

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

INDEPENDENT LIMITED

ASSURANCE REPORT

ON THE REFINER'S COMPLIANCE

REPORT FOR THE YEAR ENDED

31 DECEMBER 2019

Independent Limited Assurance Report
To the Board of Directors and Management of Nadir Metal Rafineri Sanayi ve Ticaret A.Ş. (ISAE 3000 engagements)

Introduction

We were engaged by Nadir Metal Rafineri Sanayi ve Ticaret A.Ş. (the Refinery, Nadir Metal Refinery or the Company) to provide a limited assurance engagement on Nadir Metal Refinery's Compliance Report dated 25 February 2020 for the year ended December 31, 2019.

Subject Matter

This report covers the Nadir Metal Rafineri Sanayi ve Ticaret A.Ş. general level of compliance with the "DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain" Version 1.1/2017 (the DMCC) and with the DMCC Review Protocol on Responsible Sourcing of Precious Metals Annex 3 to DMCC as described in Nadir Metal Refinery's Compliance Report dated 25 February 2020.

Scope

The assurance scope consists of the Refiner's Compliance Report ("the Report"). The objective of this engagement is to provide an opinion on whether the Refiner's Compliance Report describes fairly the activities undertaken during the year to demonstrate compliance and whether management's overall conclusion has been drawn in accordance with the requirements of DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain Version 1.1/2017 and with the DMCC Review Protocol on Responsible Sourcing of Precious Metals Annex 3

Management's Responsibilities

The management of Nadir Metal Refinery is responsible for the preparation and public disclosure of the Refiner's Compliance Report in accordance with the DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (DMCC Rules for RBD - GPM / Version 1.1 / 2017) and its annex 3 - DMCC Review Protocol. 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 DMCC's Rules are the activities described within the Refiner's Compliance Report.

Our Responsibilities

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000.

Our responsibility is to carry out a limited assurance engagement in order to express an opinion as to whether the Refiner's Compliance Report, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and that management's overall conclusion contained therein is in accordance with the requirements of the Guidance. We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (DMCC Rules for RBD - GPM / Version 1.1 / 2017} and its annex 3 - DMCC Review Protocol.

Our work has been undertaken so that we report to Nadir Metal Refinery on those matters that we have agreed to state to them in this report. Our tests are related to Nadir Metal Refinery as a whole rather than performed to meet the needs of any particular customer.

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 Refinery for our work, for this report or for the opinions we have formed.

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 DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (DMCC Rules for RBD - GPM / Version 1.1 / 2017 and its annex 3 - DMCC Review Protocol, and for no other purpose.

Our assurance report is made solely to the Company 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.

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 which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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.

Scope Based On Limited Assurance:

We planned and performed our work to obtain the review of Nadir Metal Refinery's compliance report, supply chain policy and due diligence procedures, information and explanations considered necessary in relation to the above scope. These procedures include:

- 1- Activities undertaken by Nadir Metal Refinery to establish a strong sustainable supply chain management systems as detailed and referring to step 1 of the DMCC Guidance and DMCC Review Protocol.

We have observed that Nadir Metal Refinery has established a robust sustainable supply chain management system. The Company's Gold and Precious Metals Supply Chain Policy includes a scope, distributed responsibilities and has customer acceptance procedures. They also hold trainings for their staff regularly about their policy, client acceptance, KYC and due diligence procedures. Nadir Metal Refinery has assigned a dedicated compliance officer who has a deep information regarding with supply chain policies. The Refinery Compliance Officer conducts all monitoring and applications of statutes related to adaptation. A Risk Comitee which is formed by external lawyers is in place to support the compliance departmant and has the right decide about the future or existing business relationship according to the company policy's Criteria's about High-Risk Gold and Precious Metal Supply Chains and risk assesment.

Every unit and all employed personnel engaged in gold and gold containing metal business within Nadir Metal Refinery are responsible for meeting the requirements of the corporate Gold Supply Chain Policy and client & goods accepatence procedures, informing on any problems, suspicious cases or shortcomings immediately to the compliance officer.

- 2- Activities undertaken by Nadir Metal Refinery to identify and assess the risks in the supply chain as detailed and referring to step 2 of the DMCC Guidance and DMCC Review Protocol.

Nadir Metal Refinery is able to identify and assess the risks in the supply chain. The Refinery uses a strong management system in order to identify and assess the risks associated with gold and precious metals which they produce, distribute, transport, export, and/or purchase.

Conducting a risk assessment on each party included in the supply chain from the mines (mined gold and precious metals) to the company including suppliers, exporters and transporters

(mined/recycled gold and precious metals) using a risk-based approach. A transactional base monitoring supports all this procedure.

With this objective, Nadir Metal Refinery put into effect the Gold Supply Chain Policy, maintain its currency, and through sharing, achieve a common collective consciousness among all company personnel, clients, business partners. All units of the Company involved in gold and precious metal business have implemented and conduct client relationships within the principles of Client Acceptance Procedure.

- 3- Activities undertaken by Nadir Metal Refinery for development and implimentation of a risk mitigation and/or control plan as detailed and referring to step 3 of the DMCC Guidance and DMCC Review Protocol.

Nadir Metal Refinery supports all preventative measures, efforts and applications to obstruct money laundering and Combating Financing of Terrorism, human rights abuses, during the entire process covering mineral extraction, transportation, trade stages, including applications at points of passage to mining and other areas, export and taxation considering sanction lists, jurisdiction and origin of goods.

Details of risk management and mitigation concerning the supply chain processes, action types and the workflow diagrams are present in the corporate Risk Assesment Manuel.

- 4- Activities undertaken by Nadir Metal Refinery for its annual reporting on implementations of its responsible supply chain due diligence as detailed and referring to step 4 and auditing as detailed and referring to step 5 of the DMCC Guidance and DMCC Review Protocol.

The Refinery also made an agreement with PKF İstanbul Aday Bağımsız Denetim A.Ş. a member firm of PKF International, in order to obtain an independent third party audit report related with gold and precious metals due diligence practices.

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. The methods used by Refiners to comply with the Guidance may differ. It is important to read the Nadir Metal Refinery's Gold Supply Chain Policy available on Nadir Metal Refinery's website (www.nadirmetal.com.tr).

Conclusion

In our opinion, the Refiner's Compliance Report dated 25 February 2020 for the year ended 31 December 2019 describes fairly the activities undertaken during the reporting period to demonstrate compliance and management's overall conclusion contained therein is in accordance with the requirements of the DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (DMCC Rules for RBD - GPM / Version 1.1 / 2017} for market participants in the gold and precious metals industry and its annex 3 - DMCC Review Protocol.

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



Abdulkadir SAYICI
Partner

Istanbul, Türkiye, June 22, 2020

Enclosure:
- Refiner's Compliance Report