



PROPRIETARY AND CONFIDENTIAL

INDEPENDENT REASONABLE ASSURANCE REPORT

Asahi Refining USA Inc

LBMA Responsible Gold/Silver Sourcing Assurance Engagement

2-3 May 2023



1. REPORT SUMMARY

| | |
|----------------------------------|--|
| Implementing firm | RCS Global Ltd. 7 Wornal Park, Aylesbury, HP18 9PH, United Kingdom contact@rcsglobal.com |
| Type of assessment | LBMA ISAE 3000 Reasonable Assurance Assessment |
| Refiner | Asahi Refining USA Inc. 4601 W 2100 S Salt Lake City, Utah 84120, USA |
| Assurance engagement date | 2 May 2023 – 3 May 2023 |
| Assurance period | 1 April 2022 – 31 March 2023 |

1. INTRODUCTION

We were engaged by Asahi Refining USA Inc (“The Refiner”) to provide reasonable assurance on its Refiner’s Compliance Report for the year ended 31 March 2023.

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

2. REFINER RESPONSIBILITIES

The Compliance Officer of the Refiner are responsible for the preparation and presentation of the Refiner’s Compliance Report in accordance with the *LBMA Responsible Gold Guidance Version 9 and LBMA Responsible Silver Guidance Version 1 (the Guidance)*. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the Refiner as relevant for demonstrating compliance with *the Guidance* are the activities described within the Refiner’s Compliance Report and the Refiner’s Supply Chain Policy.

3. ASSURANCE PRACTITIONER RESPONSIBILITIES

Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the Refiner’s activities described within the Refiner’s Compliance Report. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Refiner’s Compliance Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

The procedures performed depend on our judgment as assurance practitioners, including the assessment of the risks of material misstatement in the Refiner’s Compliance Report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Refiner’s Compliance Report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Refiner.

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 – LBMA Third Party Audit Guidance (the Audit Guidance)*.

This report has been prepared for the Refiner for the purpose of assisting the Compliance Officer in assessing the suitability of the assurance criteria, and hence the Refiner's supply chain policy and management systems and for no other purpose. Our assurance report is made solely to the Refiner in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than the Refiner for our work, or for the conclusions we have reached in the assurance report.

4. 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 Guidance* may differ. It is important to read the Refiner's gold and silver supply chain policy available on their website (<https://www.asahirefining.com>). Such information and methods do not fall within the scope of *the Audit Guidance*, and we have not undertaken any assessment in this regard.

5. 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.

Without modifying our conclusion, we draw attention to the description of the non-compliance identified. This relates to the supply chain due diligence procedures that are currently being implemented at the Refiner to be in line with the Guidance's requirements. The following non-conformance was identified:

The risk assessment methodology used by the Company is not fully aligned with the LBMA RGGV9. The current methodology uses a weighing system to rate suppliers, which means that factors such as country of origin can have a maximum impact of up to 30% of the total score, potentially leading to medium or low risk rating for suppliers in CAHRA countries.

6. CONCLUSION

In our opinion, the Refiner's Compliance Report and Country of Origin Annex for the year ended 31 March 2023, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of *the Guidance*.

| | |
|----------------|---|
| Signature |  |
| Assurance Firm | RCS Global |
| Date | 08 / 05 / 2023 |
| City, Country | Berlin, Germany |



RCS

GLOBAL GROUP

An SLR[®] company

**Contact RCS Global Group
for more information:**

contact@rcsglobal.com

All written content, graphics and photography
in this document have been produced
and are owned by RCS Global Ltd 2022.

All rights reserved.

