

LBMA Responsible Gold Guidance - Annual Summary Assessment Report

For third-party audits based on ISO19011:2011.

Prepared for: London Bullion Market Association (LBMA)
Date: 23 August 2017
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: | Nathan Edwards, Operations Manager Nathan.edwards@perthmint.com.au 08 9479 9952 |
| Audit Body and Lead auditor | SAI Global, Stephen Rogers |
| Dates and places where the onsite assessment activities were conducted | 21.08.2017 - 22.08.2017 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-bearing materials are in place, with no non-compliances identified regarding Country of Origin shipments, information and documentation. Good risk assessment and audit processes continue to be implemented, with a higher degree of awareness to potential conflict gold transactions sourced from overseas locations. There has been the usual questioning from providers operating from South Africa, however no transactions have been processed. Responsible Gold requirements at a local level has been a focus with two prosecutions resulting from the diligence of PMR staff to identify gold of questionable authenticity. Many of the observations and opportunities raised at the last audit have been assessed and either implemented, deferred or identified as not appropriate.

| 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>01.07.2016 - 30.06.2017</i> |

Assessment methodology:

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 Gold Guidance. Each area of the LBMA Responsible Gold Guidance was verified by documentation and record review and management/employee interviews, as well as observation during the facility inspection.

The evidence of compliance that was reviewed included:

- *The following areas of the operation were visited during the tour at the refinery:*
 - *Balance Room*
 - *Office*
- *The following interviews were conducted with management:*
 - *Nathan Edwards, Operations Manager, PMR*
 - *Alex Gowland, Production Manager, PMR*
 - *Kelly Curtis, Contracts Administrator, PMR*
- *The following interviews with employees were conducted:*
 - *Ross Pollard, Production Supervisor, PMR*
 - *Trent Beever, Receipts Officer, PMR*
 - *Satimon Ambe, Receipts Officer, PMR*
 - *Essa Khawani, Receipts Officer, PMR*
 - *Brian Barnett, Receipts Officer, PMR*

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

Assessment criteria:

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.

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 Gold Programme for the responsible sourcing of gold-bearing materials. No gaps were identified during this annual assessment audit.

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: 23 August 2017

**ANNEX 1 – COUNTRY OF ORIGIN
GOLD RECEIPTED 2016-17**

Australia
Fiji
Indonesia
Japan
Malaysia
New Zealand
Papua New Guinea
Philippines
Singapore
Solomon Islands
Thailand
United Kingdom