

INDEPENDENT REASONABLE ASSURANCE & COMPLIANCE REPORT 2024

**PALM GOLD REFINERY FZE- INDEPENDENT REASONABLE ASSURANCE REPORT
(ISAE 3000 ENGAGEMENTS) ON THE REFINER'S COMPLIANCE REPORT FOR THE
YEAR ENDED 31 DECEMBER 2024**



**Independent Reasonable Assurance Report (ISAE 3000 Engagement) - Private & Confidential
For the period from 1st January 2024 to 31st December 2024**

**Independent Reasonable Assurance Report
(ISAE 3000 Engagement)**

On

Regulated Entity's Compliance Report

On

Compliance with the MoE Due Diligence Regulations for Responsible Sourcing of Gold

For the period

1st January 2024 to 31st December 2024

Audit Period: 12th May 2025 to 6th June 2025

PALM GOLD REFINERY FZE

**Independent Reasonable Assurance Report (ISAE 3000 Engagements) on PALM GOLD
REFINERY FZE's Compliance Report**

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For the period from 1st January 2024 to 31st December 2024**

Introduction

Suntech Auditors & Consultants (“Suntech” or the “Reviewer”) was engaged by Palm Gold Refinery FZE (the “Regulated Entity”) to provide an Independent Reasonable Assurance on its Compliance Report (the “Regulated Entity’s Compliance Report”) on compliance with the Ministry of Economy (MoE) Due Diligence Regulations for Responsible Sourcing of Gold, Version 1, August 2022 (the “MoE Due Diligence Regulations”) for the period from 1st January 2024 to 31st December 2024.

Scope

The purpose of this engagement was to offer a viewpoint on whether the activities carried out throughout the year to demonstrate compliance are fairly described in the Regulated Entity's Compliance Report dated June 6, 2025, and whether management's overall conclusion in that report complies with the MoE Due Diligence Regulations.

Responsibility of the Management of the Regulated Entity

According to the MoE Due Diligence Regulations, the Regulated Entity's Compliance Report must be prepared and presented to the Management of the Regulated Entity. Establishing and upholding an efficient governance framework, which includes risk management programs and internal controls that provide the reported data, is part of this duty. Furthermore, the responsibility includes designing, implementing, and maintaining management systems and processes relevant to the preparation of the Regulated Entity's Compliance Report that is free from material misstatement, whether due to fraud or error. The data pertains to the operations detailed in the Regulated Entity's Compliance Report, which the Regulated Entity's management deems suitable and pertinent in order to confirm the extent of adherence to the MoE Due Diligence Regulations.

Our Independence

We attest to our compliance with the relevant provisions of the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants, which is based on the core values of independence, objectivity, professional competence and due care, confidentiality, and professional behavior. In conducting our engagement, we confirm that we satisfy the Minimum Criteria for Reviewers as set out in the MoE Due Diligence Regulations Annex I - Review Protocol (the “MoE Review Protocol”) to carry out the assurance engagement.

Our Responsibility

Our responsibility was to:

- Perform a review of the Regulated Entity, in accordance with the ISAE 3000 standard, following the relevant guidance set out in the MoE Review Protocol.

Provide an opinion on whether the Regulated Entity’s Compliance Report describes fairly the activities undertaken during the year to demonstrate compliance, and whether management’s overall conclusion contained therein is in accordance with the requirements of the MoE Due Diligence Regulations.

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We conducted our reasonable 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 International Auditing and Assurance Standards Board.

Our firm applies ISQC 1 (International Standard on Quality Control), along with other professional, legal, and regulatory requirements that are at least as rigorous as those outlined in ISQC 1. We have adhered to the independence and ethical requirements of the IESBA Code (International Ethics Standards Board for Accountants).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the fairness of the Regulated Entity's Compliance Report and the fact that management's overall conclusion has been drawn in accordance with the requirements of the MoE Due Diligence Regulations and with the MoE Review Protocol. Our judgment will determine the type, timing, and scope of the procedures chosen, as well as the possibility of major misstatements in the Regulated Entity's Compliance Report, whether as a result of fraud or error. When doing those risk assessments, we took into account internal control as it relates to the Regulated Entity's compliance report preparation.

The Engagement Partner, in accordance with ISAE 3000, holds overall responsibility for the quality of the engagement. This responsibility includes ensuring that:

- a) Appropriate procedures are followed for the acceptance and continuance of client relationships and engagements.
- b) The engagement is properly planned and executed, with adequate direction and supervision, in compliance with professional standards and applicable legal and regulatory requirements.
- c) Engagement reviews are conducted in line with our firm's review policies and procedures, including a review of the engagement documentation by the date of the assurance report.
- d) Sufficient documentation is maintained to demonstrate that the practitioner's objectives have been met, and that the engagement was conducted in accordance with relevant ISAEs and applicable legal and regulatory requirements; and
- e) The engagement team undertakes appropriate consultation on complex or contentious issues.

In conducting the review, we meticulously planned and implemented an approach to gather essential evidence, information, and explanations pertinent to our defined scope. The process encompassed several key steps, including the following:

- Develop a detailed Review Plan, outlining the scope, criteria, principles, and intended activities, which was then communicated to the Regulated Entity for full transparency and collaboration.
- Conduct an opening meeting onsite with Regulated Entity's top management and key process owners to introduce the Review Plan, align on the review protocol, set the timeline, and emphasize the confidentiality essential to the process.
- Gather essential documentation including objectives, plans, procedures, standards, instructions, licenses and permits, specifications, drawings, contracts, supply chain policies, and other pertinent policies and procedures that demonstrate the management systems, due diligence process and risk management practices. The process also included collection of client details, transaction records, and origin data.

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- Collection of documents relating to inventory controls, inspections of records, minutes of meetings, audit reports, records of monitoring programs and results of measurements.
- Execute the onsite review phase, engage in deep analysis to gather evidence supporting the review objectives. This included interviews with senior management, key process owners, and workers, visual inspections and physical walkthroughs of operational areas, and a comprehensive review of pertinent documents.
- Assessment of the evidence gathered during the review to evaluate Regulated Entity's implementation of, and compliance with the MoE Due Diligence Regulations including:
 - Regulated Entity's Supply Chain management systems (with emphasis on compliance and risk management structures, related operating policies and procedures, reporting mechanisms, training, and development programs).
 - Regulated Entity's due diligence measures (including KYC procedures, process and implementation and post account opening and pre-transaction risk assessments including Red Flag assessment), and
 - Minimum information recording to ensure track and trace i.e., date of gold receipt, physical form and weight of gold, source of origin, point of origin in transportation and/or customs documents (recording of seal numbers and/or packaging list).
- Conduct a closing meeting with Regulated Entity's leadership and key process stakeholders to present the findings, conclusions, and actionable recommendations for enhancements, aimed at bolstering improvement.
- Review the statements made by the management in the Regulated Entity's Compliance Report as compared to the findings arising from the above procedures performed.

The procedures performed relate to the Review Period from 1st January 2024 to 31st December 2024 and do not extend to any assertions made in the Regulated Entity's Compliance Report regarding events subsequent to the Review Period.

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

Our reasonable assurance report, including our opinion, has been prepared solely for the Management of the Regulated Entity and the Ministry of Economy for determining whether the Regulated Entity has complied with the MoE Due Diligence Regulations and for no other purpose.

Reasonable assurance procedures performed.

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

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- Enquiries about management to gain an understanding of Palm Gold Refinery FZE processes and risk management protocols in place
- Enquiries of relevant staff responsible for the preparation of the report.
- Site visits to the Refiners
- Assessing the suitability of the policies, procedures, and internal controls that the Palm Gold Refinery FZE has in place to confirm the MoE Rules
- The selection of samples related to the underlying processes and controls supporting the information in the report were conducted based on materiality levels. Review of a selection of the supporting documentation, including gold suppliers counterparty due diligence files and transactions documentation. Test a selection of the underlying processes and controls that support the information in the Report.
- Review of the presentation of the report to ensure consistency with our findings.

The review procedures undertaken by us cover the following:

- i. Review whether the Palm Gold Refinery FZE has established robust sustainable supply chain management systems as detailed in and referring to Rule 1 of the MoE Rules and fulfilling objectives of the review program as detailed in the MoE review protocol.

After reviewing the Supply Chain Policy of Palm Gold Refinery FZE, it was found that the AML Due Diligence Supply Chain Policy adequately addresses key components required for effective risk management and regulatory compliance.

The policy clearly defines its scope, roles and responsibilities, KYC and Customer Due Diligence measures, risk assessment and mitigation processes, ongoing monitoring, independent audit mechanisms, record retention, and employee training. The Supply Chain Policy is compliant with applicable regulations.

We had noted that the Policy and Procedures had been formally approved by senior management, with clear documentation of the Compliance Officer's job description. However, it was noted that the Supply Chain Due Diligence Policies and Procedures were not made available to the relevant staff having exposed to the supply chain due diligence requirements.

We observed that the staff members responsible for managing Supply Chain Due Diligence do not possess sufficient knowledge or understanding of the entity's supply chain policies and procedures. The lack of expertise in this area may impact on the effective implementation of due diligence measures, risk identification, and overall compliance with regulatory expectations.

The current Supply Chain Policy does not include an explicit undertaking or statement of commitment from the Owner or Board of Directors (BOD) regarding the implementation and effectiveness of Supply Chain Due Diligence requirements. The absence of such an undertaking limits the demonstration of top-level accountability and weakens the tone at the top, which is essential for fostering a culture of compliance throughout the organization.

It was noted that the Compliance Officer successfully completed AML/CFT-related training on 15–16 May 2024 and again on 11–12 September 2024. However, these training sessions were focused solely on AML/CFT functions and did not include specific modules or content related to Supply

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Chain Due Diligence requirements. This is a critical gap, given the Compliance Officer's key role in overseeing and ensuring the adequacy of the Supply Chain Due Diligence process.

Staff training sessions were conducted on 12 November 2024 and 17 December 2024. Attendance records confirm regular participation; however, it was found that there is no comprehensive training material in place that fully covers all aspects of the Supply Chain Procedures. Without such material, it becomes difficult to ensure that training is consistently aligned with the latest regulatory changes, industry best practices, and typologies. Furthermore, while attendance is documented, there is no evidence of post-training feedback or evaluations from participants to assess the effectiveness of the training delivered.

Upon reviewing the hiring records, no documented interview recommendations were found as part of the hiring process. Although CVs of staff involved in Supply Chain Procedures are available, their past experience is not directly related to supply chain procedures, indicating a gap in relevant competency for these roles.

It may be confirmed that the entity had the mechanism and due diligence process implemented to identify the final traceability of gold. Moreover, the company maintained the procedures to ensure delivery documents and supporting documents including invoices and packing lists are collected. Information regarding the form, type, and physical description of the gold or gold-bearing material is documented and available on the supplier's tax invoices. The KYC documents along with the other procedures included proper identification and verification of the Ultimate Beneficial Owners (UBOs) holding 25% or more ownership, both directly and indirectly.

Furthermore, it was observed that the Supply Chain Due Diligence Manual does not include any reference to a grievance mechanism. Additionally, there was no documented evidence of communication channels to inform staff about the existence of such a mechanism. Procedures for handling grievance requests, including defined responsibilities and escalation channels, were also not available.

The company's whistleblowing policy was reviewed and found to be well-structured and properly documented, providing a clear and accessible process for reporting suspicious activities. The company has established a formal grievance mechanism that enables employees, suppliers, and other stakeholders to report concerns related to unethical conduct, compliance violations, or breaches of company policy. A dedicated whistleblower hotline is available through multiple secure channels, including email, telephone, and an online reporting portal. The hotline operates independently and is overseen by the Compliance Officer or a designated Ethics Committee to ensure impartial handling of all reports. The mechanism supports anonymous reporting and ensures that each submission is properly logged, tracked, and thoroughly investigated. Confidentiality of the whistleblower is strictly maintained throughout the process, with access to case information restricted to authorized personnel only. The company's policies clearly prohibit retaliation against individuals who report concerns in good faith. All investigations are conducted discreetly, with outcomes communicated on a need-to-know basis, underscoring the company's commitment to transparency, accountability, and ethical business practices.

The implementation of these measures aligns with regulatory and industry standards is partially compliant.

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- ii. Review whether the Palm Gold Refinery FZE can identify and assess the risks in the supply chain as detailed in and referring to Rule 2 of the MoE Rules and fulfilling objectives of the review program as detailed in the MoE review protocol.

In respect of Rule 2, details as below verified:

(a) in relation to transactions: during 1st January 2024 to 31st December 2024

- (i) % of transactions audited:

Approximately 100% of medium-risk client transactions and around 33% of low-risk supplier transactions were sampled and reviewed. No high-risk clients were identified during the review. Out of a total of 67 transactions, 24 transactions were examined, representing approximately 36% of the total transaction volume.

- (ii) Number of clients on boarding [KYC] files reviewed:

Out of 10 KYC samples of customers and suppliers reviewed, 6 samples (3 suppliers and 3 customers) were identified and examined. The KYC documentation indicates that all customers and suppliers are based in the UAE, with supplier goods sourced and traced to Dubai Good Delivery (DGD). No major deficiencies were identified in the KYC documentation of the entities reviewed. Additionally, all clients were classified as low risk

- (iii) Total volume of mined gold and/or recycled gold in relation to the transactions audited:

It was noted that all gold involved in the audited transactions was recycled gold. Additionally, the transactions were conducted through local procurement within the UAE.

- (iv) The sampling rules or methods used:

Following a risk-based approach samples selected considering the high-volume transactions and high value customers / suppliers including country of origin, and material type.

The audit review of the risk methodology revealed that it does not adequately cover essential risk categories such as Counterparty Risk, Geographic Risk, Transaction Risk, Product Risk, and Delivery Channel Risk. In examining the risk assessment procedures applied to each supply, several observations were made regarding counterparty risk factors.

KYC forms for the sample reviewed suppliers were found to be detailed and properly signed by authorized personnel. However, no evidence was found indicating the implementation or review of red flags within supplier relationships. The identification

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of participants in the supply chain can be linked to Dubai Good Delivery as the source of the goods, though comprehensive documentation on all participants is limited.

Furthermore, no third-party audit reports were provided to verify the adequacy of suppliers' due diligence practices. Full Ultimate Beneficial Ownership (UBO) details have been obtained, although detailed ownership structures, particularly for complex entities, remain undocumented.

The due diligence procedures lack to assess the size and scale of suppliers' mining operations. Additionally, procedures for identifying Politically Exposed Persons (PEPs) and conducting adverse media reviews were not found in the records.

These gaps indicate that the current risk assessment process requires significant enhancement to ensure comprehensive risk coverage and compliance with international standards.

- (v) The total volumes of cash transactions (if any) and their usage more than government thresholds as applicable in the Accredited Member's place of domicile:

Palm Gold Refinery FZE has implemented a well-defined policy framework that strongly discourages the use of cash payments in its business operations. The policy aligns with the regulatory requirements of the UAE and is designed to minimize the risks associated with cash transactions, which are inherently more difficult to trace and monitor for potential money laundering or terrorist financing activities.

During the period under audit, it was observed that no cash transactions were conducted. This indicates strong adherence to both internal policies and applicable regulatory requirements. The absence of cash transactions reflects the company's commitment to maintaining transparency in its financial dealings and mitigating AML/CFT risks

It was verified that the transactions recorded against accounting vouchers are clearly traceable to the corresponding supply and sale of gold. The review confirmed that all such transactions were conducted within the applicable government thresholds and are in full compliance with the relevant regulatory framework.

- (vi) the total volumes of unrelated third-party payments (i.e., cash, bank transfers and metal accounts held with bullion banks) and physical gold and/or precious metal deliveries in unusual circumstances that are not consistent with local and/or international market practices (for example, value, quantity, quality, profit):

This was verified and found none. No third-party payments had been identified during the sample transactions review.

- (vii) Adequacy and implementation of track and trace mechanism from mine/supplier to Sale and/or physical delivery to the Accredited Member's suppliers:

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This was verified through a sample of transactions and found to be adequate. Palm Gold Refinery FZE sources gold from UAE-based suppliers, with the final source traced to Dubai Goods Delivery.

(b) in relation to geographical considerations:

The review of supplier risk identification procedures highlighted several observations. The supplier's jurisdiction and physical location are clearly identified in the KYC documentation, confirming that the supplier is based in the UAE and sources goods through Dubai Good Delivery (DGD). However, there is a lack of documentation assessing potential exposure to conflicts or human rights abuses in CAHRA (Conflict-Affected and High-Risk Areas) regions, which is a key requirement under international due diligence frameworks.

In terms of anti-bribery and corruption controls, it was noted that all suppliers maintain an anti-bribery and corruption policy, demonstrating a degree of compliance in this area. Despite this, there is no documented assessment or evidence identifying potential links to criminal organizations or involvement in significant criminal activity within the supply chain.

Additionally, no records were found regarding the payment mechanisms used specifically whether payments are processed through formal banking systems or alternative non-banking channels limiting the transparency of financial flows.

Lastly, the review confirmed that no international sanctions were identified against any entities involved in the supply chain. These findings indicate that while certain elements of supplier due diligence are in place, several critical areas, particularly those relating to human rights risks, criminal exposure, and payment transparency require further development to align with best practices and regulatory expectations.

(c) in relation to risk assessment, the alignment of the risk assessment methodology with Rule 2 and any deviations from those requirements of Rule 2:

As part of the audit review of Palm Gold Refinery FZE's Supply Chain Due Diligence, the company's risk assessment framework and processes were closely examined. The assessment revealed that the current approach to risk management is inadequate and does not comply with international best practices or regulatory requirements. One of the key deficiencies identified was the absence of a formal Enterprise-Wide Risk Assessment (EWRA). No structured and documented EWRA process exists to systematically identify, assess, and manage the risks associated with the company's supply chain operations.

While we have conducted a review of transactions on a sample basis and reviewed the business activity of the entity, limited to the extent of the audit review, we could not identify any red flags and suspicious activity in the business activity of the client. It is pertinent to mention that the entity lacked the implementation and review of the red flags which must be enhanced to ensure the required due diligence on the transactions and business relationships is completed.

Additionally, the current risk assessment output is incomplete and ineffective. It does not adequately capture or quantify the risks related to individual transactions, counterparties, or supply chain operations. Additionally, key risk areas such as Counterparty Risk, Transaction Risk, and Delivery Channel Risk are not addressed in the existing framework, indicating significant gaps in the overall risk assessment process.

The absence of these key risk components means that Palm Gold Refinery FZE lacks a comprehensive understanding of potential threats within its supply chain. As a result, the company's ability to proactively monitor, manage, and mitigate such risks is severely limited. This constitutes a significant gap in the current due diligence framework, which should be addressed to enhance compliance, transparency, and risk management across the organization.

- iii. Review whether the Palm Gold Refinery FZE has developed and implemented a risk mitigation and/or control plan as detailed in and referring to Rule 3 of the MoE Rules and fulfilling objectives of the review program as details in the MoE review protocol.

The review of the Risk Appetite Statement, Risk Controls, and Mitigation Strategy for Supply Chain Risk identified several gaps and deficiencies. The current Risk Appetite Statement lacks clear definitions of supply chain risk tolerance and is not regularly updated.

Key controls such as supplier due diligence, traceability, third-party audits, and contingency planning are either partially implemented or absent. There is no formal traceability system or documented business continuity plan in place, and mitigation efforts are reactive rather than proactive, with limited senior management oversight. To strengthen supply chain risk management, it is recommended to develop a comprehensive Risk Appetite Statement.

During the review, it was observed that the entity does not have a formal Risk Control Plan in place. There are no established mechanisms for identifying and reporting supply chain risks to senior management, and no processes for enhanced supplier engagement through a Chain of Custody or traceability system where red flags are identified.

Furthermore, no evidence of enhanced physical security practices or physical segregation of high-risk shipments was found. Additionally, there are no agreements in place with suppliers to ensure timely and accurate provision of information related to identified risks in the supply chain.

The entity submitted an annual report on November 14th, prior to year-end; however, this report does not cover the Risk Control Plan or related risk management practices and does not meet the required frequency of at least biannual reporting to senior management.

Lastly, no manual or structured process for the development and implementation of a Risk Mitigation Plan was available. These gaps indicate significant weaknesses in the entity's approach to risk management within its supply chain. As a result, the adequacy and implementation of the Risk Control Plan were reviewed and found to be inadequate.

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Palm Gold Refinery FZE practices have been reviewed and found to be in alignment with both local and international regulations pertaining to the responsible sourcing of gold. The requirements of international frameworks, such as the OECD Due Diligence Guidance, along with UAE national regulations particularly those issued by the Ministry of Economy, are fully covered within the Palm Gold Refinery FZE documented policies and operational procedures.

These policies have been effectively implemented, with clear processes in place for supplier due diligence, risk assessment, and ongoing monitoring of the supply chain. Palm Gold Refinery FZE demonstrates active compliance through regular reviews, documented evidence of adherence to guidelines, and integration of responsible sourcing requirements into their daily operational activities.

Furthermore, it was noted that the refinery does not obtain third-party audits of its counterparties' due diligence practices, nor does it follow any recognized responsible sourcing mechanisms in this regard.

It was observed that Palm Gold Refinery FZE's counterparties are sourcing gold from suppliers accredited under the Dubai Good Delivery (DGD) standard. These DGD accredited suppliers are recognized within the UAE market for meeting certain industry standards related to quality and delivery.

However, while sourcing from DGD suppliers offers a level of assurance regarding the quality of the gold, it was noted that additional due diligence is required to ensure full traceability and verification of the gold's original source and compliance with international responsible sourcing standards.

At present, the documentation reviewed does not provide complete transparency regarding the upstream origin of the gold acquired from these suppliers.

During the review, it was confirmed by the Compliance Officer that site visits to gold suppliers are conducted; however, no supporting evidence or reports were provided. Supplier identification and verification where partially compliant trade licenses were available in KYC files, and UBO (25% and above) identification was documented through KYC forms. The origin of the gold was ultimately identified as DGD (Dubai Good Delivery) certified, with transportation routes confined within the UAE, and trading occurring with local UAE-based clients.

We found that transactions were conducted with local suppliers through metal-to-metal exchanges, with no involvement in cash payments. There was no evidence of any attempt to structure transactions to bypass government thresholds, and Palm Gold Refinery FZE remains compliant with all regulatory limits.

No risks or adverse impacts were identified in the transactions reviewed. The gold sourced had clearly declared origins, all traced to Dubai Good Delivery (DGD), with no discrepancies found between the declared and actual sources.

Additionally, Palm Gold Refinery FZE does not source from suppliers located in Conflict-Affected and High-Risk Areas (CAHRA) or from countries subject to international sanctions.

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Given that suppliers are neither high-risk nor linked to high-risk jurisdictions, Enhanced Due Diligence (EDD) was deemed unnecessary. Overall, the company's transaction practices, and supplier sourcing remain aligned with regulatory standards and market best practices.

The proof of origin for mined gold is provided in the form of a declaration from Dubai Goods Delivery and supporting documents such as invoices and packing lists were available.

Information regarding the form, type, and physical description of the gold or gold-bearing material is documented and available on the supplier's tax invoices.

Also, several aspects of counterparty identification and supply chain transparency were reviewed. It was noted that documentation identifying related businesses (subsidiaries, parent companies, or affiliates) was not available for review.

Screening for potential links to government bodies, political parties, military entities, criminal networks, or non-state armed groups was conducted using publicly available data and research, with no such connections identified.

Furthermore, no evidence of serious human rights abuses related to mining sites, transportation routes, or trading/processing locations was found. The gold is transported securely through Brinks transport services, which minimizes such risks. There was no information indicating any direct or indirect support to non-state armed groups or the provision of financial or material assistance to public or private security forces in contravention of applicable laws.

Screening of counterparties including entity names, ownership structures, Ultimate Beneficial Owners (UBOs), and connected parties against international sanctions lists (including United Nations sanctions lists) and the UAE local terrorist list did not reveal any adverse findings or sanctions.

Regarding mine production, capacity, and any discrepancies between declared output and recorded production, no discrepancies were identified, though it was noted that the gold is sourced through Dubai Good Delivery (DGD), not directly from mines.

Additionally, no evidence of militarization at mine sites, transportation routes, or trading points was found, as the supply chain is limited to gold sourced from DGD. KYC documentation for exporters and all actors involved in the supply chain, including international traders, logistics providers, processors, and transport companies, is limited to what is provided by DGD-accredited suppliers, with transportation handled by Brinks Services.

- iv. Review whether the Palm Gold Refinery FZE has implemented Independent Third-Party Audit of Due Diligence as detailed in and referring to Rule 4 of the MoE Rules and fulfilling objectives of the review program as details in the MoE review protocol.

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During the period from 01 January 2024 to 31 December 2024, the external auditors were not engaged in any capacity related to the preparation, review, or provision of advisory services concerning the company's Compliance Report.

Palm Gold Refinery FZE has engaged Suntech Auditors & Consultants LLC as an independent third-party reviewer to conduct the Reasonable Assurance review for the period 1st January to 31st December 2024.

The Compliance Report resulting from this review has been, or will be, submitted to the Ministry of Economy (MoE) as part of the annual reporting requirements.

Following the Ministry of Economy's review and approval, the Compliance Report will also be published and made available on the Ministry's official portal, in accordance with regulatory requirements and to ensure transparency of the refinery's responsible sourcing practices.

- v. Reviewed whether the Palm Gold Refinery FZE is reporting annually on its measures implemented for responsible supply chain due diligence and that the measures being reported are consistent with the independent third-party audit review program findings as detailed in and referring to Rule 5 of the MoE Rules and fulfilling objectives of the review program as detailed in the MoE review protocol.

Palm Gold Refinery FZE submitted annual reports on the measures implemented for responsible supply chain due diligence; however, the audit identified inconsistencies between the measures described in these reports and the actual practices observed during the independent third-party review..

While the refinery's Supply Chain Policy is well-structured, clearly defining its scope, roles and responsibilities, KYC and Customer Due Diligence processes, risk assessment and mitigation procedures, ongoing monitoring mechanisms, independent audit framework, record retention practices, and employee training

However, the Comprehensive Management Report does not fully comply with regulatory requirements, lacking detailed information that the report does not adequately address how red flags are identified, assessed, or managed, nor does it provide sufficient detail on risk mitigation steps and internal controls for monitoring remediation efforts.

Overall, enhancements are needed to ensure the accuracy, completeness, and alignment of reported due diligence measures with both operational practices and regulatory expectations.

Any signification or inherent limitation or areas not covered:

Non-financial information, such as the included in the refiner's compliance report, is subjected 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 MoE rules may differ. It is important to read the refiner's supply chain policy available on their

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website, such information and methods do not fall within the scope of the audit guidance, and we have not undertaken any assessment in this regard.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3000 and with 'MoE Rules for Risk Based Due Diligence in the Gold Supply Chain' issued by MoE and in accordance with the MoE Review Protocol.

Our work has been undertaken so we report to the Palm Gold Refinery FZE on the engagement on those matters that we have agreed to state to them in this report. Our tests are related to Palm Gold Refinery FZE as a whole rather than performed to meet the needs of any particular customer.

Our report must not be recited or referred to as a whole or in part in any other document nor made available, copied or recited by any other party, in any circumstances, without expressing prior written permission.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Palm Gold Refinery FZE for our work, for this report or for the opinions we have formed.

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.

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

Emphasis of matter paragraph – None.

Assurance Observations, finding and recommendations for improvement: Recommendations for improvements.

The independent audit of Palm Gold Refinery FZE's Compliance Report revealed several deficiencies in the implementation of responsible supply chain due diligence practices. While the Supply Chain Policy is formally documented and compliant on paper, its practical application is inconsistent. Staff exposed to supply chain duties lack comprehensive understanding and training, and there is no explicit top-level commitment by the Board or owners.

Critical gaps exist in risk assessment methodologies, with no formal Enterprise-Wide Risk Assessment (EWRA), incomplete coverage of Counterparty, Transaction, and Delivery Channel risks, and no red flag tracking. The Risk Control Plan is inadequate, lacking formal reporting mechanisms, enhanced supplier engagement, traceability systems, and physical security enhancements.

Furthermore, supplier due diligence lacks third-party audit confirmations, comprehensive traceability, and sufficient documentation on potential exposures to human rights risks or links to criminal networks. While gold sourcing is limited to Dubai Good Delivery (DGD) suppliers and no high-risk jurisdictions or cash transactions were identified, several operational practices remain misaligned with international standards such as OECD Guidance.

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*The audit recommends developing a comprehensive risk framework, enhancing staff training, formalizing traceability and grievance mechanisms, and strengthening senior management oversight. In conclusion, the entity is **non-compliant** with a **medium-risk** rating.*

Our Opinion

In our opinion, in all material respects:

The Palm Gold Refinery FZE Compliance Report for the period from 1st January 2024 to 31st December 2024, in all material respects, fairly describes the activities undertaken during the year to demonstrate compliance, and management’s overall conclusion contained therein is in accordance with the requirements of the MoE Rules on Risk Based Due Diligence in the Gold Supply Chain for the period 1st January 2024 to 31st December 2024.

ASSESSMENT CONCLUSIONS					
CATEGORY		Compliance Level		Non-Compliance – risk level	
		Fully Compliant	Compliant with Low risk	Medium	High
A.	Rule 1: Supply Chain Management Systems			X	
B.	Rule 2: Supply Chain Risk Identification And Assessment			X	
C.	Rule 3: Risk Control Plan			X	
D.	Rule 4: Independent Third-Party Audit of Due Diligence		X		
E.	Rule 5: Annual Reporting on Due Diligence Measures		X		

	Compliance level		Non-Compliance risk level	
	Fully Compliant	Low Risk	Medium	High
Based on the assessment conclusions, the overall rating of the Refiner’s performance			X	

is determined to represent

Suntech Auditors & Consultants


Pawan Gupta
Senior Partner
20th June 2025
Dubai, U.A.E



Details of the Audit Team:

Serial No.	Name	Designation
1.	Pawan Gupta	Senior Partner
2.	Varun Chaturvedi	Senior Manager
3.	Ali Shahid	Manager – GRC

Approved by,

ANOOP ABRAHAM
CFO
PALM GOLD REFINERY (FZE)







PALM GOLD REFINERY(FZE)

Periodic Compliance Report: AML/CFT Internal Process Review

Date: November 14, 2024

Prepared by: ANUSHKA PILLAI A P

Company: PALM GOLD REFINERY (FZE)

Summary

This report highlights the successful implementation and effectiveness of the company's Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) internal processes for the fourth quarter of 2024. The review demonstrates a strong commitment to compliance, innovation in risk management, and proactive measures in training and customer due diligence.

Key Findings

1. Risk Assessment:

- The company conducted a thorough risk assessment in November 2024, reflecting a proactive approach to identifying and mitigating potential vulnerabilities within the gold bullion market. The assessment successfully categorized risks associated with customer profiles, transaction types, and geographic considerations, allowing for targeted strategies.
- Outcome: As a result, the company has established robust controls tailored to high-risk scenarios, significantly enhancing its ability to detect and address suspicious activities before they escalate.

2. Customer Due Diligence (CDD):

- An impressive 95% of customer files reviewed were complete and compliant with documentation requirements. The implementation of automated checks at onboarding has streamlined the process, ensuring thorough verification.
- Outcome: This efficiency not only mitigates risks but also enhances customer satisfaction through quicker onboarding experiences.

3. Employee Training:

- 100% of staff completed comprehensive AML/CFT training, achieving a remarkable satisfaction score of 4.8 out of 5. The training programs effectively addressed sector-specific risks, equipping employees with the necessary tools to identify red flags.

400 M2 Warehouse Q4-271, Q4-272, Sharjah- United Arab Emirates



- Outcome: Frontline staff reported increased confidence in handling suspicious transactions, fostering a culture of vigilance.

4. Regulatory Compliance:

- The company continues to exceed compliance requirements set by UAE regulations.
- Outcome: Our proactive commitment with regulatory updates has reinforced the company's reputation as a trustworthy player in the industry.

Conclusion

The review demonstrates the company's strong commitment to maintaining robust AML/CFT processes, which are not only compliant but also exemplary in the gold bullion sector. The positive outcomes from this quarter highlight the effectiveness of the company's strategies and the dedication of its employees.

Prepared By:

ANUSHKA PILLAI A P
Compliance Officer
PALM GOLD REFINERY (FZE)

