



DUE DILIGENCE POLICY – REFINING CUSTOMERS

Purpose of Policy

ABC Refinery (“ABC”) is committed to the conduct of its business to the highest standard to ensure that all precious metals come from legitimate and ethical sources and do not contribute to conflict, human rights abuses, terrorist financing practices and money laundering. This Due Diligence Policy (“Policy”) and ABC’s practices for handling precious metals are consistent with Australian regulatory requirements. ABC further meets the strictest industry requirements relating to compliance, anti-money laundering, terrorist financing and dealing in conflict minerals as laid down in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected High Risk Areas and accompanying Gold Supplement (Appendix 1) together with the London Bullion Market Association Responsible Gold Guidance (Appendix 2).

Due Diligence Application Process

Each new customer requesting services from ABC is required to complete the refining application contained in Appendix 3 (recycled gold) and Appendix 4 (mining companies). The completed application form together with documents (“Due Diligence File”) is provided by the Relationship Manager to the Compliance Officer for review. The Compliance Officer reviews the Due Diligence File and assesses if it is adequate. Only complete Due Diligence Files may be accepted for consideration. The Compliance Officer may request additional documents or information if necessary. The Compliance Officer further performs a search of the UN Sanction list to confirm no Customer representative nor shareholder is listed.

Supply Chain Risk Assessment

Once the Compliance Officer determines the Due Diligence File contains sufficient information for a decision to be made, the Compliance Officer assigns a risk profile rating (low, medium, high or extreme) to the file using the matrix in Appendix 5 as a guide. For all customers deemed to be “high risk” and “extreme risk”, enhanced due diligence shall be performed as outlined in the Appendix. Enhanced due diligence includes the completion of a physical site visit by an ABC representative and completion of a report in the form contained in Appendix 6.

Customer Approval

Once a risk profile rating has been allocated, the Supply Chain Assessment Form (Appendix 7) is completed and the file submitted to the appropriate person for consideration. Each Due Diligence File shall either be “approved” or “rejected” for business on the basis of ABC’s risk-based approach to due diligence. No new customer may be approved for business until they have been subjected to ABC’s Due Diligence Process.

Responsibility

The Compliance Officer is responsible to oversee the due diligence process with the support of the ABC’s Compliance Committee (Appendix 8). Senior Management retains the ultimate control and responsibility for the supply chain. Senior Management will carefully select and supervise the Compliance Officer and give him/her the necessary means to perform his/her duty. Senior Management should approve each new supply chain assessed as “high” or “extreme risk” and should revisit each year the decision whether to continue with these business relationships or not. The Compliance Committee shall provide Senior Management with a report and its recommendation of whether a “high” or “extreme risk” customer should be approved each year.

Gold Traceability

Once approved for business, each Customer is assigned with a unique customer identification number. Each lot received from the Customer is assigned with a sub-identification number before the gold-bearing material is processed for refining.

FROM MINE TO MARKET, YOUR PARTNER IN PRECIOUS METALS

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On-going Customer Due Diligence & Monitoring

Once the Customer has been approved, all ABC Refinery employees that have contact with the Customer have a duty to report any known change in information contained in the Due Diligence File, or any suspicious information, to the Compliance Officer in accordance with ABC's Whistleblowing Policy.

Modification to Due Diligence File

All modifications regarding the Customer including bank account, legal representation, legal structure etc, shall be submitted to the Compliance Officer. The Compliance Officer shall submit the modification request for approval by the appropriate party with ultimate responsibility for the Customer.

Inactive Customers

In the case of customers who have been inactive for one (1) year, the Due Diligence File must be updated, validated and resubmitted for approval should they elect to recommence business.

Due Diligence Document Retention

All due diligence files must be maintained in a safe and secure manner and for a minimum of five (5) years following the end of the fiscal year (30 June). This applies to both approved and rejected customers.

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