

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

INDEPENDENT REASONABLE ASSURANCE  
REPORT ON GOLD & 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 2022

## **Independent Reasonable Assurance Report on Nadir Metal Rafineri's Compliance Report on Gold&Silver/Country of Origin Annex 2022**

### **To The Board of Directors and Management of Nadir Metal Rafineri**

We were engaged by Nadir Metal Rafineri Sanayi ve Ticaret A.Ş. ("Nadir Metal") in accordance with an agreement dated 12.01.2023 to provide reasonable assurance related to the period from January 1st to December 31<sup>st</sup>, 2022, on its Gold & Silver Compliance Report ('the Report') and the confidential Country of origin Annex ("the Annex") which have been prepared in all materials respects in accordance with Nadir Metal's Supply Chain Policy and LBMA's Responsible Gold/Silver Guidance.

### **Scope of our work**

As an assurance provider, the scope of our work is to perform in accordance with the ISAE 3000 revised assurance standard. This year, the Refiner has chosen a "reasonable assurance". A reasonable assurance engagement involves planning and performing procedures. To give reasonable assurance over the Report and Annex, we have executed procedures to collect sufficient appropriate evidence to determine the Refiner's risk assessment and classification procedures, systems, and controls to prevent and detect the risks and illicit precious metals-bearing material in the supply chain and procedures, systems, and controls of risk mitigation.

The LBMA assurance subject matter includes the Refiner's disclosures on its conformance with the Guidance and the underlying management systems used to derive these disclosures, as presented the Compliance Report and the Annex. As part of the planning and risk assessment stage, as well as throughout the engagement, we considered the risk of material misstatements or level of nonconformances that could arise in the Refiner's disclosures and underlying management systems. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the Report and annex whether due to fraud or error.

In making assessments, we considered Nadir Metal's management systems, processes, and internal controls relevant to the preparation of and presentation of the Report and the Annex 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's.

The LBMA assurance criteria consist of the requirements set out within the Responsible Gold V9 and Responsible Silver V1 Guidance, supplemented by the Refiner's interpretation and application at a more detailed level through its own policies, procedures, and internal controls. We have evaluated these criteria by checking whether they are relevant, complete, reliable, neutral, and understandable or not. At this context, it is our responsibility to assess the suitability of the assurance criteria, and hence Nadir Metal's precious metals supply chain policy and management systems. Hence, we have assessed how the Refiner has interpreted and applied the Guidance requirements. Our engagement also included: evaluating the appropriateness of the methods, policies, procedures, management systems, processes and internal controls, and environmental and sustainability responsibilities.

### **Management Responsibilities**

The management of Nadir Metal-is responsible for the preparation and presentation of the Report in accordance with the LBMA Responsible Gold Guidance V.9 and Silver Guidance V.1 (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 Nadir Metal's Gold & Silver Compliance Report.

## Our Responsibility

Our responsibility is to carry out a reasonable assurance engagement and to express an independent conclusion on Nadir Metal. 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 Sourcing Programme –Third Party Assurance Guidance for ISAE 3000 Auditors in November 2022 (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 to assist the management in determining whether Nadir Metal has complied with the Guidance and 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.

We refer to the fact that the Compliance Report subject to our assurance engagement comprises the Annex "Countries of origin of precious metals".

## 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 assessment; to gain an understanding of Nadir Metal's management systems, processes and internal controls around the gold and silver supply chain are in place
- Assessing the suitability of the policies, procedures and internal management that Nadir Metal has in place to conform to the Guidance,
- Assessing the suitability of the company supply chain policy, zero tolerance and high-risk criteria, how can be accessed
- Interview with relevant staff at Nadir Metal's offices responsible for the preparation of the Report.
- On-Site visits to Nadir Metal to evaluate if the management systems, processes and internal controls are in place as described in the Report
- Testing a selection of the underlying processes and controls which support the information in the Report and Annex.
- Testing on a sample basis to evaluate whether the requirements of LBMA Responsible Gold Guidance and Silver Guidance are being executed and followed by Nadir Metal.
- Addressing the environment and sustainability responsibilities
- Review of a selection of the supporting documentation, including gold and silver supplier counterparties' due diligence file and transaction documentation and furthermore the due diligence documents and risk assessment for the upstream of its suppliers.
- Review of the presentation of the Report and Annex to ensure consistency with our findings.

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

### 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's methodology and gold and silver supply chain policy available on Nadir Metal website. (<http://www.nadirmetal.com.tr> )

### Independence and competency statement

We comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and we apply International Standard on Quality Control, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements'.

Accordingly, we maintain a comprehensive system of quality control including documented policies, systems and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior) as well as applicable legal and regulatory requirements. In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Third Party Assurance Guidance to carry out the assurance engagement.

### Conclusion

In our opinion, the Report and Annex prepared by Nadir Metal for the year ended 31 December 2022, in all material respects, fairly describe 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 Gold Guidance Version 9 and LBMA Responsible Silver Guidance Version 1.

İstanbul, Türkiye, March 28, 2023

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



Abdulkadir SAYICI  
Partner