Altınbaş Kıymetli Madenler Borsası A.Ş

INDEPENTED LIMITED ASSURANCE REPORTED PREPARED AS OF 31 DECEMBER 2020 IN ACCORDINCE WITH INTERNATIONAL STANDARD ON ASSURANCE ENGAGEMENT ISAE 3000 ISSUED BY THE INTERNATIONAL AUDITING

Altınbaş Kıymetli Madenler Borsası A.S.

We have been engaged by the Board of Directors of Altınbaş Kıymetli Madenler Borsası A.Ş. (" Altınbaş ") to perform a limited assurance engagement on the "Subject Matter Selected for Limited Assurance", within the context of Anti-Money Laundering and Countering Financing of Terrorism 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. An independent limited assurance report ("the Report") was prepared for the year ended 31 December 2020

The Management Responsibilities

The management of Altınbaş Kıymetli Madenler Borsası A.Ş. are responsible for the preparation and presentation of the Subject Matter Selected for Limited Assurance within the context of Anti-Money Laundering and Countering Financing of Terrorism Policy of the Company in accordance with Company'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. Furthermore, the responsibility includes designing, implementing, and maintaining systems and processes relevant for the preparation of the information in a way that is free of material miss statements.

The Auditor's Responsibility

Our responsibility is to carry out a limited assurance engagement on the above-mentioned information in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standards on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information (Revised), 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) issue d by the LBMA.

The extent of evidence-gathering procedures performed in a limited assurance engagement are less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

This report has been prepared for Altınbaş Kıymetli Madenler Borsası A.Ş. for the purpose of assisting the management in determining whether there has been any Anti-Money Laundering and Countering Financing of Terrorism and Our assurance report is made solely to Altınbaş in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Altınbaş for our work, or for the conclusions we have reached in the assurance report.

Aday Bağımsız Denetim ve S.M.M.M. A.Ş., PKF International Limited ağının üyesi olup hukuken bağımsız bir tüzel kişiliğe sahiptir ve bu ağın diğer üyelerinin faaliyetleri nedeniyle herhangi bir sorumluluk ya da yükümlülük kabul etmemektedir.
Aday Bağımsız Denetim ve S.M.M.M. A.Ş. is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Limited assurance procedures performed

The following identified information in the Report was selected for an expression of limited assurance:

a) The company has not taken any money laundering action.
b) The company has not taken any action to finance terrorism.

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

- Enquiries of management to gain an understanding of Altınbaş Anti-Money Laundering and Countering Financing of Terrorism Policy and Risk Management protocols. Questions about the Refinery's Compliance System were asked and required disclosures were obtained,
- Enquiries of relevant, responsible staff and the required disclosures were obtained,
- The complete Gold/Silver Supply Chain process was observed, and the required disclosures obtained, and necessary audits and controls were performed regarding the functionality of the system.
- We visited the Altınbaş to review the procedures for goods receiving, and to observe how these procedures support Altınbaş's compliance regime and systems of CRM, Achieve, and Traceability. Client transactions are covered through the traceability system staring from goods acceptance, and details of customs declaration or consignment bill to invoicing.
- It was observed that the Company has established and put into force an effective management system regarding with the trade Gold/Silver Supply Chain, which is in harmony with domestic and international standards. It was also observed that the company has adopted appropriate internal control and intercommunication systems. The has formed a set of procedures and applications in order to identify risks in the supply chain. It was observed that the company formed an appropriate "Know Your Client" (KYC) policy and "Risk Management Plan" within the context of KYC and is maintaining the system's operation.

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

We checked sales and trade receivable accounts of the Company between 01.01-31.12.202 0 . We listed all the clients according to the transaction values. We checked client files according to Company's anti-Money laundering and countering financing of terrorism policy, gold /silver supply chain policy, customer acceptance policy, risk assessment policy and the other related documents.

We checked suppliers' payables and cost of goods sold accounts between 01.01-31.12.2020. We checked suppliers' files according to the company's gold /silver supply chain policy, know your customer (KYC) procedure and the other related documents. We randomly selected suppliers' files and tested them accordingly.

The assessment of risk in a supply chain begins with the origin of gold / silver supply. The Company has put forth the reasonable and good faith efforts, as well as additional first-hand evidence (collected through engagement with suppliers and desk research) and credible sources in order to make reasonable determinations of Gold/Silver Origin. Identification and " know your customer" information of all actors in the gold /silver supply chain, including, but not limited to, the gold/silver producers, intermediaries of Altınbaş, precious metal traders and exporters and re-exporters, as well as third party service providers handling the gold / silver (e.g. logistics, processors and transportation companies).

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Altınbaş has a Risk Assessment Manuel where all the KYC procedure, required documentation and in formation for due diligence or enhanced due diligence, responsible persons and their tasks & duties risk assessment procedures and internal workflow is de fined in detail. Along with its effective KYC documentation and tools (CRM, achieve system) Altınbaş has executed its KYC procedures. According to the origin of country and metal type of the transactions, the compliance officer is preparing country reports where information are obtained by Heidelberg Barometer, OFAC, UK,EU and UN Security Council & US Department of Treasury Sanction Lists, EITI , The World Fact book, Transparency Index, FATF Reports...etc.) Furthermore, during customer profiling, type of customer (bank, manufacturing jeweler, retailer jeweler, trader, mines...) and an independent internet search through recognized web address like OFAC, Turkish Capital Markets Board's Blacklist are taken into consideration.

We tried to identify the ownership (including beneficial ownership) of the companies and corporate structure, including the names of corporate officers and directors; and the related businesses, subsidiaries of Altınbaş, parents, affiliates.

We have not carried out any work on data reported for prior reporting periods except for data that was included in the prior year's assurance scope, nor have we performed work in respect to future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the "Subject Matter Selected for Limited Assurance", with in the context of of Anti-Money Laundering and Countering Financing of Terrorism Policy of the Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud, or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating, and determining such data. The absence of an important regulatory body, which may provide for the selection of different, but acceptable, measurement techniques subject to limited assurance may result in different quantifications between different entities. The accuracy of different measurement techniques can also vary. In addition, the methods used to determine such information and the nature of the work, and the measurement techniques and accuracy used may vary over time. The most important issue is that the Limited Independent Assurance Report can be read within the given criteria.

Our limited assurance relies on the premise that the data and information provided to us by Altınbaş Kıymetli Madenler Borsası A.Ş. have been provided in good faith. As an audit firm, we expressly disclaim any liability or co-responsibility for any decision a person or an entity may make based on this Limited Assurance Report.

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Independence and competency statement

We have complied this report in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on the fundamental principles of integrity, objectivity, and professional competence and due care, confidentiality and professional behavior. Our engagement was conducted by a team of assurance specialist s with experience in responsible gold/silver reporting.

Limited assurance

Based on the limited assurance audit procedures performed, Altınbaş Kıymetli Madenler Borsası A.Ş.'s there is no money laundering transaction or any transaction to finance terrorism for end of the December 2020

ADAY Bağımsız Denetim ve SMMM A.Ş.
A Member of PKF Internaional

Abdülkadir SAYICI
Partner

Istanbul, Turkey 15 November, 2021

Aday Bağımsız Denetim ve S.M.M.M. A.Ş., PKF International Limited ağının üyesi olup hukuken bağımsız bir tüzel kişiliğe sahiptir ve bu ağın diğer üyelerinin faaliyetleri nedeniyle herhangi bir sorumluluk ya da yükümlülük kabul etmemektedir.
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