

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

**INDEPENDENT LIMITED ASSURANCE
REPORT PREPARED IN ACCORDANCE
WITH INTERNATIONAL STANDARDS ON
ASSURANCE ENGAGEMENTS ISAE 3000
AS OF 31 DECEMBER 2017**

**Independent Limited 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 limited assurance engagement on Nadir Refinery DMCC’s refiner’s independent limited assurance report (‘the Report’) for the year ended December 31, 2017.

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 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 1/2016

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 limited 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.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

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.

Limited 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 Refinery has in place to conform with the Standard.
- Review of a selection of the supporting documentation, 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 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. 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 Refinery's methodology described in the Report.

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.

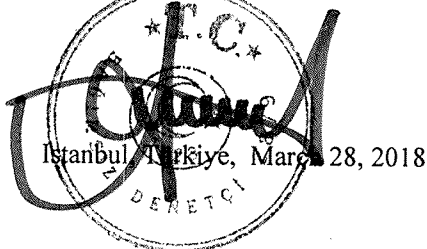
Conclusion

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 1/2016 as at 31 December 2017.
- 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 limited, but not absolute, assurance that the related level of compliance were achieved in the period 01.01.2017 to 31.12.2017

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

A Member of PKF International


İstanbul, Türkiye, March 28, 2018



NADİR METAL RAFİNERİ

Nadir Metal Rafineri Sanayi ve Ticaret Anonim Şirket

DMCC's Review Protocol on Responsible Sourcing of
Gold

Compliance Report Year

2017

nadirmetal.com.tr

DMCC Practical Guidance for Market Participants, DMCC Review Protocol on Responsible Sourcing of Precious Metals and lately with the DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain Version 1/ 2016 have been established to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice.

This report summarizes how Nadir Metal Rafineri Sanayi ve Ticaret Anonim Şirketi ("Nadir Metal" or "we") has complied with the requirements of the DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain Version 1/ 2016.

Refiner's details	
Refiner's name:	Nadir Metal Rafineri Sanayi ve Ticaret Anonim Şirketi
Location:	Akçaburgaz Mah. 3114 Sok. No:6 Esenyurt-İSTANBUL
Reporting year-end:	December 31, 2017
Date of report:	February 5, 2018
Senior Management responsible for this report:	Abdullah Tütüncü, CEO Head Office: Yenibosna Merkez Mahallesi Ladin Sokak No: 4 İç Kapı No: Z 015, Atölye Blok Kuyumcukent Bahçelievler İstanbul / Türkiye Tel No: +90 212 886 6729



Summary of Activities Undertaken to Demonstrate Compliance

Step 1: Establish strong company Management systems

Compliance Statement with Requirement:

We have fully complied with Step 1: Establish strong management systems as detailed below:

Comments and Demonstration of Compliance:

Nadir Metal has adopted its Responsible Supply Chain Policy in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas and The London Bullion Market Association Responsible Gold Guidance and DMCC Practical Guidance. Our policy has been updated accordingly to fulfill the requirements in this regards. A strong internal management system has been established within the scope of this policy. The tasks, responsibilities and authorities of the relevant persons have been defined. In this context Nadir is responsible for its gold supply chain to conducting KYC procedure and due diligence with risk based approach, screening, monitoring transactions, maintaining records, checking security with the respect to the supply, transport and trade in gold related precious metals, conducting trainings. Furthermore Nadir Metal supports its gold supplying counterparts in building their due diligence capabilities to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas.

A compliance officer and relevant employees have been appointed to manage all these processes. The compliance officer's duties and responsibilities have been undertaken with a board resolution. Furthermore the compliance officer has been equipped with the necessary authority to fulfill his duties with a direct line to the senior management, CEO of the company and Risk Committee where he submits his monthly-prepared reports in this matter. The compliance officer and if necessary the Risk Committee evaluates the strong possibilities or existence of facts within the Company's Policy 'Criteria's About High Risk Gold Supply Chains'. The ultimate decision about the future or existing business relationship is taken by the Risk Committee, which is supported by external lawyers since 2014.

Nadir Metal is identifying and recording all it's suppliers and clients within the supply chain. Records of suppliers' profiles, visit reports and risk assessments are kept through the CRM system. All due diligence (jurisdiction, beneficial ownership, authorized representatives, banking details, company documentation, licenses, identity/passport copies... etc) and supporting documents (country reports, internet search...etc) are stored within the archive program. A tracking system that begins from goods acceptance with a structure of client/supplier ID and lot is in place to have transactional base monitoring and risk assessment. According to our Risk Assessment Guidance specific and relevant documents must be

