



LEWIS & PECKER

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

REVIEWER'S INDEPENDENT REASONABLE ASSURANCE REPORT

(ISAE 3000 ENGAGEMENT)

IN

COMPLIANCE WITH MOE DUE DILIGENCE REGULATIONS FOR RESPONSIBLE SOURCING OF GOLD

FOR

FALCON PRECIOUS METAL REFINERY FZC

FOR THE PERIOD

01 JANUARY 2025 – DECEMBER 2025



TO

THE BOARD OF DIRECTORS
FALCON PRECIOUS METAL REFINERY FZC
SAIF ZONE, SHARJAH
UNITED ARAB EMIRATES.

INDEPENDENT REASONABLE ASSURANCE REPORT TO FALCON PRECIOUS METAL REFINERY FZC (ISAE 3000 ENGAGEMENTS)

AVS LEWIS AND PECKER AUDITING (“the Reviewer”) was engaged by the Management of FALCON PRECIOUS METAL REFINERY FZC (“the Regulated Entity” or “the Refiner”) to conduct a Reasonable Assurance engagement on the Refiner’s Compliance Report for the period 1 January 2025 to 31 December 2025. The scope of this assurance engagement is based on an evaluation of the Refiner’s Compliance Report (“the Report”).

MANAGEMENT RESPONSIBILITIES

The Management of the company is responsible for preparing and presenting the Refiner’s Compliance Report in accordance with the Emirates Bullion Market Committee (EBC) Rules for Risk-Based Due Diligence in the Gold Supply Chain (Version 1, August 2022) and Annex 2 – EBC Review Protocol.

This responsibility includes establishing appropriate risk management systems and internal controls from which the reported information is derived. The criteria identified by Management as relevant for demonstrating compliance are the activities described within the Refiner’s Compliance Report.

AUDITOR’S RESPONSIBILITIES

Our responsibility is to perform a Reasonable Assurance engagement and express an opinion on whether the Refiner’s Compliance Report fairly describes, in all material respects, the activities undertaken during the year to demonstrate compliance, and whether Management’s overall conclusion aligns with the requirements of the applicable guidance.

We conducted our 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, as well as the EBC Rules for Risk-Based Due Diligence in the Gold Supply Chain (Version 1, August 2022) and Annex 2 – EBC Review Protocol.

Our work has been performed solely to report to FALCON PRECIOUS METAL REFINERY FZC on the matters agreed upon in this report. It has not been prepared to meet the needs of any specific third party. The assessment is based strictly on the Refiner’s actual performance and adherence to the EBC Rules for Risk-Based Due Diligence.

SCOPE AND ASSURANCE PROCEDURES PERFORMED

As part of the review, we designed and executed a structured approach to obtain the evidence, information, and explanations necessary for our engagement. Key procedures included:

- Developing a detailed review plan, including scope, criteria, principles, and activities.
- Conducting meetings with senior management to discuss the review plan, protocols, timelines, and confidentiality requirements.
- Reviewing documents related to the Refiner’s operations, including policies, procedures, standards, licenses, permits, supply chain policies, security protocols, due diligence processes, and risk management practices. This also included collecting client information, transaction records, and origin data.
- Examining documents related to inventory controls, inspection records, meeting minutes, audit reports, monitoring program records, and measurement results.
- Conducting site visits to perform onsite review procedures and gather evidence supporting the review objectives.
- Collecting supporting documents related to gold suppliers’ counterparty due diligence and transaction documentation.
- Assessing the evidence obtained to evaluate the entity’s implementation of and compliance with the Ministry of Economy’s Due Diligence Regulations, including:
 - Supply chain management systems, reporting procedures, policies, and training programs.
 - Due diligence measures, including KYC procedures, implementation processes, and pre-transaction risk assessments.
 - Information ensuring traceability of gold receipts, physical form and weight, origin, transportation details, and customs documentation where applicable.
- Conducting a closing meeting with senior management to present key findings, conclusions, and actionable recommendations for improvement.
- Reviewing the Compliance Report prepared by the entity’s compliance officer and comparing it with the results of the procedures performed.

The review covered for the period from 1 January 2025 to 31 December 2025, in accordance with the EBC Rules for RBDG and the EBC Review Protocol. Our assurance does not extend to any statements made within the Regulated Entity's Compliance Report itself. Relevant samples were selected and examined to support the preparation of this Assurance Report.

We believe the evidence obtained is sufficient and appropriate to form the basis of our opinion. This Reasonable Assurance Report has been prepared exclusively for the Management of the Regulated Entity and the Ministry of Economy to evaluate compliance with the Ministry's Due Diligence Regulations.

INHERENT / SIGNIFICANT LIMITATIONS / AREAS NOT COVERED

While this report provides a structured and comprehensive assessment of the Regulated Entity's compliance, certain inherent limitations must be acknowledged:

- **Subjectivity in Compliance Assessment:** Evaluating compliance involves qualitative judgments and interpretation of regulatory requirements, which may introduce subjectivity despite structured criteria.
- **Limited Document Verification:** The review included examination of selected documents and management assertions through interviews and sampling. However, document authenticity was not independently verified with government authorities or third parties.
- **Reliance on Information Provided:** The review is based on information supplied by the Regulated Entity. Although assessed for reliability, it was not independently validated. Conclusions therefore depend on the accuracy and completeness of the information provided.
- **External Factors Beyond Scope:** The review does not account for external developments after the review period, such as regulatory changes or operational shifts that may affect ongoing compliance.
- **Timeliness of Findings:** Conclusions reflect the compliance status as of the review period. Business operations and risk profiles may change thereafter.
- **Risk of Human Error or Undetected Fraud:** As with any assurance engagement, there is an inherent risk that errors, omissions, or fraudulent activities may not be detected. This engagement does not provide absolute assurance.

INDEPENDENCE AND COMPETENCY STATEMENT

We confirm that we have complied with the relevant provisions of the IESBA Code of Ethics for Professional Accountants, which is founded on the principles of integrity, objectivity, professional competence and due care,

confidentiality, and professional behaviour. We also confirm that we meet the eligibility criteria for assurance providers as outlined in the applicable Audit Guidance.

ASSURANCE OBSERVATIONS:

The review procedure undertaken by us are as follows:

In respect of STEP 1 detailed as below are being verified,

For STEP 1, we verified that FALCON PRECIOUS METAL REFINERY FZC has implemented a comprehensive and sustainable supply chain management system in alignment with the requirements of the EBC Rules. This includes meeting the objectives outlined in the EBC Review Protocol. The company maintains policies consistent with the Ministry of Economy's Due Diligence Regulations for responsible gold sourcing as well as the standards of the Responsible Jewellery Council (RJC).

FALCON PRECIOUS METAL REFINERY FZC has identified, assessed the risk and implemented KYC requirements related to Supply Chain as detailed in STEP 2 of the EBC rules and fulfil the objectives of the review program as detailed in the EBC review protocol. There is an opportunity to collect details of the supplier's suppliers to better verify the origin of the gold and confirm whether it was received as scrap or recycled gold.

In respect of STEP 2, detailed as below are verified,

- a) In relation to transactions during the period 01-01-2025 to 31-12-2025
 - o No of transactions audited during the year and no of high-risk transactions audited.
 - 30% of total transactions are audited during the visit by covering all the parties and there are no high-risk transactions observed.
 - We observed that regulated entity has not engaged directly with ASM/LSM i.e., Mining. However, we observed that the regulated entity has their suppliers who export gold to the refinery from mines. Direct suppliers are "UAE Local Suppliers".
- b) The Percentage of transactions audited as compared to the total no of transactions during the period has been reviewed.
- c) **Verified** - Number of clients onboarded and reviewed all their KYCs.
- d) Total Volume of Mined Gold or Recycled gold in relation to transactions were audited.
- e) Total Volume of Mined Gold or Recycled Gold in relation to the total number of transactions during the period is reviewed as stated in the point c).

- f) The total volume of cash transactions and their usage in excess of government thresholds as applicable in the registered Entity's place of domicile - **verified and found none**. And Regulated entity transacts mainly through banking channels instead of cash.
- g) 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); **Verified and found none**.
- h) Adequacy and Implementation of track and trace mechanisms from supplier to sale and/or physical delivery to the Regulated Entities suppliers; Verified and no issues observed. This has been verified on the sampled transactions; they were found adequate and satisfactory.

In relation to geographical considerations:

- i. Regulated Entity has received gold within UAE based clients in the form of Recycled Gold/Scrap bars/dore bars and records each transaction shipped to refinery for processing with quantity, actual or declared purity, country of origin and transportation – Gold is locally sourced and;
- ii. All transactions are screened to check if they are related to sanctioned and/or embargoed country, entity or individual – The Gold for refinery is received through the direct customers based only in UAE, the documentation towards the supply was verified and was found adequate samples which are verified.

In relation to risk assessment, the alignment of the risk assessment methodology with STEP 2 and any deviations from those requirements of STEP 2:

- Risk Assessment has been verified and additionally entity has to ensure that the risk involved with the KYCC also needs to be considered in order to derive the overall risk associated with the supplier's counterparties.

The Number of transactions and/or suppliers where Enhanced Due Diligence was conducted during the period subject to review.

- Enhanced due diligence has not performed especially when the first party is dealing with parties associated with grey list countries or high-risk countries. Regulated Entity has to always ensure that Supplier's counterparty details are collected.

In respect of STEP 3,

Review has been performed whether the Falcon Precious Metal Refinery FZC has developed and has implemented risk mitigation measures and/or control plan as detailed in and referring to STEP 3 of the EBC Rules and Fulfilling object of the review program as detailed in the EBC review protocol – Verified and found inadequate.

In respect of STEP 4,

Independent Third-Party Audit and review will hold the detailed assessment and rating of compliance review protocol (Annexure I).

Regulated entities are required to undergo an annual independent third-party audit conducted by an accredited Reviewer for supply chain assurance and Independent AML third party audit, as specified in the review protocol (Annex I). For the current review period from January 1, 2025, to December 31, 2025, the supply chain due diligence framework of the Regulated Entity is being audited by AVS Lewis and Pecker Auditing.

In respect of STEP 5,

Regulated Entity has to perform Annual reporting on Responsible supply chain due diligence Measures. Regulated Entities should submit all audit reports as stipulated under section 12 of Annexure I to the MOE on an Annual basis.

The Reasonable assurance review has been conducted for the period 1st January 2025 to 31st December 2025 with AVS LEWIS AND PECKER AUDITING as an independent 3rd party accredited reviewer and will be reporting the compliance report to the MOE Annually and also make it available in their portal upon the receipt of the report.

Reviewed the Falcon Precious Metal Refinery FZC activities related to conducting due diligence for adherence to EBC's review protocol in Annex I and Policy as described in Step 1.3 Anti-Money laundering and Combating Financing of Terrorism Policy (as the minimum acceptable standard for AML/CFT due diligence policy).

SUMMARISED EVALUATED CONCLUSION

In our opinion, the accompanying refiner's compliance report dated 26th March 2026 fairly presents, in all material respects, the activities carried out during the year to demonstrate compliance, as well as management's overall conclusion, in accordance with the requirements of the EBC Rules on Risk-Based Due Diligence in the Gold Supply Chain.

ASSESSMENT CONCLUSION

RULES	REFINERY'S RATING
STEP 1 - SUPPLY CHAIN MANAGEMENT SYSTEMS	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 2 - SUPPLY CHAIN RISK IDENTIFICATION AND ASSESSMENT	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 3 - RISK CONTROL PLAN	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 4 – INDEPENDENT THIRD-PARTY AUDITS	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 5 – ANNUAL REPORTING ON RESPONSIBLE SUPPLY CHAIN DUE DILIGENCE	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS

OVERALL ASSURANCE CONCLUSION:

- NOT COMPLIANT WITH THE MOE DUE DILIGENCE REGULATIONS FOR RESPONSIBLE SOURCING OF GOLD - MEDIUM RISK DEVIATIONS

Thanking you,

Yours truly,

For AVS LEWIS & PECKER AUDITING




HIND SULTAN MOHAMMED ALSUWAIDI

REGISTERED AUDITOR NO. 1315

DATE: 23-04-2026

DETAILS OF REPORTING ENTITY

COMPANY NAME :	FALCON PRECIOUS METAL REFINERY FZC
ADDRESS :	T5-020, SAIF ZONE, SHARJAH, UAE
LOCATION :	SAIF ZONE, SHARJAH, UAE
REPORTING YEAR-END:	JANUARY 01, 2025, TO DECEMBER 31,2025
DATE OF REPORT :	26-03-26
SENIOR MANAGEMENT RESPONSIBLE FOR THIS REPORT :	SATISH BANSAL
	MANAGING DIRECTOR
	ADMIN@FALCONREFINERY.COM

REFINERY'S EVALUATION

The tables and statements which are listed below demonstrate our evaluation of the compliance to each sub point of the rules as defined in Guidelines for Due Diligence of Responsible Sourcing of Gold.

STEP 1: ESTABLISHING AN EFFECTIVE GOVERNANCE FRAMEWORK

1.1 ADOPT AND COMMIT TO A POLICY FOR MANAGING RISK IN GOLD FROM CAHRAS

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC has implemented a robust AML/CFT policy, Supply Chain Policy, and associated procedures in accordance with the MoE Due Diligence regulations for responsible gold sourcing, as well as OECD guidelines. Compliance and management teams have set stringent, cautious guidelines to avoid engaging with high-risk suppliers. The entity has developed and documented a more refined system that encompasses all steps of responsible gold sourcing.

On Training and Awareness, Post changes in the management structure FALCON PRECIOUS METAL REFINERY FZC InProgress of arranging for a Training for all of its employees and Compliance officer to get equipped under AML/CFT and Supply chain due diligence. FALCON PRECIOUS METAL REFINERY FZC has adopted policies such as AML POLICY, TFS POLICY, SUPPLY CHAIN POLICY and published in the website <https://www.falconrefinery.com/compliance/>.

RISK RATING: FULLY COMPLIANT WITH THE MOE DUE DILIGENCE REGULATIONS FOR RESPONSIBLE SOURCING OF GOLD

1.2 ESTABLISH MANAGEMENT STRUCTURE TO IMPLEMENT SUPPLY CHAIN DUE DILIGENCE.

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC has established and maintained a supply chain due diligence programme. Both shareholders are responsible for managing and overseeing the refinery's daily operations.

Based on the review outcome, FALCON PRECIOUS METAL REFINERY FZC will start documenting all the meetings, held between the staff's, senior management and compliance officer regarding the regular and periodical updates provided by the MOE. Compliance officer responsibilities based on the role will be carried out before the next commencement of Audit in order to meet the Supply chain due diligence measures underlined by MOE.

As stated under 1.1, Training and Awareness, Post changes in the management structure FALCON PRECIOUS METAL REFINERY FZC InProgress of arranging for a Training for all of its employees and Compliance officer to get equipped under AML/CFT and Supply chain due diligence.

RISK RATING: NOT COMPLIANT WITH THE MOE DUE DILIGENCE REGULATIONS FOR RESPONSIBLE SOURCING OF GOLD - MEDIUM RISK DEVIATIONS

1.3 ESTABLISH A SYSTEM FOR TRANSPARENCY, INFORMATION SHARING AND CONTROL ON GOLD SUPPLY CHAIN.

DEMONSTRATION OF COMPLIANCE:

Primarily working with local suppliers, FALCON PRECIOUS METAL REFINERY FZC has established clear procedures to assess whether related parties or suppliers are linked to high-risk CAHRA regions. These procedures are consistently monitored by the compliance officer, who also keeps senior management informed.

FALCON PRECIOUS METAL REFINERY FZC has an established system for maintaining supplier profiles and documenting due diligence processes. However, the FALCON PRECIOUS METAL REFINERY FZC continues to face challenges in obtaining detailed information about the true origin of the gold supplied to them. Suppliers frequently list the origin as “UAE” or “LOCALLY SOURCED” across all submitted documents.

The FALCON PRECIOUS METAL REFINERY FZC currently doesn't deal with the Natural persons. However, the FALCON PRECIOUS METAL REFINERY FZC collects the following documents from any UBO identified as a PEP ie. ID/ Travel Document, with their nationality address proofs and approval from the senior management.

For Legal Persons and Legal arrangements entity has a procedure to collect the data holding the information related to Legal Entity name, Legal form, Memorandum of association or relevant equivalent constitutional document, country of incorporation, countries of operations, if any headquarters or principal location of details as per place of operations along with the related party details and supporting documents with ID&V. FALCON PRECIOUS METAL REFINERY FZC have collected the documents to verify that if any person purporting to act on behalf of the supplier is authorized through official documents such as power of attorneys, and verify the identity of that person as prescribed in section (1.3.1) and (1.3.2) above

As part of the onboarding process, FALCON PRECIOUS METAL REFINERY FZC collects CDD documents from all suppliers, requiring them to complete KYC forms and declarations such as PEP, UBO undertakings, and source of funds statements. Any absence or inaccuracy in this information prior to onboarding raises significant concerns regarding the company's ability to identify and mitigate supply chain risks. FALCON PRECIOUS METAL REFINERY FZC didn't have any rejection or ceased on any business relationship with their suppliers and no reports are seen in goaml portal.

FALCON PRECIOUS METAL REFINERY FZC deals exclusively in old jewellery, recycled gold, and scrap gold, which are refined into fine gold bars/TT bars. However, the FALCON PRECIOUS METAL REFINERY FZC is unable to determine the original source of the gold from its suppliers' suppliers, as the documentation collected by the second layer suppliers is limited to their own business activities. Despite this, the FALCON PRECIOUS METAL REFINERY FZC maintains a complete chain of documentation for each shipment—both inbound and outbound—along with zone in and zone out passes for the quantities transported. Proof of origin of mined gold through official government issued certificate of origin is being collected. Some suppliers didn't provide the details of their supplier from where the scrap has been supplied to supplier and FALCON PRECIOUS METAL REFINERY FZC in such cases gets the declaration form on the same.

FALCON PRECIOUS METAL REFINERY FZC's policy has adequate security requirements to ensure compliance with the Regulations in relation to material sourced from LSM or ASM mining entities.

RISK RATING: COMPLIANT WITH THE MOE DUE DILIGENCE REGULATIONS FOR RESPONSIBLE SOURCING OF GOLD - LOW RISK DEVIATIONS

1.4 STRENGTH COMPANY ENGAGEMENT WITH GOLD SUPPLYING COUNTERPARTIES.

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC currently sources exclusively from local suppliers. FALCON PRECIOUS METAL REFINERY FZC maintains long standing relationships with its suppliers—three of whom were retained from the previous management and five introduced by the current management since incorporation. The FALCON PRECIOUS METAL REFINERY FZC must ensure that all counterparties comply with supply chain regulations and meet the minimum reporting requirements outlined in Appendix II of the OECD Guidance.

The FALCON PRECIOUS METAL REFINERY FZC has addressed this requirement within its supplier onboarding process and has verified and maintained copies of supplier documents as part of its KYC and Standard Due Diligence procedures. FALCON PRECIOUS METAL REFINERY FZC has also communicated to suppliers the importance of conducting due diligence in line with responsible supply chain practices, particularly when sourcing gold from CAHRAs.

FALCON PRECIOUS METAL REFINERY FZC shares a declaration to confirm the AML/CFT Legislation, the Regulations, OECD Guidance, and Gold Supplement with all suppliers as a part of their checklist

FALCON PRECIOUS METAL REFINERY FZC is in the process of establishing comprehensive KYC procedures regulatory requirements and identify red flags in the supply chain to determine whether they are dealing in gold mined, transported, or traded in Conflict Affected and High-Risk Areas (CAHRA). Strengthening engagement with gold supplying counterparties hinges on transparent communication, thorough due diligence, risk monitoring and evaluation, and effective risk mitigation. Relevant policies, such as the Supply Chain Policy, AML/CFT Policy, and other pertinent policies, will be shared and exchanged with the suppliers.

While the independent review noted “mine-level documents not evidenced” for certain Bolivian suppliers, FALCON PRECIOUS METAL REFINERY FZC has fully addressed these points: - All required documents, including mining licenses number, origin certificates, dore assays, and packing lists, obtained and verified - Managing Director, Mr. Satish Bansal, conducted on-site visits to Bolivian suppliers - Substantive Enhanced Due Diligence (EDD) completed in line with DDR-RSG/OECD standards.

FALCON PRECIOUS METAL REFINERY FZC has incorporated Supply chain policy in line with this Regulations into commercial contracts and/or written agreements with suppliers which will be legally binding.

FALCON PRECIOUS METAL REFINERY FZC has to ensure that the suppliers through capacity building measures and information sharing to improve Supply Chain practices of suppliers and other parties in the Supply Chain. Currently FALCON PRECIOUS METAL REFINERY FZC is getting the documents to meet only CDD requirements. However, as a part of supply chain requirement FALCON PRECIOUS METAL REFINERY FZC has to focus on adhere to Chain of custody to obtain further documents from the suppliers.

RISK RATING: NON-COMPLIANT WITH THE MOE DUE DILIGENCE REGULATIONS FOR RESPONSIBLE SOURCING OF GOLD - MEDIUM RISK DEVIATIONS

1.5 ESTABLISH A CONFIDENTIAL GRIEVANCE MECHANISM

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC has a grievance mechanism that serves its employees and other stakeholders. FALCON PRECIOUS METAL REFINERY FZC has appointed a compliance officer who takes care of the supply chain due diligence as well. We recommend the FALCON PRECIOUS METAL REFINERY FZC to develop training sessions for the compliance officer and supporting team to keep them updated on the regulatory matters. FALCON PRECIOUS METAL REFINERY FZC has posted point of contact in the website along with the supply chain policy, AML policy for the review of their clients for reporting any parties' issues on the regulated entities supply chain matters so the same will be investigated. A grievance mechanism policy

exists, but it has not been published on the company's website or communicated to staff. Although the mechanism is formally established, its lack of accessibility and dissemination limits stakeholder awareness and effectiveness.

RISK RATING: Compliant with the MoE Due Diligence Regulations for Responsible Sourcing of Gold – Low Risk Deviation

STEP 2: IDENTIFICATION AND ASSESSMENT OF SUPPLY CHAIN RISK

2.1 CONDUCT SUPPLY CHAIN DUE DILIGENCE TO IDENTIFY RISK

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC has conducted an internal risk assessment of its suppliers, which forms a key component of the supply chain due diligence process. The FALCON PRECIOUS METAL REFINERY FZC has identified and evaluated supplier-related risks to determine the level of due diligence required. A Supply Chain Policy has been implemented to outline due diligence expectations and to support ongoing monitoring through a screening tool. Additionally, the entity has engaged an external party to conduct an enterprise-wide risk assessment for 2025. In the meantime, the Compliance Officer has completed the internal risk assessment and submitted the findings to management.

Historically, FALCON PRECIOUS METAL REFINERY FZC performed risk assessments primarily based on customer due diligence. This approach was insufficient, as it did not adequately incorporate supply chain due diligence, particularly considering the inherent risks associated with the origin of the gold received. The risk assessment should be carried out using risk factors broadly categorized in 2.1.1 to 2.1.5.

Assessment of KYC information for the FALCON PRECIOUS METAL REFINERY FZC's suppliers to understand the origin and transportation details of the gold. The entity is unable to reliably determine the location and origin of the gold sourced, despite reasonable efforts. Since the entity primarily deals with recyclable gold, the origin is considered the point at which the gold becomes recyclable—typically when it is first sold back to a refiner. Due diligence must include measures to detect attempts to misrepresent newly mined gold as recycled gold. This requires supplier level and supplier's supplier due diligence, which the entity is currently unable to obtain in sufficient detail. However, FALCON PRECIOUS METAL REFINERY FZC has obtained the declaration form from the respective clients on supply due diligence as they were not able to get the KYCC documents. No inconsistencies or unusual patterns were identified in the entities transactions as a part of periodical review.

During the audit period from 01 01 2025 to 31 12 2025, the regulated refiner reported a total of 402 inbound and outbound transactions involving fine gold, scrap gold, recycled gold, and dore bars. All gold was classified as "Recycled Gold" without evidence to support this claim

RISK RATING: Not Compliant with the MoE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviation

2.2 IDENTIFY RED FLAGS/HIGH RISK INDICATORS IN THE GOLD SUPPLY CHAIN RISK

DEMONSTRATION OF COMPLIANCE:

The Entity's risk assessment methodology has been implemented effectively by assessing on the areas such as customer risk, Geographical risk, Transactional risk, Delivery channel risk and mode of payment. FALCON PRECIOUS METAL REFINERY FZC has considered all the above factors to assess the risk and identify the risk of both supplier and customer based on the transaction process. Compliance officer has a policy & procedure in place to perform Enhanced Due Diligence for the suppliers as per the exposure to the risk to which they are categorized.

RISK RATING: Not Compliant with the MoE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviation

2.3 UNDERTAKE ENHANCED DUE DILIGENCE MEASURES FOR HIGH-RISK SUPPLY CHAINS.

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC doesn't have a high-risk client or deal in high-risk country. However, Regulated has shipments from Bolivia through their supplier's supplier which falls under grey list country as mandated EDD checks needs to be completed. EDD consists of site visits, desk-based reviews, and reviewing of sample transactions of suppliers on an ongoing basis. EDD for high-risk relationships should be carried out during the establishment of relationship and on an ongoing basis.

The FALCON PRECIOUS METAL REFINERY FZC has not conducted Enhanced Due Diligence (EDD) on its current clients, as they have been classified as medium risk. However, the Compliance Officer has prepared site visit reports and desk-based reviews for all suppliers and customers to understand their business activities and operational locations before engaging in any transactions.

RISK RATING: Not Compliant with the MoE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviation

STEP 3: MANAGEMENT OF THE SUPPLY CHAIN RISK

3.1 DEVISE A RISK MANAGEMENT STRATEGY FOR THE IDENTIFIED RISK

DEMONSTRATION OF COMPLIANCE:

Based on the risks identified in accordance with the procedures outlined in Rule 2, the FALCON PRECIOUS METAL REFINERY FZC should adopt a risk appetite-based approach and maintain a well-defined method for risk treatment. A Risk Appetite Policy has been established to assess overall supply chain risk. Management evaluates risks through the following three step process:

i. Establish or Continue

Using the documents and information obtained through CDD and EDD procedures, the FALCON PRECIOUS METAL REFINERY FZC assesses whether to initiate or continue a business relationship with each supplier. If any significant changes arise, the entity will seek further clarification and conduct a revalidation upon receiving updated documents to determine whether the relationship should continue, be suspended, or be terminated.

ii. Suspend

The FALCON PRECIOUS METAL REFINERY FZC has not identified any suspicious activity among its current clients. However, if any illegitimate activity or misrepresentation of goods or information is detected, the entity will suspend the relationship with the relevant supply chain partner until appropriate mitigation measures are fully addressed.

iii. Terminate

No client relationships were terminated during the review period. Nonetheless, management continues to monitor all relationships and will proceed with termination if the criteria under the first two steps are not satisfactorily met. The Compliance Officer's year-end report confirms that none of the suppliers were rejected, suspended, or terminated in the past 12 months.

RISK RATING: Not Compliant with the MoE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviation.

3.2 RISK CONTROL PLAN

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC has well established policy and procedure for risk management which explain the actionable if the risk is identified and how the risk can be controlled. However, the FALCON PRECIOUS METAL REFINERY FZC has been identified with challenges to implement Risk Control Plan to manage the overall risk associated with the Supply Chain due diligence. There was no evidence found to demonstrate enhanced engagement with suppliers through an established Chain of Custody and/or traceability system where a red flag was identified.

RISK RATING: Not Compliant with the MoE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviation.

3.3 CONTINUOUS MONITORING

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC has well established policy and procedure for risk management which explain the actionable if the risk is identified and how the risk can be controlled. However, the FALCON PRECIOUS METAL REFINERY FZC had not put into place a Risk Control Plan to manage the overall risk associated with the Supply Chain. There was no evidence found to demonstrate enhanced engagement with suppliers through an established Chain of Custody and/or traceability system where a red flag was identified.

RISK RATING: Not Compliant with the MoE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviation.

3.4 SENIOR MANAGEMENT REPORTING

DEMONSTRATION OF COMPLIANCE:

FALCON PRECIOUS METAL REFINERY FZC has established a clear policy and procedures for its risk management methodology, including the identification and mitigation of risks. The compliance officer conducts risk assessments for all clients, both during onboarding and as part of ongoing monitoring.

FALCON PRECIOUS METAL REFINERY FZC utilizes Winguard AML to ensure adherence to all regulatory obligations. Key achievements include: - No SARs/STRs filed, demonstrating effective monitoring - Over 95% of all payments executed via regulated banks - 100% of metal settlements fully reconciled, ensuring traceability and transparency.

FALCON PRECIOUS METAL REFINERY FZC strives to define an appropriate risk appetite for its clients and has completed a thorough, company- wide risk assessment. The compliance officer prepares periodic reports, which are shared with senior management to highlight any deviation.

Supply Chain Due Diligence is an ongoing and adaptive process that requires continuous monitoring of potential risks. After implementing a Risk Control Plan, Regulated Entities should evaluate whether it is necessary to revisit Step 2 or introduce additional enhanced measures. Any changes within the supply chain may require repeating certain due diligence activities to maintain effective risk oversight. As part of its ongoing monitoring framework, the FALCON PRECIOUS METAL REFINERY FZC utilizes an enhanced sanctions screening system, WINGUARD AML, which conducts daily screening of all onboarded clients to ensure timely identification of potential risks. The designated Compliance Officer has submitted the following reports to management:

- Periodic AML reports for 2025
- Site visit reports
- Ongoing monitoring reports for all clients

RISK RATING: Not compliant with the MOE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviation

STEP 4: INDEPENDENT THIRD-PARTY AUDIT OF DUE DILIGENCE

4.1 AUDIT PLAN

DEMONSTRATION OF COMPLIANCE:

The FALCON PRECIOUS METAL REFINERY FZC formally engaged AVS Lewis and Pecker Auditing on JANUARY 23, 2026, by signing an agreement to carry out a reasonable assurance review for the period. The initial audit activities commenced on February 10, 2026 followed by follow up visits. For the current review period from January 1, 2025 to December 31, 2025, the supply chain due diligence framework of the FALCON PRECIOUS METAL REFINERY FZC is being audited by 'AVS Lewis and Pecker Auditing' Firm.

The audit determines the conformity of the implementation of a FALCON PRECIOUS METAL REFINERY FZC's Supply Chain Due Diligence framework against an audit standard that is based on the Regulations. This should also determine conformity to and compliance with the Regulations in all communications with participants across the entire Supply Chain.

Independence: The Reviewer Organisation and all of its members must be independent from the regulated entity. Reviewer doesn't hold any conflict of interest with regulated entity including their business or financial relationships.

Competence: Review has been carried out based on the auditing standards and reviewer hold skill-set related to Supply Chain due diligence principles, procedures and techniques and internationally accepted guidelines i.e. OECD Guidelines. The knowledge of gold procurement practices, geographical context etc. are a prerequisite for reviewers.

Accountability: Reviewers are listed in accredited Reviewers as published in UAEGD reviewers list in MOE's Website

RISK RATING: Fully compliant with the MOE Due Diligence Regulations for Responsible Sourcing of Gold

4.2 AUDIT IMPLEMENTATION

DEMONSTRATION OF COMPLIANCE:

AVS Lewis & Pecker Auditing, a Ministry of Economy accredited Reviewer, to conduct an independent third-party audit on Falcon Refinery's compliance with the MoE Due Diligence Regulations for Responsible Sourcing of Gold in accordance with Annex-1 Review protocol for the period from 1st January 2025 to 31st December 2025.

RISK RATING: Fully compliant with the MOE Due Diligence Regulations for Responsible Sourcing of Gold

STEP 5 : ANNUAL REPORTING ON DUE DILIGENCE MEASURES

5.1 MANAGEMENT SYSTEMS

DEMONSTRATION OF COMPLIANCE;

The previous reasonable assurance review was carried out in 2024, covering the period from January 1, 2024 to December 31, 2024. The final report was completed on September 25, 2025 and has since been published on the company's website.

RISK RATING: Fully compliant with the MOE Due Diligence Regulations for Responsible Sourcing of Gold

5.2 RISK ASSESSMENTS

DEMONSTRATION OF COMPLIANCE:

The Regulated Entity has conducted an enterprise-wide risk assessment for the year 2025. Compliance reports were submitted to management on a monthly basis from January to December 2025. The Compliance Officer prepared these reports in accordance with the requirements outlined by the MOE. Internal risk assessments were also carried out through the AML screening software for all newly onboarded clients.

RISK RATING: Fully compliant with the MOE Due Diligence Regulations for Responsible Sourcing of Gold

5.3 RISK MANAGEMENT.

DEMONSTRATION OF COMPLIANCE:

The previous reasonable assurance review was carried out in 2024, covering the period from January 1, 2024 to December 31, 2024. The final report was completed on September 25, 2025 and policies has been published on the company's website which includes the grievance policy, AML/CFT policy, and TFS policy.

For 2025, the refinery conducted an enterprise-wide risk assessment, compiling monthly compliance reports in line with Ministry requirements and utilizing AML screening software for newly onboarded clients. Additionally, risk management practices have been strengthened through planned updates to KYC questionnaires aligned with LBMA and OECD guidelines, including enhanced CDD and declaration forms to capture mandatory supply chain information, thereby improving transparency on business activities and the origin of metals supplied for refining.

RISK RATING: Fully compliant with the MOE Due Diligence Regulations for Responsible Sourcing of Gold

ASSESSMENT CONCLUSION

RULES	REFINERY'S RATING
STEP 1 - SUPPLY CHAIN MANAGEMENT SYSTEMS	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 2 - SUPPLY CHAIN RISK IDENTIFICATION AND ASSESSMENT	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 3 - RISK CONTROL PLAN	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 4 – INDEPENDENT THIRD-PARTY AUDITS	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS
STEP 5 – ANNUAL REPORTING ON RESPONSIBLE SUPPLY CHAIN DUE DILIGENCE	FULLY COMPLIANT COMPLIANT WITH LOW-RISK DEVIATIONS NON-COMPLIANT WITH MEDIUM-RISK DEVIATIONS NON-COMPLIANT WITH HIGH-RISK DEVIATIONS

OVERALL RISK RATING: Not compliant with the MOE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviations.

FOR FALCON PRECIOUS METAL REFINERY FZC



Manish Rawat
Compliance Officer



Satish Bansal
Managing Director