

**ISGOLD ALTIN RAFINERISI ANONIM
SIRKETI
INDEPENDENT ASSURANCE REPORT
PREPARED IN ACCORDANCE WITH
INTERNATIONAL STANDARD ON
ASSURANCE ENGAGEMENTS (ISAE 3000) AS
OF DECEMBER 31, 2020**

To ISGOLD Altın Rafinerisi A.S. Board of Directors and Management

Independent Assurance Report of ISGOLD Altın Rafinerisi Anonim Sirketi (Prepared in accordance with ISAE 3000 International Standard on Assurance Engagements)

We are authorized by the Board of Directors of ISGOLD Altın Rafinerisi A.S. (Company, ISGOLD) to provide assurance regarding the Responsible Gold Supply Chain Report (“Report”) prepared based on the Company's December 31, 2020 year-end Istanbul Stock Exchange (BIST), and OECD Harmonization Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Cooperation and Development (OECD).

Scope of Our Study

Independent assurance studies were carried out in the light of the legislation and regulations stipulated in the Third Party Audit Regulation for ISAE 3000 auditors, within the framework of the Assurance Audit Standard 3000: Other Assurance Audits Except for the Independent Audit or Limited Independent Audit of Historical Financial Information published by the Public Oversight, Accounting and Auditing Standards Authority and Istanbul Stock Exchange Precious Metals Responsible Supply Chain Compliance Guide published by Istanbul Stock Exchange (BIST), and the Independent Assurance Report (Report) was prepared. The scope of assurance consists of the Refinery Compliance Report (“Report”).

Responsibilities

ISGOLD Altın Rafinerisi A.S. Management is responsible for the preparation and submission of the Report in accordance with Istanbul Stock Exchange Responsible Gold Supply Chain Guide. This responsibility includes establishing an appropriate risk management system and an effective internal control system that assists in compiling reported information. These criteria, which show compliance with the BIST Regulations determined by the management, are the activities of the Company included in the Refinery Compliance Report. This responsibility includes the design, implementation and maintenance of the necessary internal control system in order to ensure that the Gold Supply Chain Policy is prepared in a way that does not contain errors and/or material misstatements resulting from fraud and irregularity, and reflects the truth honestly.

Our responsibility is to express an opinion on these studies based on our independent assurance audit. Our studies were carried out in accordance with the “Assurance Audit Standard 3000: Other Assurance Audits Except for the Independent Audit or Limited Independent Audit of Historical Financial Information” published by the Public Oversight, Accounting and Auditing Standards Authority.

This report has been prepared only for informing ISGOLD Altın Rafinerisi A.S. Management and cannot be used for any other purpose. Our responsibility for the performance of assurance services is only towards ISGOLD Management, and is within the framework of the conditions agreed with ISGOLD. We do not have or assume any liability for any other purpose or towards any person or entity.

Assurance Procedures Performed

Audit procedures were planned and conducted to obtain all the evidence, information and disclosures we consider necessary within the framework set out above. These procedures include:

Questions were asked to the ISGOLD Management regarding the content of the Company's Gold Supply Chain processes, Risk management procedures, Istanbul Stock Exchange Responsible Gold Supply Chain Compliance Report and the "Compliance Guide for the Responsible Supply Chain for Minerals of Conflict-Affected and High Risk Areas" of the Organization for Economic Cooperation and Development (OECD), and necessary explanations were received.

Necessary explanations were received from the persons involved in the preparation of this report. Meetings were held with the Company's compliance officer to assess the risks that the company may foresee.

ISGOLD Management and operating staff were asked about the Customer Identification System and transaction examples related to certain customers that we have selected or observed.

Interviewed with the relevant staff responsible for the preparation of the Compliance Report.

A site visit was performed to the company's management center.

The appropriateness of the policies, procedures and internal controls implemented by the company to comply with the Audit Regulation was assessed.

The dossiers and supporting documents, including transaction documents, for gold supplying parties selected through sampling were reviewed.

Procedures, documents and information regarding the due diligence process of the BIST Precious Metals intermediary institutions and refineries' directive on the internal control system and compliance principles of gold suppliers and buyers and other interested parties were selected for the purpose of reviewing, necessary inspections and audits were carried out, and an effective Compliance system was established in the intermediary institution and the operation of the system was found to be appropriate.

The consistency of the issues included in the Compliance Report was compared with the findings obtained as a result of the audits and inspections, and it was seen that all issues were consistent.

It has been observed that the refinery has established an old management system that has become operational in accordance with the national and international standards that have been put into effect regarding the Gold Supply Chain process, that it has established an appropriate internal control and communication system, procedures and practices for identifying risks in the supply chain and taking the necessary measures, and it has a procedure for accepting a suitable customer and following and updating them within the scope of the Customer Identification System (KYC).

The Compliance Report presentation was reviewed to ensure consistency with our findings.

Inherent Limitations

Information related to non-financial activities is subject to more inherent limitations than financial information due to the characteristics of the issue subject to limited assurance and the obligations arising from the determination, calculation, sampling and estimation of such information.

The absence of an important regulatory body that can provide the selection of different but acceptable measurement techniques in the issue subject to assurance may lead to significant measurement differences in this regard. This will have a significant impact on comparability.

Accuracies of different measurement techniques can also vary. In addition, the methods used in determining this type of information, the nature of the work and the measurement techniques used and their accuracies may change over time. The most important issue is to read the Independent Assurance Report within the framework of ISGOLD's current gold supply chain policy and methodology, which is shared on ISGOLD's website (www.isgold.com).

Declaration of Independence and Competence

We fully comply with the “Ethical Rules for Independent Auditors” published by the Public Oversight, Accounting and Auditing Standards Authority. In the broadest sense, these ethical principles include full independence and other obligations based on integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Our independent assurance report was conducted by a team of experts in Responsible Gold Policies and Gold Supply Chain System reporting.

Opinion

In our opinion, based on the independent assurance procedures carried out as mentioned above, there was no issue that indicates that the Precious Metals Intermediary Institution Compliance Report of ISGOLD Altın Rafinerisi A.S. as of December 31, 2020 is not in compliance with the requirements of Istanbul Stock Exchange Responsible Gold Supply Chain Guide in terms of all important issues.

ADAY BAĞIMSIZ DENETİM VE S.M.M.M. A.Ş.

(A MEMBER OF PKF INTERNATIONAL)



Abdulkadir SAYICI

Partner

Istanbul-Turkey, 28.03.2022

Annex: Intermediary Institution Compliance Report

ISGOLD ALTIN RAFINERISI A.S.

Borsa Istanbul A.S.

Precious Metals Responsible Supply Chain

Compliance Report

June 2021

"Istanbul Stock Exchange Precious Metals Responsible Supply Chain Compliance Guide", prepared by Istanbul Stock Exchange, is a Compliance Guide which defines the minimum requirements required throughout the entire precious metal supply chain of precious metals intermediary institutions operating in the Precious Metals Market and the refineries (Declarants) established in Turkey included in the Refinery List; based on the "Compliance Guidelines for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas" in line with OECD's FATF recommendations.

This Compliance Guide aims that the Declarants;

- Comply with Stock Exchange regulations and international standards in the procurement of precious metals,
- Minimize the effects of existing risks by establishing in-house policies, procedures and regulations, and determine the steps to be taken against possible risks,
- Fight against human rights violations,
- Avoid contributing to the conflict,
- Adopt high standards of due diligence to ensure international compliance,
- Fight against laundering proceeds of crime and financing of terrorism,
- Have a strong company management,
- Address its Environmental and Sustainable responsibilities.

This report summarizes the compliance of ISGOLD Altin Rafinerisi A.S. with the "Istanbul Stock Exchange Precious Metals Responsible Supply Chain Compliance Guide".

1. Information About the Refinery

Title	ISGOLD Altin Rafinerisi A.S.
Address	İkitelli OSB Mahallesi, Marmara Sanayi Sitesi, S Blok, No:5-6, Küçükçekmece - İSTANBUL
Reporting Period	01.06.2020-31.05.2021
Prepared By	Cetin Genc (Internal Control and Supply Chain Compliance Officer)
Responsible Procurement and Compliance Committee	Cetin Genc (Internal Control and Supply Chain Compliance Officer) Burcin Tetikel (Internal Auditor) Ergun Asik (Sales Manager) Engin Aydin (Production and Quality Manager)
Responsible Senior Management	Erdem Asik (Chairman of the Board) Miray Kuz (Deputy Chairman of the Board)
Report Date	08.06.2021

At the core of the responsible precious metals supply chain is the Five Step Approach, which will be outlined in the Compliance Report. The Five Step Approach is considered the minimum standard for establishing and continually improving compliance practices for each of the key areas in the

supply chain of precious metals intermediary institutions and refineries. Corporate governance practices and principles are taken as basis in the operation and development of the internal control and compliance systems of precious metals intermediary institutions and refineries.

2. Summary of Activities Taken to Demonstrate Compliance

Step 1: Establishing a Strong Company Management System

Compliance Statement:

We fully comply with Step 1- Establishing a Strong Company Management System.

a. Is there a company policy regarding gold supply chain due diligence?

Compliance Indicator and Interpretation:

ISGOLD Altin Rafinerisi has a Responsible Gold Supply Policy in line with the model set forth in the Istanbul Stock Exchange Precious Metals Responsible Supply Chain Compliance Guide and OECD Compliance Guide Annex II for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

This Policy sets out our corporate responsibility and full commitment to ensure that the procurement and sale of precious metals does not directly or indirectly contribute to human rights violations, conflicts, irreparable environmental degradation, corruption, money laundering and financing of terrorism.

It is possible to access the Policy, which is open to the public and updated annually, from the "Compliance" section of our corporate website or from the link www.isgold.com.tr/tr/sorumlu_altin_politikasi.

b. Has an internal management structure been established to support supply chain due diligence?

Compliance Indicator and Interpretation:

ISGOLD Altin Rafinerisi has a management system that effectively integrates supply chain due diligence into its organizational structure and processes.

Duties, roles and responsibilities for implementing the policy and supporting procedures and managing the due diligence process are clearly defined. An Internal Control and Supply Chain Compliance Officer has been appointed by the Board of Directors to develop an internal management structure in accordance with the principles in the policy. Reporting directly to the CEO, the Internal Control and Supply Chain Compliance Officer has all the necessary authorities to perform his/her duties and is responsible for all issues related to the precious metals supply chain due diligence of ISGOLD Altin Rafinerisi. Ultimate control and responsibility over the precious metals supply chain rests with Senior Management.

ISGOLD Altın Rafinerisi has formed a Responsible Procurement and Compliance Committee to form an audit structure consisting of Internal Control and Supply Chain Compliance Officer, Internal Auditor, Sales Manager and Production and Quality Manager. The Responsible Procurement and Compliance Committee is responsible for monitoring and approving the updated risk level determined for each counterparty.

c. Has a strong system of due diligence, control and transparency over the gold supply chain been established, including traceability and identification of other supply chain actors?

Compliance Indicator and Interpretation:

ISGOLD Altın Rafinerisi identifies all new and existing suppliers and customers in the supply chain and records the necessary information and documents.

According to the Customer Acceptance and Risk Assessment Procedure, the customer's "Know Your Customer" documents must first be obtained and approved in order for gold to be accepted and processed. Then a customer profile is created. The CRM system (ISGOLD IOM) contains information about customers in the gold supply chain. The traceability system starts with a reference (ID) number belonging to the customer during the acceptance of the goods, and a tracking and risk assessment is performed on a Transaction basis for each transaction lot. Goods acceptance, analysis results and product tracking are performed on a transaction basis.

d. Has a company-wide communication mechanism been established to encourage broad-based employee engagement and reporting of identified risks to the management?

Compliance Indicator and Interpretation:

ISGOLD Altın Rafinerisi has developed a Grievance and Whistleblowing Procedure as part of the ongoing dialogue with our internal and external stakeholders. This procedure covers appropriate measures to allow anonymous communications. Via the e-mail address compliance@isgold.com, any interested party (employees, stakeholders or counterparties) - both individually and collectively - can raise concerns or raise issues related to the supply chain and related risks.

While the Human Resources department deals with internal complaints, the Internal Control and Supply Chain Compliance Officer is responsible for monitoring and evaluating all incoming external supply chain and risk-related communications and informing Senior Management about each newly identified risk. As part of the Quarterly Compliance report, or more frequently if necessary, s/he creates a list of complaints received for review by Senior Management. Depending on the nature of the complaint, Senior Management determines an appropriate action plan for resolving the complaint and engaging with the relevant parties. During the period during which the report was reviewed, any complaints and whistleblowing statements were recorded.

Step 2: Identification and Assessment of Risks in the Supply Chain

Compliance Statement:

We fully comply with Step 2 - Identification and Assessment of Risks in the Supply Chain.

a. Is there a process for identifying risks in the Supply Chain?

Compliance Indicator and Interpretation:

ISGOLD Altin Rafinerisi implements a comprehensive process to identify and assess risks related to the precious metals supply chain. Sensitive customer management processes have been developed, consisting of "Know Your Customer" filters, which collect information on the risk of conflict, human rights and white-collar crimes in a robust process for reviewing all applying Counterparties.

Risk assessment process of ISGOLD Altin Rafinerisi prevents it from entering into any business relationship with any counterparty that does not fully comply with all the requirements set out in our Responsible Gold Procurement Policy. In addition, it has defined strict criteria to create a risk profile for each counterparty supplying precious metals. The risk assessment includes a detailed risk classification based on a three-level scale for each supply chain. When a high-risk supply chain is identified and no action is taken to reduce the risk, the business relationship with the counterparty is not established, or the business relationship with the current customer is terminated.

b. Are risks assessed within the framework of the standards of the due diligence system?

Compliance Indicator and Interpretation:

ISGOLD Altin Rafinerisi systematically performs supply chain due diligence procedures before entering into a business relationship with any counterparty supplying precious metals. Accordingly, in accordance with our policies and procedures, during the risk identification and assessment in the "Know Your Customer" stages, the enhanced due diligence process occurs when the Internal Control and Supply Chain Compliance Officer identifies any level of risk that requires further investigation to determine whether to continue the due diligence process or to determine non-compliance. In addition, we continuously monitor and review all transactions that occur throughout the entire business relationship, applying a comprehensive risk-based approach.

c. Is the Risk Assessment reported to senior management?

Compliance Indicator and Interpretation:

Senior Management is responsible for approving all new Counterparties that supply precious metals regardless of risk level. The Internal Control and Supply Chain Compliance Officer reports to the CEO at least quarterly any change in the level of risk associated

with existing counterparties and/or metal suppliers. The CEO sets an appropriate roadmap for each situation; Senior Management retains ultimate control and responsibility for the precious metals supply chain of ISGOLD Altin Rafinerisi:

Step 3: Establishing and Implementing a Strategy That Can Respond to Identified Risks

Compliance Statement:

We fully comply with Step 3 - Establishing and Implementing a Strategy That Can Respond to Identified Risks.

a. Has a risk management strategy been developed for an identified risk by (i) reducing risk while continuing to trade, (ii) reducing risk while suspending trading, or (iii) avoiding risk?

Compliance Indicator and Interpretation:

OECD Due Diligence Guide and UN Business and Human Rights: It has defined and adopted an appropriate strategy for risk management of any new issue identified based on the prevention, detection and response model, as required by the Guiding Principles. This allows ISGOLD to manage risk through rigorous risk assessment and investigation (advanced due diligence) and mitigate and ameliorate adverse impacts in the precious metals supply chain. This approach includes determining the level of risk, taking into account the country of origin, the supplier, the product, the complexity of the supply chain and other relevant elements, information and circumstances. The risk level is reviewed and updated at least quarterly.

b. Where a risk-reducing management strategy is implemented, does it include the measurable steps taken and achieved, the periodic re-assessment of risks, the monitoring of performance and the regular reporting to senior management?

Compliance Indicator and Interpretation:

As clearly stated in the Customer Acceptance and Risk Assessment Procedure, systems have been prepared in such a way that all procedures in the process, including the transportation phase and transit routes from the source of the precious metal, can be followed, within the scope of the Customer Acceptance Policy, relevant customer certificates and documents were recorded and examined, periodic reporting were made to the senior management, risk assessment was identified with on-site audits and additional applications, if necessary, and measures were taken to ensure the safe continuation of the business relationship or the acceptance of goods.

Step 4: Organizing an Independent Third Party Audit for Supply Chain Due Diligence

Compliance Statement:

We fully comply with Step 4 - Organizing an Independent Third Party Audit for Supply Chain Due Diligence.

Compliance Indicator and Interpretation:

ISGOLD Altin Rafinerisi made an agreement with PKF Istanbul, which is on the list of independent Audit Firms, for the compliance assessment based on Istanbul Stock Exchange Precious Metals Responsible Supply Chain Compliance Guide and signed a contract for the relevant compliance process. ISGOLD Compliance Report and Independent Assurance Report are publicly available under the Compliance title on the ISGOLD Altin Rafinerisi website (www.isgold.com) or via the link www.isgold.com.tr/tr/uyumraporu2021.

Step 5: Supply Chain Due Diligence Report

Compliance Statement:

We fully comply with Step 5 - Supply Chain Due Diligence Report.

Compliance Indicator and Interpretation:

The report and information on the compliance of 2021 system, procedures, working principles and processes of ISGOLD Altin Rafinerisi with the OECD's "Compliance Guide for Responsible Supply Chain for Minerals from Conflict-Affected and High Risk Areas" and BIST's "Precious Metals Responsible Supply Chain Compliance Guide" can be found in the Compliance and independent assurance report in company policies published on our company's website www.isgold.com.

3. General Assessment

Is it in compliance with the requirements of Istanbul Stock Exchange Precious Metals Responsible Supply Chain Compliance Guide in the relevant reporting period?

Yes. ISGOLD Altin Rafinerisi has implemented effective management, systems, procedures, processes and practices in order to comply with the requirements of Istanbul Stock Exchange Precious Metals Responsible Supply Chain Compliance Guide for the reporting year of 01 June 2020 - 31 May 2021, as explained in this Compliance Report. ISGOLD Altin Rafinerisi is committed to continuous improvement and the audit recommendations determined will be implemented in the next reporting period.

4. Other Report Comments

If the readers of this report want to give any feedback or ask any questions to ISGOLD Altin Rafinerisi regarding its content, they can contact our Internal Control and Supply Chain Compliance Officer by sending an e-mail: compliance@isgold.com

Istanbul, 08.06.2021

ISGOLD Altin Rafinerisi A.S.

Erdem Asik

Chairman of the Board

Cetin Genc

Internal Control and Supply Chain Compliance Officer