ASSESSMENT REVIEW SUMMARY REPORT
RESPONSIBLE GOLD GUIDANCE
RESPONSIBLE SILVER GUIDANCE
KENNECOTT UTAH COPPER LLC
LONDON BULLION MARKET ASSOCIATION (LBMA)
March 14, 2019
ASSESSMENT INFORMATION

Refiner Name: Kennecott Utah Copper LLC
Refiner Location: Kennecott Utah Copper, Refinery 11500 W 2100 S, Magna, UT, 84044, USA
Refiner Contact Person: Jason Lee, PIEMA
Name, Title: Principal Advisor – Product Stewardship
Email: Jason.Lee2@riotinto.com
Phone: +65 6679 9436

Lead auditor and audit team members
Dr Nicholas Garrett, RCS Global Ltd

Dates and places where the onsite assessment activities were conducted
March 11, 2019
Kennecott Utah Copper, Refinery 11500 W 2100 S, Magna, UT, 84044, USA and Rio Tinto Regional Center, 4700 Daybreak Parkway, South Jordan, UT, 84009 USA

LBMA Refiner Assessment Report

Assessment objectives:
The objective of the assessment was to determine whether the refiner’s management system, including procedures, processes and management practices, complies with:

- Version 1 of the LBMA Responsible Silver Guidance (RSG), last updated on 1 September 2017. The assessment considered the suggested actions applied to the Business Improvement Recommendations offered during the last assessment of Kennecott Utah Copper LLC (KUC), which was conducted April 9-12, 2018.

- Version 7 of the LBMA Responsible Gold Guidance (RGG), last updated on 1 September 2017. The assessment considered the suggested actions applied to the Business Improvement Recommendations offered during the last assessment of Kennecott Utah Copper LLC (KUC), which was conducted March 17-29 2018.

The assessment objective was accomplished.

Assessment scope:

<table>
<thead>
<tr>
<th>Refiner location(s) included in the assessment scope</th>
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<tbody>
<tr>
<td>Kennecott Utah Copper, Refinery 11500 W 2100 S, Magna, UT, 84044, USA and Rio Tinto Regional Center, 4700 Daybreak Parkway, South Jordan, UT, 84009 USA.</td>
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<table>
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<tr>
<th>Assessment Period</th>
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<tr>
<td>March 11, 2018 – March 10, 2019</td>
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Assessment methodology:
The auditor is the same auditor, who audited KUC against the LBMA Responsible Gold Guidance in 2017 and 2018, as well as the LBMA Responsible Silver Guidance in 2018. He has familiarity with Rio Tinto’s and KUC’s management system and processes.

The auditor used a triangulation of findings to evaluate the existence and
implementation of appropriate systems at the Refiner, addressing all areas covered by the LBMA Responsible Gold Guidance and Silver Guidance, including the implementation status of Business Improvements recommended during the previous assessments.

The audit was undertaken at the same time as a Responsible Jewellery Council Chain of Custody Audit.

In order to review every aspect of the Responsible Gold and Responsible Silver Guidance the Auditor undertook a document review, interviewed management and employees (see list further below), and undertook observations during a visit of the precious metals plant. In addition, the auditor reviewed a sample of supplier files and transactional files.

To confirm all gold and silver sourced was derived from mining by-product (anode slimes), the summary of gold and silver inventory throughout the audit period was reviewed, as well as a range of documents providing a clear view of inventory movement. These are listed below.

In addition, the auditor reviewed a sample of three concentrate supplier files out of a total of 4 concentrate suppliers and a 1% sample of associated transactional files, as per the LBMA’s 3rd Party Auditor Guidance sampling recommendations for low-risk refiners.

KUC presented to the auditor for review the following documents as supportive evidence to demonstrate it continues to meet the requirements of LBMA Responsible Gold and Silver Guidance documents. The documents were reviewed during the audit.

- Customer Acceptance & Anti-Money Laundering Policy (20 December 2013): has defined KUC’s policy to not accept cash for precious related sales.
- The Way We Work (September 2017 edition): commits to transparent communication on operation & financial performance, and complying with applicable laws in every country where Rio Tinto works, including cooperation with government authorities and providing full access to records and information as appropriate.
- Rio Tinto Management System HSEC-B-01 (effective 1 April 2015) and samples of HSEQ Management Meeting records
- Rio Tinto Responsible Jewellery Council Chain of Custody Scope Document (last revised 1 March 2019). Has defined management review frequency, review content, review team members, and internal audit requirements.
- MKTGSOP-001 Standard Operating Procedure Precious Metals Order
Management (last revised March, 2019). Has defined records retention period minimum 5 years, staff accountability on precious metal sourcing, and requirements on anti-money laundering for new and existing customers.

- MKTGSOP-002 Operating Procedure External Raw Material Purchasing (last revised March 2019)
- Samples of copper concentrate supplier files for check as per the LBMA Guidance documents’ requirements.
- Samples of copper concentrates tolling agreements (contracts) for check as per the LBMA Guidance documents’ requirements.
- Samples of invoices used as Chain of Custody Transfer Documents
- Samples of tender documents for logo usage verification
- Sample country of origin certificates (three)
- Final Smelter Production Plan (includes purchased concentrates sources / names)
- Sample extracts of Refinery Production and Inventory Report for 2018
- Internal Workbook Silver Inventory Process
- Internal Workbook Gold Inventory Process
- Silver bar list
- Gold bar list
- SAP system was utilized to record received gold and/or silver-bearing materials which ensure the unique reference number. In addition, sampled invoices marked the silver and gold content, weight and dates.
- Brinks Supplier Risk Assessment (2017)
- Employee Training schedule 2018/2019
- Employee training records, including RJC CoC / LBMA training records: 2019
- Excel tracking sheet for finished product tracking
- Managing External Inquiries briefing note 2019
- Rio Tinto Business Solution data entry form for incident reporting
- Tracking sheet for active customers
- “Listen Up” grievances platform (online)
- Rio Tinto 5x5 Risk Assessment Matrix

Assessment summary:

All gold and silver produced by KUC is derived from copper mining by-product (anode slimes) with gold and silver per se, first emerging as gold and silver in KUC’s precious metals plant on KUC’s property.

The entire copper feedstock of the refinery is derived from mines in the USA. No externally procured recycled gold or silver is used in the process.

KUC demonstrated a robust risk management system during the previous full assessment, though the process for silver was not as mature as that for gold. Business improvement recommendations were offered for the silver and gold management processes. No corrective actions were requested.

During this current Assessment Review commitment to the implementation and maintenance of the relevant management system was evident. In addition, past
recommendations for business improvement were reviewed and progress on implementation was evident, resulting in KUC’s application of the practical requirements of the LBMA Guidance documents gaining further in maturity.

Overall, KUC’s performance in this assessment was satisfactory and no corrective actions were requested following this Assessment Review. Recommendations for Business Improvement were offered and have been included in the report to the refinery.

**Statement of the confidential nature of the contents:**
All the data contained in the assessment report, as well as all information obtained during the performance of the certification, is private and confidential between the auditing body and the Refiner.

**Any significant or inherent limitations or areas not covered that were within the assessment scope:**
There were no significant or inherent limitations or areas not covered that were within the assessment scope.

During the Assessment Review, RCS Global was informed of the following changes of the Entity’s operation: the sales team has physically moved from the Rio Tinto Regional Center in South Jordan to an office in Chicago. For the future, it is recommended that the assessment scope is extended to include the office in Chicago.

As a result of the purchasing, sales and marketing processes, remaining unchanged and records being managed online, the auditor concludes that the move does not have a negative impact on the auditee’s ability to comply with the requirements of the Responsible Gold and Responsible Silver Guidance. The team in Chicago was available to the auditor via webex link during the audit.

**Assessment criteria:**
- The auditor or assessment team considered all relevant objective evidence provided by the Refiner. Relevant evidence was either qualitative or quantitative in as far as it is appropriate and sufficient to support the auditor or assessment team’s conclusions. Appropriate evidence is evidence that is relevant and reliable. Sufficient evidence refers to the amount of evidence provided to allow the auditor or assessment team to reach a conclusion.
- Any actual or potential gaps in the Refiner’s systems in regards to the LBMA requirements are rated in accordance to the level of risk each presents to the credibility and integrity of the LBMA Responsible Gold and Silver Programmes for the responsible sourcing of gold and/or silver-bearing materials.

**Distribution list**
This report is issued for the benefit of KUC and will be shared with the Rio Tinto Principal Advisor - Product Stewardship, Commercial for further transmission within KUC. The final version of this Refiner Assessment Report and the LBMA Summary Report will be submitted by the auditing body to the LBMA Executive. In accordance with Step 5 of the LBMA Responsible Silver and Responsible Gold Guidance, Refiners should make the LBMA Summary Report available to the public.
### Assessment findings:

<table>
<thead>
<tr>
<th>Category/subcategory</th>
<th>Non-compliance/Observation: Include evidence found to substantiate the non-compliance as well as frequency of its occurrence.</th>
<th>Recommended corrective action</th>
<th>Timeframe for implementing corrective actions</th>
<th>Refiner comments</th>
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### Assessment conclusions

Based on the above assessment conclusions, the overall rating of the Refiner’s performance is determined to represent:

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<tr>
<th>Compliant</th>
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### ASSESSMENT CONCLUSIONS

Refer to the LBMA Third-Party Audit Guidance, Appendix 1 to determine the level of conformance for each sub-category.

<table>
<thead>
<tr>
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<td>B.</td>
<td>Step 1: Establish strong Refiner management systems</td>
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<td>C.</td>
<td><strong>Step 2:</strong> Identify and assess risk in the supply chain</td>
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<td>D.</td>
<td><strong>Step 3:</strong> Design and implement a management strategy to respond to identified risks</td>
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<td>E.</td>
<td><strong>Step 4:</strong> Arrange for an independent third-party audit of the supply chain due diligence</td>
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<td>F.</td>
<td><strong>Step 5:</strong> Report on supply chain due diligence</td>
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The Auditors confirm that:

- The information provided by the Refiner is true and accurate to the best knowledge of the Auditor(s) preparing this report.

- The findings are based on verified Objective Evidence relevant to the time period for the assessment, traceable and unambiguous.

- The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.

- The Auditor(s) are properly qualified to carry out the assessment at this Refiner's facility.

Lead Auditor: Dr Nicholas Garrett

Date: 14 March 2019

Ends.