INDEPENDENT LIMITED ASSURANCE REPORT TO THE MANAGEMENT OF T.C.A. S.P.A. ON ITS REFINER’S COMPLIANCE REPORT 2018 FOR THE LONDON BULLION MARKET ASSOCIATION’S RESPONSIBLE GOLD GUIDANCE AND RESPONSIBLE SILVER GUIDANCE FOR THE YEAR ENDED 31 DECEMBER 2018

To the Board of Directors of T.C.A. Trattamento Ceneri Auroargentifere S.p.A.

We were engaged by T.C.A. Trattamento Ceneri Auroargentifere S.p.A. (hereinafter “T.C.A.”or the “Refiner”) to perform a limited assurance on its Refiner’s Compliance Report as of December, 31 2018 prepared based on the London Bullion Market Association (LBMA) Responsible Gold Guidance and Responsible Silver Guidance.

Management’s Responsibilities for the Refiner’s Compliance Report

The management of T.C.A. is responsible for the preparation and presentation of the Refiner’s Compliance Report as of December, 31 2018 in accordance with the requirements of the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance (the “Guidance”) and for such internal control as management determines is necessary to enable the preparation of the Refiner’s Compliance Report that is free from material misstatement, whether due to fraud or error.

The criteria identified by the management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner’s Compliance Report.

Auditor’s Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (“ISQC Italia 1”) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the LBMA Responsible Gold Programme - Third Party Audit Guidance for ISAE 3000 Auditors and the LBMA Responsible Silver Programme - Third Party Audit Guidance for ISAE 3000 Auditors (the “LBMA Audit Guidance”) to carry out the assurance engagement.
**Auditor’s responsibility**

Our responsibility is to express our conclusion on the Refiner’s Compliance Report based on the procedures performed. We conducted our work in accordance with the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter also "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board ("IAASB") for limited assurance engagements and the "LBMA Audit Guidance". This standard requires that we plan and perform the engagement to obtain limited assurance as to whether the Refiner’s Compliance Report is free from material misstatement.

The procedures performed on Refiner’s Compliance Report have been based on our professional judgement and have included inquiries, primarily with company personnel responsible for the preparation of information included in the Refiner’s Compliance Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- Inquiries with the management to gain an understanding of T.C.A.’s processes and risk management protocols in place;
- Inquiries with relevant staff responsible for the preparation of the Refiner’s Compliance Report;
- Site visits to the Refiner’s venue and operating sites for observing the production process and obtaining information on the process adopted by T.C.A. in order to comply with the requirements of the Guidance;
- Interviews and obtaining of supporting documentation in order to verify the consistency of the qualitative information included in the Refiner’s Compliance Report with the available evidence;
- Review of a selection of the supporting documentation, including gold supplier counterparty due diligence file and transaction’s documentation.

Therefore, the procedures performed are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

**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 absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques that can result in materially different measurements and can impact comparability. The methods used by refiners to comply with the Guidance may differ. It is important to read the TCA’s gold and silver supply chain policy available on TCA’s website www.tcaspa.com.

**Conclusion**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Refiner’s Compliance Report of T.C.A. as at December 31, 2018 is not prepared, in all material aspects, in accordance with the requirements of the LBMA Responsible Gold Guidance and Responsible Silver Guidance.
Restriction on use

This report has been prepared for T.C.A. for the purpose of assisting the management in determining whether they have complied with the Guidance and for no other purpose. Our assurance report is made solely to T.C.A. in accordance with the terms of our engagement and should not be distributed to third parties, in whole or in part, We do not accept or assume responsibility to anyone other than T.C.A. for our work, or for the conclusions we have reached in the assurance report.

DELOITTE & TOUCHE S.p.A.

Monica Palumbo
Partner

Milan, Italy
March, 29 2019
TCA Compliance Report 2018

Table 1: Refiner’s details

<table>
<thead>
<tr>
<th>Refiner’s name</th>
<th>TCA Trattamenti Ceneri Auroargentifere S.p.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entities and locations</td>
<td>Headquarters: Zona industriale Castelluccio, 11 52010 Capolona (AR), Italy</td>
</tr>
<tr>
<td></td>
<td>Secondary Plant: Via Tagliamento 12, Altavilla Vicentina (VI)</td>
</tr>
<tr>
<td></td>
<td>Secondary Plant: Via Gramsci 10/B, Sale (AL)</td>
</tr>
<tr>
<td>Reporting year-end</td>
<td>31.12.2018</td>
</tr>
<tr>
<td>Date of Report</td>
<td>13.02.2019</td>
</tr>
<tr>
<td>Senior Management responsible for this report</td>
<td>Mr. Claudio Tavanti</td>
</tr>
<tr>
<td>Compliance Officer</td>
<td>Mr. Andrea Susi</td>
</tr>
</tbody>
</table>

History

TCA came into being in Tuscany, in the pulsating heart of the Italian gold-silver district. Founded in 1977 in Arezzo, where it is headquartered, TCA has two other branches in Vicenza and Valenza, for a total of 115 employees as at 31st December 2017 and three plants. Its partners lend to TCA their extensive experience and in-depth knowledge of the sector acquired in the Tuscan company, which has become a global leader in the jewelry industry. From its initial specialization in the treatment of ashes containing gold and silver, TCA has grown to include platinum, palladium and rhodium recovery. Having always aimed at achieving the highest quality standards, TCA has successfully undertaken a strong internationalization strategy and has established new, major business relations with top world players in refining and trading precious metals. Since November 2016, TCA is a Commercial Member of the Responsible Jewelry Council and on February 2017 TCA got the RJC Accreditation as for CoP (Code of Practice) and CoC (Chain of Custody) rules. On 3rd of October 2017, TCA got the Accreditation as LBMA Good Delivery Refiner for the Silver. The latest RJC CoC Audit has been carried out on 12th of January 2018, and the next RJC CoP Audit will be carried out within next end of the year.

Methodological Note

TCA receives lots of high, medium and low grade materials containing Precious Metals and, after the refining process, acquires the pure Gold & Silver from its national and international Suppliers. TCA deals also with the primary worldwide banks, by un-allocated precious metal accounts. As a consequence, TCA purchases non-physical precious metals from its financial counterparts.
## Table 2: Summary of activities undertaken to demonstrate compliance

### Step 1: Establish strong company management systems

**Compliance Statement with Requirement:**

We have fully complied with Step 1: Establish strong management systems.

1. **Has the refiner adopted a company policy regarding due diligence for supply chains of Gold & Silver?**

   TCA has adopted a company-wide policy and procedures regarding due diligence for the supply chain of Gold & Silver.

**Comments and Demonstration of Compliance:**

In 2012 we started formalizing our supply chain policy for responsible Gold & Silver which is based on our Code of Conduct and policy of compliance and ethics. During the reporting year, we further continued to formalize our supply chain policy for Precious Metals which is consistent with the model set out in the Annex II of the OECD due diligence guidance. This sets out our responsibility for conducting risk based due diligence, screening and monitoring of all transactions and governance structures in place. The latest responsible gold and silver policy can be found on our website.

2. **Has the refiner set up an internal management structure to support supply chain due diligence?**

   TCA has set up an internal management structure to support supply chain due diligence: the analysis activities are compliant with the policy and procedures regarding due diligence for the supply chain of Gold & Silver. TCA implemented a Manual of Responsible Gold & Silver Management System.

**Comments and Demonstration of Compliance:**

An internal management system has been set up to define the governance, roles and responsibilities, internal audit, communication and senior management review as per the adopted policy. The compliance officers have been assigned to design, supervise and review the overall process, and have a direct line of reporting to the executive committee. The management system has been updated in compliance with the Version 7 of the Responsible Gold Guidance and with the Version 1 of the Responsible Silver Guidance.

3. **Has the refiner established a strong internal system of due diligence, controls and transparency over Gold & Silver supply chain, including traceability and identification of other supply chain actors?**

**Comments and Demonstration of Compliance:**

We have a robust 'lot' receipts process, and specific documents must be received and transactional details entered before we process any gold-bearing and silver-bearing and other conflict materials. Each lot received is accurately registered in our transactional system and ensures complete traceability within our production streams. Specific controls regarding received materials (evaluation of quality through laboratory analysis, transportation documents, weight) are carried out before processing incoming material as outlined in our internal guidelines. Regular training of our employees ensures that our guidelines are followed through; any form of nonconformance is unacceptable and reported to the compliance officer and senior management. No such escalation was necessary during the reporting period.
4. Has the refiner strengthened company engagement with Gold & Silver supplying counterparties, and where possible, assist Gold & Silver supplying counterparties in building due diligence capabilities?

Comments and Demonstration of Compliance:
During the reporting period TCA has strengthened company engagement with gold supplying counterparts, as well as other suppliers of potentially conflict minerals. In 2013 we started the process to further modify our supplier agreements so that they make reference to the OECD guidelines. In 2014, 2015, 2016, 2017 and 2018 we continued with the approach started in 2013, making always strong reference to the OECD guidelines.

5. Has the refiner established a company-wide communication mechanism to promote broad based employee participation and risk identification to management?

Comments and Demonstration of Compliance:
TCA has developed a mechanism allowing employees to raise concerns over the gold and silver supply chain or other identified risks regarding conflict minerals or other compliance issues. A functional mailbox has been established which is reviewed by the compliance officer of TCA.

Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:
We have fully complied with Step 2: Identify and assess risks in the supply chain.

1. Does the refiner has a process to identify risks in the supply chain?

TCA has processes in place to identify the risks in the supply chain.

Comments and Demonstration of Compliance:
We identify and assess risks in the supply chain. For every supplier we have established a client database and allocated a risk profile according to our risk profile criteria. This process is now a formal requirement before entering any business relationship with any Precious Metals counterparty, including but not limited to Gold & Silver. Our due diligence process is carried out on a risk-based approach.

2. Does the refiner assess risks in light of the standards of their due diligence system?

TCA assesses the risk in light of the standards of its due diligence system.

Comments and Demonstration of Compliance:
Supply chain due diligence comprising all measures required by the LBMA is performed before entering into a business relationship with any gold and silver or other conflict minerals supplying counterpart. We performed enhanced due diligence for higher risk categories, which includes all gold-bearing and silver-bearing mining material and where gold and silver potentially originates from or transits via conflict affected areas and areas with human rights abuse, child labor or other high risk factors. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship following a risk based approach. If our due diligence assessment leaves doubts, we refuse to enter into a new business based on our risk criteria. The Risk Assessment procedure together with the Due Diligence system has been integrated with the documentation put in place for the Responsible Jewelry Council.
3. Does the refiner report risk assessment to the designated manager?

Comments and Demonstration of Compliance:
The Compliance Officer and his teams assess the potential risks in-line with TCA internal guidelines as well as the OECD due diligence guidance as set out in the Annex II. If risks are identified with new or existing business partners he will deny acceptance of new business partner or cancel business with existing partners.
Only if the business disagrees with the assessment of the compliance officer, the issue will be escalated to the CEO or CFO for final decision; no such escalation was necessary during the reporting period. Senior management retains the ultimate control and responsibility.

4. Does the refiner assess the risk in the light of the Country Risk, Company Risk and Commodity Risk before enter into business with new counterparty and/or during the regular transactions.

TCA assess the risk in the light of the Country Risk, Company Risk and Commodity Risk before enter into business with new counterparty and/or during the regular transactions.

Comments and Demonstration of Compliance:
TCA has implemented his risk assessment procedure basing the Investigation and Due Diligence process on the information acquired by primary worldwide business information providers (such as D&B, CERVED, World-Check by Thomson Reuters, and recently by List of Reference issued by the Bank of Italy) which helps and support the activities concerning the supervision and monitoring of the Country Risk, Company Risk and Commodity Risk which potentially could affect the new counterpart and/or the regular transactions carried out.
TCA continuously conduct a monitoring of the above mentioned Risks also collecting any kind of news which could be useful in order to re-assess the global/potential risk in the supply chain.

Step 3: Design and implement a management system to respond to identified risks

Compliance Statement with Requirement:
We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

1. Has the refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade; (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?

TCA has devised a strategy for risk management of an identified risk by either mitigation of the risk while continuing to trade; mitigation of the risk while suspending trade or disengagement from the risk.

Comments and Demonstration of Compliance:
TCA has set-up an automated and ongoing screening of all business partners for identifying risks. In addition and based on the risk assessment a regular assessment of all business partners and transactions is established. In addition any ad-hoc identified risk brought up by any stakeholder will be carefully assessed by the Compliance officer and his team and necessary actions/measures decided.

2. Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk, and regular reporting to designated senior management.

Comments and Demonstration of Compliance:
Corresponding procedures are in place and are – when necessary – applied accordingly.
Step 4: Arrange for an independent third-party audit of the supply chain due diligence

Compliance Statement with Requirement:
We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.

Comments and Demonstration of Compliance:
TCA has engaged Deloitte & Touche S.p.A. (listed in the LBMA's Approved Service Providers List) to perform a reasonable level of independent external assurance on compliance against the LBMA Responsible Gold Guidance, version 7 and Responsible Silver Guidance, version 1, for the period 1 January 2018 to 31 December 2018.
Auditors have verified that there aren't any problem related to the performance of our system, policies, procedures, processes and practices; they have suggested us to implement some actions to make our management system better.

Step 5: Report on supply chain due diligence and on implementation of Risk Assessment procedures: Management Review for the period 1 January 2018 to 31 December 2018.

Compliance Statement with Requirement:
We have fully complied with Step 5: Report on supply chain due diligence and on implementation of Risk Assessment procedures.

Comments
Further information and details of how TCA's systems, procedures, processes and controls have been implemented to align to the specific requirements in the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance have been set out in our responsible gold and silver policy which is available on our company website.
TCA has issued a Management Review, as for the LBMA Responsible Gold Guidance and Responsible Silver Guidance Management System, which provide full explanations and clarifications on the following matters: 1) Details on the Gold & Silver Supply Chain Policy; 2) New Business relationship arisen in 2018; 3) Examination and investigation on the monitoring documents provided by all the information sources utilized for this aim (Liste di Riferimento – Banca d’Italia, WorldCheck One – Thomson Reuters, Cerved, Dun & Bradstreet, Certificate of Incorporation) finalized to judge and evaluate the real risk profile of the Business Counterparts; 4) Organization, Management and Control Model as for 231/2001 Regulation: specification of the Compliance Officer and appointment of the Chairman as Responsible for the supervision of compliance with obligation in relation to Money Laundering under Italian D. Lgs. 90/2017; 5) Explanation about the training activity implemented during 2018; 6) Countries of origin of mined gold: during 2018 TCA has operated with a mined gold player from Chile.

TCA overall conclusion

Table 3: Management conclusion

<table>
<thead>
<tr>
<th>Is the refiner in compliance with the requirements of the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance for the reporting period?</th>
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<tbody>
<tr>
<td><strong>YES</strong> In conclusion, TCA implemented effective management systems, procedures, processes and practices to conform to the requirements of the LBMA Responsible Gold Guidance version 7 and Responsible Silver Guidance, version 1, as explained above in Table 2, for the reporting year end 31 December 2018. TCA is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis. During 2018, no situation or happening has suggested to Management to improve or amend the Gold &amp; Silver Supply Chain Policy. The Risk Assessment procedure has always produced successful results either in terms of qualification and monitoring of risk related to business counterparts.</td>
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</tbody>
</table>
### Table 4: Other report comments

If users of this report wish to provide any feedback to TCA with respect to this report, they can contact the compliance officer: a.susi@tcaspa.com.

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Arezzo, February 13th 2019

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Signature

Mr. Claudio Tavanti - CEO

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Compliance Report 2018

TCA