

ABC Refinery (Australia) Pty Ltd

Independent Reasonable Assurance Report

Report on the Refiner's Compliance Report

William Buck ('We' or 'Our') have been engaged to provide an Independent Reasonable Assurance Report on the ABC Refinery (Australia) Pty Ltd's (hereafter referred to as 'ABC Refinery' or 'Refiner') Multi-Metal Combined Compliance Report (the 'Compliance Report') for the year ended 30 June 2022.

The Scope of our Assurance

The assurance scope consists of the Refiner's Compliance Report.

Our Opinion

In our opinion, the Compliance Report for the 12 months ended 30 June 2022, in all material respects, describes fairly the activities undertaken by the Refiner, 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* and *Responsible Silver Guidance* (the *Guides*).

Basis for Opinion

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

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* issued by the International Auditing and Assurance Standards Board and the guidance set out in the *LBMA Responsible Sourcing Programme – Third Party Audit Guidance (Audit Guide)*.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the *Audit Guide* to carry out the assurance engagement.

In conducting our engagement, we have complied with the applicable requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code).

Responsibilities of Management for the Refiner's Compliance Report

Management is responsible for the preparation and presentation of the Compliance Report in accordance with the *Guides*. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by management as relevant for demonstrating compliance with the *Guides* are the activities described within the Compliance Report.

Auditor's Responsibilities for the Refiner's Compliance Report

Our responsibility is to carry out a reasonable assurance engagement involving planning and performing procedures to obtain sufficient appropriate evidence to give reasonable assurance over the Refiner's Compliance Report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatements of the Report whether due to fraud or error.

In making those risk assessments, we considered internal controls relevant to the preparation and presentation of the Compliance Report in order to designed assurance procedures that are appropriate for the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Refiners internal controls over the preparation and presentation of the Compliance Report.

This report has been prepared for ABC Refinery for the purpose of assisting management in determining whether ABC Refinery has complied with the *Guides* and for no other purpose. Our assurance report has been prepared solely for the ABC Refinery in accordance with the terms of our engagement.

We do not accept or assume responsibility to anyone other than ABC Refinery for our work, or for the conclusions we have reached in the assurance report.

Inherent limitations

Non-financial information, such as that included in the Refiner's Compliance 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 methods used by Refiners to comply with the *Guides* may differ. It is important to read ABC Refinery's precious metals supply chain policy available on ABC Refinery's website [www.abcrefinery.com].



William Buck
Accountants & Advisors
ABN 16 021 300 521



L.E. Tutt
Partner
30 September 2022



Multi-metal Combined Responsible Gold Guidance (RGG)

and Responsible Silver Guidance (RSG)

Compliance Report 2022

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Refiner's Details

Refiner's name	ABC Refinery
Location	12 Meeks Road, Marrickville, NSW 2204 Australia
Reporting year-end	30 June 2022
Senior Management responsible for report	Sarah Bradley Group Legal and Compliance Officer

Step 1: Establish Strong Company Management Systems

Compliance Statement with Requirement:

ABC has complied fully with Step 1 – Establish strong management systems.

1.1. Adopt and commit to a company policy regarding due diligence for supply chains of gold and silver

Compliance Statement with Requirement:

ABC has adopted and commits to a policy regarding due diligence for precious metals supply chains.

Comments and Demonstration of Compliance:

ABC's Responsible Precious Metals Supply Chain Due Diligence Policy is consistent with the model set out in Annexure II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk areas and the Guides.

This policy recognises the importance of ABC in addressing ethical sourcing within our own sphere of influence and the utilisation of management systems to avoid all forms of modern slavery in our supply chain. This policy outlines compliance with high standards of anti-money laundering (AML) and combating terror financing (CTF) by monitoring and utilising a risk-based approach.

1.2. Establish management structures to support supply chain due diligence

Compliance Statement with Requirement:

ABC has established an internal governance structure to provide effective oversight and support the implementation and continuous improvement of ABC's supply chain due diligence programme.

Comments and Demonstration of Compliance:

ABC's best practice internal management system collects and maintains documentation regarding sources of Mined and Recycled Gold and Silver to ensure suppliers have not financed terrorism or contributed to conflict, nor participated in abuse of human rights or money laundering, and ensures compliance with environmental and sustainability responsibilities.

ABC's overarching authority and accountability sits with the ABC Board and the Group Legal and Compliance Officer assigns responsibility of supply chain due diligence to the ABC Compliance Officer.

1.3. Establish a strong internal system of due diligence, controls and transparency over gold and silver supply chains, including traceability and identification of other supply chain actors.

Compliance Statement with Requirement:

ABC has established a strong internal system of controls for visibility and transparency over ABC's supply chains, including traceability and identification of upstream supply chain actors.

Comments and Demonstration of Compliance:

ABC's controls of traceability are utilised as a mechanism to trace the input of each lot refined from origin to ABC.

ABC undertakes KYC compliance checks pursuant to the AML/CTF Program which includes but is not limited to identifying the precious metal's origin. This is assisted by obtaining the mining licenses and GPS co-ordinates of suppliers which are verified with the relevant regulatory government body.

ABC has a transparent and robust supply chain traceability system which records and maintains supply chain information for each lot refined, including assigning a unique reference number to each input. These records are maintained for seven (7) years. Each lot received is registered in the ABC computer system which records the entire production process.

1.4. Strengthen company engagement with Gold and Silver-Supplying Counterparties and, where possible, assist Gold and Silver-Supplying Counterparties in building due diligence capabilities

Compliance Statement with Requirement:

ABC has strengthened company engagement with Gold and Silver-Supplying Counterparties on trust and mutual recognition and where possible assisted in building due diligence capabilities.

Comments and Demonstration of Compliance:

All ABC documentation includes an acknowledgement from suppliers of their environmental and sustainability responsibilities. These relationships are further enhanced during customer on-site visits where expectations and guidance are communicated.

ABC counterparties are required to commit to ABC's Responsible Precious Metals Supply Chain Due Diligence Policy and provide extensive information, including, but not limited to their business activity, origin/source of precious metals, responsible supply chain, AML/CTF declaration and bribery questions.

ABC has assisted in establishing processes to promote responsible mining and sourcing practices through our engagement with suppliers around ESG.

1.5. Establish a confidential grievance mechanism

Compliance Statement with Requirement:

ABC has established a confidential grievance mechanism.

Comments and Demonstration of Compliance:

ABC has a well-established Complaints and Grievance Policy and Grievance Handling Policy that provides opportunities to anonymously voice concerns over the gold and silver supply chain or any newly identified risk. These policies are available on the ABC website which encourages submissions to compliance@abcrefinery.com. This platform supports Step 2 and Step 3 of the OCED Due Diligence for Responsible Supply Chains of Minerals from CAHRAs.

Step 2 – Identify and Assess Supply Chain Risks

Compliance Statement with Requirement:

ABC has fully complied with Step 2 - Identify and assess Supply Chain risks.

2.1 Conduct supply chain due diligence to identify potential risks in the gold and silver supply chain

Compliance Statement with Requirement:

ABC performs supply chain due diligence following a risk-based approach.

Comments and Demonstration of Compliance:

ABC maps the supply chain to identify and assess risks effectively by undertaking enhanced supply chain due diligence on each supplier.

ABC understands that there are inherent risks in international supply chains and chooses to partner with organisations in jurisdictions that require rigorous corporate governance. This approach reduces ABC's exposure to risks such as human rights, modern slavery and environmental risks that are common within the mining and resources industry.

2.2 Classify supply chains based on risk profiles

Compliance Statement with Requirement:

ABC has classified our gold and silver supply chain based on the risk profile determined during the initial due diligence which incorporate the threat finance and ESG factors stipulated in Step 1.1 of the RGG.

Comments and Demonstration of Compliance:

ABC's supply chain Due Diligence follows a risk-based approach before entering any business relationship, and as outlined in Step 1.1, ABC's assessment of risk in the supply chain begins with the origin of the gold and silver, identifying the beneficial owners, obtaining business and financial details, and information on the purpose and intended nature of the business relationship.

2.3 Undertake Enhanced Due Diligence measures for high-risk supply chains

Compliance Statement with Requirement:

ABC undertakes enhanced due diligence measures for high-risk supply chains

Comments and Demonstration of Compliance:

Where EDD is triggered, ABC senior management undertakes an on-site visit.

The onsite visit is aimed at substantiating the KYC information, clarifying specific supply chain due diligence findings, consulting with internal and external stakeholders such as government bodies or any upstream companies and affected third parties.

Depending on the number and severity of issue identified, an improvement plan will be drafted with the identified supplier.

Step 3 – Design and Implement a Management Strategy to Respond to Identified Risks

Compliance Statement with Requirement:

ABC has fully complied with Step 3 – Design and Implement a Management Strategy to Respond to Identified Risk.

3.1 Devise a risk management strategy for the identified risk.

Compliance Statement with Requirement:

ABC has devised a risk management strategy for an identified risk. ABC's Monitoring and Risk Management Policy outlines the strategy for risk management of an identified risk by either (i) mitigation of the risk whilst continuing the relationship with an improvement plan in place; (ii) mitigation of the risk by suspending the relationship or (iii) removing the risk by terminating the relationship.

Comments and Demonstration of Compliance:

At the core of ABC's culture is a philosophy of risk assessment, evaluation, monitoring, minimisation and control. All staff and counterparties in the supply chain commit to our Responsible Precious Metals Supply Chain Due Diligence Policy and Monitoring and Risk Management Policy.

ABC's procedure for risk management is applied strictly and all medium and high-risk supplier incident cases are monitored regularly and at a minimum, ABC applies criteria for those issues as outlined in RGG Step 3.1.

3.2 Monitor the improvement plan

Compliance Statement with Requirement:

ABC monitors improvement plans as implemented pursuant to Step 3.1.

Comments and Demonstration of Compliance:

Following the implementation of a risk mitigation strategy, the ABC Compliance Officer monitors the improvement plan in good faith. Meaningful improvements in the supply chain must be adopted and these are reported to the ICC on a monthly basis.

3.3 Report findings to the Board Committee

Compliance Statement with Requirement:

ABC reports findings to the Board Committee.

Comments and Demonstration of Compliance:

Actual and potential risks in ABC's supply chain are reported and discussed monthly at the Internal Compliance Committee meeting.

Step 4 – Obtain Independent Third-Party Assurance on Supply Chain Due Diligence

Compliance Statement with Requirement:

ABC has complied fully with Step 4 – Obtain an independent third-party assurance on ABC’s supply chain due diligence.

4.1 Assurance requirements

Compliance Statement with Requirement:

ABC has obtained an independent Third-Party Reasonable Assurance on our supply chain due diligence.

Comments and Demonstration of Compliance:

ABC has engaged the services of the independent and competent assurance provider William Buck Chartered Accountants (William Buck), Sydney, Australia.

The William Buck auditors conducting the audit / assurance engagement have extensive experience in Assurance Engagements other than Audits or Reviews of Historical Financial Information, including ISAE 3000 engagements, in addition to regular statutory assurance engagements.

Step 5 – Report Annually on Supply Chain Due Diligence

Compliance Statement with Requirement:

ABC complied fully with Step 5 - Report on supply chain due diligence.

5.1 Reporting requirements

Compliance Statement with Requirement:

ABC has reported publicly on its supply chain due diligence.

Comments and Demonstration of Compliance:

The ABC 2022 Compliance Report will be made available on the ABC Refinery website.

Management Conclusion

If users of this report wish to provide any feedback to ABC, please contact ABC’s Compliance Officer on compliance@abcrefinery.com.