

NADIR METAL RAFINERİ SAN VE TİCARET A.Ş
INDEPENDENT LIMITED ASSURANCE REPORTED
PREPARED AS OF 31 DECEMBER 2022 IN ACCORDANCE
WITH INTERNATIONAL STANDARD ON ASSURANCE
ENGAGEMENT ISAE 3000 ISSUED BY THE
INTERNATIONAL AUDITING

ISAE 3000 INDEPENDENT LIMITED ASSURANCE REPORT ON THE ABSENCE OF BUSINESS AND TRADE OF GOLD/SILVER AND PRECIOUS METALS BETWEEN NADIR METAL RAFİNERİ AND THE ISLAMIC REPUBLIC OF IRAN AND BOLIVARIAN REPUBLIC OF VENEZUELA AND PRIVATE COMPANIES AND REAL PERSONS

To the Board of Directors of

Nadir Metal Rafineri Sanayi ve Ticaret A.Ş

We have been engaged by the Board of Directors of Nadir Metal Rafineri Sanayi ve Ticaret A.Ş. ("Nadir Metal" or "Company") to perform a limited assurance engagement on the "Subject Matter Selected for Limited Assurance", within the context of Precious Metals Responsible Supply Chain Policy of the Company. Independent limited assurance work was conducted in accordance with International Standards 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. An independent limited assurance report ("the Report") was prepared related to 12 months period from 1 January to 31 December 2022.

The Management Responsibilities

The management of Nadir Metal Rafineri Sanayi ve Ticaret A.Ş. is responsible for the preparation and presentation of the Subject Matter Selected for Limited Assurance within the context of Precious Metals Supply Chain Policy of the Company in accordance with Nadir Metal's internally defined procedures and for the development of the Reporting Criteria. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. Furthermore, the responsibility includes designing, implementing, and maintaining systems and processes relevant to the preparation of the information in a way that is free of material miss statements.

The Auditor's Responsibility

Our responsibility is to carry out a limited assurance engagement on the above-mentioned information in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standards on Assurance Engagements ISAE 3000 Assurance Engagement other than Audits or Reviews of Historical Financial Information (Revised), issued by the International Auditing and Assurance Standards Board and with the guidance set out in the LBMA Responsible Sourcing Programme - Third Party Assurance Guidance for ISAE 3000 Auditors (the Audit Assurance Guidance) issued by the LBMA.

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 than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgment.

This report has been prepared for Nadir Metal Rafineri Sanayi ve Ticaret A.Ş for the purpose of assisting the management in determining whether there has been any trade or business of precious metals between Nadir Rafineri, the Bolivarian Republic of Venezuela and the Islamic Republic of Iran's Public and private companies and real persons for no other purpose. Our assurance report is made solely to Nadir Metal in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Nadir Metal for our work, or for the conclusions we have reached in the assurance report.

Limited assurance procedures performed

The following identified information in the Report was selected for an expression of limited assurance:

- a) The Company has not purchased any precious metals or related precious metals from any of the Islamic Republic of Iran's public, Bolivarian Republic of Venezuela and private companies or real persons
- b) The Company has not sold related precious metals to any of the Islamic Republic of Iran's public, the Bolivarian Republic of Venezuela, and private companies or real persons.
- c) The Company does not have any other kind of business relationship with any of the Islamic Republic of Iran's public, Bolivarian Republic of Venezuela and private companies or real persons

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

- Assessment of the overall presentation of the disclosures
- Enquiries of management to gain an understanding of Nadir Metal's Precious Metals Responsible Supply Chain Policy and Risk Management Procedures. Questions about the Refinery's Compliance System were asked and required disclosures were obtained,
- Enquiries of relevant, responsible staff and the required disclosures were obtained,
- The complete Responsible Supply Chain process was observed and the required disclosures were obtained and necessary audits and controls were performed regarding the functionality of the system.
- We visited the Nadir Metal to review the procedures for goods receiving, laboratory testing and refining precious metals and to observe how these procedures support Nadir Metal's compliance regime and systems of CRM, Achieve, and Traceability. Counterparty transactions are covered through the traceability system starting from goods acceptance, assay results and details of customs declaration or consignment bill to invoicing.
- It was observed that the Nadir Metal has established and put into force an effective management system regarding with the Company's Precious Metals Responsible Supply Chain Policy, which is in harmony with domestic and international standards. Nadir Metal has formed a set of procedures and applications in order to identify risks in the supply chain. It was also observed that the Refinery has adopted appropriate internal control and intercommunication systems. It was observed that the Company formed an appropriate "Know Your Counterparty" (KYC) and due diligence process and "Risk Management Plan" within the context of KYC and is maintaining the system's operation.

We have carried out the following audit procedures in order to test the "Subject Matter Selected for Limited Assurance"

We checked counterparties payables and cost of goods sold accounts between 01.01-31.12.2022. We checked counterparties files according to the company's precious metals responsible supply chain policy, know your customer (KYC) and due diligence procedure and the other related documents. We randomly selected counterparties' files and tested them accordingly.

The assessment of risk in a supply chain begins with the origin of gold/silver supply. Nadir Metal has put forth reasonable and good faith efforts, as well as additional first-hand evidence (collected through engagement with counterparties and desk research) and credible sources in order to make reasonable determinations of Country of Origin of precious metals. Identification and "know your customer" information of all actors in the precious metals supply chain, including, precious metal traders and exporters, as well as third party service providers handling the precious metals (e.g. logistics, processors and transportation companies).

Nadir Metal's Risk Assessment Manuel, which has been updated accordingly with Responsible Gold Guidance V9 and its Company Policy and AML/CFT Policy. All the KYC and due diligence procedures, required documentation and information for due diligence or enhanced due diligence, responsible persons/departments and their tasks & duties, risk assessment procedures and internal workflow were reviewed and detailed in Risk Assessment Manuel. Along with its effective KYC documentation and tools (CRM, Achieve system). The country reports are prepared within the scope of counterparty's jurisdiction, the origin of goods, etc. by screening the sanctions on world check, Heidelberg Barometer, CAHRA.

We tried to identify the ownership (including beneficial ownership) of the companies and corporate structure, including the names of corporate officers and directors; and the related businesses, subsidiaries of Nadir Metal;

We have not carried out any work on data reported for prior reporting periods except for data that was included in the prior year's assurance scope, nor have we performed work in respect to future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the "Subject Matter Selected for Limited Assurance.

The procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the Company's Responsible Supply Chain Policy whether due to fraud or error. In making those risk assessments, we consider the internal controls relevant to the Company's preparation of the Company's Responsible Supply Chain Policy in order to design procedures that are appropriate in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The absence of an important regulatory body, which may provide for the selection of different, but acceptable, measurement techniques subject to reasonable assurance may result in different quantifications between different entities. The accuracy of different measurement techniques can also vary. In addition, the methods used to determine such information and the nature of the work and the measurement techniques and accuracy used may vary over time. The most important issue is that the Limited Independent Assurance Report can be read within the given criteria.

Our limited assurance relies on the premise that the data and information provided to us by Nadir Metal Rafineri Sanayi ve Ticaret A.Ş have been provided in good faith. As an audit firm, we expressly disclaim any liability or co-responsibility for any decision a person or an entity may make based on this Limited Assurance Report.

Independence and competency statement

We have complied this report in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on the fundamental principles of integrity, objectivity, and professional competence and due care, confidentiality and professional behavior. Our engagement was conducted by a team of assurance specialists with experience in responsible gold/silver reporting.

Limited assurance

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that Nadir Rafineri Sanayi ve Ticaret A.Ş. with regards to the "Subject Matter Selected for Limited Assurance", has purchased or sold or had any other type of business relationship with the Islamic Republic of Iran's, and Bolivarian Republic of Venezuela public and private companies or real persons for the 12 months period from 1 January to 31 December 2022.

Istanbul, Türkiye March 30, 2023

PKF Aday Bağımsız Denetim A.Ş.
(A Member of PKF International)



Abdulkadir SAYICI
Sorumlu Denetçi