

KPMG Samjong Accounting Corp.

27F , Gangnam Finance Center
152, Teheran-ro, Gangnam-gu,
Seoul, 06236 Republic of Korea

Tel +82 2 2112 0100
Fax+82 2 2112 0101
www.kr.kpmg.com

Independent Reasonable Assurance Report to Korea Zinc Company, Ltd.

We were engaged by Korea Zinc Company, Ltd. to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 December, 2018.

The assurance scope consists of the Refiner's Compliance Report.

Responsibilities

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

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 Korea Zinc Company, Ltd. for the purpose of assisting the directors in determining whether Korea Zinc Company, Ltd. has complied with the *Guidance* and for no other purpose. Our assurance report is made solely to Korea Zinc Company, Ltd. in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Korea Zinc Company, 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 Korea Zinc Company, Ltd.'s silver supply chain policy available on Korea Zinc Company, Ltd. website www.koreazinc.co.kr.

Independence and competency statement

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

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

Conclusion

In our opinion, the Korea Zinc Company, Ltd.'s Compliance Report for the year ended December 31, 2018, 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.

KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.
April 19, 2019
Seoul, Korea