



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

Rev. 02
September
2020

Independent Reasonable Assurance Report to Henan Yuguang Gold And Lead Co., Ltd on its Refiner's Compliance Report 2021 for the London Bullion Market Association's Responsible Silver Guidance

**To the Board of Directors of
Henan Yuguang Gold And Lead Co., Ltd**

We were engaged by Refiner to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 December 2021. The assurance scope consists of the Refiner's Compliance Report.

Management's Responsibilities

The Mr.Hongqiang Miao/Financial Director is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the *LBMA Responsible Silver Guidance* (v.1) (the "Guidance"). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the Mr.Hongqiang Miao/Financial Director as relevant for demonstrating compliance with the *Guidance* are the activities described within the Refiner's Compliance Report.

Auditor's Responsibilities

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 Silver Programme - Third Party Audit Guidance for ISAE 3000 Auditors* (the "Audit Guidance").

This report has been prepared for Refiner for the purpose of assisting the Mr.Hongqiang Miao/Financial Director in determining whether Henan Yuguang Gold And Lead Co., Ltd has complied with the *Guidance* and for no other purpose. Our assurance report is made solely to Henan Yuguang Gold And Lead Co., Ltd in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Henan Yuguang Gold And Lead Co., Ltd for our work, or for the conclusions we have reached in the assurance report.

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 *Guidance* may differ. It is important to read the Henan Yuguang Gold And Lead Co., Ltd's silver supply chain policy available on Henan Yuguang Gold And Lead Co., Ltd's website <http://www.yggf.com.cn/cn/News.aspx>



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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, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We confirm that we satisfy the criteria for assurance providers as set out in out in the *Audit Guidance* to carry out the assurance engagement.

Conclusion

In our opinion, the Henan Yuguang Gold And Lead Co., Ltd's Compliance Report for the year ended 31 December 2021 was inadequate during this Assurance, total 3 Non-Compliances were raised during this Assurance, please refer to Corrective Action Plan for detail. The refiner need to take Corrective Action to close all Non-Compliances in 90 days.

All 3 NCs can be closed via 1st desktop review on June 22,2022.

In our opinion, the Yuguang Gold And Lead Co., Ltd's Compliance Report for the year ended 31 December 2021, in all material respects, describes 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 Silver Guidance* (v.1).

Signature *Chuangen WANG*

Assurance firm: Bureau Veritas Certification Shanghai Branch

Date: April 1,2022 June 22,2022 1st desktop review

Shanghai,P.R.China