

Company Name:	Zijin Mining Group Gold Smelting Co., Ltd.
Reference Standard: LBMA RGG	Other ref.: ISO 19011:2011

Audit Team	
Team Leader:	Team Member:
Mr. Henry Teng	NA

Type of Audit	Date of Opening Audit	Date of Closing Audit	Total n° of man/days
Full assessment Audit			
Assessment Review	12/Feb./2019	13/Feb./2019	2
Follow-up Assessment			

Assessment Information	
Site(s) address(es):	19, Qingang Road, Shanghang, Fujian, China
Refiner Contact Person: Name, Title:	Name: Mr. Zhenglin Liang Title: Office Vice Manager
Email:	lzlgz@163.com
Phone:	+0086-13859509309
Dates and places where the onsite assessment activities were conducted	Date: 12~13/Feb./2019 Place: 19, Qingang Road, Shanghang, Fujian, China

		Non Compliance – risk level			
		Compliant	Low	Medium	High
Based on the assessment conclusions, the overall rating of the Refiner's performance is determined to represent:	Yes				

Is a follow up visit required? (in case of high risk non-compliance)		Yes	No
Date(s) of follow up visit:	NA	Assigned auditor:	NA

AUDIT SUMMARY

Basic Inputs

This is an assessment audit for gold carried out by BV. One auditor and 2 man days were arranged for this audit.

Description of the company activities [mandatory for all audits]:

The company is a state holding company with over twenty years for production of gold bars refinery process. The company is one of the 7 companies first recognized by Shanghai Gold Exchange as an enterprise that is able to provide standard gold bullion

The refinery consists of electrowinning, refining and regeneration units. In recent years, some in-house new processes were developed with high temperature, pressure, cyanide-free gold loaded carbon desorption, electrowinning, vertical constant current carbon regeneration furnace, hydrometallurgy and extraction for rapid refining to guarantee over 99.999% ultra-high purity gold production.

The product categories range from 1kg, 3kg and 12.5kg standard gold bullions. The company also process small gold bars to customers' requirement and take on externally for gold loaded carbon desorption, EW, purification & reprocessing of gold alloy and sales of 99.999% gold products. "Zijin" trademark is recognized as "International standard production" sign. The company have China Quality 21315® quality AAA credit rating and are listed in the London Bullion Market Association (LBMA) suppliers.

The company and factory are also certified to meet ISO 9001, ISO 14001 and OHSAS 18001 standards and subject to regular and routine audit by third party. Details of these certificates can be found from the company official web site <http://www.zjky.cn>

Manual adequacy:

Key clauses in LBMA Responsible Gold Guidance are addressed in the LBMA compliance policy statement that is prepared by the LBMA compliance committee.

All applicable statutory requirements are mandatory implemented and maintained.

LBMA Refiner Assessment Report

Assessment objectives:

The objectives of the assessment were to evaluate the conformity of the Refiner's management system procedures processes and practices with the LBMA Responsible Gold Guidance

Assessment scope:	
<i>Refiner location(s) included in the assessment scope</i>	19, Qingang Road, Shanghang, Fujian, China
<i>Assessment Period</i>	01.01.2018 - 31.12.2018
Assessment methodology:	
<p><i>The Assessment teams used a triangulation of findings to evaluate the existence and implementation of appropriate systems at the Refiner, addressing all areas covered by the LBMA Responsible Gold Guidance. Each area of the LBMA Responsible Gold Guidance was verified by documentation review and management/employee interviews, as well as observation during the facility tour.</i></p> <p><i>The evidence of compliance that was reviewed included:</i></p> <ul style="list-style-type: none"> <i>Gold supplier chain policy, gold supplier chain due diligence procedure, gold source risk assessment procedure, gold risk mitigation strategy, traceability system, training record, risk assessment record, business certification, mine certification, transaction record, gold receiving book, gold assay record, etc.</i> <i>The following areas of the facility were visited during the tour: Office, warehouse, refine workshop, casting workshop, gold product end-processing workshop, lab and all the activities production area related gold product.</i> <i>The following interviews were conducted with management: Mr. Fengxian Lin, GM</i> <i>The following interviews with employees were conducted: Mr. Zhenglin Liang, Compliance officer Mr. Weirong Qiu, Finance manager Ms. Lixia Huang, Market manager Ms. Xiuping Chi, Warehouse</i> 	
Statement of the confidential nature of the contents:	
<i>All the data contained in the assessment report, as well as all information obtained during the performance of the certification, is private and confidential between the auditing body and the Refiner.</i>	
Any significant or inherent limitations or areas not covered that were within the assessment scope:	
There were no significant or inherent limitations or areas not covered that were within the assessment scope.	
Assessment criteria:	
<ul style="list-style-type: none"> <i>The auditor or assessment team took into account all relevant objective evidence provided by the Refiner. Relevant evidence was either qualitative or quantitative in as far as it is appropriate and sufficient to support the auditor or assessment team's conclusions. Appropriate evidence is evidence that is relevant and reliable. Sufficient evidence refers to the amount of evidence provided to allow the auditor or assessment team to reach a conclusion.</i> <i>Any actual or potential gaps in the Refiner's systems in regards to the LBMA requirements are rated in accordance to the level of risk each presents to the credibility and integrity of the LBMA Responsible Gold Programme for the responsible sourcing of gold-bearing materials.</i> 	

Assessment findings:				
<i>Category/subcategory</i>	<i>Non-compliance/Observation: Include evidence found to substantiate the non-compliance as well as frequency of its occurrence.</i>	<i>Recommended corrective action</i>	<i>Timeframe for implementing corrective actions</i>	<i>Refiner comments</i>
Choose an item.	No NC findings during this audit	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Choose an item.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

Assessment conclusions	Compliant	Low	Medium	High	Zero Tolerance
Based on the above assessment conclusions, the overall rating of the Refiner's performance is determined to represent:	Yes				



ADDITIONAL ELEMENTS	
	Assessment plan:
	<i>Refer to attach file of audit plan for Zijin Mining Group Gold Smelting Co., Ltd.</i>
	List of attendees of opening and closing meeting
	<i>Refer to attach file of meeting sign Mr. Fengxian Lin/Factory Manager, Mr. Weirong Qiu/Finance, Ms. Lixia Huang/Warehouse, Ms. Tingting Wang/Sales, Mr. Zhenglin Liang/Admin.</i>
	Refiner feedback
	<i>The factory manager thanked the assessment team for the communication of good practice of gold supply chain system and also for the assessment work during the two days. The management stated that they will strictly follow the requirement of LBMA RGG in future in order to consistently meet the standards.</i>



The Auditors confirm that:

- ✓ The information provided by the Refiner is true and accurate to the best knowledge of the Auditor(s) preparing this report.
- ✓ The findings are based on verified Objective Evidence relevant to the time period for the assessment, traceable and unambiguous.
- ✓ The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.
- ✓ The Auditor(s) are properly qualified to carry out the assessment at this Refiner's facility.

Lead Auditor: Henry TENG

Signature:

A handwritten signature in cursive script that reads 'Henry Teng'.

Date: 13/Feb./2019
