

AHLATÇI METAL RAFINERİ A.S.
INDEPENDENT LIMITED ASSURANCE
REPORT PREPARED AS OF
31 DECEMBER 2021, AND 2020.
IN ACCORDANCE WITH
INTERNATIONAL STANDARD ON
ASSURANCE ENGAGEMENTS ISAE 3000
ISSUED BY THE INTERNATIONAL
AUDITING AND ASSURANCE
STANDARDS BOARD

**ISAE 3000 INDEPENDENT LIMITED ASSURANCE REPORT ON THE ABSENCE OF
BUSINESS AND TRADE OF GOLD/SILVER AND PRECIOUS METALS BETWEEN AHLATCI
METAL RAFİNERİ A.S. AND THE ISLAMIC REPUBLIC OF IRAN, BOLIVARIAN
REPUBLIC OF VENEZUELA AND OTHER BANNED COUNTRIES' PUBLIC AND PRIVATE
COMPANIES AND REAL PERSONS**

To the Board of Directors

Ahlatci Metal Rafineri A.S. (AMR, Ahlatci Metal Refinery, the Company or the Refinery)

We were engaged by the Board of Directors of Ahlatci Metal Rafineri A.S. (AMR, Ahlatci Metal Refinery, the Company or the Refinery) to perform a limited assurance engagement on the "Subject Matter Selected for Limited Assurance", within the context of Gold 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 and with the guidance set out in the LBMA Responsible Gold Programme - Third Party Audit Guidance for ISAE 3000 Auditors (the Audit Guidance) issued by the LBMA. This independent limited assurance report ("the Report") was prepared for the years ended 31 December 2021 and 2020.

Subject Matter Selected for Limited Assurance

The scope of our work was limited to assurance over the below selected information for the years ended 31 December 2021 and 2020;

- a) The Company has not purchased gold or related precious metals from any of the Islamic Republic of Iran, Bolivarian Republic of Venezuela and other banned countries' public and private companies or real persons
- b) The Company has not sold gold or related precious metals to any of the Islamic Republic of Iran, Bolivarian Republic of Venezuela and other banned countries' public 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, Bolivarian Republic of Venezuela and other banned countries' public and private companies or real persons.

Our assurance does not extend to any other information for the current year or for previous periods unless otherwise indicated.

The Management Responsibilities

The management of Ahlatci Metal Refinery are responsible for the preparation and presentation of the Subject Matter Selected for Limited Assurance within the context of Gold Supply Chain Policy of the Company in accordance with the Refinery'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 for the preparation of the information in a way that is free of material misstatements.

The Auditor's Responsibility and Capability

Our responsibility is to carry out a limited assurance engagement 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 Engagements other than Audits or Reviews of Historical Financial information, issued by the International Auditing and Assurance Standards Board and with the guidance set out in the LBMA Responsible Gold Programme - Third Party Audit Guidance for ISAE 3000 Auditors (the Audit 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 provided. The choice of audit procedures is subject to the auditor's own judgement.

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

Assurance team's professional qualifications

We believe that our team possess the core competences of ethical conduct, fair presentation, due professional care, independence and integrity.

Assurance team were composed of below auditors.

Titles	Nama and Surname	Total Experience
Engagement Partner	Abdulkadir SAYICI	25
Manager	Mahmut Kahya	16
Auditor	Burak Şahin	5
Assistant Auditor	İhsan Canbazoğlu	2

Each assurance team members have knowledge, skills and open to improve their competencies. They were selected among auditors who have specialist knowledge and competence in auditing skills and techniques. They have experiences in reporting and auditing practices and standards for ISAE 3000.

Engagement partner and his team have been preparing the ISAE 3000 reports since 2012 for refiners in Turkey.

Limited assurance procedures performed

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

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

Limited assurance procedures performed (continued)

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

- Enquiries of management to gain an understanding of Ahlatci Metal Refinery's Gold Supply Chain Policy and Risk Management protocols. 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,
- We visited the Ahlatci Metal Refinery to review the procedures for goods receiving, laboratory testing and refining gold and to observe how these procedures support Ahlatci Metal Refinery's compliance regime and systems of CRM, Archive, and Traceability. Client 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 Refinery is producing according to domestic and international standards and certificates,
- Procedures, documents and information related to gold suppliers, buyers and other related parties selected in order to assess if the Refinery has an effective compliance system. As a result of the assessments, it was seen that the Refinery has established an effective compliance system that is in accordance with LBMA Responsible Gold Regulations,
- It was observed that the Refinery has established and put into force an effective management system regarding with the Refinery's Gold/Silver Supply Chain, which is in harmony with domestic and international standards. It was also observed that the Refinery has adopted appropriate internal control and intercommunication systems. The Refinery has formed a set of procedures and applications in order to identify risks in the supply chain. It was observed that the Refinery formed an appropriate "Know Your Client" (KYC) policy and "Risk Management Plan" within the context of KYC and is maintaining the system's operation. According to the origin of country and metal type of the transactions, the compliance officer is preparing country reports where information are obtained by Heidelberg Barometer, OFAC, UK, EU and UN Security Council & US Department of Treasury Sanction Lists, EITI, the World Fact book, Transparency Index, FATF Reports...etc.). It has been found that the entire system is kept in operation by establishing a Risk Management Plan, which is also used by an appropriate Customer Acceptance Policy and Compliance systems such as "World - Check" (Thomson Reuters),

Limited assurance procedures performed (continued)

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

We have checked sales and trade receivable accounts of the Company between 01 January – 31 December 2021 and 2020. We listed all the clients according to the transaction values. We checked client files according to Company's gold supply chain policy, customer acceptance policy, risk assessment policy and the other related documents.

We have checked suppliers/trade payables and cost of goods sold accounts between 01 January – 31 December 2021 and 2020. We checked suppliers' files according to the company's gold supply chain policy, supplier acceptance policy - know your client (KYC) policy, risk assessment policy and the other related documents. We randomly selected suppliers' files and tested them accordingly.

The assessment of risk in a supply chain begins with the origin of gold supply. The Company has put forth the reasonable and good faith efforts, as well as additional first-hand evidence (collected through engagement with suppliers and desk research) and credible sources in order to make reasonable determinations of gold origin. identification and "know your client" information of all actors in the gold supply chain, including, but not limited to, the gold producers, intermediaries of AMR, gold traders and exporters and re-exporters, as well as third party service providers handling the gold (e.g. logistics, processors and transportation companies).

We tried to identify the ownership (including beneficial ownership) of the companies in which the Refinery has business relations, corporate structure (including the names of corporate officers and directors) and the related businesses such related parties, affiliates and subsidiaries of the companies.

The procedures selected depend on our judgement, including the assessment of the risk of material misstatement of the Gold Supply Chain Policy, whether due to fraud or error. In assessing the risk, we consider the internal controls relevant to the Company's preparation of the Gold Supply Chain Policy in order to design procedures that are appropriate in the circumstances. 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 of our opinion to the "Subject Matter Selected for Limited Assurance", within the context of Gold Supply Chain Policy of the Company.

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

Inherent limitations

Information on non-financial activities is subject to more inherent limitations than financial information due to the characteristics of such subject matter and the obligations arising from the determination, calculation, sampling and forecasting of such information. The absence of an important regulatory body, which may provide for the selection of different but acceptable measurement techniques subject to assurance, may lead to significant measurement differences in this respect. This will lead to significant impact on comparability. 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.

In particular, where information relies on information obtained from third parties, such as lab test results, our limited independent assurance efforts do not involve testing third party information that may be of interest to such information.

Independence and competency statement

We have compiled 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 reporting.

Limited assurance

Based on the limited assurance procedures performed nothing has come to our attention that causes us to believe that Ahlatci Metal Rafineri A.S. 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, Bolivarian Republic of Venezuela and other banned countries' public and private companies or real persons for the years ended 31 December 2021 and 2020.

Compliance procedures of AMR were in all material respects, prepared and presented in accordance with the requirements of the LBMA Responsible Gold Guidance.

ADAY Bağımsız Denetim ve S.M.M.M. A.Ş.

A Member of PKF International

Abdulkadir SAYICI

Partner

İstanbul, Türkiye, April 12, 2022