

Independent Limited Assurance Report on the force labor of Gold/Silver Refinery and its Supply Chains For third-party audits based on ISAE 3000



Independent Limited Assurance Report to Shandong Gold Smelting Co., Ltd

We were engaged by Shandong Gold Smelting Co., Ltd. to provide limited assurance on the “force labor”, within the context of Responsible Gold/Silver Supply Chain Policy of the company, Independent limited assurance work was conducted in accordance with International Standards 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 with the guidance set out in the LBMA Responsible Gold/Silver Programme - Third Party Audit Guidance for ISAE 3000 Auditors (the Audit Guidance) issued by the LBMA. An independent limited assurance report (“the Report”) was prepared for the year ended 31 March 2025.

Subject Matter Selected for Limited Assurance

This report has been prepared for Shandong Gold Smelting Co., Ltd. for the purpose of assisting the management in determining whether there has been any trade or business of gold/silver in the refinery or its supply chain which apparently have force labor. Our assurance report is made solely to Shandong Gold Smelting Co., Ltd. in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Shandong Gold Smelting Co., Ltd. for our work, or for the conclusions, we have reached in the assurance report.

Management Responsibilities

The director of Shandong Gold Smelting Co., Ltd. are responsible for the preparation and presentation of the Subject Matter Selected for Limited Assurance within the context of Gold/Silver Supply Chain Policy of the Company in accordance with Shandong Gold Smelting Co., Ltd.'s internally defined procedures and for the development of the Reporting Criteria. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the director as relevant for demonstrating compliance with the Gold/Silver Supply Chain Policy.

The Auditor’s Responsibilities

Our responsibility is to carry out a limited assurance engagement 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 Gold Programme - Third Party Audit Guidance and the LBMA Responsible Silver Programme - Third Party Audit Guidance for ISAE 3000 Auditors (the Audit Guidance).

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.

Limited assurance procedures performed.

- The Refinery has not purchased gold or silver from any of the supply chain with force labor.
- The Refinery has not sold gold or silver to any of the business partner with force labor.

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- The Refinery does not have any other kind of business relationship with its all up-streams and down-streams with force labor.

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

- The Refinery's Gold/Silver Supply Chain processes were asked to the management of the company to understand the risk management procedures and necessary clarifications were obtained. Within the scope of preparation of this report, necessary interview was obtained from the responsible staff and workers.
- • Refiner's production site visited, the whole Gold/Silver processing was observed, Procedures, documents, and information related to Gold/Silver suppliers, buyers and other related parties were selected, including the Refinery's Gold/Silver Supply Chain Due Diligence Policy for human rights, non-force labor commitment and questionnaire. As a result of the assessments, it was showed that the Refinery has established an effective management system to identify force labor and risk mitigation measures.

We have carried out the following audit procedures to test the "Subject Matter Selected for Limited Assurance":

- We have checked the human resource policy of refinery to assess if the Refinery has force labor, such as recruitment, resign, labor contract, and observe the freedom in the workshop, management & worker interview, and complaint channel.
- We have checked all up-streams and down-streams supply chain between 1 January 2024 and 31 December 2024, reviewed the refinery's Gold/Silver Supply Chain Due Diligence Policy for human rights, non-force labor commitment and questionnaire, risk assessment and other related documents. We randomly selected suppliers' files and tested them accordingly.
- The force labor risk assessment in a supply chain begins with the origin of gold/silver supply, the refinery collected the information through engagement with suppliers, desk research and site visit by compliance officer. Identification the force labor information of all actors in the gold/silver supply chain, including, but not limited to, the gold/silver-bearing concentrate mine, traders, as well as third party service providers handling the gold/silver (e.g. logistics, processors, and transportation companies)

Inherent limitations

Non-financial information, such as that included in the non-force labor statement, 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 Shandong Gold Smelting Co., Ltd.'s gold and silver supply chain policy and non-force labor statement available on Shandong Gold Smelting Co., Ltd.'s website <https://www.sd-gold.com/cmscontent/4969.htm> and <https://www.sd-gold.com/cmscontent/4970.html>

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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 out in the Audit Guidance to carry out the assurance engagement.

Conclusion

Based on the limited assurance procedures performed, as described above, nothing has come to our attention that would lead us to believe that Shandong Gold Smelting Co., Ltd. with regards to the "Subject Matter Selected for Limited Assurance", there has been any trade or business of gold/silver in the refinery or its supply chain which apparently have force labor for the year ended 31 December 2024. Compliance procedures of Shandong Gold Smelting Co., Ltd. were in all material respects, prepared and presented in accordance with the requirements of the *LBMA Responsible Gold Guidance* and the *LBMA Responsible Silver Guidance*.

A handwritten signature in black ink, appearing to read 'Xiao Wu' followed by a stylized flourish.

TUV

31 March 2025

LAIZHOU, CHINA