



**Zijin Mining Group Gold Smelting Co., Ltd.**

**Third-Party Audit based on ISAE 3000**

**Management report**

Rev.01 July 2020

***Move Forward with Confidence***



**BUREAU  
VERITAS**

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| <b>Company Name:</b>                                 | Zijin Mining Group Gold Smelting Co., Ltd.      |
| <b>Location:</b>                                     | No. 100, Qingang Road, Shanghang, Fujian, China |
| <b>Reporting year-end:</b>                           | 31 December 2023                                |
| <b>Audit date</b>                                    | 01 March 2024 (1 man-day*2 auditors)            |
| <b>Date of Report</b>                                | 30 March 2024                                   |
| <b>Senior management responsible for this report</b> | Mr. Wu Weihuang/GM, lzlgz@163.com               |

| <b>Assurance team's professional qualifications;</b> |                        |                     |                        |
|--|------------------------|---------------------|------------------------|
| <b>Team Leader:</b>                                  | <b>Qualifications:</b> | <b>Team Member:</b> | <b>Qualifications:</b> |
| Li Eason ZHANG                                       | LBMA Qualified Auditor | Henry TENG          | LBMA Qualified Auditor |
|  |                        |                     |                        |
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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.

### **The assurance scope and level of assurance:**

We were engaged by Zijin Mining Group Gold Smelting Co., Ltd. to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 December 2023.

The assurance scope consists of the Refiner's Compliance Report.

### **Summary of assurance procedures:**

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

- Site visits to the refiner
- Review of refiner's gold supply chain policy and internal methodology documents
- Consideration of the refiner's existing internal or external audits, and supply chain Due Diligence initiatives that could be relied upon
- Obtain an understanding of the refiner's operations (including list of all suppliers with risk lever and gold received in the reporting period)
- Perform a walkthrough of the Refiner Due Diligence process to gain an understanding of implemented controls and procedures
- Testing a representative sample of refiner supplying counterparty Due-Diligence files and transactions to confirm that documentation related to Due Diligence measures in the

supply chain is systematically requested, collected and maintained on file in compliance with the LBMA Responsible Sourcing Guidance.

- Sampling principle, the sampling was based on the number of transactions and suppliers, focus on the transactions and suppliers with red flag and high risk.  
Supplying counterparty due diligence documents review:  
Low-risk: 10% supplying counterparty due diligence documents, minimum 10 until to confirm the results of assurance.  
High-risk: 100% due diligence documents review until to confirm the results of assurance.  
Transaction documents and materials balance test:  
Low-risk: 2% of total transactions, minimum 50 until to confirm the results of assurance.  
High-risk: 100% transactions review until to confirm the results of assurance.
- Review of draft Refiner's Compliance Report

**Any significant or inherent limitations or areas not covered:**

There was no significant or inherent limitations or areas not covered that were within the assurance scope.

**Assurance observations, findings and recommendations for improvement:**

Total 1 Medium risk level non-compliances were raised during this assessment.

*Updated on 30 March 2024, NC closed.*

*The refiner engaged with upstream supply chains to collect the finance data, no high risk was found through verify the data.*

**Specific observations with respect to the Refiner's Corrective Action Plan and implementation progress:**

The Reasonable Assurance was conducted on 01 March 2023 by two auditors of Bureau Veritas. The refiner will take action to correct these NCs in 90 days.

**Assurance conclusion**

Please refer to the conclusion within the independent assurance report.

**Countries of Origin Annex for mined and recycled Precious Metal including the amounts (Kgs.) received from each origin**

Please, see the attached file [Refiner Data Collection Form & CoO\_Gold\_Zijin Mining Group Gold Smelting Co., Ltd.\_China\_01032024]

**Other relevant information**

1. The refiner has established the LBMA RGG Supplier Due Diligence Policy, Management System and Risk Mitigation strategy and they were well maintained. The Compliance Director Mr. Lin Fengxian was replaced by Mr. Wu Weihuang. All Compliance team members attended the opening meeting and close meeting. As per management interview, the top management has positive attitude and support the due diligence in its supply chains.

2. The LBMA compliance team training was performed twice a year, the records were reviewed during the audit. LBMA Responsible Gold Guidance (Version 9) was performed on 2023/4/27 and the refresh training of supply chain due diligence policy and implementation was performed on 2023/12/15.
3. The refiner has established the Risk Classification, Supply Chain Map (Mineral/Recycled) as due diligence tools to identify all entities in its supply chains.
4. As per the commitment and due diligence form provided by all gold-bearing suppliers, they committed to comply with LBMA RGG requirements. During the audit, auditor checked the commitment letter, due diligence investigation form, risk assessment, no systematic or widespread human rights violations ESG issue was found in their supply chains.
5. The ESG manager and Legal expert of Zijin Group attended the whole assessment, ESG introduced the ESG promotion in the whole group including the working dedicated to eliminating negative impacts.
6. For negative news on media, ESG team of Zijin Group has notified and explained it during the audit. They will engage with local worker union and government to address the issues step by step.
7. In the finance year of 2023, the gold-bearing materials were mainly from domestic, they purchased gold concentrate from the mine owned by Zijin Group in Colombia and Guyana.
8. Total 108 suppliers and total 2056 transactions in 2023, randomly sampled 13 due diligence documents (including 100% supply chain due diligence of Colombia & Guyana) and 50 transactions for review (including 100% transactions from Colombia & Guyana).
9. The refiner has certified the management system of ISO9001, ISO14001 and ISO45001.



Bureau Veritas  
30 March 2024  
Longyan, China

The Auditors confirm that:

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

Lead Auditor: Li ZHANG

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*Li Zhang*  
Signature:

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Date: 30 March 2024