

KPMG Samjong Accounting Corp.

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Independent Limited Assurance Report to Korea Zinc Company, Ltd.

We were engaged by Korea Zinc Company, Ltd. to provide limited assurance on its Refiner's Compliance Report for the year ended 31 December, 2019.

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 limited 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.

Limited 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:

- Enquiries of management to gain an understanding of Korea Zinc Company, Ltd.'s processes and risk management protocols in place
- Enquiries of relevant staff responsible for the preparation of the Report
- Assessing the suitability of the policies, procedures and internal controls that the Korea Zinc Company, Ltd. has in place to conform to the *Guidance*
- Review of a selection of the supporting documentation, including silver supplier counterparty due diligence file and transaction's 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

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

Based on the limited assurance procedures performed, as described above, nothing has come to our attention that would lead us to believe that Korea Zinc Company's Refiner's Compliance Report for the year ended 31 December 2019, did not in all material respects, describe fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is not in accordance with the requirements of the *LBMA Responsible Silver Guidance*.

KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.
June 12, 2020
Seoul, Korea