



ARTISANAL
GOLD COUNCIL

Improving Access to Finance

Dr. Kevin Telmer, Artisanal Gold Council

Artisanal and Small Scale Gold Mining - ASGM



Economy

- 500 tonnes of gold from 80+ countries
- USD\$20 billion /y
- 15 million people
- 90% of gold workforce
- Secondary economy - 100 million people

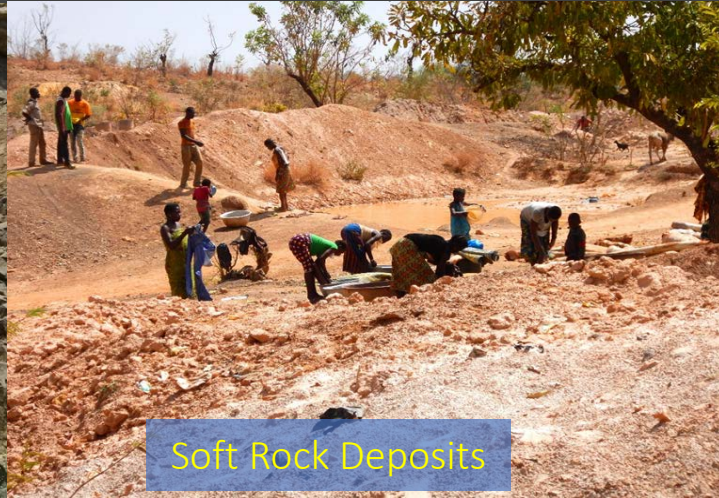
Development

- Many rural livelihoods
- Largest source of mercury pollution
- Formalization complex
- Self sustaining since the 1970s
- Maternal and Child Health / Education
- Direct transfer of wealth
- Remittances very large

What Needs Financing?



Hard Rock Deposits



Soft Rock Deposits



Individuals



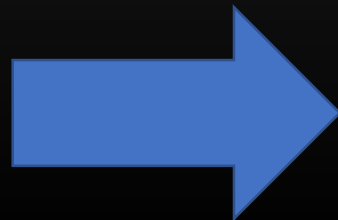
Small Group / Family



Large Group / Site Owners



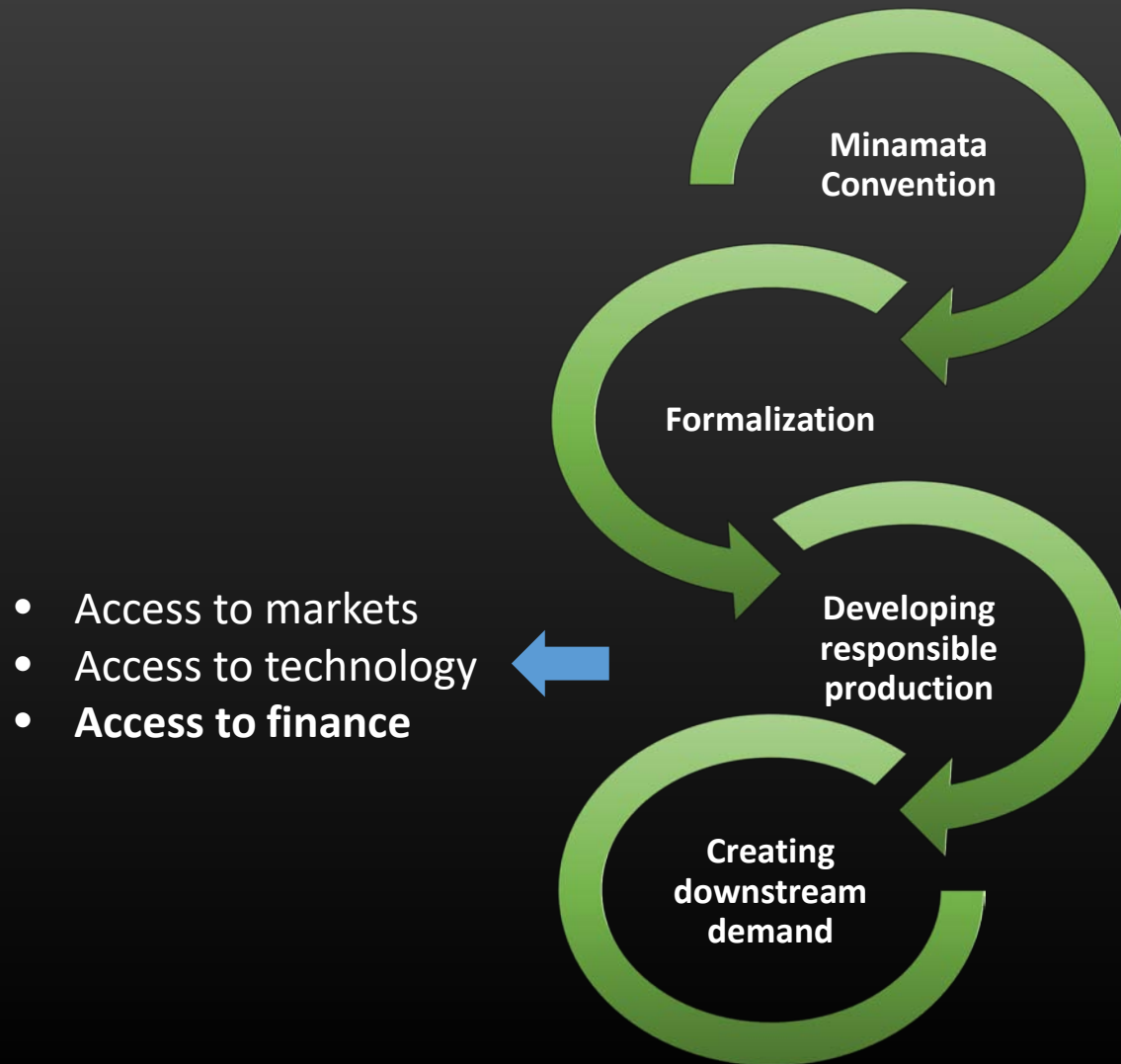
Typical Artisanal with Mercury



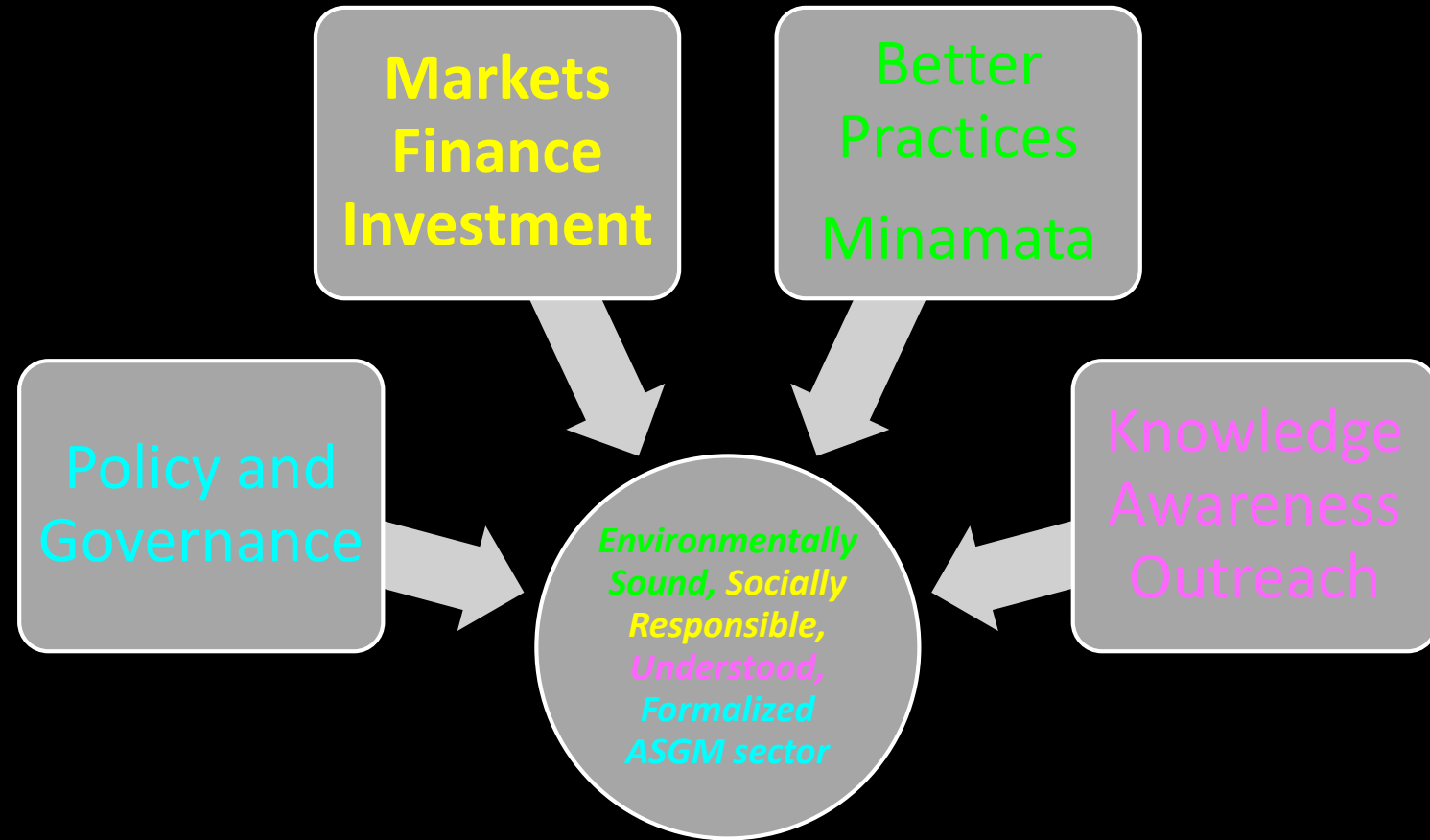
Modern Gravity System – Mercury Free

ARTISANAL GOLD COUNCIL 2 Kilogram Model

Finance is Key In the Transition to Mercury Free Mining



The Business Case



Financial Instruments – Suitable for ASGM

Debt

Equity

Bank Loans
Subsidized
Gov't Loans

Risk
Sharing
Facility

Revolving
Funds

Leasing
Vehicle

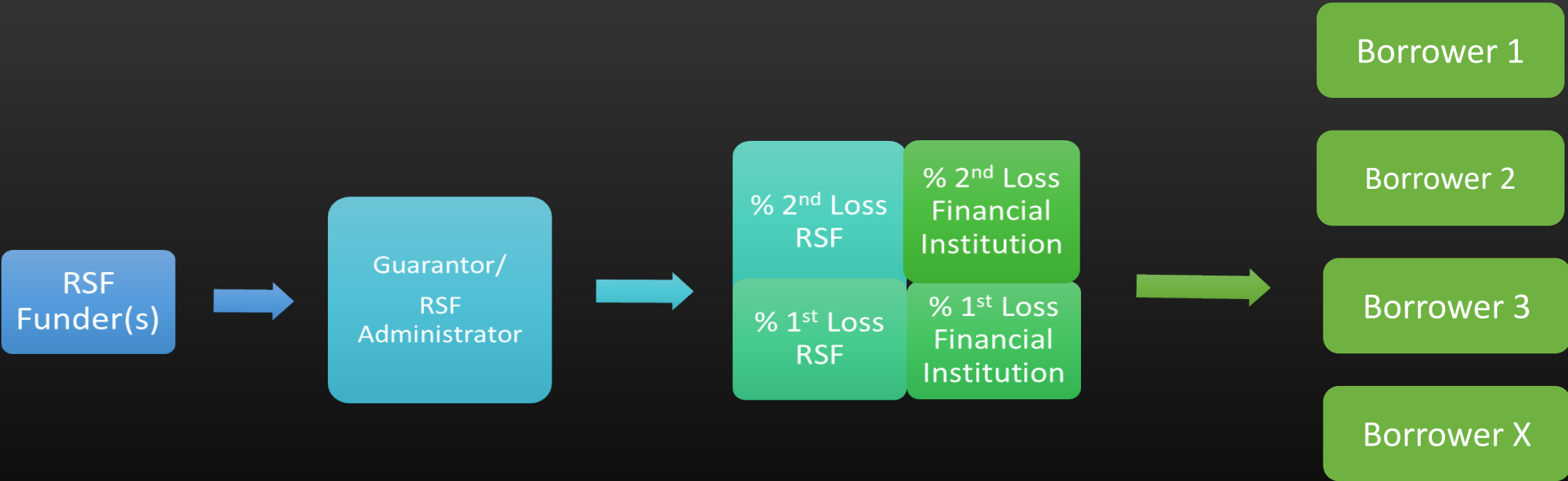
Venture
Capital

Mezzanine
Financing
Convertibles

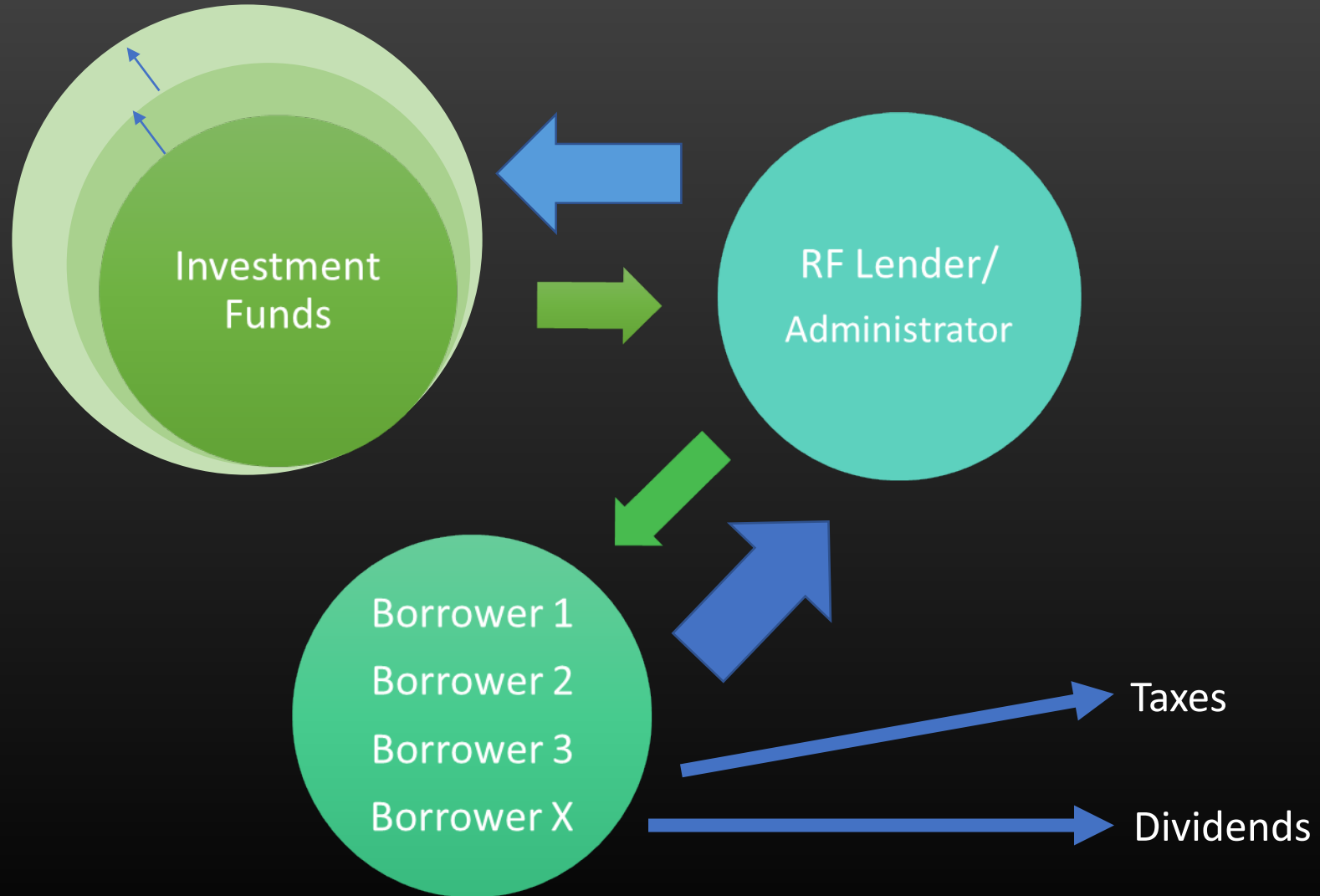
Crowd
Funding

Partners
Industry
Public
Royalty
Streaming

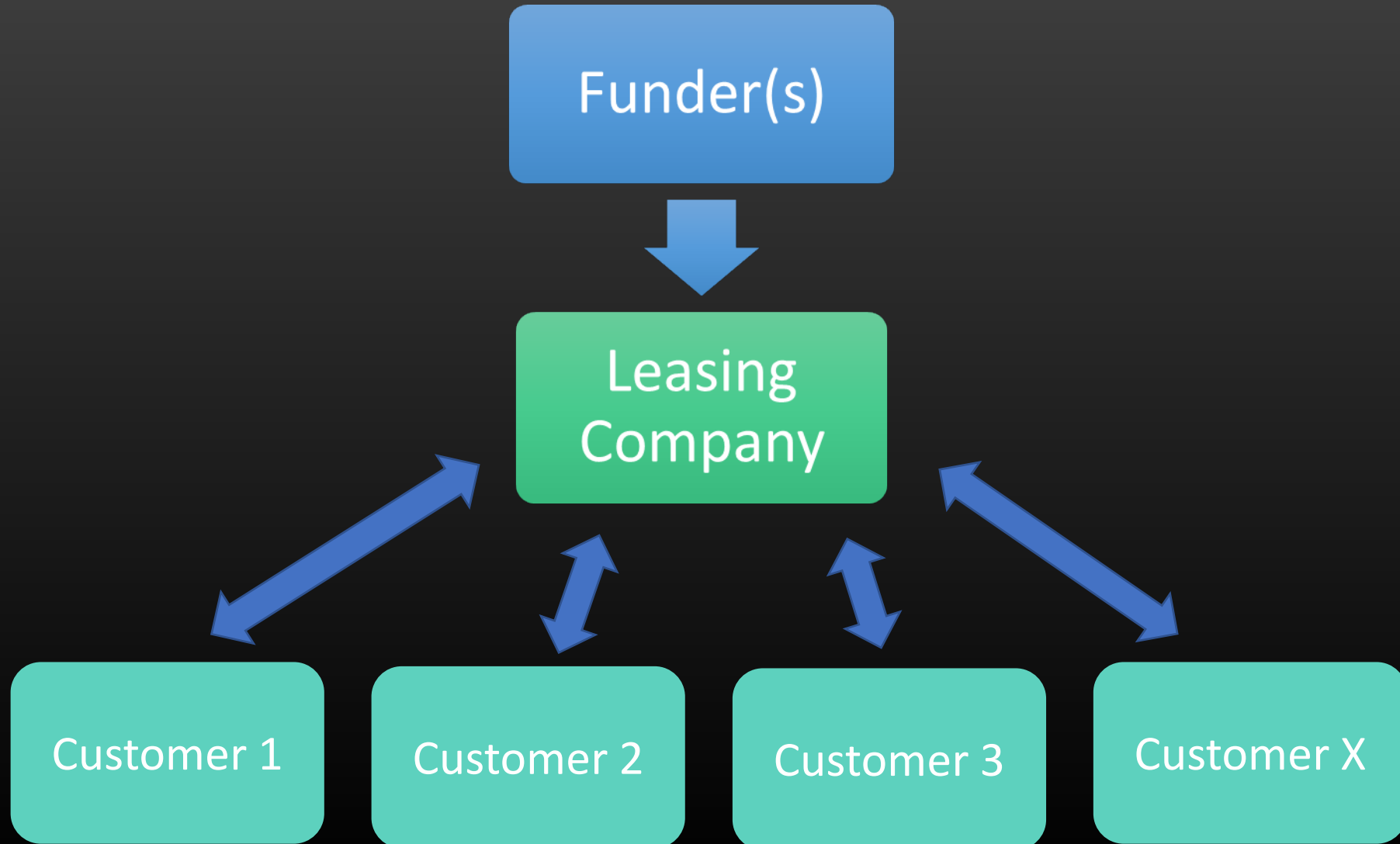
Risk Sharing Facility (Bilateral Loss-Sharing Agreement)



Revolving Fund (Line of Credit)



Leasing Vehicle



Investors into ASGM

Who?

Commercial Bank

National Development
Banks

Funds/Fund Managers

Institutional Investors

Microfinance
Institutions

Retail Investors

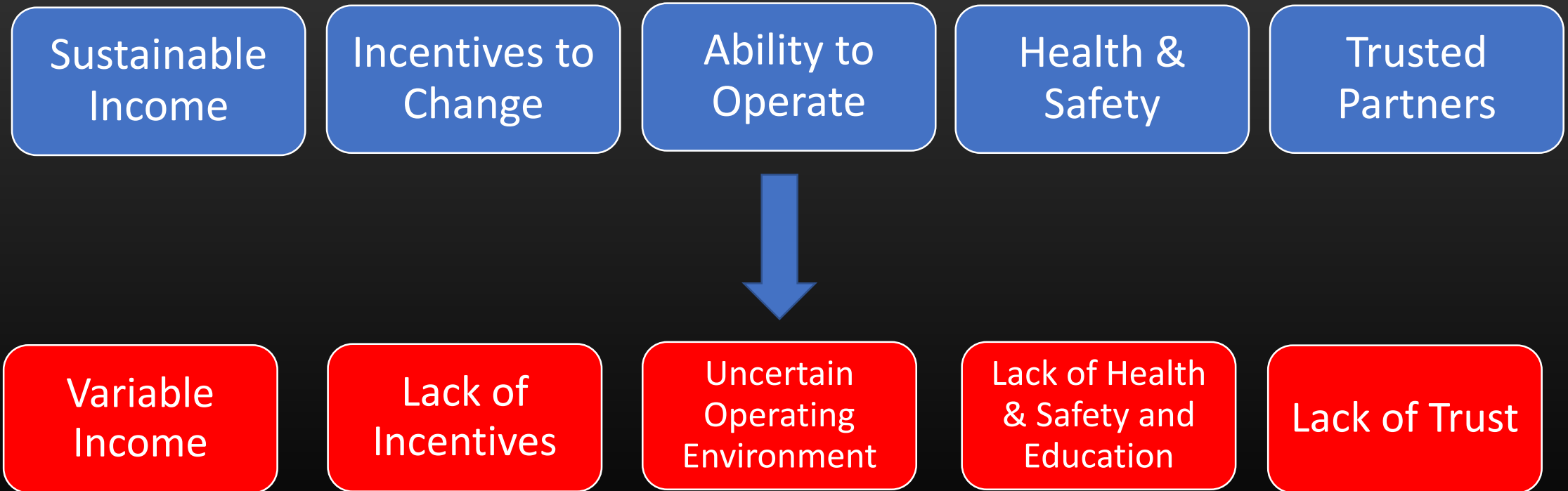
Private Equity

Industry Partners

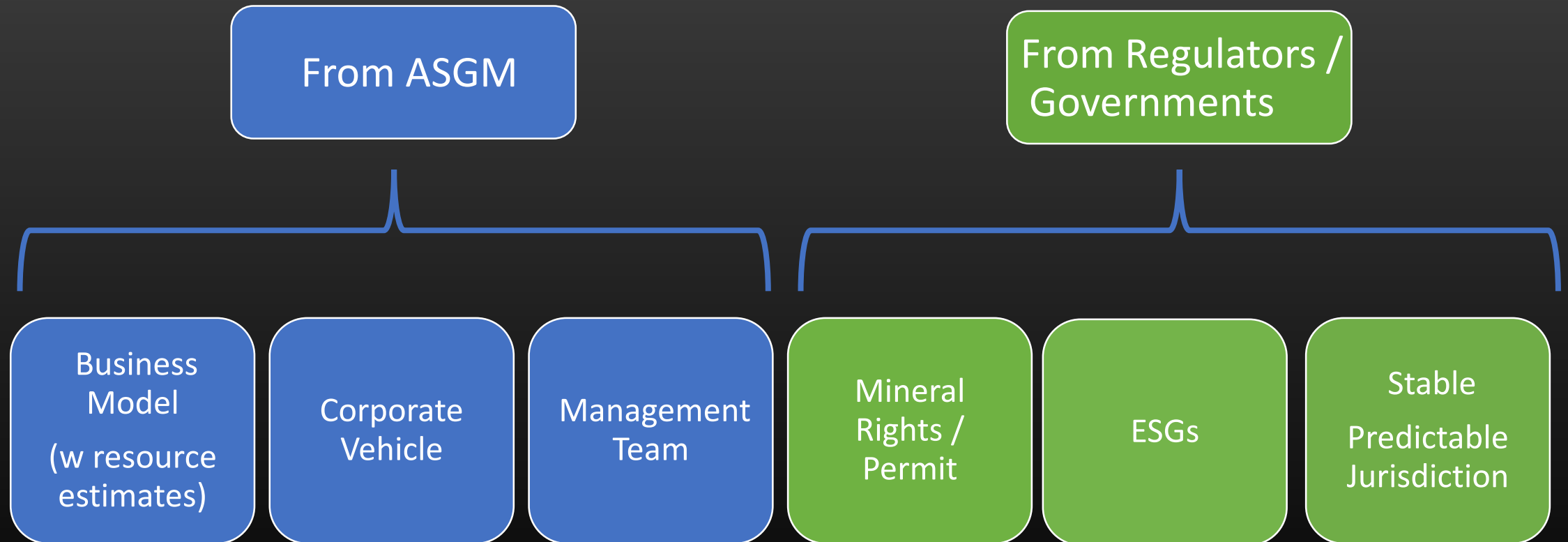
Socially Responsible
Investments

NGOs

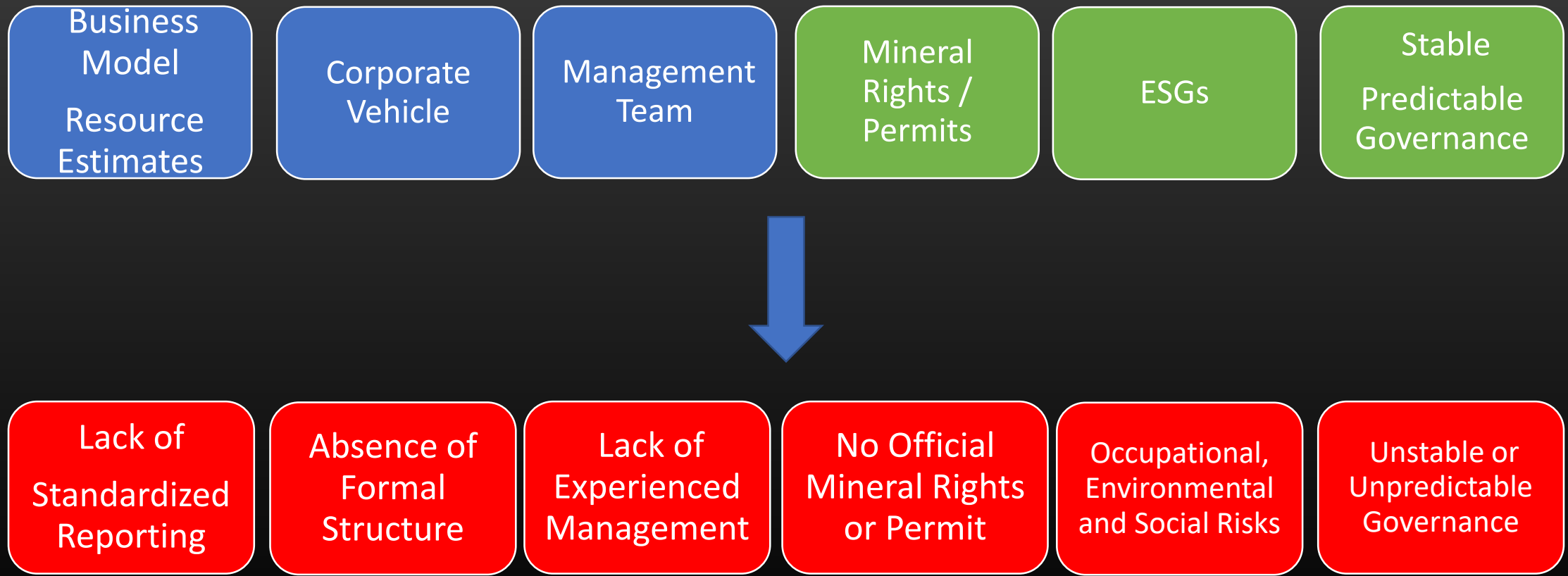
Needs / Barriers for Miners



Basic Needs of Investors



Barriers for Investors



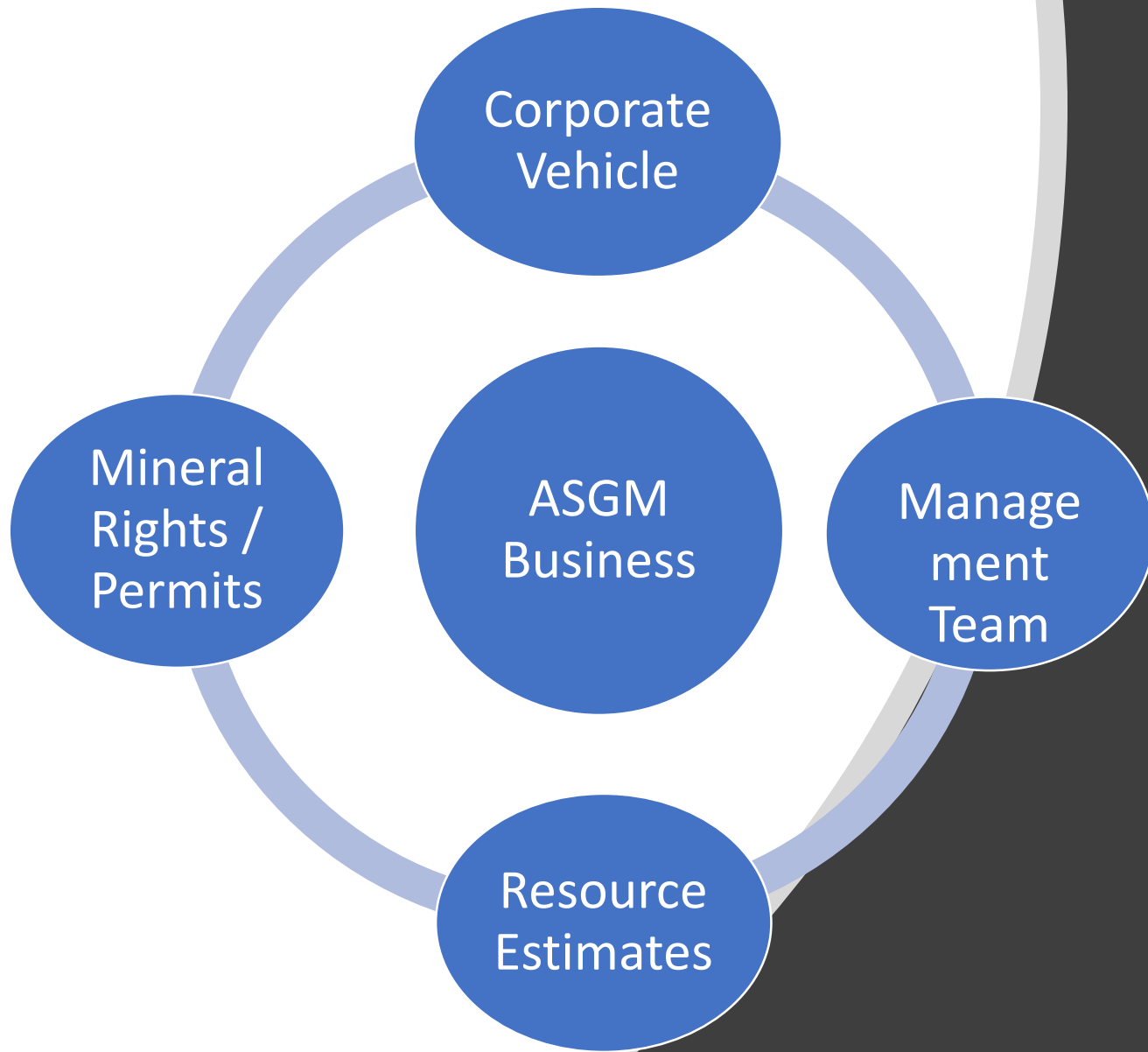
How Much Gold is in the Ground?

- Creating a Valuation Standard for ASGM
- Currently regulated by the securities commissions for conventional mining industry
 - NI 43-101 Canada
 - JORC Australia
 - Others
- Beyond reach for typical ASGM



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What is really missing?

Factors that allow financing of conventional mining are not common in ASGM

Investment for Improvement

Educate and Engage Financial Sector, Regulators & ASGM

Investment Flows into the ASGM Sector

Change the Big Picture by Improving the Small Scale

