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PRESS RELEASE

SIGNIFICANT MILESTONE REACHED AS THE FIRST ARTISANALLY MINED, RESPONSIBLY SOURCED, AGGREGATED, PROCESSED AND REFINED GOOD DELIVERY GOLD AND SILVER BARS ARE SET FOR PRESENTATION TO HIS EXCELLENCY, THE PRESIDENT OF FEDERAL REPUBLIC OF NIGERIA

- The Presidential Artisanal Gold Mining Development Initiative ("PAGMI" or the "Initiative"), has announced the achievement of a significant milestone in His Excellency, the President's commitment to diversifying the economy and the nation's foreign reserves through the purchase of local gold production by the Central Bank of Nigeria under the Presidential Artisanal Gold Mining Development Initiative.
- PAGMI is due to present the first artisanally mined, responsibly sourced, aggregated, processed, and refined gold and silver bars to His Excellency, the President of the Federal Republic of Nigeria.
- His Excellency, the President, approved PAGMI in 2019 to foster the integration of artisanal gold mining activities in the country's legal, economic, and institutional framework.
- This integration will create new and formalized mining jobs, fast track economic diversification, reduce incidences of lead and mercury poisoning, encourage safer mining practices, plug economic leakages, tackle economic sabotage, and improve the nation's foreign reserves.
- The catalyst for this integration is the provision of access to markets for the artisanal miners through a National Gold Purchase Program and the deployment of enhanced mining methods at artisanal and small-scale mining sites.



- Providing better access to markets through the National Gold Purchase Programme is only the first step in a comprehensive artisanal and small-scale gold mining development strategy integrating social, environmental, health and safety, economic, commercial, and technical considerations.
- PAGMI will deploy safer and more efficient mining and processing technologies across artisanal mining locations across the country, starting with Kebbi and Osun States as the Pilot States with intervention in Kaduna, Zamfara and Niger States to commence immediately after the Pilot.
- Using data from UN Comtrade, PAGMI estimates that between 2012-2018, 97 tonnes of gold valued at over \$3 billion was illegally smuggled out of Nigeria. In addition to the economic sabotage, illegal artisanal mining has fuelled instability and lead poisoning incidents across gold mining communities.
- Unregulated artisanal mining places a significant burden on fragile health systems. From 2010 to 2016, there were more than 7,000 incidences of lead poisoning, resulting in 700 deaths related to gold mining activities in Zamfara and Kebbi alone
- PAGMI will source, aggregate, process, and refine artisanally mined gold under a National Gold Purchase Program for supply to the Central Bank of Nigeria for use as a reserve instrument.
- The production of these gold bars for presentation to His Excellency, the President, is the first time artisanally mined gold from Nigeria is refined according to the standards required for the use of gold as a reserve instrument by the Central Bank of Nigeria.
- This milestone is the culmination of 24 months of intense efforts between the Solid Minerals Development Fund, Kebbi and Osun States Government, Ministry of Mines and Steel Development, and the Ministry of Finance, Budget, and National Planning under a Steering Committee led by the Chief



of Staff to the President. Professor Ibrahim Gambari.

- PAGMI will deliver Good Delivery Gold Bars to the Central Bank of Nigeria. “Good Delivery” Bars are those that meet the standards set by The London Bullion Market Association (LBMA) and the OECD Due Diligence Guidance for responsible Sourcing of Minerals.
- Good Delivery bars are notable for their large size and high purity. They are the type used in the major international markets (Hong Kong, London, New York, Sydney, Tokyo, and Zürich) and the gold reserves of governments, central banks, and the IMF.
- Through PAGMI, the Central Bank of Nigeria will purchase locally produced gold in Naira to boost the nation's foreign reserves.
- Using a Centralized Offtake and Supply System supported by a Decentralized Aggregation and Production Network, PAGMI will buy all the gold produced by artisanal and small-scale miners and aggregated by licensed buying centers and aggregators for supply to the Central Bank of Nigeria.
- PAGMI will ensure that responsible sourcing standards, as outlined in the OECD Due Diligence Guidance, are adhered to, and the gold bars delivered to the Central Bank of Nigeria are Responsibly-Sourced, and LBMA Certified.
- On a large scale, PAGMI estimates that the Federal Government of Nigeria could realize an annual average of \$150 Million in taxes, \$25 Million in royalties, and \$500 Million accretion to foreign reserves from the integration of artisanal gold mining activities implemented by PAGMI. PAGMI will result in the creation of over 500,000 new mining and formalized jobs, leading to poverty alleviation for more than 1 million households.



- Under PAGMI, artisanal gold miners will earn more from higher productivity, better recovery rates, mechanization of operations, and better access to reliable geological information. Increased earnings for the miners will have significant spillover effects in the local economies as businesses will grow to cater to the increased consumption per household.
- PAGMI is designed as a broader strategy to address the structural and institutional factors such as rural poverty, lack of alternative livelihoods, and difficulties in meeting legal and regulatory requirements that tend to push artisanal gold mining operators deeper into the informal economy.
- PAGMI will use better access to market and other incentives aimed at boosting productivity and output to tackle the institutional challenges limiting the integration of artisanal gold mining operators into the formal economy.
- In the next couple of months, PAGMI will scale up across the entire gold mining belt of the country, and agreements have been reached with Thermofisher and Metler Toledo, leading producers of gold testing and weight equipment to equip up to 50 buying centers.
- The guidelines for participating small-scale miners, buying center operators and aggregators will be released soon.
- This milestone is a celebration of the resourcefulness of our hard-working artisanal miners and the remarkable efforts of the PAGMI Presidential Steering Committee led by the Chief of Staff to the President, Professor Ibrahim Gambari.
- This milestone is another demonstration of His Excellency, the President's commitment to economic diversification, rural economies improvement, and job creation.