



ASM AMID THE COVID-19 PANDEMIC

LBMA WEBINARS

Moderator: Neil Harby, Chief Technical Officer, LBMA

Jennifer Peyser, Senior Moderator & Director of Ethical Resource Program, RESOLVE

11 June 2020

EMERGENCY SUPPORT NEEDED

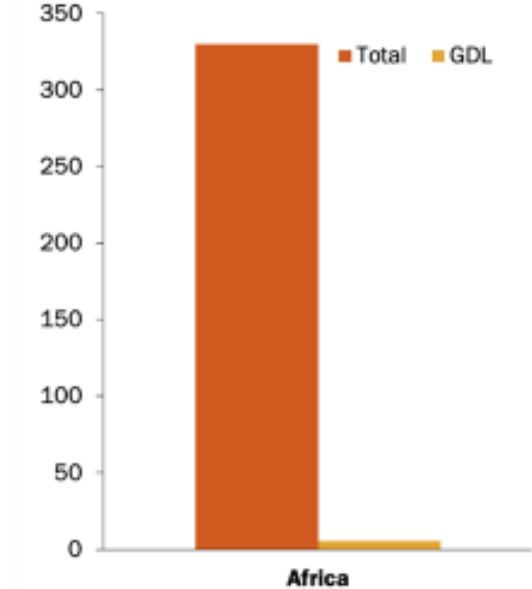
For Artisanal/Small Scale Miners

- 83% of the world's mining workforce relies on Artisanal and Small Scale mines for their livelihood.
- That comes to roughly 40.5 million people.
- These people were vulnerable before COVID-19 and even more so now. As gold prices rise, so does exploitation and violence for these miners.

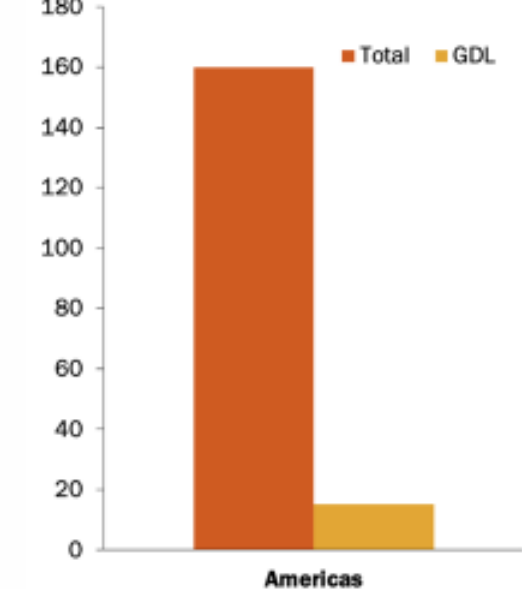
WE CALL ON INDUSTRY, GOVERNMENT AND CIVIL SOCIETY TO URGENTLY WORK TOGETHER TO SUPPORT AND PROTECT THESE VULNERABLE COMMUNITIES.

ASM: an opportunity for GDL refiners?

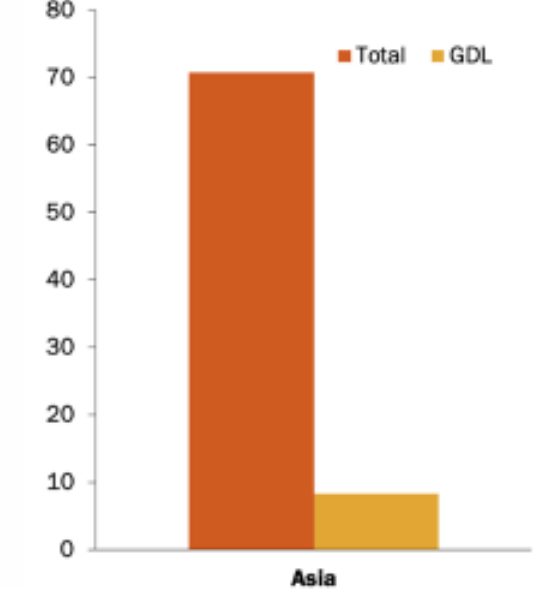
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Source: LBMA

What are we solving for?

Upstream Perspective

- Creating incentives and a business case for due diligence / competing with informal supply chains
 - Pricing (including taxes)
 - Financing
 - Production
 - Commercial relationships
 - Local benefits, with inclusive and resilient development
- Enabling formalization, capacity building, professionalization, and logistics/services at ASM scale

What are we solving for?

Midstream/Downstream Perspective

- Identifying viable sites and upstream commercial partners
- Conducting initial due diligence/site visits, KYC, ongoing monitoring
- Maintaining program/certification status (e.g., LBMA GDL, RJC, RMAP) and other compliance and internal/risk committee requirements
- Overcoming ASM unit cost asymmetry (vs. industrial scale)
- Maintaining good standing with financial institutions
- COVID/crisis resilience for sustainable supply

LBMA GDL Refiner:

“Our lifeblood is our ability to access capital from major financial institutions and participation in international metal exchanges. To that end, our team has been very cautious managing risk so as to not affect those foundations.”



**What do we
need to solve
for to scale up
responsible
ASM
production and
trade?**

Progressive due diligence

Economies of scale

**Upstream-downstream
system frontier work**

Cost and benefit sharing



So where can we go from here? What is the future of ASM?

**What can we build
on and learn from?**

***Existing and
Emerging Tools and
Initiatives***



Current and Emerging ASM Gold Supply Chain Initiatives

Country-specific projects

Global or regional programs

Due diligence programs
and tools

Pandemic response and
recovery



Current and Emerging ASGM Supply Chain or Finance Initiatives

A partial list (with apologies to all those not named!)

Anexpo Access to Markets

Artisanal Gold Council

Better Gold Initiative

CRAFT

DELVE/World Bank (Gold Buying WG)

Impact Facility (TDI)

Fairmined

Fairtrade Gold

Gold for Good (Solidaridad)

Just Gold (IMPACT)

Mtandazo Women Miners Association, Zimbabwe
planetGOLD (9 countries + global work)

Promoting Responsible Mineral Supply Chains of
Designated Conflict Minerals in Uganda

Public-Private Alliance for Responsible Minerals

Trade - ASM finance research and project

Responsible Artisanal Gold Solutions Forum

USAID Commercially Viable Conflict Free Gold

USAID Artisanal Mining and Property Rights

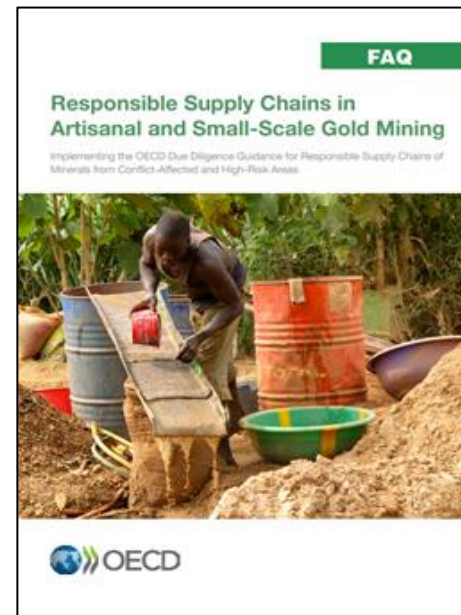
ASGM Due Diligence: Example Guidance and Tools

Artisanal Gold Due Diligence Template -
RAGS Forum

CRAFT Code for Artisanal Minerals Due
Diligence

LBMA Refiners Toolkit

Responsible Supply Chains in Artisanal
and Small-Scale Gold Mining -
Frequently Asked Questions (OECD)



RESPONSIBLE ARTISANAL GOLD
SOLUTIONS FORUM



To achieve

- Progressive due diligence
- Upstream-downstream system frontier links
- Economies of scale
- Cost and benefit sharing

We need

- Collective supply chain and stakeholder action
- Ability to go beyond site-by-site pilots
- Concrete linkages between mid/downstream and upstream due diligence systems
- Engagement from banks and auditors
- Integration of miner incentives



Calls to Action:

OECD COVID-19 Call
to Action for
Responsible Mineral
Supply Chains

LBMA Call for
Emergency Support for
ASM

Recognizing heightened impacts to and vulnerability of artisanal mining communities due to the global pandemic

Considering the artisanal sourcing opportunity and risk of inaction

Responding to the call to

- **“Foster the sustainable inclusion of responsible ASM projects into global supply chains”**
- **“Ensure the right balance of maintaining integrity and flexibility in due diligence efforts”**

How CRAFT Can Contribute

- OECD Annex II serious abuses (pass-fail) + risk mitigation, progressive improvement framework
- Multi-stakeholder engagement/vetting
- Open-source code - adaptable, applicable to any geography (and mineral)
- Upstream due diligence tool to concretely link to downstream systems and enable collaborative, progressive due diligence



 **CRAFT is a common, vetted framework to implement OECD Guidance principles and practices and enable artisanal sourcing**



Putting the Pieces Together: Collaborative Action

Global “Progressive Due Diligence Lab” and Practice Group

- Supporting shift to progressive due diligence
- Developing concrete tools to link artisanal gold to downstream DD (e.g., audit-friendly CRAFT/ASM templates)
- Troubleshooting ASM sourcing bottlenecks

Regional/Multi-site Scaling Strategy and Implementation

- Due diligence based on CRAFT, engaging multiple projects
- Miner/upstream incentives and capacity support
- Business and Logistics Plan - achieving sustainable cost per



Responding to the call: An invitation for partnership and collaborative action in support of responsible artisanal production and sourcing

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RESOLVE *solutions start here*
www.resolve.org

RESOLVE forges sustainable solutions to critical social, health, and environmental challenges by creating innovative partnerships where they are least likely and most needed.

CONCLUSION

Call for Support & Responsible Engagement

- In conclusion though, and even allowing for these risks, the fact that ASM gold output accounts for roughly one-third of global, non-captive gold production, and bearing in mind also the drift lower for global mine supply and, finally, the weakness in recycling, all suggest that ASM can offer a tremendous opportunity for the industry.
- And given the amount of people involved, and their increasing vulnerability, we call on all stakeholders to support them and engage.



ASM gold output accounts for roughly one-third of global, non-captive gold production.

Upcoming Webinars

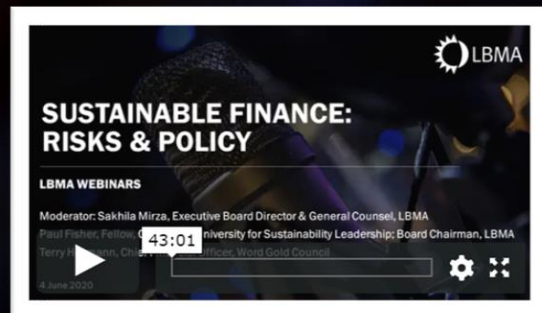
Join us every Thursday at 13:30BST where we will be discussing a range of topical issues.

Thursday 18 June – Quant Investing: The Power of Gold Royalty Companies

Thursday 25 June – Gold's Place in a Portfolio post-COVID-19

You can also access our library of webinars at anytime by visiting: www.lbma.org.uk/webinars

Please email ask@lbma.org.uk if you would like further information.



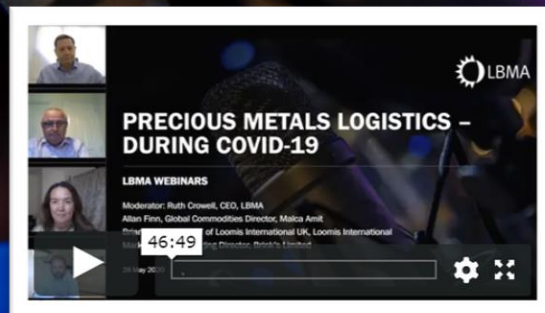
**SUSTAINABLE FINANCE:
RISKS & POLICY**

LBMA WEBINARS

Moderator: Sakhila Mirza, Executive Board Director & General Counsel, LBMA
Pasul Fisher, Fellow, University for Sustainability Leadership; Board Chairman, LBMA
Terry H... Officer, World Gold Council

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18 June 2020



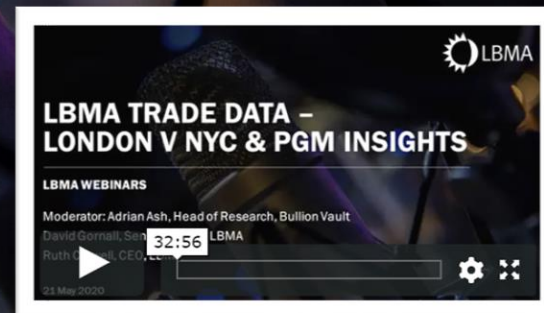
**PRECIOUS METALS LOGISTICS –
DURING COVID-19**

LBMA WEBINARS

Moderator: Ruth Cowell, CEO, LBMA
Allan Finn, Global Commodities Director, Malca Amit
... of Loomis International UK, Loomis International
... Director, Bank's Institute

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18 May 2020



**LBMA TRADE DATA –
LONDON V NYC & PGM INSIGHTS**

LBMA WEBINARS

Moderator: Adrian Ash, Head of Research, Bullion Vault
David Gornall, Senior Analyst, Bullion Vault
Ruth... CEO, ...

32:56

03 May 2020