

AHLATÇI METAL RAFİNERİSİ A.Ş.
COMPREHENSIVE MANAGEMENT
REPORT ON THE REFINER'S
COMPLIANCE REPORT FOR THE YEAR
ENDED 30 JUNE 2017

**To the Management of
Ahlatçı Metal Rafinerisi A.Ş.**

Comprehensive Management Report to Ahlatçı Metal Rafineri A.Ş.

Introduction

We were engaged by Ahlatçı Metal Rafineri A.Ş. (the Refinery, Ahlatçı Metal Refinery or the Company) to prepare a comprehensive management report on Ahlatçı Metal Refinery's Compliance Report dated 03 July 2017.

AhlatçıMetal Rafineri Anonim Şirketi ("the Company" or "Ahlatçı Metal Rafineri") was initially established in 1984. The registered address of the company is at Pınarçay Organize Sanayi Bölgesi ("OSB") 1. Cad. No: 60 Çorum/Turkey.

Ahlatçı Metal Refinery, established over an outdoor area of 202.000 m2 with an indoor space of 15.000 m2, has a capacity of refining 312 tons of gold on an annual basis. In a facility wherein "Aqua Regia" method is employed for refining process; pure silver is obtained through electrolyte technique in an annual quantity of 468 tons in addition to production of gold.

Shareholding structure of Ahlatçı Metal Refinery is as follows:

Ahlatçı Metal Rafineri A.Ş.

	31.Dec.16		31.Dec.15	
	Amount of Share	%	Amount of Share	%
Ahmet AHLATCI	53.250.000	71	53.250.000	71
Ahmet Emin AHLATCI	15.000.000	20	15.000.000	20
Other two real shareholders	6.750.000	9	6.750.000	9
Capital	75.000.000	100	60.000.000	100
Unpaid capital	(9.869.473)		(11.250.000)	
Paid*in Capital	65.130.527	100	63.750.000	100

Scope

The objective of this engagement is to set out in detail the conclusions of the Review Process in respect of the Accredited Member's compliance with the DMCC Rules for RBD-GPM in accordance with Annex 5 – Minimum Reporting Requirements. These requirements including;

- (a) the Company's final overall rating on its level of compliance;
- (b) a summary of the individual ratings of the Ahlatçı Metal Refinery in respect of each of Rules 1 to 5 of the DMCC Rules for RBD-GPM;
- (c) details of relevant findings of the Review, including substantiations of any ratings;
- (d) confirmation of any areas excluded from scope of the Review;
- (e) an assessment of the Refinery's supply chain due diligence methods and processes as measured against other internationally recognized benchmarks (e.g. OECD Guidance); and
- (f) a corrective action plan, if required

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

Rule 1.1. Overriding Principle

Ahlatçı Metal Refinery has implemented and maintained necessary systems and procedures. The documents such as; Compliance Directive, Responsible Gold Supply Chain Policy, Customer Acceptance Policy, Know Your Customer and Customer Risk Assessment Procedure which were provided during the audit process have proven that Ahlatçı Metal Refinery has been conducting effective due diligence on its supply chain.

Rule 1.2 Supply Chain

Ahlatçı Metal Refinery, Responsible Gold Supply Chain Policy includes and addresses all relevant entities regarding in its supply chain which it does business with.

Rule 1.3 Policy and Process Implementation

Ahlatçı Metal Refinery through Responsible Gold Supply Chain Policy put into practice under the activities and implementation for the purpose of fulfilling the requirements of the regulations and standards of the national and international agencies with which it is accredited with in relation to gold refining intends to manage the supply chain process and related commercial transactions on the basis of assuming the risks involved in the process.