

LBMA Responsible Gold and Silver Guidance - Annual Summary Assessment Report

For third-party audits based on ISO19011:2011.

Prepared for: London Bullion Market Association (LBMA)

Date: 10 September 2019

Final Version 0

ASSESSMENT INFORMATION	
Refiner Name:	Perth Mint Refinery
Refiner Location:	131 Horrie Millar Drive, Perth Airport
Refiner Contact Person: Name, Title: Email: Phone:	Kelly Curtis, Acting Responsible Metals Specialist kelly.curtis@perthmint.com.au 08 9479 9952
Audit Body and Lead auditor	Bureau Veritas Italy, Stephen Rogers
Dates and places where the onsite assessment activities were conducted	02.09.2019 - 04.09.2019 Perth Mint Refinery, 131 Horrie Millar Drive, Perth Airport

Summary of Findings:

The Auditor concludes that the due diligence processes for supply chain managed by Perth Mint Refinery are now very mature and continue to be robust. Processes to manage gold and silver-bearing materials are in place, with no non-compliances identified regarding Country of Origin shipments, information and documentation. Excellent risk assessment and audit processes continue to be implemented, with a higher degree of awareness to potential conflict gold and silver transactions sourced from overseas locations.

There has been a notable improvement in the due-diligence and care for the Responsible Metals processes within PMR and the Perth Mint Shop. Responsible Metal requirements has seen increased awareness by staff, and four cases were identified with potential for fraudulent activity, referred to authorities, though no prosecutions.

All of the observations and opportunities raised at the last audit have been addressed and implemented. Minor observations and opportunities have been raised during this audit.

ASSESSMENT CONCLUSIONS							
CATEGORY	SUBCATEGORY	Compliant	Non compliance – risk level				
			Low	Medium	High	Zero Tolerance	
General Information		✓					
Step 1: Establish strong Refiner management systems	1.1	✓					
	1.2:	✓					
	1.3	✓					
	1.4	✓					
	1.5	✓					
Step 2: Identify and assess risk in the supply chain	2.1	✓					
	2.2	✓					
	2.3	✓					
Step 3: Design and implement a management strategy to respond to identified risks	3.1	✓					
	3.2	✓					
Step 4: Arrange for an independent third-party audit of the supply chain due diligence	4.1	✓					
Step 5: Report on supply chain due diligence	5.1	✓					

	Non Compliance – risk level				
	Compliant	Low	Medium	High	Zero Tolerance
Based on the above assessment conclusions, the overall rating of the Refiner’s performance is determined to represent:	✓				

Assessment scope:	
<i>Refiner location(s) included in the assessment scope</i>	<i>Perth Mint Refinery, 131 Horrie Millar Drive, Perth Airport, Western Australia, 6105</i>
<i>Assessment Period</i>	<i>01.07.2018 - 30.06.2019</i>

Assessment methodology:
<p><i>The Auditor used several methods to obtain information and evaluate the existence and implementation of appropriate systems at Perth Mint Refinery, addressing all areas covered by the LBMA Responsible Metals Guidance documents. Each area of the LBMA Responsible Metals Guidance was verified by documentation and record review and management/employee interviews, as well as observation during the facility tour.</i></p> <p><i>The evidence of compliance that was reviewed included:</i></p> <ul style="list-style-type: none"> • <i>The following areas of the operation were visited during the tour at the refinery:</i> <ul style="list-style-type: none"> ○ <i>Balance Room (PMR)</i> ○ <i>Perth Mint Shop</i> ○ <i>Bullion Services Offices (Perth Mint)</i> • <i>The following interviews were conducted with management:</i> <ul style="list-style-type: none"> ○ <i>Nathan Edwards, Operations Manager, PMR</i> ○ <i>Kelly Curtis, Contracts Administrator and Acting Responsible Metals Specialist, PMR</i> ○ <i>David Koch, General Manager, Corporate Governance and Risk</i> ○ <i>Cathy Anza, Manager Shop and Exhibition, Perth Mint</i> ○ <i>John O’Donahue, Corporate Settlements Manager, Perth Mint</i> • <i>The following interviews with employees were conducted:</i> <ul style="list-style-type: none"> ○ <i>Ross Pollard, Production Supervisor, PMR</i> ○ <i>Trent Beever, Receipts Officer, PMR</i> ○ <i>Satimon Ambe, Receipts Officer, PMR</i> ○ <i>Essa Khawani, Receipts Officer, PMR</i> ○ <i>Jamie-Lee Cuff, Refinery Operator, PMR</i> ○ <i>Jane Mellowship, Customer Lodgements Officer, PMR</i>

Any significant or inherent limitations or areas not covered that were within the assessment scope:
<i>Nil</i>

Assessment criteria:
<p><i>The auditor took into account all relevant objective evidence provided by the Perth Mint Refinery. Relevant evidence was either qualitative or quantitative in as far as it is appropriate and sufficient to support the auditor’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.</i></p> <p><i>Any actual or potential gaps in Perth Mint Refinery’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 Metals Programmes for the responsible sourcing of gold and silver-bearing materials.</i></p>

The Auditor confirms that:

- ✓ The information provided by the Refiner is true and accurate to the best knowledge of the Auditor preparing this report.
- ✓ The findings are based on verified Objective Evidence relevant to the time period for the assessment, traceable and unambiguous.
- ✓ The Auditor has acted in a manner deemed ethical, truthful, accurate professional, independent and objective.
- ✓ The Auditor is properly qualified to carry out the assessment at this Refiner's facility.

Lead Auditor: Stephen Rogers

Signature:



Date: 10 September 2019
