



**LBMA RGG**  
**Independent Reasonable Assurance Report**  
**For third-party audits based on ISAE 3000**

**Rev. 02**  
**September**  
**2020**

**Independent Reasonable Assurance Report to Zijin Mining Group Gold Smelting Co., Ltd. on its  
Refiner's Compliance Report 2023 for the London Bullion Market Association's Responsible  
Gold Guidance**

**To the Board of Directors of  
Zijin Mining Group Gold Smelting Co., Ltd.**

**Management's Responsibilities**

**Auditor's Responsibilities**

**Inherent limitations**



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**Independent Reasonable Assurance Report**  
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**Rev. 02**  
**September**  
**2020**

**Independence and competency statement**

**Conclusion**

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**Zijin Mining Group Gold Smelting Co., Ltd.**  
**Compliance report for the year of 2023**  
**(2023/01/01-2023/12/31)**

<b><u>Table 1</u></b> <b><u>Company Profile</u></b>	
Company Name:	Zijin Mining Group Gold Smelting Co., Ltd.
Address:	No. 100 Qingang Road, Shanghang County, Fujian Province, China
Reporting year -end:	December 31, 2023
Date of Report	January 30,2024(Revised on August 23,2024)
Senior management responsible for this report	Wu Weihuang, general manager

Zijin Mining Group Gold Smelting Co., Ltd. was established in January 2016, formerly known as the Zijin Mining Group Co., Ltd. Gold Smelting Plant established in 1997. The company is located in Nangang Industrial Development Zone, Shanghang County, and is a registered member of the London Bullion Market Association (LBMA) and the Shanghai Gold Exchange. It has an annual smelting and production capacity of over 100 tons of high-purity gold.

The company adheres to relying on technological progress and has independently developed leading equipment in the same industry in China, such as overall pressurized high-temperature cyanide free desorption equipment, vertical constant flow carbon regeneration furnace, and 49 gold refining device. It has mature industrial technology in fields such as gold bearing carbon analysis, high-purity precious metal refining and processing. Its main products include 1Kg, 3Kg, 12.5Kg standard gold ingots, and 99.999% high-purity gold. The company serves the Zijinshan Gold Mine as a platform and actively expands the entrusted processing, purchase and sales of external composite gold, as well as the processing and sales of high-purity gold. The factory qualification rate of gold ingots is 100%, and the product quality is better than the standard requirements of the Shanghai Gold Exchange. The company is the first enterprise in the domestic gold industry to pass the integrated system certification of quality, environment, and occupational health and safety, and has passed the energy management system, automobile quality management system and national safety standardization level 2 enterprise certification.

In 2005, Zijin Mining Group Co., Ltd. organized the "London Bullion Market Association Certification" (LBMA certification), which was passed in March 2006. The gold smelter became one of its qualified delivery gold refiners.

<b><u>Table 2: Summary of compliance verification activities</u></b>
<b>Step 1: Establish a company management system</b>
<p><b>Compliance Statement with Requirement:</b></p> <p>We have completely completed step 1: Establish a company management system. We have established a well structured due diligence team for the gold supply chain, specializing in handling the work of the gold supply chain. According to the requirements of the LBMA Guidelines for Responsible Gold of the London Bullion Market Association , in 2013 we issued the Methods for Due Diligence in the Gold Supply Chain and the</p>

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"Gold Supply Chain Due Diligence Policy". In 2016, we converted and continued to implement the above documents, and updated the fifth version in January 2023.

**1.1 Does the refinery adopt a supply chain policy for gold supply chain due diligence?**
**Comment and Demonstrate Compliance:**

After communicating with all employees, our company has finally released a reasonable due diligence policy for the gold supply chain, which incorporates the risk and risk management measures outlined in Annex 2 of the OECD Due Diligence Guidelines (OECD Annex 2) and extends to addressing adverse ESG factors in the company's primary gold supply chain. The senior management of the company conducted a review of the "Due Diligence Policy for the Gold Supply Chain" in 2023, which has been updated and published on the website of Zijin Mining Group <https://www.zjky.cn/global/program-detail-21203.htm>. Conduct a search. In the future, it will be updated and revised in a timely manner according to LBMA's standard requirements and the actual operation of the company, and then submitted to the board of directors for review.

**5 H O H E D U W P H Q W V**

Zijin Mining Group Gold Smelting Co., Ltd. has established a gold supply chain due diligence team, with the company's general manager serving as the compliance director and team leader. The group members are composed of personnel from relevant departments such as the company office, finance department, marketing department, and group company marketing department. Among them, the Market Department is the daily work management department for due diligence in the gold supply chain; The office director is the compliance specialist and deputy team leader; The marketing department personnel of the group company are the contacts between the group company and LBMA.

**& R P S D S O L F \**

Zijin Mining Group Gold Smelting Co., Ltd. clearly recognizes the adverse effects of mining processing and importing and exporting metal products from conflict areas and high-risk areas, and also clearly recognizes our responsibility to respect human rights and not support conflicts. Zijin Mining Group Gold Smelting Co., Ltd. must adopt a gold supply chain policy that incorporates the risks and risk management measures outlined in Annex II of the OECD Due Diligence Guidance (OECD Annex II), and extends to addressing adverse ESG factors in the Refiner's primary gold supply chain, and strictly abides compliance with environmental, health, safety and labour regulation in country of operation and/or company policy, and actively participates in the due diligence work of the gold supply chain, and ensures that the source of gold is legal. To this end, we make the following commitments:

1. Adopt a zero-tolerance policy for human rights violations caused by mining, transportation or trading of metals:

1.1 Any forms of torture, or inhuman and degrading treatment;

1.2 Any forms of compulsory labour, that is, forcing anyone to work or provide services in a threatening manner, rather than voluntarily;

1.3 Worst forms of child labour;

1.4 Sexual violence or other gross human rights violations;

1.5 War crimes, or other serious crimes against International Humanitarian Law, against humanity, and for causing genocide.

If we confirm that the upstream supplier has violated any of the above, we will immediately suspend or

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suspend transactions and contact with this supplier.

2. Adopt a zero-tolerance policy for acts directly or indirectly supported by illegitimate non-state armed groups, or public or private security forces:

2.1 Illegally control mines, sites, traders or other intermediaries, and transport routes through the supply chains;

2.2 Illegally tax or extort money or minerals through the supply chains.

3. Do not propose, promise, give or request bribes or kickbacks to individuals, government officials, customers, suppliers or any other organizations in any way, and do not falsely report the origin of gold.

4. Comply with taxes, fees and royalties due to governments related to mineral extraction, trade and export from Conflict-Affected and High-Risk Areas (CAHRAs).

5. Adopt a zero tolerance policy towards money laundering, terrorism financing, and contribution to conflict behaviors.

6. Adopt a zero tolerance policy for adverse ESG factors that do not comply with environmental, health, safety and labour regulation in country of operation and/or company policy.

6.1 Environmental management, including:

6.1.1 Failure to comply with air, water, land pollution and incident management plans and water stewardship policies (especially in water scarce and stressed areas);

6.1.2 Unauthorised sourcing from World Heritage Sites and Protected Areas.

6.2 The storage, handling, and disposal of hazardous chemicals (including mercury and cyanide) do not comply with international Cyanide Management Code.

6.3 Failure to comply with management of labour issues, including remuneration, working hours, collective bargaining, discrimination, diversity, disputes and safeguarding of workers.

6.4 Failure to comply with Community engagement and management programmes (land acquisition and community resettlement, cultural heritage sites and indigenous people, closure planning and safeguarding of vulnerable populations).

6.5 Failure to comply with management of business integrity and ethical conducts, and failure to support the implementation of relevant initiatives such as the Extractive Industry Transparency Initiative (EITI).

If we confirm that the upstream supplier has violated any of the above, we will immediately suspend or suspend transactions and contact with this supplier.

7. Require our employees, suppliers and business partners to abide by the above policies and take necessary measures to ensure the implementation of the above policies.

Zijin Mining Group Gold Smelting Co., Ltd. is willing to accept the supervision of customers and related organizations, and welcomes suppliers and stakeholders to provide suggestions on the above policies.

### 1.2 Does the refinery establish an internal management structure to support supply chain due diligence?

#### Comment and Demonstrate Compliance:

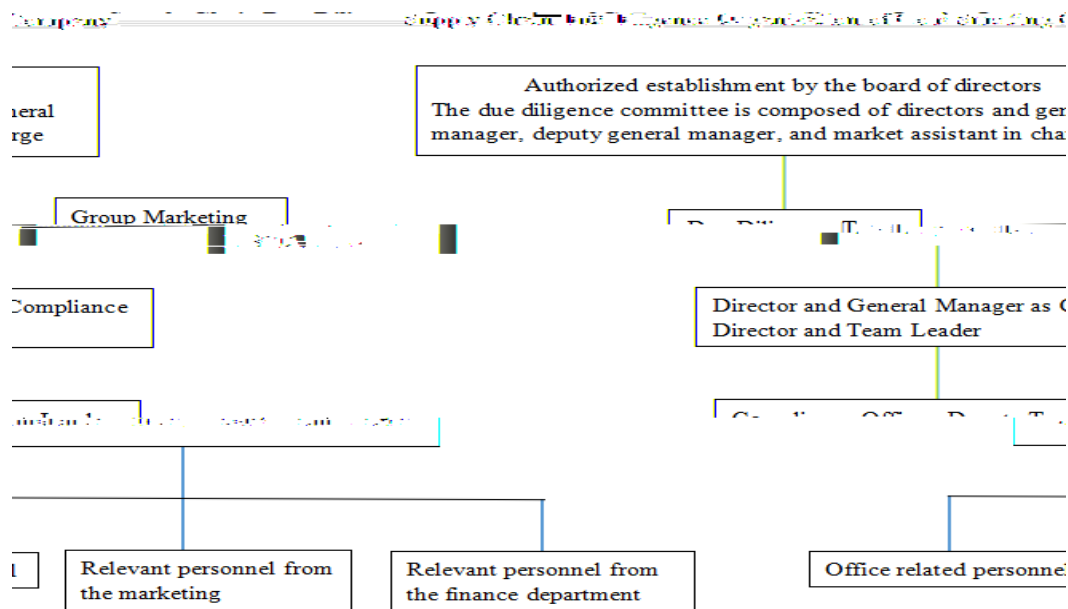
In 2013, we released standardized work documents such as the "Due Diligence Policy for the Gold Supply Chain" and the "Methods for Due Diligence in the Gold Supply Chain". In 2016, we updated and continued to

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implement the above documents, and updated the fifth version in January 2023. The document provides a detailed explanation of our internal management structure to support supply chain due diligence.

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D V I R O O R Z V



The company has established a gold supply chain due diligence team, with the company's director and general manager serving as the compliance director and team leader. The group members are composed of personnel from relevant departments such as the company office, finance department, marketing department, and group company marketing department. Among them, the Market Department is the daily work management department for due diligence in the gold supply chain; The office director is the compliance specialist and deputy team leader; The marketing department personnel of the group company are the contacts between the group company and LBMA. Company's directors and compliance officer must participate in training on LBMA Guidelines for Responsible Gold of the London Bullion Market Association , Disclosure Guidelines , and "Due Diligence Policy for the Gold Supply Chain" and "Methods for Due Diligence in the Gold Supply Chain", and become familiar with the guidelines and policies.

The specific responsibilities are as follows:

**Compliance Director (Team Leader):** Responsible for coordinating and supervising the due diligence work of the gold supply chain; Evaluate the supply chain due diligence policies and processes; Appoint a suitable compliance officer to be responsible for all matters related to the gold supply chain; Approve the gold supply chain due diligence report, and be responsible for the gold supply chain due diligence compliance report.

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Compliance Officer (Deputy Team Leader): Responsible for all matters related to the gold supply chain: Organize due diligence work; Develop and implement corresponding risk management measures for various risk assessments; Develop training programs for all employees involved in the gold supply chain work; Review and understand customer (KYC) documents and risk classification; Prepare and update Gold Supply Chain Policy; Report the risk assessment results to the management.



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SURGXFWLRQ DQG RSHUDWLRQ SHUPLWV LQ DFFRUGDQFH ZI  
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VWDWH RU LQYROYLQJ DGPLQLVWUDWLYH DSSURYDO LQ D  
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LQVSHFWLRQ DQG HYDOXDWLRQV IURP JRYHUQPHQW DJHQFL



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1.4 Has the refinery strengthened company engagement with gold-supplying counterparties, and assisted the gold supply counterparty to improve due diligence capability when possible?

Comment and Demonstrate Compliance:

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ZH FRPPXQLFDWHG ZLWK WKH VXSSOLHU

to report anonymously. The reporting channels include special reporting telephone(0597-3996322), reporting mailbox(hjylyxgsjsj@126.com), network platform(hjyl.zjky.cn), mobile phone platform (WeChat official

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mined gold from LSM, risk identification for mined gold from ASM, and risk identification for recycled gold in the "Methods for Due Diligence in the Gold Supply Chain" , in accordance with the second step of "LBMA Guidelines for Responsible Gold of the London Bullion Market Association", as well as the requirements of the OECD Due Diligence Guidelines(OECD Annex 2), and taking into account adverse ESG factors in the company's primary gold supply chain.

We have released the Methods for Due Diligence in the Gold Supply Chain , which stipulates the due diligence process for identifying risks.

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background, the relevant gold will be immediately quarantined and stored (until the inconsistency is resolved), and an investigation will be conducted and recorded. And report the investigation results to the Compliance Director, and if necessary to the Board of Directors, the Group Company, and appropriate regulatory authorities.

### 2.2 How does the refinery classify the identified risks according to the standards of its due diligence system?

#### Comment and Demonstrate Compliance:

We strictly conduct risk assessment in strict accordance with the due diligence requirements of the gold supply chain every year, and currently all of our 106 suppliers are low-risk, and one of the suppliers upstream (Continental Gold Co., Ltd. Colombia Branch) has detected a warning signal. We immediately suspended cooperation and conducted enhanced due diligence. We obtain more effective information through KYC questionnaires, including but not limited to ESG reports, third-party reports, award certifications, etc. The company has done a good job in emergency aftermath work and the risk has been reduced, so the supplier is considered low-risk. Before formal cooperation, we conducted an annual risk assessment of all gold raw material suppliers and verified their legitimacy through various channels such as business negotiations and information inquiries. Based on the results of supply chain risk identification, a separate risk assessment is conducted for each supplier, a risk assessment form is filled out, signed by the compliance officer responsible for the assessment, and finally approved by the compliance director. The risk assessment results are divided into two types: high risk and low risk.

The evaluation criteria for zero-tolerance supply chains: The Mined Gold is known to originate from areas designated as World Heritage Sites; The Mined or Recycled Gold is known to be sourced in breach of international sanctions (including but not limited to those of the UN, EU, UK and US); The Mined or Recycled Gold suppliers, other known upstream companies or their UBOs are known money launderers, fraudsters or terrorists, or have been implicit in serious human rights abuses, or in direct or indirect support to illegitimate non-state armed groups.

The evaluation criteria for high-risk supply chains: Originates from, has transited or has been transported via a Conflict-Affected and High-Risk Area (CAHRA); Is claimed to originate from a country through which gold from CAHRAs is known, or reasonably suspected, to transit; Is claimed to have originated from a country that has limited known reserves, likely resources or expected production levels; Have shareholders, or UBOs, or other gold supplying interests in one of the location-based high-risk criteria; Have UBOs that are Politically Exposed Persons (PEPs) ; Have activities in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, and sects and their leaders; Have been known to have sourced gold from a high-risk country in the last 12 months; Have material discrepancies/inconsistencies in the documentation provided or have refused to provide requested documentation; Mining Gold contributes to catastrophic harm or highly adverse ESG factors, to the extent that the company is able to identify this (e.g., through a record in the public domain or in the company's due diligence file); Originates from, has transited or has been transported via a CAHRA as defined by the company; Is claimed to originate from a country through which gold from CAHRAs is known, or reasonably

suspected, to transit, and/or is unjustifiably claimed to have originated from a country that has limited exports of gold; The gold suppliers or other known upstream companies operate in a money laundering high-risk country; The gold suppliers or other known upstream companies have shareholders, or UBOs, or other gold-supplying interests in one of the location-based high risk criteria; The gold suppliers or other known upstream companies have UBOs who are Politically Exposed Persons (PEPs); The gold suppliers or other known upstream companies have activities in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, and sects and their leaders; The gold suppliers or other known upstream companies have been known to have sourced gold from a high-risk country in the last 12 months; The gold suppliers or other known upstream companies have significant unexplained geographic routing from their suppliers or counterparty in the supply chain; From an Intermediate Refinery or trader with a high-risk supply chain or a trader sourcing from an Intermediate Refinery with a high-risk supply chain; Other high-risk situations recognized by the Chinese government.

If any of the above risk situations occur, we define the supplier as a high-risk supplier and take the following measures: suspend cooperation, implement enhanced due diligence measures in accordance with the "LBMA Guidelines for Responsible Gold of the London Bullion Market Association", conduct on-site investigations/visits to gold production areas (including but not limited to mining areas for gold mining and office locations of gold suppliers for recycled gold), and if the above situation is true, measures such as terminating cooperation will be taken. We will disclose this situation to the public in the Compliance Report.

### **2.3 Has the refinery undertake enhanced due diligence measures for the identified high-risk supply chains?**

#### **Comment and Demonstrate Compliance:**

Yes. The "Methods for Due Diligence in the Gold Supply Chain" specify additional requirements for intensified due diligence on high-risk supply chain:

- 1) Conduct an on-the-spot investigation on the high-risk supply chain to verify whether the due diligence results are true or not.
- 2) Large-scale gold mining: verify the due diligence information of all links of the supply chain from mines to refineries (including producers, middlemen, dealers, exporters and transporters) by using reliable documents, data and information from independent sources.
- 3) Artisanal and small-scale mining: verify the due diligence information of all links of the supply chain from miners to refineries (including producers, middlemen, dealers, exporters and transporters) by using reliable documents, data and information from independent sources.
- 4) Recycled gold: verify the information of all beneficiary owners involved in the supply chain from gold suppliers to refineries by using reliable documents, data and information from independent sources.

Our supplier's upstream(Continental Gold Co., Ltd. Colombia Branch) has encountered terrorist attacks from illegal mining organizations. Our company immediately ceased cooperation and commissioned internal personnel

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to conduct an enhanced due diligence investigation in May 2023 to verify the contents of the KYC questionnaire. In response to local security issues, the supplier has negotiated with the local government and police station and received their support. The supplier also has its own security forces and will continue to do a good job in security work in the future.

At present, we only have one supplier with high risk due to terrorist conflicts, and the number of intermediate refineries involved in this supply chain is 0. We will consider increasing the frequency of risk assessments for the upstream of this supplier in the future. Other low-risk suppliers still undergo annual risk assessments.

According to the LBMA Responsible Gold Guidelines of the London Bullion Market Association : Supply chains classified as high risk will trigger Enhanced Due Diligence (EDD), where EDD is triggered, refiners must undertake an on-site investigation/visit at the location of the gold origin, the on-site visit should be, at a minimum, but not limited to: Aimed at substantiating the documented KYC information; Focused on investigating threat financing risks, as defined under Step 1.1, and the specific supply chain due diligence findings; Conducted before any transactions occur or, at the least, within six months of the business relationship commencing; Conducted by competent employees or independent third-party consultants, who are free of any conflict of interest with the supplier. Everyone conducting an on-site visit must commit to reporting truthfully and accurately; Consult relevant internal and external stakeholders (for example, local or central authorities, upstream companies, international or civil society organisations, or affected third parties), where applicable; Fully and accurately documented in the Site Visit Report templates included in the Refiners Toolkit. Refiners choosing to not use the template will be required to justify their position; Followed up, depending on the number and severity of issues identified and documented in the improvement plans.

EDD measures for high-risk LSM gold supply chains should include, but are not limited to: Proportionate KYC on each company involved in the conflict location-based high-risk supply chain from the mine to the refinery (including gold producers, intermediaries, gold traders and exporters, and transporters); Understanding the nature of public or private security services provided at the mine sites and through the supply chain (including the screening and training of security personnel in line with the Voluntary Principles on Security and Human Rights); Considering the risks of militarisation of mine sites and transportation routes, and direct or indirect support to illegitimate non-state armed group, or public or private security forces; Determination of the risk of any serious human rights abuses committed by any party at mine sites, transportation routes and points where gold is traded and/or exported; Estimating the number of Artisanal and Small-Scale Miners (if any) on the producer's concession, and: o confirming their status as legitimate ASM o considering risks of gold from third-party sources unknowingly being introduced into the producer's operations o considering the relationship between producer and ASM actors to identify instances of conflict or tension; Complete self-declaration of taxes and royalties compliance, as applicable; Understanding payments or compensation made to government agencies and officials, public or private security forces, or other armed groups at all points in the supply chain from extraction onwards, unless prohibited by law; Considering compliance with environmental, health, safety, labour, community, business integrity regulations, policies and good practices for issues identified in the initial due diligence.

According to the Methods for Due Diligence in the Gold Supply Chain : For the identified high-risk suppliers, our company will suspend cooperation and take enhanced due diligence measures in accordance with the responsibility guidelines. We will conduct on-site. investigations/inspections of the gold production areas (including but not limited to: mining areas for gold mining and gold supplier offices for recycled gold). If the above situation is true, we will take measures such as terminating cooperation. Our company immediately stopped cooperation and commissioned internal personnel to conduct enhanced due diligence in May 2023.

Regarding the local security issues, the supplier has negotiated with the local government and police station

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and received their support. The supplier also has their own security capabilities and will continue to do a good job in security work in the future.

### Step 3: Risk management

#### Compliance Statement with Requirement:

We have fully completed step 3: Risk management. In 2023, we conducted a risk assessment on all gold raw material suppliers. These suppliers are legitimate legal entities or individuals operating within and outside the People's Republic of China, and have no criminal record. The gold raw materials provided do not involve violations of human rights, terrorism, environmental and sustainable development legal requirements, and mainly come from Fujian and other nearby provinces. Xinjiang Habahe Ashele Copper is a copper mine and they mainly sell copper concentrate to smelters. Xinjiang is far away from Fujian, and considering transportation costs, we have never purchased gold raw materials from Xinjiang. All of these suppliers are considered low-risk suppliers.

**Does the refinery design a risk management strategy for the identified risks in two ways: (i) to mitigate the risks when continuing the transaction, (ii) to mitigate the risks when suspending the transaction, or (iii) to disengage from the risks?**

#### Comment and Demonstrate Compliance:

We have followed the requirements of step 3 of the LBMA Guidelines for Responsible Gold of the London Bullion Market Association and designed and implemented corresponding management measures for the identified risks. Our 106 gold suppliers are all low risk in 2023. Among them, the supplier of Continental Gold Co., Ltd. Colombia Branch has been decided by our senior management meeting to suspend business in the region even if the company's risks have been mitigated, due to risk control in the gold supply chain and considerations of transportation and processing costs. The remaining suppliers will continue to cooperate.

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In 2013, we established the "Due Diligence Policy for the Gold Supply Chain"(fifth update in 2023) and internal management system in accordance with the LBMA Guidelines for Responsible Gold, established a risk assessment mechanism for gold suppliers, identified and evaluated supply chain risks, and designed and implemented corresponding management for identified risks. We adopt a zero tolerance attitude towards high-risk suppliers and refuse to cooperate with them. We fill out the Supplier Risk Assessment Form based on the information collected through due diligence, and conduct a repeated evaluation of qualified suppliers once a year.

We different risk management strategies depending on the results of risk assessment. According to the "Methods for Due Diligence in the Gold Supply Chain", for identified high-risk suppliers, our company will suspend cooperation and adopt strengthened due diligence measures in accordance with the requirements of the responsibility guidelines. We will conduct on-site investigations/visits to the gold production areas (including but not limited to mining areas for gold and the office locations of gold suppliers for recycled gold). If the above situation is true, we will take measures such as terminating cooperation. Where the due diligence results are not completely satisfactory, we may suspend relationship with the relevant supplier, adopt an improvement strategy, and provide reasonable advice to the supplier in good faith to enable the supplier to meet its requirements for supply chain risk assessment within a reasonable period of time. The business departments are responsible for overseeing the implementation of the risk solution and repeating the assessment on a regular basis. If the due diligence results indicate that there are limited or no measurable improvements, we will consider suspending our relationship with the supplier until the supplier responds to the improvement plan; If attempts to mitigate risks and improve performance fail, we may consider terminating our relationship with the supplier until there is



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evidence that the supplier meets our requirements for supply chain risk assessment. All risk assessment processes and assessment forms are reviewed by compliance officers and submitted to senior management for approval.

The business departments update all supplier-related information annually, conduct repeated risk assessments, and decide whether to continue cooperation based on the results of continuous monitoring of transactions and risk assessment. During the reporting period, the company did not experience any complaints regarding the gold supply chain.

Based on the results of the 2023 due diligence and risk assessment form, the compliance officer reviewed all due diligence materials and received approval from senior management. All suppliers are classified as low-risk. We always keep the process of gold trading under review and supervision to ensure that the transaction is consistent with the company's understanding of the supply chain and risk prediction.

Case: Our supplier's upstream (Continental Gold Co., Ltd. Colombia Branch) was attacked by an illegal mining organization in May 2023.

We imported gold from Colombia on March 6, 2023 and have not imported any gold produced in that region since then. In May 2023, the mine was attacked by terrorists. Even if the group owned mine, we immediately proposed to suspend cooperation and conduct enhanced due diligence to verify the authenticity of the content in the KYC questionnaire.

After investigation, it was found that the real reason was that the newly appointed government allowed illegal mining, and the illegal armed forces wanted to force Zijin to withdraw from the gold mine through intimidation and public opinion, and then occupy the gold mine. The Continental Gold Co., Ltd. Colombia Branch has taken the following measures:

1. Emergency work has been carried out: The company immediately activated the emergency plan, organized underground rescue, made every effort to treat the injured, immediately increased the safety forces underground, especially in the incident area, protected the safety of the operation area, and sealed off the scene of the incident. They cooperated with the police and judicial institutions to investigate and collect evidence, and quickly initiated judicial procedures;

2. The aftermath work has been done well: on the one hand, the victims have received timely compensation and relief, the company has held mourning, and in the future, a mass will be held every year to commemorate them. On the other hand, the situation was promptly announced to the public and public opinion was monitored.

The Continental Gold Co., Ltd. Colombia Branch is a controlled enterprise of Zijin Mining Group, and the risks are at a high level of attention and effective control. Every year, the group visits Continental Gold for investigation and ESG risk management, with no less than 50 experts from the mine. The mine also discloses ESG reports annually <https://www.continentalgold.com/sostenibilidad/>. With extremely high transparency, it has won social responsibility awards for several consecutive years and has an excellent reputation (see the ESG report of China Gold for details). Its main sales channels, including Gold Mountains (H.K.) International Mining Company Limited, Tok, Heraeus, and Asahi, maintain regular and systematic due diligence through questionnaires and occasional inquiries about public opinion to maintain good communication. Due to rampant illegal mining forces, the Continental Gold Co., Ltd. Colombia Branch has been cooperating with the local government for many years to carry out ASM regularization projects, and is one of the most important drivers of ASM regularization and cracking down on non mining activities in Colombia. It is actively seeking cooperation between universities and non-governmental organizations to promote standardization of ASM work. Last year, Jaime, a gold ASM expert from Zijin Mining in mainland China, joined the WGC ASGM working group.

The Continental Gold Co., Ltd. Colombia Branch has made the following efforts for non mining:

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1. Mainland China Gold will never trade with illegal groups that violate human rights;

2. Mainland China Gold actively promotes communication with government authorities, mining regulatory agencies, security regulatory agencies, military and police to combat human rights violations by illegal armed forces.

The compliance officer has reported all the above situations to the senior management. During our on-site inspection, the risk has been effectively controlled and reduced, therefore it is assessed as low risk. However, due to risk control of the gold supply chain and considerations of transportation and processing costs, our senior management meeting has decided to suspend cooperation even if the risks of the Columbia branch of Mainland Gold Co., Ltd. have been alleviated. Therefore, since March 6, 2023, we have not conducted any business in the Colombia region.

If we can meet our evaluation requirements again in the future, we will consider establishing a new cooperative relationship. The evaluation process and the Supplier Risk Assessment Form shall be reviewed by the compliance officer and submitted to the senior management for approval. The senior management approves the gold supply chain based on the due diligence materials of the supply chain (including KYC questionnaires and attachments provided by suppliers) and the Supplier Risk Assessment Form, and decides whether to establish or maintain business relationships with it. The senior management retains ultimate control over the gold supply chain.

### Step 4: Independent third-party assurance

#### Compliance Statement with Requirement:

We have completed step 4: Arrange for an independent third-party review of the supply chain due diligence.

#### Comment and Demonstrate Compliance:

We issue a tender to the certification body every year, considering qualifications, prices, and service capabilities. Finally, we have engaged Bureau Veritas International Inspection (Beijing) Co., Ltd. to conduct a third-party reasonable assurance service for the 2023 Gold Supply Chain Due Diligence Compliance Report, and will issue an independent assurance report. The audit basis is ISAE3000, and the assurance report will be published on the Group's website. We have no conflict of interest with Bureau Veritas International Inspection (Beijing) Co., Ltd. and have signed the Code of Conduct after the audit to ensure the independence of the audit process.

In this audit, a total of one medium risk nonconformance was found. We immediately contacted the supplier and third-party organizations to complete the collection of financial information within the specified time and verified the collected data. No high-risk items were found, and the nonconformance items have been verified and closed. In response to the nonconformity identified in this audit, we will strengthen communication between procurement personnel and suppliers in the future to maintain good communication and improve their cooperation. In our daily business dealings, we will continue to promote the importance of due diligence in the gold supply chain to our suppliers.

Nonconformities identified in the previous audit cycle: We assisted suppliers in establishing due diligence capabilities and provided training on relevant policies to them; Provide KYC information of the sampled suppliers; And necessary due diligence materials have been collected within 3 months. All nonconformity items have been closed.

The compliance report can be obtained through <https://www.zjky.cn/global/program-detail-21203.htm>

Conduct a search.

### Step 5: Supply chain due diligence report

#### Compliance Statement with Requirement:

We have completed step 5: Complete the supply chain due diligence report. In 2023, we have completed and released our supply chain due diligence as required. We have prepared the 2023 Gold Supply Chain Due Diligence Compliance Report as of December 31, 2023. After the audit is completed, the compliance report will be announced on the company website.

[Explanation]

Our gold supply chain policy specifies more information and specific details on how to implement refining systems, procedures, processes, and controls to comply with specific requirements in the LBMA gold guidelines. We have compiled and released the 2023 Gold Supply Chain Due Diligence Compliance Report .

Overall conclusion

#### Table 3: Management conclusion

##### Does the refinery meet the requirements of the LBMA Responsible Gold Guide during the reporting period?

YES

Overall, during the reporting year from January 1 to December 31, 2023, we basically complied with the requirements of the "LBMA Guidelines for Responsible Gold of the London Bullion Market Association". And we have rectified the non-conformance: we have collected 2023 financial data for 32 recycled gold suppliers within 90 days. In 2024, we will continue to implement the requirements of the / % 0 \$ \* X L G H O L Q H V I R U 5 H V S R Q V L E O H \* R O G R I and continuously improve the management of the gold supply chain.

#### Table 4: Report other matters

[Explanation]

The "Compliance Report", "Methods for Due Diligence in the Gold Supply Chain" , and "Due Diligence Policy for the Gold Supply Chain" are: <https://www.zjky.cn/global/program-detail-21203.htm>

If you want to communicate with the company about the content of the report, you can contact Huang Yourong, the intermediary between Zijin Mining Group Gold Smelting Co., Ltd. and LBMA.

Huang Yourong

Address: Zijin Building, No.1 Zijin Road, Shanghang County, Fujian Province

Postal Code: 364200

Phone: +86 597 3998053

Fax: +86-597-3883997

Email: [huang\\_yourong@zijinmining.com](mailto:huang_yourong@zijinmining.com)