

Henan Zhongyuan Gold Smelter LLC

LME Responsible Sourcing - Red Flag Assessment

Independent Assurance Report

The year ended 31st December, 2021

Independent Assurance Report to Henan Zhongyuan Gold Smelter LLC

We were engaged by Henan Zhongyuan Gold Smelter LLC ('Zhongyuan Smelter') to provide limited assurance on its LME Red Flag Assessment Report ('the Report') for the year ended 31st December, 2021.

Responsibilities

The directors of Zhongyuan Smelter are responsible for the preparation and presentation of the LME Red Flag Assessment Report in accordance with the *LME Policy on Responsible Sourcing of LME-Listed Brands* ('the Policy'). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived.

Our responsibility is to carry out a limited 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.

The extent of evidence-gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

This report has been prepared for Zhongyuan Smelter for the purpose of assisting the directors in determining whether there is any material misstatement in Zhongyuan Smelter's LME Red Flag Assessment Report and for no other purpose. Our assurance report is made solely to Zhongyuan Smelter in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Zhongyuan Smelter for our work, or for the conclusions we have reached in the assurance report.

Limited assurance procedures performed

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

- Enquiries of management to gain an understanding of Zhongyuan Smelter's processes and risk management protocols in place
- Enquiries of relevant staff responsible for the preparation of the Report
- Assessing the suitability of the policies, procedures and internal controls that Zhongyuan Smelter has in place to conform to the *LME Policy on Responsible Sourcing of LME-Listed Brands*
- Review of a selection of the supporting documentation, including copper supplier counterparty due diligence file and transaction's documentation
- Test a selection of the underlying processes and controls that support the information in the Report
- Review of the presentation of the Report to ensure consistency with our conclusion

Inherent limitations

Non-financial information, such as that included in the LME Red Flag Assessment 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 to comply with the *Policy* may differ, it is important to read the Zhongyuan Smelter's supply chain policy which can be reached from the contact of Zhongyuan Smelter.

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.

Conclusion

Based on our work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement in Zhongyuan Smelter's LME Red Flag Assessment Report for the year ended 31st December, 2021.

Deloitte Touche Tohmatsu Certified Public Accountants LLP Beijing Branch
Deloitte Touche Tohmatsu Certified Public Accountants LLP Beijing Branch

28th June, 2022

Beijing, the People's Republic of China