

Rappa Resources (Pty) Ltd

1 Homestead Road
Knights, Germiston
1401

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE DIRECTORS OF RAPPA RESOURCES (PTY) LTD

We have performed our reasonable assurance engagement in respect of the requirements of the London Bullion Market Association's Responsible Gold Guidance ("the LBMA RGG") for the period ended 30 June 2017. The assurance engagement was performed for Rappa Resources as a requirement to conduct an annual review of the gold supply chain management systems and practices as stipulated in Step 4 of the LBMA Responsible Gold Guidance.

Subject matter and criteria

The subject matter for our assurance consists of the assertions made by management to describe the activities undertaken during the period to demonstrate compliance, and management's overall conclusion, in the Company's Compliance Report, in accordance with the London Bullion Market Association's ("LBMA") Responsible Gold Guidance.

Our engagement was performed with the objective of providing a conclusion on whether the assertions made by management conducted in accordance with their Report, with respect to the activities undertaken to demonstrate compliance with the LBMA RGG. The terms of the LBMA RGG comprise the criteria by which the company's compliance is to be evaluated for purposes of our reasonable assurance engagement.

Inherent limitations

The following significant, inherent limitations associated with the environment and measurement of the subject matter against the criteria existed: Non-financial information, such as that included in Rappa's 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 policies and procedures implemented by Rappa to comply with the LBMA RGG may differ from other companies and accordingly, users of this report should read Rappa's procurement policy (Responsible Gold), appended to the Report.

Directors' responsibility

The directors being the responsible party, and where appropriate, those charged with governance are responsible for the preparation and presentation of the Report in accordance with the LBMA RGG, including their overall conclusion on their level of compliance.

The responsible party is responsible for establishing appropriate risk management and internal controls from which the reported information is derived and the establishment of such internal controls as the directors determine are necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioners' responsibilities

Our responsibility is to express our reasonable assurance conclusion on whether the assertions made by management in the Report, with respect to the activities undertaken to demonstrate the level of compliance with the LBMA RGG, are fairly described.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historic Financial Information. That standard requires us to comply with ethical requirements and to plan and perform our engagement to obtain sufficient appropriate evidence on which to base our conclusion.

A reasonable assurance engagement, in accordance with ISAE 3000, involves performing procedures to obtain evidence about the fairness of the assertions made by management in the Report. The nature, timing and extent of procedures selected depend on our judgement, including the risk of material misstatements, whether due to fraud or error, in the Report. In undertaking such risk assessments, we considered internal controls relevant to the preparation of the Report.

We shall not be responsible for reporting on any LBMA RGG transactions beyond the period covered by our reasonable assurance engagement.

Quality control

The firm applies International Standard on Quality Control One and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and Other Ethical Requirements

We have complied with the independence and other ethical requirements of Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of work performed

We have performed our procedures on the transactions of Rappa Resources, as prepared by management in accordance with their Report, with respect to the activities undertaken to demonstrate compliance with the LBMA RGG for the period ended 30 June 2017.

The nature, timing and extent of procedures selected were dependent on our judgement, including the risk of material misstatements, whether due to fraud or error, in the Report.

Independent reasonable assurance statement

Our evaluation included performing such procedures as we considered necessary which included:

- Enquiries of management to gain an understanding of Rappa Resources' processes and risk management protocols in place;
- Enquiries of relevant staff responsible for the preparation of the Company's Compliance Report;
- A site visit to Rappa Resources;
- Assessing the suitability of the policies, procedures and internal controls that Rappa Resources has in place to comply with the LBMA RJC Guidance;
- Obtaining an understanding of the processes and controls that support the information in the Company's Compliance Report;
- Testing a selection of the supporting documentation, including gold supplier counterparty due diligence files and transaction documentation; and
- Reviewing the presentation of Rappa Resources' Compliance Report to ensure consistency with our findings.

We use judgment in considering the overall operating effectiveness of the control by considering the number of exceptions detected, the potential significance of the financial statement effect, as well as other qualitative aspects of the exceptions such as the cause of the exception. In making such risk assessments, we considered internal controls relevant to the preparation of the Report.

Our assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our reasonable assurance conclusion.

Unmodified Conclusion

In our opinion the assertions made by management with respect to the level of compliance with the LBMA RGG in their Report for the year ended 30 June 2017 are fairly represented, in accordance with the LBMA RGG.



Deloitte & Touche
Registered Auditors
Per Mark Victor
Director
20 November 2017