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PAMP SA
Attn. Mr. Marwan Shakarchi
6874 Castel San Pietro
Switzerland

Geneva, 18 March 2016

Independent Reasonable Assurance Report on PAMP SA's Refiner's Compliance Report 2015

Introduction

We were engaged by PAMP SA to perform a reasonable assurance engagement on PAMP SA's Compliance Report dated 12 February 2016 for the Reporting Period from 1 January 2015 to 31 December 2015 (the "Refiner's Compliance Report").

Management's Responsibilities

The management of PAMP SA is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the *LBMA Responsible Gold Guidance* (the "*Guidance*"). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the management as relevant for demonstrating compliance with the *Guidance* are the activities described within the Refiner's Compliance Report.

Our responsibility

Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standard 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 and the guidance set out in the *LBMA Responsible Gold Programme - Third Party Audit Guidance for ISAE 3000 Auditors* (the "*Audit Guidance*"). This standard requires that we plan and perform this engagement to obtain a reasonable level of assurance.

This report has been prepared for PAMP SA for the purpose of assisting the management in determining whether PAMP SA has complied with the *Guidance* and for no other purpose. Our assurance report is made solely to PAMP SA in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than PAMP SA for our work, or for the conclusions we have reached in the assurance report.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the fairness of the Refiner's Compliance Report the fact that management's overall conclusion has been drawn in accordance with the requirements of the *LBMA Responsible Gold Guidance* and with the *LBMA Audit Guidance*. The nature, timing and extent of procedures selected depend on our judgment, including the risk of material misstatements, whether due to fraud or error, in the Refiner's Compliance Report. In making those risk assessments, we considered

internal control relevant to PAMP SA's preparation of the Refiner's Compliance Report. A reasonable assurance engagement also includes:

- ▶ Walkthrough refiner's due diligence process to gain an understanding of implemented controls and procedures
- ▶ Discussions with refiner's management, compliance and operations team on the content of the report and various supply chain due diligence processes in place
- ▶ Site visits to the refinery to evaluate if the management system is in place as described in the compliance report
- ▶ During site visits we have interviewed personnel that are directly linked with either sourcing, processing or storing the gold.
- ▶ Testing, on a sample basis, of account opening procedures and due diligence conducted before engaging with a potential gold supplying counter party
- ▶ Testing, on a sample basis, of transactions to evaluate if due diligence processes are being followed
- ▶ Review of whether systems used for registering, adapting, aggregating and reporting are satisfactory
- ▶ Obtaining and considering evidence to support the assertions and claims made in the Refiner's Compliance Report
- ▶ Review the statements made by the management in the Refiner's Compliance Report as compared to the findings arising from the above procedures performed

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

Inherent limitations

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques that can result in materially different measurements and can impact comparability. The methods used by refiners to comply with the *Guidance* may differ. It is important to read the PAMP SA's gold supply chain policy available on PAMP SA website (www.PAMP.com).

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 the *Audit Guidance* to carry out the assurance engagement.

Opinion

In our opinion, the Refiner's Compliance Report for the period from 1 January 2015 to 31 December 2015 dated 12 February 2016 describes fairly the activities undertaken during the reporting period to demonstrate compliance and management's overall conclusion contained therein is in accordance with the requirements of the LBMA Responsible Gold Guidance, Version 6 dated 18 August 2015 and with LBMA Third Party Audit Guidance Version 2 dated 18 January 2013.

Ernst & Young Ltd



Milena De Simone
Partner



Zakaria Zamrou
Senior Manager

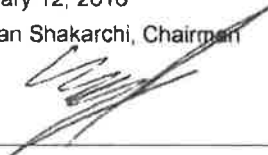
Enclosure : Copy of the Refiner's Compliance Report dated 12 February 2016

PAMP SA LBMA Responsible Gold Guidance Compliance Report

The *LBMA Responsible Gold Guidance* has been established for good delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict and to comply with high standards of anti-money laundering and combating terrorist financing practice.

Table 1: Refiner's details

Refiner's name	PAMP SA
Location	6874 Castel San Pietro, Switzerland
Reporting year-end	December 31, 2015
Date of Report	February 12, 2016
Senior Management responsible for this report	Marwan Shakarchi, Chairman



This report summarizes how PAMP SA complied with the requirements of the LBMA Responsible Gold Guidance during the year 2015. PAMP SA applies the version 6 of Guidance, issued in August 2015.

PAMP's evaluation

The following table lists the minimum requirements that must be satisfied by Refiners in accordance with the LBMA Responsible Gold Guidance to demonstrate compliance.

Table 2: Summary of activities undertaken to demonstrate compliance

Step 1: Establish strong company management systems

Compliance Statement with Requirement:

We have fully complied with Step 1 Established strong management systems.

PAMP SA has adopted a policy regarding due diligence for supply chains of gold

Comments and Demonstration of Compliance:

Our Responsible Precious Metal Policy is consistent with the model set out in the Annex II of the OECD due diligence guidance. This sets out in particular our responsibility to establish strong company management systems to fight serious abuses of human rights, to avoid contributing to conflict over our supply chain and to comply with high standards of anti money laundering (AML) and combating of terrorism (CFT), to perform appropriate due diligence on a risk basis over our counterparties and precious metal supply chain and to ensure appropriate scrutiny and monitoring of transactions on a risk based approach.

PAMP SA has set up an internal management structure to support supply chain due diligence

Comments and Demonstration of Compliance:

PAMP SA has an internal management system to support supply chain due diligence, which includes in particular the definition of role and responsibility, due diligence checklist and toolkit and a robust traceability system database recording each lot refined. Senior Management retains the ultimate control and responsibility for combating human rights abuses, money laundering, terrorist financing and avoiding contribution to conflict over the supply chain. The

Compliance Officer has been assigned to manage the process, and has a direct line of reporting to Senior Management.

PAMP SA has established a strong internal system of due diligence, controls and transparency over gold supply chain, including traceability and identification of other supply chain actors

Comments and Demonstration of Compliance:

PAMP SA has a robust traceability system database that records supply chain information and documents for each lot refined. Specific and relevant transactional documentation as per our internal guidelines must be received and verified before we process the gold-bearing material.

PAMP SA has strengthened company engagement with gold supplying counterparties, and where possible, assist gold supplying counterparties in building due diligence capabilities

Comments and Demonstration of Compliance:

We only believe in long term relationships based on trust and mutual recognition. Therefore, we never accept one off transactions.

Our General Terms and Conditions for the Refining of Materials make reference to our Responsible Precious Metal Policy and the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas.

Where possible, we assist our gold supplying counterparties or prospects to improve their responsible supply chain practices. In particular, our Relationship Managers, who are properly trained, are responsible for promoting responsible sourcing practices throughout the supply chain. Therefore, they take advantage of all on site visits to explain the regulatory environment, our expectations and provide them with help or guidance so as to continuously improve their own practices.

PAMP SA has established a company-wide communication mechanism to promote broad based employee participation and risk identification to management

Comments and Demonstration of Compliance:

Our Group has a mechanism allowing any employee, supply chain actor or stakeholder to voice any concerns over the gold supply chain or newly identified risk. The functional mailbox responsiblepm@mkspamp.com has been established and is reviewed by the Group Compliance Officer and by PAMP's Compliance Officer. All relevant enquiries are treated directly by the Compliance Department.

Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:

We have fully complied with Step 2 Identify and assess risks in the supply chain.

PAMP SA has a process to identify risks in the supply chain

Comments and Demonstration of Compliance:

PAMP SA identifies and assesses risks in the supply chain. We have established our criteria for high-risk categories and systematically apply them to all our precious metal supplying counterparties. We conduct due diligence following a risk-based approach and allocate a risk profile according to our risk profile criteria. This process is a formal requirement before entering into any business relationship with a precious metal supplying counterparty.

PAMP SA assesses risks in light of the standards of their due diligence system

Comments and Demonstration of Compliance:

Supply chain due diligence following a risk based approach is performed before entering into a business relationship and on an on-going basis with any gold supplying counterparty. We also perform enhanced due diligence for higher

risk categories. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship following a risk based approach. We source from recycled and mined gold supply chains. Regarding the mined gold supply chain, we source primarily from well-established industrial mines located in North America, South America, Africa, Asia and Oceania. Currently, we have one artisanal mining supply chain where we source through a licensed buyer and exporter from licenses small scales miners located in the Southwestern region of Ghana. This supply chain represents an insignificant part of our gold supply chain. PAMP has been recognized by Human Rights Watch in June 2015 as having put in place robust due diligence over this supply chain. We are leading different initiatives aiming to support artisanal and small scale mining through technical assistance towards mining best practice as well as direct access to the international markets.

PAMP SA reports risk assessment to Senior Management

Comments and Demonstration of Compliance:

Senior Management approves all new suppliers. In addition, Senior Management revisits each year the decision as to whether to continue or not with business relationships categorized as high risk. The Compliance Officer prepares on a yearly basis a report on high risk suppliers to Senior Management in order for them to perform these duties. Senior Management retains the ultimate control and responsibility for the gold supply chain.

Step 3: Design and implement a management system to respond to identified risks

Compliance Statement with Requirement:

We have fully complied with Step 3 Design and implement a management system to respond to identified risks.

PAMP SA has devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade; (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk

Comments and Demonstration of Compliance:

During the reporting period, PAMP SA has properly implemented required strategy to respond to the identified risk.

Where a management strategy of risk mitigation is undertaken, it should include measureable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk, and regular reporting to designated senior management

Comments and Demonstration of Compliance:

The procedure for risk mitigation is described in our own guidance and is strictly applied when and where necessary.

Step 4: Arrange for an independent third-party audit of the supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 4 and have arranged for an independent third-party audit of our supply chain due diligence.

Comments and Demonstration of Compliance:

PAMP SA has engaged the services of the assurance provider Ernst & Young Ltd, Geneva to review our 2015 Compliance Report, and their independent report will be available on PAMP's website when issued. Previous reports are available on PAMP's website as well.

Step 5: Report on supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 5 Report on supply chain due diligence

Comments and Demonstration of Compliance:

Our Responsible Precious Metals Policy is available on PAMP's website. Our 2015 Compliance report with the independent audit report will be available on PAMP's website when issued. Previous years Compliance reports with audit reports are as well available on our website.

PAMP SA's overall conclusion

Table 3: Management conclusion

Is the Refiner in compliance with the requirements of the *LBMA Responsible Gold Guidance* for the reporting period?

Yes	In conclusion, PAMP SA has in place effective management systems, procedures, processes and practices to conform to the requirements of the <i>LBMA Responsible Gold Guidance</i> , as explained above in Table 2, for the reporting year ended 31 December 2015.
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Table 4: Other report comments

If users of this report wish to provide any feedback to PAMP SA with respect to this report, they can send an e-mail to the functional mail box: responsiblepm@mkspamp.com
