

**Independent Reasonable Assurance Report  
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 engagement on Nadir Refinery DMCC’s refiner’s independent reasonable assurance report (“the Report”) for the year ended December 31, 2018.

**Scope of our work**

The assurance scope consists of the Refiner’s Compliance Report, which includes a summary of the assessment procedures designed and implemented by Nadir Metal Refinery in accordance with the DMCC Practical Guidance for Market Participants in the Gold and Precious Metals Industry (the “DMCC Guidance”), and with DMCC Review Protocol on Responsible Sourcing of Precious Metals which collectively is now referred to as the DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (the “DMCC Rules for RBD-GPM”) Version 1.1/2017

**Responsibilities**

The management of Nadir Metal Refinery are responsible for the preparation and presentation of the Compliance Report in accordance with the DMCC’s rules. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived.

Our responsibility is to carry out a reasonable assurance engagement and to express a conclusion based on the work performed. 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 DMCC Review Protocol.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Nadir Metal for our work, for this report or for the opinions we have formed.

### **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:

- Review whether Nadir Metal Refinery has established robust sustainable supply chain management systems like in the scope of company policy, assigning Compliance officer's duties and responsibilities, holding on training both their staff and local precious metal market players as detailed in and referring to Rule 1 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- Review whether Nadir Metal Refinery is able to identify and assess the risks in the supply chain as detailed in and referring Rule 2 of the DMCC Rules and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- Review whether Nadir Metal Refinery is has developed and implemented a risk mitigation and/or control plan referring Rule 3 of the DMCC Rules and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- Inquiries of relevant staff at the corporate office responsible for the preparation of the Report.
- 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, traceability, CRM system and archive program
- Enquiries of relevant staff responsible for supply chain management of Nadir Doviz which is one of the main supplier of Nadir Metal Refinery and also a member of Nadir Group of Companies.
- Review a sample of the underlying processes and controls which support the information in the Report.
- Review of the presentation of the Report to ensure consistency with our findings.
- Review whether the Nadir Refinery is reporting annually on its measures implemented for responsible supply chain due diligence and that the measures being reported are consistent with the independent 3rd party audit review program findings as detailed in and referring to step 5 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- Review Nadir Metal's activities related to conducting due diligence for adherence to DMCC's Anti-Money Laundering and Combating Financing of Terrorism Policy as well as Financial Crimes Investigation Board in Turkey

### **Inherent limitations**

Non-financial information, such as that included in the 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. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable assessment techniques that can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as well as the assessment criteria may change over time. It is important to read Nadir Metal Refinery's methodology and gold 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.

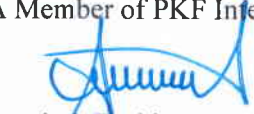
### **Conclusion**

In our opinion, in all material respects:

- i. The accompanying report by the directors describes fairly the level of general compliance of the refiner's with DMCC Practical Guidance for Market Participants in the Gold and Precious Metals Industry (the "DMCC Guidance"), and with DMCC Review Protocol on Responsible Sourcing of Precious Metals which collectively is now referred to as the DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (the "DMCC Rules for RBD-GPM") Version 1.1./2017 as at 31 December 2018.
- ii. Based on our review, nothing has come to our attention that causes us to believe that the Nadir Metal Refinery relevant structure, policies, procedures, processes, activities, due diligence and KYC/AML/CFT activities, do not generally conform to DMCC Practical Guidance for Market Participants in the Gold and Precious Metals Industry.
- iii. The compliance controls that were tested, as set out in the attachment to this report, were operating with sufficient effectiveness for us to obtain reasonable assurance that the related level of compliance were achieved in the period 01.01.2018 to 31.12.2018

ADAY Bağımsız Denetim ve S.M.M.M. M. A.Ş.

A Member of PKF International

  
Istanbul, Türkiye, March 28, 2019