
Tau-Ken Altyn Limited Liability Partnership

Independent Reasonable Assurance Report
(ISAE 3000 (revised) engagements)
on the Refiner's Compliance Report
for the year ended 31 December 2019





Independent Auditor's Report

To the management of Tau-Ken Altyn Limited liability partnership:

We were engaged by Tau-Ken Altyn Limited liability partnership (hereinafter – “Tau-Ken Altyn LLP”/ “the Company”) to provide reasonable assurance on its Refiner's Compliance Report in accordance with the London Bullion Market Association (“LBMA”) Responsible Gold Guidance (“the LBMA Guidance”) for the year ended 31 December 2019.

Our opinion

In our opinion, the Tau-Ken Altyn LLP Refiner's Compliance Report for the year ended 31 December 2019, in all material respects, described fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of the LBMA Responsible Gold Guidance.

Summary of work performed

The assurance scope consists of the Refiner's Compliance Report. Our reasonable assurance engagement included the following:

- Inquiring of management to gain an understanding of the Company's processes and risk management procedures in relation to the gold supply chain in place;
- Inquiring of the relevant staff responsible for the preparation of the Refiner's Compliance Report;
- Assessing the suitability of the policies, procedures and internal controls that the Company has in place to conform to the requirements of the LBMA Guidance;
- Reviewing a selection of the supporting documentation, including gold supplier counterparty due diligence questionnaires;
- Performing a walkthrough of the Tau-Ken Altyn LLP due diligence process to gain an understanding of implemented policies and procedures;
- Testing a selection of the underlying processes and controls that support the information in the Tau-Ken Altyn LLP Refiner's Compliance Report; and
- Reviewing the presentation of the Tau-Ken Altyn LLP Refiner's Compliance Report to ensure consistency with our findings.

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 methods used by Refiners to comply with the LBMA Guidance may differ. It is important to read the Company's responsible gold supply chain policy adopted on 23 October 2018¹.

Management's responsibility

The management of the Company is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LBMA 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 LBMA 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 an opinion as to whether the Refiner's Compliance Report, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and that management's overall conclusion contained therein is in accordance with the requirements of the LBMA Guidance. We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (revised) "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 report has been prepared for Tau-Ken Altyn LLP for assisting management in determining whether Company has complied with the LBMA Guidance and for no other purpose.

Our Independence, quality control and competency statement

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our reasonable assurance engagement in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our reasonable assurance engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the reasonable assurance engagement.

¹ The maintenance and integrity of the Company's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject matter or Reporting Criteria when presented on the Company's website.



Restriction of use

Our reasonable assurance report is made solely to Tau-Ken Altyn LLP in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Tau-Ken Altyn LLP for our work, or for the conclusions we have reached in the reasonable assurance report.

AO PricewaterhouseCoopers Audit

31 March 2020
Moscow, Russian Federation

A.N. Rusanov, certified auditor (licence no. 01-000273),
AO PricewaterhouseCoopers Audit

Audited entity: Tau-Ken Altyn LLP

State registration certificate № 35581-1901-LLP dated 21 December 2009

Republic of Kazakhstan, 010000, Astana, Almaty district, Industrial park, A194 str., house 1.

Independent auditor: AO PricewaterhouseCoopers Audit

Registered by the Government Agency Moscow Registration Chamber on 28 February 1992 under No. 008.890

Record made in the Unified State Register of Legal Entities on 22 August 2002 under State Registration Number 1027700148431

Taxpayer Identification Number 7705051102

Member of Self-regulatory organization of auditors Association «Sodruzhestvo»

Principal Registration Number of the Record in the Register of Auditors and Audit Organizations – 12006020338

AO PricewaterhouseCoopers Audit is included in the list of Approved Service Providers by the London Bullion Market Association (LBMA)

Refiner's Compliance Report

Table 1: Refiner's details	
Refiner's name	Tau-Ken Altyn LLP
Location	Bldg. 1, A194 Street, ZooT4Y9 Nur-Sultan, Republic of Kazakhstan
Reporting period end	31 December 2019
Date of report	31 March 2020
Senior management responsible for this report	N.R. Makulbekov, CEO A.D. Segizbayev, Lead FEC and Commerce Manager Tel.: +7 (7172) 30-94-70, e-mail: a.segizbayev@taukenaltyn.kz

Tau-Ken Altyn LLP's evaluation

Table 2: Summary of activities undertaken to demonstrate compliance
Step 1: Establish strong supply chain management systems
<p>Compliance statement with requirements: Tau-Ken Altyn LLP (hereinafter, the "Company", "Partnership" or "Refiner") has complied with Step 1: Establish strong supply chain management systems.</p>
<p>Has the Refiner adopted a company policy regarding due diligence for supply chains of gold?</p> <p>Tau-Ken Altyn LLP adopted the Responsible Gold Supply Chain Policy (hereinafter, the "Policy"), which complies with the London Bullion Market Association ("LBMA") Responsible Gold Guidance (hereinafter, the "LBMA Guidance"), on 23 October 2018. Gold supply chains are also regulated by the following policies and regulations in effect at the Company:</p> <ul style="list-style-type: none"> - Instruction for raw material acceptance I-01-01-01-11-14; - Regulation on contracts; - Instruction on the procedure for accounting for and storing precious metals, related products and keeping records of their production, use and circulation. <p>The abovementioned policies and regulations were, to some extent, compliant with the LBMA Guidance in terms of responsible gold supply and were sufficient to prevent dealings with high-risk suppliers. In general, the Company evaluates gold supply chain risk as low since most of its gold-bearing materials is produced in the Republic of Kazakhstan by suppliers registered in the Republic of Kazakhstan (hereinafter, "RK"), who have mining contracts and licences of the RK Ministry of Industry and Infrastructural Development and whose activities are regulated of the RK Anti-Money Laundering and Counter-Terrorist Financing Law No. 191-IV dated August 28, 2009.</p> <p>The Policy is available at the Company's official website: http://taukenaltyn.kz/общая-информация/ответственное-золото</p>
<p>Comments and demonstration of compliance: The Responsible Gold Supply Chain Policy was approved and adopted on 23 October 2018.</p>
<p>Has the Refiner set up an internal management structure to support supply chain due diligence?</p> <p>The Company set up a formalised internal management structure to support supply chain due diligence. Detailed description of the structure is set out in the Instruction on the procedure for accounting for and storing precious metals, related products and keeping records of their production, use and circulation.</p>
<p>Comments and demonstration of compliance: With the adoption of the Policy, the management and reporting processes, internal audit procedures and similar arrangements which were used to perform due diligence of the gold supply chains were formalized to comply with the LBMA Guidance. Within this, the Partnership monitors the changes made by the LBMA to the Responsible Gold Guidance ("RGG") policy and performs relevant activities. In accordance with the existing procurement procedures, the legal department ensures anti-money laundering law compliance by considering/approving contracts and performing "know your counterparty" procedures. The Company's Lead FEC and Commerce Manager, who manages the process and directly reports to the Company's top management, was assigned responsibility for compliance.</p>

Has the Refiner established a strong internal system of due diligence, controls and transparency over gold and precious metals supply chains, including traceability and identification of other supply chain actors?

Yes. The Company has developed a strong internal system of due diligence, controls and transparency over gold supply chains.

Comments and demonstration of compliance:

The Company has put in place a raw material supply management process. The Company has implemented systematic processes for accepting the consignments of primary and secondary gold and examining it to ensure that all required documents are received, and relevant records are made prior to materials processing. The process for documentation, transfer and custody of gold-bearing raw materials is addressed in the Instruction on the procedure for accounting for and storing precious metals, related products and keeping records of their production, use and circulation. The Company has developed a strong internal system of due diligence, controls and transparency over gold supply chains. Prior to processing the gold-bearing materials, the Company obtains documents which include a contract (or any other title document) for mining of the supplied gold-bearing materials, charter documents and other documents recommended by LBMA for verification; all the transaction details, such as supplier details and information on the type and weight of the gold-bearing materials, are documented. Each consignment supplied is accompanied by the documents required by the underlying contracts. Prior to raw materials processing, special control procedures required by the Company's internal instructions are performed. They include examination for package integrity and weighing of the consignment received with involvement of a third party representative.

Has the Refiner strengthened company engagement with gold supplying counterparties and (where possible) assisted gold supplying counterparties in building due diligence procedures?

Tau-Ken Altyn LLP has enhanced its cooperation with the suppliers of gold-bearing materials and informed them on the need to comply with the LBMA Guidance requirements.

Comments and demonstration of compliance:

The due diligence procedures are governed by the Regulation on contracts (effective at the Company since 2015) and are supported by the Procurement rules adopted by Tau-Ken Altyn LLP since 2016. Each counterparty should undergo identification and each contract should go through the internal approval procedure.

In addition, supplier due diligence procedures are required by RK Anti-Money Laundering and Counter-Terrorist Financing Law No. 191-IV (AML/CFT) which is mandatory for all businesses dealing with precious metals across the Republic of Kazakhstan. All raw materials supplied to Tau-Ken Altyn LLP in 2019 was originated in the Republic of Kazakhstan. Therefore, management works with the gold suppliers on an ongoing basis to ensure compliance of its gold supply chain with AML/CFT law.

Relevant requirements for suppliers' obligations to comply with the LBMA Guidance and to develop policies in accordance with Appendix II to the OECD Due Diligence Guidance are included in the contracts with suppliers or relevant written confirmations on these matters are separately obtained from suppliers.

Has the Refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?

Tau-Ken Altyn LLP has established a company-wide communication mechanism to promote broad involvement of the Company employees and to report any risks identified to the Company's management.

Comments and demonstration of compliance:

The Company's Lead FEC and Commerce Manager performs the functions of complying with the LBMA Guidelines, tracking raw material chains and supporting activities to attract raw materials in the Partnership. The functions of identifying and managing risks fall within the competence of the leading analyst and risk manager.

The Company has developed internal communication procedures designed to allow employees to voice their concerns in relation to precious metals supply chain, or newly identified risks.

The Company has appointed a responsible person (a designated AML officer) who reports compliance with the Internal Control Rules directly to the Company's Director. The Management Representative in Charge of the Policy (Incoming Controller) was also appointed as required by the Policy.

If any indication of an unusual transaction (deal) being performed by the counterparty that is subject to control under AML/CFT law, or any sign of extraordinary nature, is identified, the Company's employee should prepare a notification on such deal and send it to the Management Representative in Charge of the Policy who will take further decision on whether the transactions identified should be qualified as unusual or documented as required by the law.

The Company also has dedicated e-mail addresses where any information on potential violation of the Policy could be sent and a special box for collecting written communications on such issues.

Step 2: Identify and assess risks in the supply chain

Compliance statement with the requirement:

The Company has partially complied with Step 2: Identify and assess risks in the supply chain.

Does the Refiner have a process to identify risks in the supply chain?

Yes, the Company has the process for supply chain risk identification as required by the anti-money laundering and counter-terrorist financing law of the RK that is in compliance with the LBMA Guidance. On 23 October 2018, the Company approved the Policy.

Comments and demonstration of compliance:

The Company identifies risks for all counterparties prior to entering into any business relationship with them through our contractual procedures and “know your counterparty” (KYC) process.

In addition, there is a unified electronic database in the Republic of Kazakhstan that allows the Company’s employees to check the presence/absence of tax arrears for all legal entities registered in the Republic of Kazakhstan, as well as the registry of court cases in which the company has been involved.

At the same time, in accordance with the RGG v.8 recommendations, the Partnership’s employees perform inspection visits to counterparty companies to examine gold mining enterprises and ensure due confidence in their compliance with the RGG principles and to draw up relevant acts.

The Company has processes in place to identify supplier chain risks based on the country, company and commodity risk assessments performed as follows:

Country risk: country risk is minimal because all gold-bearing materials were supplied from the RK and Russia (enriched in Russia, but RK is the place of origin of the supplied raw materials) in 2019. In 2019, considering possible cooperation with potentially high-risk companies, the Partnership carried out work to assess the risks, through interaction with government authorities (including the Ministry of Foreign Affairs of the Republic of Kazakhstan, the Ministry of National Economy), to study international sanction lists for the presence of sanctions and to identify potential cooperation risks, as well as the origination of gold-bearing raw materials from the conflict areas.

Company risk: contracts with suppliers are concluded on an annual basis. Since 2015, the Company takes into account the LBMA Guidance requirements in all contracts concluded. In addition, under the contracts suppliers should provide complete package of documents supporting origin of the gold-bearing materials as required by the Responsible Gold Guidance:

- government mining licence;
- state registration certificate;
- charter, etc.

To obtain a mining licence/subsoil use contracts in the Republic of Kazakhstan, information on the company and its directors should be subject to a review. As part of the supplier due diligence procedures, the Company checks whether the suppliers of gold have current gold mining licences and obtains documents to support information on the top management and ultimate beneficiaries of the mined and recycled gold suppliers.

Commodity risk: compliance of the raw materials supplied is checked in accordance with the Company's standards for quantity and quality that is supported by acceptance acts. The Company agrees terms and condition of gold-bearing materials safe transportation and appropriate packaging with service suppliers.

Based on the supply chains due diligence results for 2019, no high-risk counterparties were identified.

Does the Refiner assess risks associated with gold supply chain participants in line with the adopted risk assessment system?

Yes, the Company assesses risks of its gold supply chain. Also, after the adoption of the Policy on 23 October 2018, the Company has been assessing risks in accordance with the LBMA Guidance requirements. The full risk assessment was performed for all suppliers for 2019. No high-risk counterparties have been identified.

Comments and demonstration of compliance:

The Company assesses risks as part of its gold supply chain due diligence. Gold supply chain due diligence which includes all necessary procedures, is performed prior to commencing any business relationship with a third party as required by the Responsible Gold Guidance. The suppliers are monitored on a continuous basis. The Company does not work with high-risk counterparties.

The Company's risk assessment regulations are based on AML/CFT laws and regulations of the RK that are mostly in compliance with the LBMA Guidance but have some differences in determining risk levels and rules for identification of ultimate beneficiaries/shareholders. At the same time, after the adoption of the Policy on 23 October 2018, when determining the level of risk, the Partnership is governed by the LBMA Guidance criteria. The Company did not identify any high-risk counterparties with regard to supplies for 2019, including through the additional retrospective procedures.

In 2019, the Company partially complied with the Stage 2 requirements due to the fact that the procedures aimed at identifying risks in the gold supply chain were performed within the limited scope. Incomplete information was received for a number of counterparties, namely, there was no confirmation of the supplier compliance with AML/CFT requirements, or information was received in 2020.

All counterparties, with the exception of one counterparty registered in the Russian Federation, which are residents of the Republic of Kazakhstan, operate in accordance with the RK Anti-Money Laundering and Counter-Terrorist Financing Law.

In turn, the Federal Anti-Money Laundering and Counter-Terrorist Financing Law is applied to the counterparty registered in the Russian Federation.

In order to confirm the supplier compliance with AML/CFT requirements, information was searched from open sources (commercial case file, prosecutor's websites, bailiff services), and negotiations were held with suppliers, confirming that despite the fact that the procedures are not formalized, no violations of the AML/CFT requirements were identified. Also contracts with suppliers include the section "LBMA Guidelines Compliance Guarantees", obliging suppliers to comply with AML/CFT requirements. These counterparties are not new for the Company, the Company Management concluded that there is a low risk of these counterparties unfairness.

Does the Refiner report risk assessment to the designated manager?

The Company informs its senior management on all identified high-risk transactions.

Comments and demonstration of compliance:

The Company's senior management maintains unconditional control over supply chain through the procedure for approval of all new contracts and annual revision of all existing contracts. Prior to final approval each potential counterparty undergoes the process of approval by the commercial, finance and legal departments. Any issue causing doubt is investigated, clarified and sent for consideration to the Company's senior management prior to entering into business relationship with a counterparty, if needed, additional risk assessment activities are performed through interaction with government authorities and organization of inspection visits.

The risk assessment report is submitted to the executive officer – Management Representative in Charge of Policy.

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

Compliance statement with the requirement:

The Company has partially complied with Step 3: Design and implement a management system to respond to identified risks.

Has the Refiner devised a strategy for risk management on 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?

The Company has the process for gold supply chain risk identification as required by the anti-money laundering and counter-terrorist financing law of the RK, which complies with the LBMA Guidance.

Comments and demonstration of compliance:

Risk identification is based on the risk control procedures. Suppliers who failed to comply with the contractual terms and conditions and/or requirements for accompanying documents are not engaged by the Company to supply gold-bearing materials. In 2019, the high-risk suppliers were not identified, and therefore no risk mitigation procedures were required. When identifying potential risks related to cooperation with a potential counterparty, the Partnership undertakes measures to review the presence of risks and identify them. In the presence of risks, the Company shall not enter into business relations with such a company.

The relevant procedures are in place. They include ongoing monitoring and observations that are used as required to ensure effective risk management.

On 23 October 2018, the Company approved the Policy that is in compliance with the LBMA Guidance which divides the suppliers into the following categories: Low, Medium and High risk. High-risk transactions imply those which have indicators of questionable deals, they are suspended until additional review is performed to reduce the risk and are subject to reporting to the regulatory body. In 2019, the Company's activity was based on a Policy approved in 2018 and complying with the LBMA Guidance, given the changes introduced by the LBMA to the RGG policy in 2019, and RK law requirements.

Our response to the risks is based on the Policy which defines the conditions where we have to either freeze or cease trade with the medium-risk or high-risk counterparties. The existing regulations cover the Guidance requirements for Step 3. Since the Company was provided with raw materials originated in the RK only in 2019, the Partnership did not describe the activities implemented to respond to the risk related to imported material supplies.

Trainings schedule for the Company's employees involved in transactions with gold-bearing materials did not cover all topics required for compliance with the requirements of LBMA Guidance and the Policy. In 2019, these employees received necessary internal training by familiarizing themselves with the LBMA Guidance and the Policy, and also participated in LBMA webinars. These circumstances did not lead to involvement of the Company in business relations with high-risk counterparties.

In 2019, the Company was not involved in business relationships with high-risk counterparties. Therefore, existing regulations and procedures were effective to secure the Company from dealing with high-risk suppliers.

Risk management and mitigation strategy should include measurable steps to be taken, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.

Risk identification is based on the internal risk control procedures. In 2019, no operating high-risk suppliers were identified and therefore no risk mitigation was required. Contracts for cooperation with potentially high-risk companies were not concluded.

Comments and demonstration of compliance:

Potentially high-risk suppliers were not engaged. The Company's current procedure to approve contracts on a regular basis and to limit the contractual period to one year assures the Company's management that the counterparties and their inherent risks are reassessed on a regular basis and all necessary steps are taken to mitigate such risks. Assessment of counterparties included in the gold supply chain for 2019 showed that there were no suppliers with high-risk activities.

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

Compliance statement with the requirement:

The Company fully complies with Stage 4: Arrange for an independent third-party audit of the gold supply chain due diligence.

Comments and demonstration of compliance:

The Company engaged the independent audit firm AO PricewaterhouseCoopers Audit whose reasonable assurance report on our compliance report will be available on our website once issued (published).

Step 5: Report supply chain due diligence

Compliance statement with the requirement:

The Company fully complies with Stage 5: Report supply chain due diligence.

Comments and demonstration of compliance:

The Company has implemented effective management systems, procedures, processes and practices to ensure compliance with the requirements of the LBMA Guidance.
The Company follows the continuous improvement policy and performs ongoing internal monitoring of any steps taken to eliminate weaknesses identified.

In 2018, the Company has developed and implemented the Responsible Supplies Policy as required by the LBMA Guidance. Greater detail on how the Company's systems, procedures, processes and controls are implemented and used to comply with special requirements of the LBMA Guidance is provided in our Policy available on the Company's website (www.taukenaltyn.kz).

To give their feedback on this report to Tau-Ken Altyn LLP, users can send us an e-mail at the following address: a.segizbayev@taukenaltyn.kz.

Tau-Ken Altyn LLP's conclusion

Table 3: Management assessment of all five steps of the LBMA Guidance

Step	Rating	Comments
Step 1: Establish strong supply chain management systems	Fully compliant	In 2019, the Company dealt with its supply chain based on the requirements of: - Responsible Gold Supply Chain Policy, given the updates to the RGG Policy; - Instruction for raw material acceptance I-01-01-01-11-14; - Regulation on contracts; - Instruction on the procedure for accounting and storing precious metals, related products and keeping records of their production, use and circulation. - RK Anti-Money Laundering and Counter-Terrorist Financing Law No. 191-IV dated August 28, 2009. As for supplies in 2019, the Company did not identify high-risk counterparties.
Step 2: Identify and assess risks in the supply chain	Partially compliant with low-risk deviations	Tau-Ken Altyn LLP developed a Responsible Gold Supply Chain Policy. The policy regulates the activities of all the Company's employees related to verifying gold-bearing materials suppliers. In 2019, the Company partially complied with the Stage 2 requirements due to the fact that the procedures aimed at identifying risks in the gold supply chain were performed within the limited scope.

		<p>Incomplete information was received for a number of counterparties, namely, there was no confirmation of the supplier compliance with AML/CFT requirements, or information was received in 2020. In order to confirm the supplier compliance with AML/CFT requirements, information was searched from open sources (commercial case file, prosecutor’s websites, bailiff services), and negotiations were held with suppliers, confirming that despite the fact that the procedures are not formalized, no violations of the AML/CFT requirements were identified. Also, the contracts with suppliers include the section “LBMA Guidelines Compliance Guarantees”, obliging suppliers to comply with AML/CFT requirements. These counterparties are not new for the Company, the Company Management concluded that there is a low risk of these counterparties unfairness.</p> <p>At the same time, the Partnership’s counterparties, with the exception of one counterparty registered in the Russian Federation, which are residents of the Republic of Kazakhstan, operate within the framework of the RK Anti-Money Laundering and Counter-Terrorist Financing Law No. 191-IV dated August 28, 2009. In turn, the Federal Anti-Money Laundering and Counter-Terrorist Financing Law is applied to that counterparty registered in the Russian Federation.</p> <p>In 2019, no high-risk suppliers were identified in the gold-bearing materials supply chain.</p>
Step 3: Design and implement a management system to respond to identified risks	Partially compliant with low-risk deviations	<p>On October 23, 2018, the Company approved the Policy that complies with the LBMA Guidance requirements and reflects the distribution of suppliers by categories: Low, Medium or High risk.</p> <p>Our response to the risks is based on the Policy which defines the conditions where we have to either suspend or cease trade with the medium or high-risk counterparties. Our existing regulations cover the Guidance requirements for Step 3. Since the Company was provided with raw materials originated in the RK only in 2019, the Partnership did not detail the activities implemented in response to the risk related to imported material supplies.</p> <p>Trainings schedule for the Company’s employees involved in the transactions with gold-bearing materials did not cover all topics required for compliance with the requirements of LBMA Guidance and the Policy. In 2019, these employees underwent additional necessary internal training by familiarizing themselves with the LBMA Guidance and the Policy, and also participated in LBMA webinars. These circumstances did not lead to the involvement of the Company in business relations with high-risk counterparties.</p> <p>In 2019, the Company was not involved in business relationships with counterparties with high risk indicators. Therefore, the existing regulations and procedures were effective to secure the Company from dealing with high-risk suppliers.</p>
Step 4: Arrange for an independent third-party audit of the gold supply chain due diligence	Fully compliant	The Company entered into a contract with the audit firm AO PricewaterhouseCoopers Audit.
Step 5: Report supply chain due diligence	Fully compliant	The Company has issued all required reports. The external version of the Refiner’s Compliance Report and Independent Auditor’s Report are available on the Company’s website.

Table 4: Management conclusion

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

Compliant with low-risk deviations

The Refiner followed the requirements of the Responsible Gold Guidance in the course of its operations for the reporting period.

In 2019, the Company was not involved in business relationships with counterparties with indicators of high risk. Therefore, the existing regulations and procedures were effective to secure the Company from dealing with high-risk suppliers.

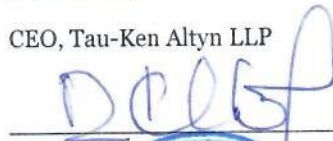
In conclusion, it is worth noticing that the Company adopted effective management systems, procedures, processes and methods to comply with the requirements of the LBMA Guidance, as explained above, in the reporting period ended 31 December 2019. The Company is committed to ongoing progress in this regard, and any required corrective actions will be subject to the Company's regular internal monitoring.

Table 5: Other report comments

If users of this report wish to provide any feedback or comment on the report, they can contact us via e-mail at: a.segizbayev@taukenaltyn.kz.

APPROVED

CEO, Tau-Ken Altyn LLP



R. Makulbekov



Person responsible for filling in this questionnaire:

Lead FEA and Commerce Manager, Tau-Ken Altyn LLP



A. Segizbayev

31 March 2020

Appendix to Refiner's Compliance Report – Country of Origin Information

Table 1: Refiner's details	
Refiner's name	Tau-Ken Altyn LLP
Location	Bldg. 1, A194 Street, Nur-Sultan ZooT4Y9, Republic of Kazakhstan
Reporting period	31 December 2019
Date of report	31 March 2020
Senior manager responsible for this report	R. Makulbekov, CEO A. Segizbayev, Lead FEA and Commerce Manager Tel.: +7 (7172) 30-94-70, e-mail: a.segizbayev@taukenaltyn.kz

Table 2: Countries of mined and recycled raw material origin	
Country	Amount (kgs)
Republic of Kazakhstan (raw materials mined)	28,668.16
Republic of Kazakhstan (raw materials recycled)	530.93
Total	29,199.09

Table 3: Additional information
No additional information attached

CEO, Tau-Ken Altyn LLP


_____ R. Makulbekov

Person responsible for filling in this questionnaire:

Lead FEA and Commerce Manager, Tau-Ken Altyn LLP


_____ A. Segizbayev

31 March 2020

