1. INTRODUCTION

We were engaged by Britannia Refined Metals Ltd to provide reasonable assurance on its Refiner’s Compliance Report for the year ended 31 December 2019.

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

2. RESPONSIBILITIES

The Compliance Officer of Britannia Refined Metals Ltd (“The Refiner”) is responsible for the preparation and presentation of the Refiner’s Compliance Report in accordance with the LBMA Responsible Silver Guidance (the Guidance). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the Compliance Officer as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner’s Compliance Report. Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the work performed. 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 Silver Programme - Third Party Audit Guidance for ISAE 3000 Auditors (the Audit Guidance).

This report has been prepared for Britannia Refined Metals Ltd for the purpose of assisting the Compliance Officer in determining whether Refiner’s Compliance Report has complied with the Guidance and for no other purpose. Our assurance report is made solely to Britannia Refined Metals Ltd in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Britannia Refined Metals Ltd for our work, or for the conclusions we have reached in the assurance report.

3. 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 silver supply chain policy available on the LBMA website: http://www.lbma.org.uk/good-delivery-list-refiners-silver-current

4. 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.

5. CONCLUSION

In our opinion, the Refiner’s Compliance Report for the year ended 31 December 2019, 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 LBMA Responsible Silver Guidance.

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<tr>
<th>Signature</th>
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<tr>
<td>Assurance Firm</td>
<td>RCS Global</td>
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<tr>
<td>Date</td>
<td>3 March 2020</td>
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<tr>
<td>City, Country</td>
<td>Berlin, Germany</td>
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</table>
Refiners Compliance Report for Britannia Refined Metals Limited

This document is prepared by Howard Gilroy, Responsible Silver Sourcing Compliance Officer, Britannia Refined Metals Limited, Botany Road, Northfleet, Gravesend, Kent, DA11 9BG to report on the activities of the Company during the 12 months ended 31 December 2019.

17.02.2020
1. **Report**

Britannia Refined Metals Ltd. (BRM) is the largest primary lead producer in Europe with a capacity to refine over 180,000 tonnes of lead per annum. The Company has LBMA “Good Delivery” accreditation and is able to produce up to 350,000 kg of refined Silver per annum.

With effect from 1 January 2018, the Company put measures into place to comply with the five-step framework for risk based due diligence contained in the OECD’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas adopted on 15 December 2010.

Britannia’s activities for the 12 months ended 31 December 2018 were audited by RCS Global, an independent third party auditor, in accordance with ISO 19011.2011 during February 2019. On the basis of this audit, the overall rating of Britannia’s performance was determined to be compliant. The audit report was provided to the LBMA who issued a Responsible Silver Certificate on 8 April 2019.

This report, prepared in accordance with ISAE 3000, confirms that the management systems put in place for 2018 are still valid during the 12 months to 31 December 2019, and sets out the reasons why Britannia, as a producer of Good Delivery Silver Bars, considers that it continues to comply with the LBMA Responsible Silver Guidance.

1. The Company has fully complied with the requirement to establish and maintain strong management systems.
   - The Responsible Silver Supply Chain Policy (issue No: 2), created in 2019, was reviewed although no changes were considered necessary.
   - The Company’s Responsible Silver Sourcing Procedure was reviewed to include a reference to ISAE 3000 and reissued (issue No.:4; date 23 December 2019).
   - The Company’s Responsible Silver Sourcing Supporting Information was reviewed to include an updated flowchart and reissued (issue No.:4; date: 23 December 2019).
   - Relevant functional departments including the Finance Department, Processing Management, the Principal Metallurgist and the Logistics Department participated in the reviews of the above procedures. The role and responsibility of each department was recorded.
   - The Company’s internal management structure continues to support supply chain due diligence activities. This involves assigning responsibility of silver supply chain due diligence, grievance mechanism and training to the Company Compliance Officer (Howard Gilroy) who reported directly to the top Management Team on a monthly basis.
   - The Company’s due diligence requirements against LBMA RSG are included in the agenda of the monthly Business Performance Review meetings, attended by senior management.
   - Refresher training was carried out across the Company between 10 and 13 December 2019 attended by Processing staff and Shift operators.
   - Responsible Silver Sourcing Procedure (issue No.:4; date: 23 December 2019) defined that all due diligence records will be maintained for five (5) years after the year end.
   - Only payment through official bank transfer are accepted, and no cash transactions were allowed.
   - As BRM does not have its own company website, its information is available to the public by application to The Company Secretary at an address included in the Company’s most recent annual financial report, published on June 6 2019 or by contacting the LBMA. BRM ‘s grievance mechanism is available to employees through the Company’s intranet, or by searching for Raising Concerns on its parent company website – [www.glencore.com](http://www.glencore.com)
2. The Company has complied with the requirement to implement a mechanism to identify and assess risks in the supply chain in accordance with LBMA Responsible Silver Guidance and/or the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to the extent that the Company’s Responsible Silver Sourcing Supporting Information determines the minimum contained silver content that is in scope.

- BRM only processes materials supplied by Glencore International AG (GIAG). The recycled silver and mined silver was supplied to BRM in 2019 from other 100% owned group companies, located in Australia, Italy and Spain. See appendix 2.

- BRM has developed a Due Diligence Checklist aligned with LBMA tools to collect and assess the tier-two suppliers’ due diligence practices for silver bearing materials sourcing, including their names, address, country, website, length of business relationship, certification status, business activities, beneficial owners (the three tier-two suppliers’ beneficial owners are GIAG, representative of all of the silver received by BRM in 2019), materials origin, transportation, risk criteria and assessment.

- As due diligence checklists were prepared for two of these group companies (Mount Isa in Australia and Portovesme in Italy) in 2018 and no high risk supply was identified as per the defined criteria, no further due diligence was carried out on these group companies in 2019.

- BRM carried out due diligence on the group owned supplier in Spain (Asturiana de Zinc SA.). Because this supplier was a 100% owned group company, the normal external public resources (i.e. Heidelberg conflict barometer, Transparency International Corruption Index, Financial Action Task Force Reports, Thompson Reuters World Check) for determination of the conflict-affected and high-risk areas were not applied. A completed Due Diligence Checklist was completed by this supplier. No high-risk supply was identified.

- To meet customer demand, the Company procured and recast 32,447.321mt (generally 99.97 and 99.985 quality) refined lead from other sources during 2019. Most of this material was originally refined at non group lead refineries and contained trace quantities of silver no greater than 25g/dmt. Of this total, 16,542.261mt, containing up to 348.869kg silver was added to the Company’s lead refining process at the premelter stage and, as a result, may have been included in total silver production. No effort has been made to review the supply chains for this refined lead as this material was out of scope of the Company’s Responsible Silver Sourcing Supporting Information.

- Daily inventory records confirm that information of incoming and outgoing transactions is registered daily, with date, weight and assay information marked well.

- Each transaction file maintains transportation documents, import/export documents, bill of lading, purchase order, invoices and material identification (laboratory analysis and weight). Information on records are consistent with electronic system and no discrepancies were disclosed.

3. The Company has fully complied with the requirement to embed a management system to respond to identified risks into its Responsible Silver Sourcing Procedure consistent with OECD guidance.

- The Responsible Silver Sourcing Procedure includes a risk mitigation process and three (3) strategies were defined: mitigate and continue to trade; mitigate by suspending trade; disengage from source. An internal reporting process to the management team is in place.

- No high-risk supply chains were identified during 2019.

4. The Company has fully complied with the requirement to arrange for an independent third party audit of supply chain due diligence by engaging RCS Global Group, an accredited LBMA audit firm, to audit the Company’s management systems and processes, together with any supply chain due diligence carried out.
• RCS Global provided a full assessment based on the ISO19011:2011 standard for the year to 31 December 2018. A copy of the assessment report was shared with the LBMA Chief Executive for review against their published requirements for the refiner.

• RCS Global have been asked to provide a full assessment based on the ISAE 3000 standard for the year to 31 December 2019.

5. BRM has fully complied with the requirement to provide a report in supply chain due diligence for the year to 31 December 2019 by preparing this report for audit.

On the basis that the Company fully complied with all of the above five steps of the LBMA Responsible Silver Guidance, the Management concludes ‘Yes’ to overall compliance.