refinery in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Nadir Metal Refinery for our work, or for the conclusions we have reached in the assurance report.

Reasonable assurance procedures performed

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

- Detailed analysis of needs assesment to gain an understanding of Nadir Metal Refinery's processes, and risk management procedures around the Silver supply chain in place.
- Inquiries of relevant staff at the corporate office responsible for the preparation of the Report.
- Site visits to Nadir Metal Refinery to evaluate if the management system is in place as described in the compliance report
- Testing on a sample basis to evaluate whether the requirements of LBMA Responsible Silver Guidance are being executed and followed by Nadir Metal.
- Assessing the suitability of the policies, procedures and internal controls that Nadir Metal Refinery has in place to conform with the Standard.
- Review of a selection of the supporting documentation, including Silver supplier counterparty due diligence file and transaction's documentation and furthermore the due diligence documents and risk assesment for the upstream of its suppliers.
- Enquiries of relevant staff responsible for supply chain management of Nadir Doviz which is one of the main client/supplier of Nadir Metal Refinery and also a member of Nadir Group of Companies.
- Test a selection of the underlying processes which support the information in the Report.
- Review of the presentation of the Report to ensure consistency with our findings.

We believe that the evidences we have obtained are sufficent and appropriate to provide a basis for our opinion.

Inherent limitations

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. It is important to read Nadir Metal Refinery's methodology and silver supply chain policy available on Nadir Refinery website (<http://www.nadirmetal.com.tr>).

Independence and competency statement

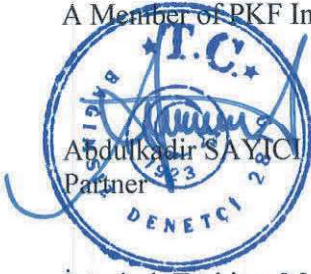
In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants..

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

Conclusion

In our opinion, the Refiner's Compliance Report prepared by Nadir Metal Refinery for the year ended 31 December 2018, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of the LBMA Responsible Silver Guidance.

ADAY Bağımsız Denetim ve S.M.M.M. A.Ş.
A Member of PKF International



İstanbul, Türkiye, March 5, 2019