



September 11, 2019

Asahi Refining USA Inc. (Asahi), a wholly owned subsidiary of Asahi Holdings, Inc., issues this public release to clarify certain aspects regarding recent press coverage on Colombian gold.

Asahi is a London Bullion Market Association (LBMA) Good Delivery refiner. This means Asahi receives unrefined gold from a variety of sources and produces and delivers refined gold bars meeting the LBMA's globally recognized standards. Asahi has a compliance program that monitors the source of all precious metals accepted into its refinery and to ensure compliance with laws as well as the principles and procedures in the Responsible Gold Guidance issued by the LBMA. The purpose of Asahi's compliance program is to detect and prevent commercial activities that contribute to money laundering and other illegal activities.

Asahi's compliance program includes due diligence on each new potential source of unrefined gold, as well as the regular and ongoing review of each existing supplier. In addition, suppliers are required to maintain precious metals policies and procedures that are in line with Asahi's program. An independent third party audit is conducted each year to confirm Asahi's compliance program adheres to LBMA's guidance document.

The recent press coverage on Colombian gold refers to CIJ Gutierrez, one of Colombia's largest and oldest intermediary refineries. The source of CIJ Gutierrez's material includes gold from artisanal mines. From these and other sources CIJ Gutierrez produces unrefined gold bars. Asahi confirms that CIJ Gutierrez has supplied unrefined gold bars to various worldwide refineries, including Asahi. The supply to Asahi represents less than 1% of Asahi's yearly refining production.

Asahi is also aware of the allegations that were made by the Colombian authorities in April 2019 against executives and suppliers of CIJ Gutierrez. There continues to be limited public information available concerning the allegations, and to Asahi's knowledge no formal charges have been brought against CIJ Gutierrez. Consistent with its policies and procedures, Asahi ceased further dealings with CIJ Gutierrez immediately upon learning of the Colombian authorities' allegations. Asahi does not have a direct relationship with consumer product manufacturers like Apple; however, Asahi's refined gold is hallmarked and therefore may be traced to Asahi.

Asahi and others have audited CIJ Gutierrez's sourcing model on several occasions, including within the last year. Asahi's most recent audit was conducted in person, and included verification of CIJ Gutierrez's sourcing policies and procedures and review of representative documentation prepared by CIJ Gutierrez on some of its sources. CIJ



Gutierrez's supply sources and exports are reviewed and approved by several Colombian government ministries. Asahi's most recent audit included review of documentation showing shipments to Asahi were reviewed and approved by Colombian authorities.

Asahi prides itself on its reputation for acting with integrity and honesty. As a leader in the precious metals industry, Asahi recognizes the unique opportunity it has in the development, implementation and continuous improvement of systems designed to detect and prevent commercial activities that contribute to the financing of armed groups, human rights abuses, money laundering, terrorism financing and other illegal activities. As part of our commitment to continuous improvement and supply chain transparency, Asahi will continue to monitor the business activities, policies and procedures of all its suppliers and act immediately upon any fact-based allegations made against suppliers.