



2ND GLOBAL GOLD DORE FORUM 2018

14 - 15 January 2018, Hilton Dubai Jumeirah, Dubai, UAE

Artisanal Mines and World Gold Markets

Wayne Lau, Chairman
Cameroon Inc. (CMINC)

January 2018



Why sell to world gold markets?

- best prices
- virtually unlimited buying capacity
- payment and cash flow transparency

Why not?

- difficult for artisanals to be accepted as a client
- expensive international transport
- continuous review

London Bullion Market Association (LBMA) accredited gold refiners

- Produce the certified gold bars which can be traded on world gold exchanges at true world prices.
- As conservative as the banking industry.
- Refining margins are tiny so large volumes needed.
- Many rules because Gold is fungible like money and also a product.

Client Requirements

- Volumes large enough to cover costs of assuring mine compliance?
- Compliance with rules on
 - Anti-money laundering (AML) / Know-your-client (KYC)
 - Anti-Child Labor
 - Environmental (Mercury use)
 - Anti-Bribery

LBMA Responsible Gold Guidance

- 2.1.2 Mined Gold from Artisanal and Small-Scale Mining (ASM)
 - Refiners should gather evidence to determine, as applicable, the factual circumstances of gold extraction, trade, handling and export. Refiners should, with reference to Appendix 1 of the OECD Supplement on Gold, consider measures to create economic and development opportunities for artisanal and small-scale miners and assist legitimate ASM producers to build secure, transparent and verifiable gold supply chains from mine to market.
 - Measures should include:
 - Identification of the origin of the gold based on reasonable and good faith efforts, such as:
 - Identification of the suppliers of ASM gold sources to local gold exporter, including local artisanal mining team, association or cooperatives using reliable, independent source documents data or information. It is however not expected to identify the individual diggers;
 - Assessment whether artisanal mining team or association can be considered to be involved in legitimate ASM;
 - Collecting and assessing mining practice, including extraction, processing and transportation method and assessing human right abuses risk.
- Practice & Policy Examples: www.camerooninc.com/policies

How to become a client?

- Credible Ownership and Management
- Transporters
 - Brink's (www.brinks.com)
 - G4S (www.g4s.com)
 - Loomis (www.loomis.com)
 - ...
- Certification by Ethical Bodies
 - Fairmined (www.fairmined.org)
 - Responsible Jewellery Council (www.responsiblejewellery.com)
 - Fairtrade International (www.fairtrade.net)

Future Trends

- With more artisanal clients: compliance costs more efficient, refinery margins more flexible.
- World gold mining production to decline.
- Demand for ethical gold rising.
- New products? Gold for development