AHLATCI METAL RAFİNERİ A.Ş.

INDEPENDENT LIMITED ASSURANCE REPORT PREPARED IN ACCORDANCE WITH INTERNATIONAL STANDARD ON ASSURANCE ENGAGEMENTS ISAE 3000 AS OF 30 JUNE 2018

Independent Limited Assurance Report
To the Board of Directors and Management of Ahlatcı Metal Refinery

We were engaged by Ahlatcı Metal Rafineri A.Ş. ("Ahlatcı Metal Refinery or Ahlatcı Refinery") to provide limited assurance engagement on Ahlatcı Refinery DMCC's refiner's independent limited assurance report ('the Report') for the year ended June 30, 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 Ahlatcı 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. 0/2016

Responsibilities

The management of Ahlatcı 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 Ahlatcı Metal for our work, for this report or for the opinions we have formed.

PKF İstanbul Aday Bağımsız Denetim ve S.M.M.M. A.Ş., PKF International Limited ağının üyesi olup hukuken bağımsız bir tüzel kişiliğe sahiptir ve bu ağın diğer üyelerinin faaliyetleri nedeniyle herhangi bir sorumluluk ya da yükümlülük kabul etmemektedir.
PKF İstanbul Aday Bağımsız Denetim ve S.M.M.M. A.Ş. is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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 Ahlatcı Metal Refinery has established robust sustainable supply chain management systems 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 Ahlatcı 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.
- 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 Ahlatcı Refinery has in place to conform to the Standard.
- Review of a selection of the supporting documentation.
- Enquiries of relevant staff responsible for supply chain management of Ahlatcı Döviz which is one of the main supplier of Ahlatcı Refinery and also a member of Ahlatcı 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 Ahlatcı 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 Ahlatcı Metal's activities related to conducting due diligence for adherence to DMCC's Anti-Money Laundering and Combating Financing of Terrorism Policy (as the minimum acceptable standard for AML/CFT due diligence policy).

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 Ahlatcı Refinery's methodology described in the Report.

PKF İstanbul Aday Bağımsız Denetim ve S.M.M.M. A.Ş., PKF International Limited ağının üyesi olup hukuken bağımsız bir tüzel kişiliğe sahiptir ve bu ağın diğer üyelerinin faaliyetleri nedeniyle herhangi bir sorumluluk ya da yükümlülük kabul etmemektedir.
PKF İstanbul Aday Bağımsız Denetim ve S.M.M.M. A.Ş. is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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. 0/2016 as at 30 June 2018.

ii. Based on our review, nothing has come to our attention that causes us to believe that the Ahlatcı 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 01.07.2017 to 30.06.2018

Istanbul, Turkey, October 26, 2018

Aday Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
(A Member Firm of PKF International)

Abdulkadir SAYICI
Partner

PKF İstanbul Aday Bağımsız Denetim ve S.M.M.M. A.Ş., PKF International Limited ağının üyesi olup hukuken bağımsız bir tüzel kişiliğe sahiptir ve bu ağın diğer üyelerinin faaliyetleri nedeniyle herhangi bir sorumluluk ya da yükümlülük kabul etmemektedir.
PKF İstanbul Aday Bağımsız Denetim ve S.M.M.M. A.Ş. is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

AHLATCI METAL RAFİNERİ
Organize Sanayi Bölgesi ÇORUM
T: 0364 224 66 66 F: 0364 224 11 57
www.ahlatcimetal.com

REFINERY COMPLIANCE REPORT

TABLE 1: REFINERY INFORMATION

REFINERY NAME: Ahlatcı Metal Rafineri A.S.

LOCATION: Pinarcay OSB Mh. OSB 1 Cd. No: 60/1 Corum, Turkey

REPORTING PERIOD: 01/07/2017 - 30/06/2018

REPORT DATE: 18/10/2018

COMPLIANCE OFFICER RESPONSIBLE FOR THIS REPORT: Onur YOLYAPAR

REFINERY'S ASSESSMENT:

The tables and statements which are listed below are Ahlatcı Metal Refinery A.Ş.'s statement of compliance and explanations regarding its operations and applications in accordance with Dubai Multi Commodities Centre (DMCC)'s"Practical Guidance for Market Participants in Gold and Precious Metals Industry" requirements.

TABLE 2: THE SUMMARY OF PERFORMED ACTIVITIES TO INDICATE COMPLIANCE

STEP 1: ESTABLISHING ROBUST COMPANY SUPPLY CHAIN MANAGEMENT SYSTEMS

Compliance statement:

We declare to comply with the first step (Establishing robust company supply chain management systems).

Is there a company policy on gold supply chain assessment of the situation?

Compliance indicators and comments:

Ahlatcı Metal Rafineri A.Ş., within 01/07/2017 - 30/06/2018 reporting period, has has continued to initiate previously developed Gold Supply Chain Company Policy in compliance with the model as set forth in Annex 2 of OECD Due Diligence Guidance, and commenced the initiation of such Guidance. In accordance with the principles of such policy, the control and monitoring of all supply chain through implementation of risk-based due diligence, assessment of risks and process for accepting the metals with gold content in compliance with the customer acceptance criteria have been performed.

Ahlatcı
Metal Rafineri A.Ş.
Pınarçay Osb. Mh. Organize San.
1. Cd. No: 60/2 ÇORUM
Çorum V.D.No: 010 041 8853
Tic.Sic.No:11214 Mersis No : 0010 0418 8530 0011

Has an appropriate management structure been established in order to support the Gold Supply Chain Due Diligence?

Compliance indicators and comments:

An internal management structure in compliance with Gold Supply Chain Company Policy has been developed, a Compliance Officer has been assigned and appointed to this effect and a Compliance Department was also established, and a Compliance Committee was formed so as to establish an internal auditing, and it was ensured to have convened periodically, and a direct reporting facility was provided for the management after having established incompliance notification system, and activity and implementation chain compatible with the operation of the Compliance system was followed by providing suitable trainings.

Has a strong in-house internal system been devised to cover the due diligence in respect of transparency, control and traceability of the supply chain processes, and of describing all the actors in the supply chain?

Compliance indicators and comments:

A systematic structure was established for the purpose of following up the process in conformity with the system of reference/ID/lot order from customer and material acceptance to production and sales stage.

Do efforts exist in relation to compliance of vendors and customers to the company policies and procedures under Supply Chain Due Diligence Assessment?

Compliance indicators and comments:

The related documents, certificates and forms prepared in accordance with the directives of OECD under due diligence are shared with the customers, and their statements are obtained by executing compliance agreements with them, and determinations and evaluations are made in regards to supply chain processes and the compliance thereof through both customer interviews and on the-spot visits.

Has an in-house communication system been established with the participation of all company employees including workers in respect of describing of risks in all processes of gold supply chain and of notifying the incompliances to the management?

Compliance indicators and comments:

Compliance transition points are formed for the purpose of notifying the incompliances detected during the gold supply chain process, and in-house communication system has been established for putting into practice an early risk diagnosis and preventive/corrective activity implementation by instituting a fast communication system (mevzuatuyum@ahlatci.com.tr) which will enable direct access to managers and compliance department on the existing internet network.

Ahlatcı
Metal Rafineri A.Ş.
Pınarpay Osb. Mh. Organize San.
1 Cd. No : 60/2 ÇORUM
Çorum V.D.No : 010 041 8853
Mersis No : 0010 0418 8530 0011

AHLATCI METAL RAFİNERİ
Organize Sanayi Bölgesi ÇORUM
T: 0364 224 66 66 F: 0364 224 11 57
www.ahlatcimetal.com

STEP 2: IDENTIFYING AND ASSESING THE RISKS IN THE SUPPLY CHAIN

Compliance statement:

We declare to comply with the second step (Identifying and assessing risks in the supply chain).

Is there any process in respect of determining the risks involved in the gold supply chain?

Compliance indicators and comments:

The Risk Management Plan and Customer Acceptance Policy is established with respect to identifying and preventing the risks involved in the gold supply chain process, and to preventing the recurrence of similar risks by implementing corrective actions to this effect.

Is the assessment of risks performed in accordance with the standards of the Due diligence system?

Compliance indicators and comments:

A supply chain due diligence system and precautions are put into practice, starting from the phase of acceptance of the customer and precious metals in accordance with Application guide and procedures for the Market Participants joining in the DMCC Gold and Precious Metals Industry.

All procedures which shall ensure the control and inspection of the system including monitoring of all operations in respect of transportation routes and processes through high level risk due diligence in connection with the gold from high risk zones inflicted by conflicts where human rights are violated further to the institution of risk-based due diligence process starting from the source of gold.

Is risk assessment reported to the management?

Compliance indicators and comments:

A Compliance Committee has been formed with regards to the supply chain compliance process and is ensured to convene once in every three months, and the evaluation of process and risks were made, and the decisions taken and the results of the evaluation were reported to the management in the same period.

Ahlatcı
Metal Rafineri A.Ş.
Pınarçay Osb. Mh. Organize San.
1. Cd. No.: 60/2 ÇORUM
Çorum V.D. No: 010 041 8853
Tic.Sic.No:11214 Mersis No : 0010 0418 8530 0011

STEP 3: DEVELOPING AND IMPLEMENTING A RISK MITIGATION/CONTROL PLAN

Compliance statement:

We declare to comply with the third step (Developing and implementing a risk mitigation/control plan)

Has an appropriate risk management strategy been determined such as terminating the employment contract, mitigating the riks involved through suspension of trade or mitigating risks during trading with respect to the course of action and risk management in case of occurrence of risks?

Compliance indicators and comments:

The Corporate Risk Management Plan has been instituted and put into operation, and risky circumstances, the courses of action in the face of any risks and the principles of risk management were determined, and risk covering methods such as terminating the employment contract, mitigating the risks involved through suspension of trade or mitigating risks during trading were set forth.

STEP 4: CARRYING OUT INDEPENDENT THIRD-PARTY AUDITS OF GOLD AND PRECIOUS METALS COMPANY'S DUE DILLIGENCE PRACTICES

Compliance indicators and comments:

A contract was executed with an independent audit firm reporting period Compliance Due Diligence.The audit will be conducted with the year and independent audit report will be submitted to the related parties.

STEP 5: REPORTING ANNUALLY ON RESPONSIBLE SUPPLY CHAIN DUE DILLIGENCE

Compliance statement:

We declare to comply with the fifth step (Reporting annually on responsible supply chain due diligence).

The corporate policies and procedures of supply chain prepared in accordance with DMCC policy and procedures have been shared with all parties and customers involved in the process, and efforts were made for their compliance with the process and annual refinery reports were published to share the indicators in respect of compliance with third parties.

Ahlatcı Metal Rafineri A.Ş.
Pınarcay Osb. Mh. Organize San. I. Cd. No : 60/2 ÇORUM
Çorum V.D.No : 010 041 8853
Tic.Sic.No:11214 Mersis No : 0010 0418 8530 0011

OVERALL RESULTS

TABLE 3: REVIEW OF THE BOARD

Are we in compliance with the policy and procedures in relation to the gold supply chain of DMCC in respect of the reporting period 01/07/2017 - 30/06/2018? YES

As set out in the statements and comments in table 2 hereinabove, a sound corporate management systems have been put in place so as to follow an effective compliance process through implementation of policies and procedures by fulfilling the requirements of DMCC policy and procedures under the gold supply chai process for the period 01/07/2017 - 30/06/2018.

Risk assessments have been made in compliance with the corporate policy and procedures under compliance process and corrective actions were planned and implemented by having processed the detected incompliance notifications.

TABLE 4: OTHER COMMENTS

Please send email for your comments regarding the report to mevzuatuyum@ahlatci.com.tr

Ahlatcı
Metal Rafineri A.Ş.
Pınarçay Osb. Mh. Organize San.
1. Cd. No : 60/2 ÇORUM
Çorum V.D.No : 010 041 8853
Tic.Sic.No:4121 Mersis No : 0010 0418 8530 0011