



11th Asia Pacific Mineral Resource Exhibition and Conference

***Impacts and Challenges of Artisanal Mining in
Central Africa – A Tin Success Story for Malaysia***

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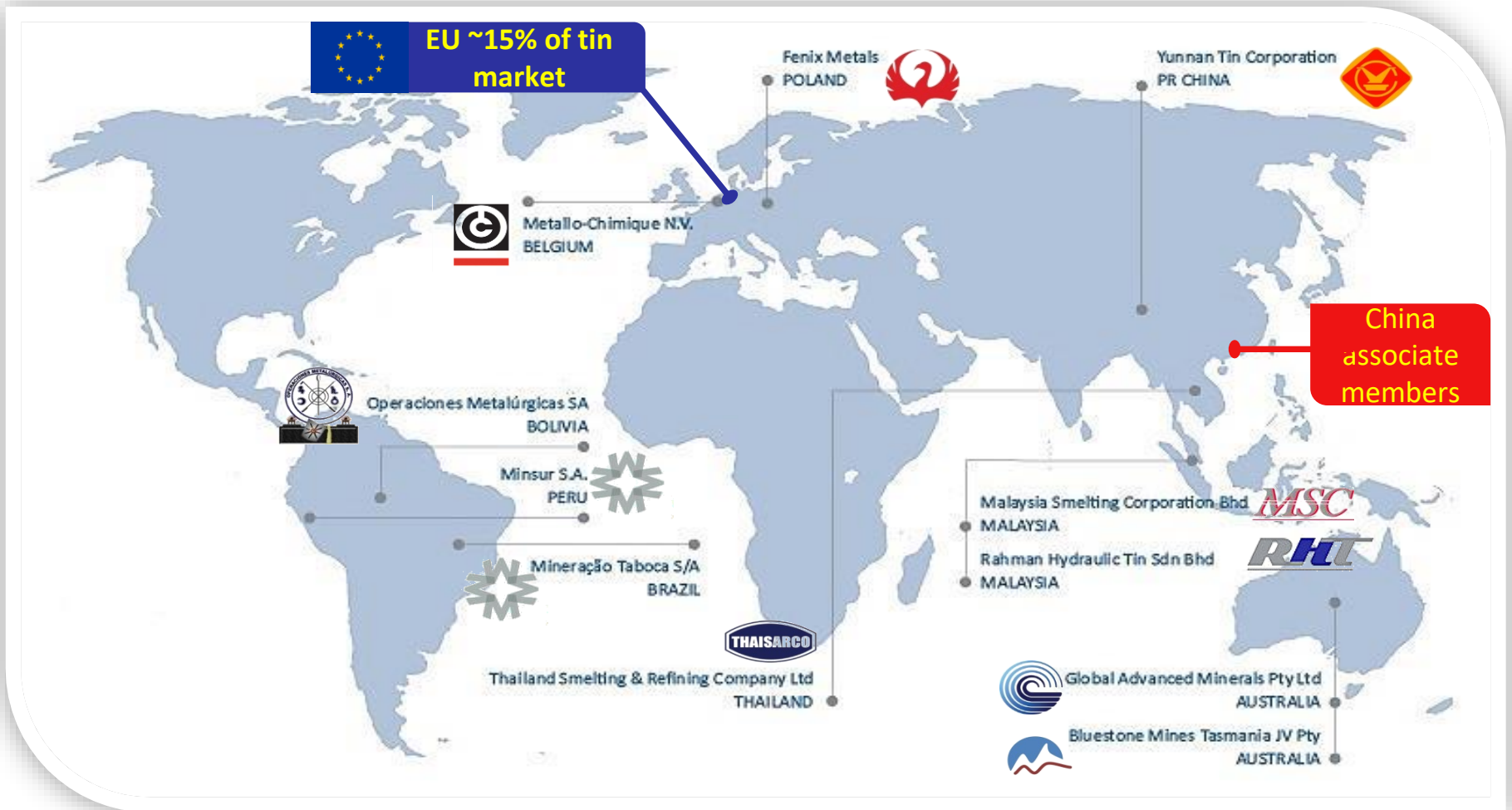
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Overview of Leading Miners, Smelters & Recyclers



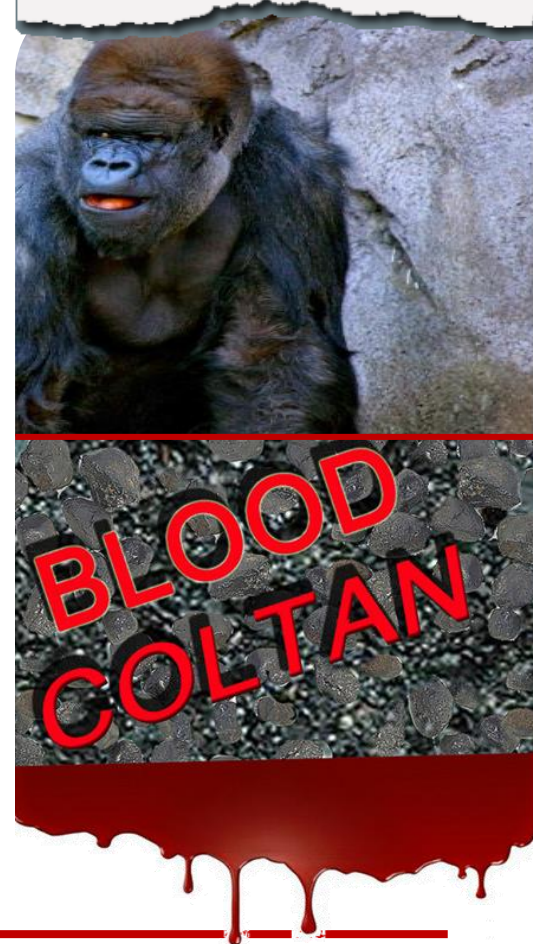
Artisanal mining – Impacts and Challenges



Brief history of conflict minerals

- Year 2000, the price driven coltan rush
 - Into national parks and areas held by rebel armed groups
 - Leading to UN Security Council reporting which continues to date
- Year 2003, FFI report ‘ban it or buy it’
 - Recommend to support regulation of trade
- Year 2008, ‘blood diamonds of the digital age’
 - UN reporting negative and extends to 3T
 - Involvement of ITRI and MSC
- Year 2010, Dodd Frank Act
 - Multiple customer requirements

Gorillas being killed to make your 3G phones



APPLYING RESPONSIBLE SOURCING AND BEST BUSINESS PRACTICES

- DEALING WITH INTERNATIONAL ORGANIZATIONS
- DEALING WITH NGOs
- DEALING WITH INDUSTRY STAKEHOLDERS
- DEALING WITH MALAYSIA AND OTHER GOVERNMENTS
- WORKING TO CREATE A VIABLE DUE DILIGENCE AND TRACKING SYSTEM FOR CONFLICT MINERALS IN CENTRAL AFRICA



Working with the governments

- National and local level agreements
- Involvement of mine services
- Exchange of experience



Engaging with Ministry of Mines

Discussion with Minister of Mines DRC



Discussion with Minister of Mines Rwanda



MSC's high level government dialogue

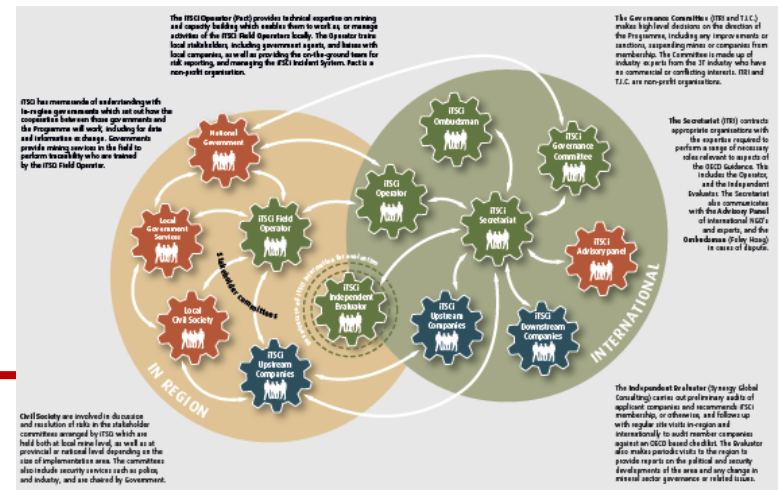


Traceability – from theory into action

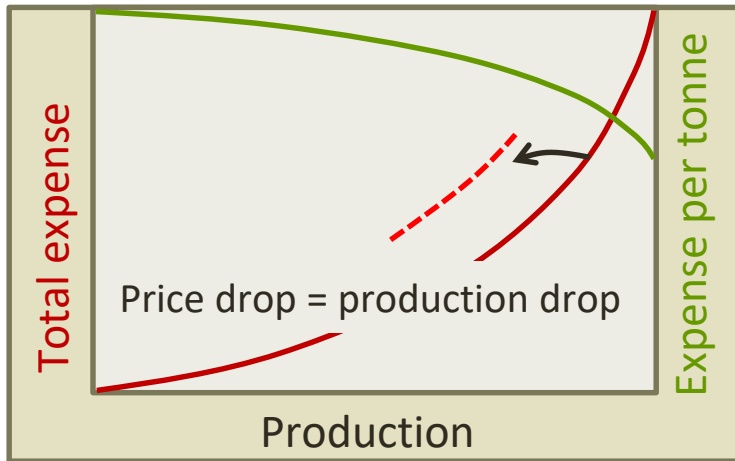
- Year 2008, ITRI set up working group together with MSC and action plan
 - Phase 1 government documentation and smelter audit complete 2009
 - Phase 2 traceability and due diligence will be complete 2015
 - Phase 3 new opportunity beyond conflict issues

- Year 2010, joined by T.I.C. in pilot tagging in the Kivus'
 - For a single joint industry solution

- Year 2011, formal structure inc. T.I.C. in Governance Committee
 - Working with governments
 - Working with civil society
 - Working with experts
 - In-region and internationally



Funding model and sustainable costs



- More mines, more immediate expense
- More mines, more eventual production
- More companies, more incidents, more expense
- More expense, more financial risk
- No connection to metal prices
- Protection of value on information generated

- Joint industry system maximises production covered, minimises cost
- But, dropping production at low prices threatens operations
- Donor funding and beyond conflict issues support base costs
- Report online covering finances 2010-2015
 - ~90% of expenses on in country field activities plus traceability data
 - >80% of funding from upstream and smelter, 1% downstream companies
- Addressing conflict issues at source is the most effective solution

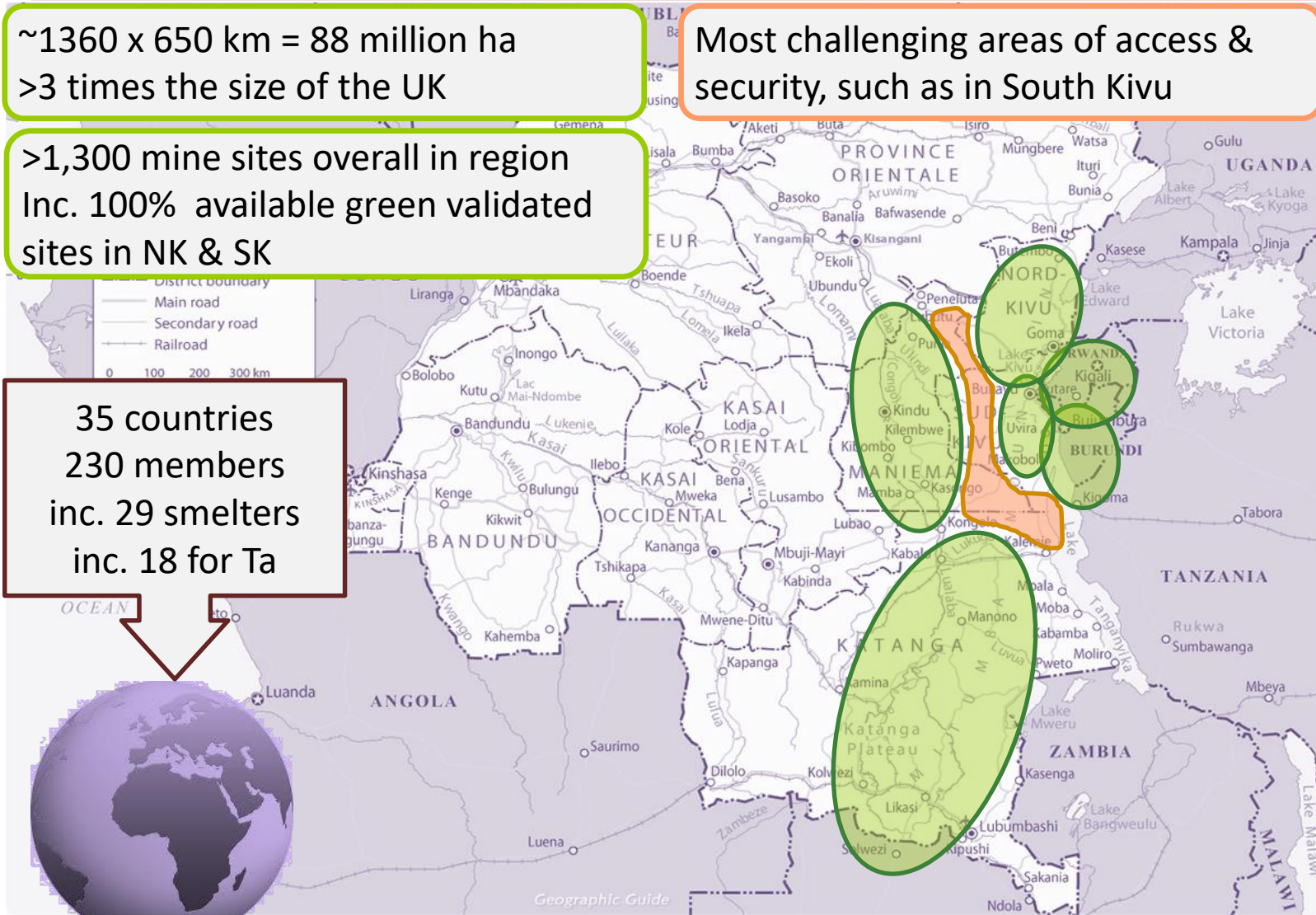
Large scale regional implementation

~1360 x 650 km = 88 million ha
>3 times the size of the UK

>1,300 mine sites overall in region
Inc. 100% available green validated sites in NK & SK

Most challenging areas of access & security, such as in South Kivu

35 countries
230 members
inc. 29 smelters
inc. 18 for Ta



Challenges - Power



~ 16-20% of the country
have access to electricity



Challenges – Access to clean water



Challenges – Roads and accessibility



Challenges - Security



Kanuka mine site, Katanga Province, DRC, July 2013



Kanuka mine site, Katanga Province, DRC, August 2015

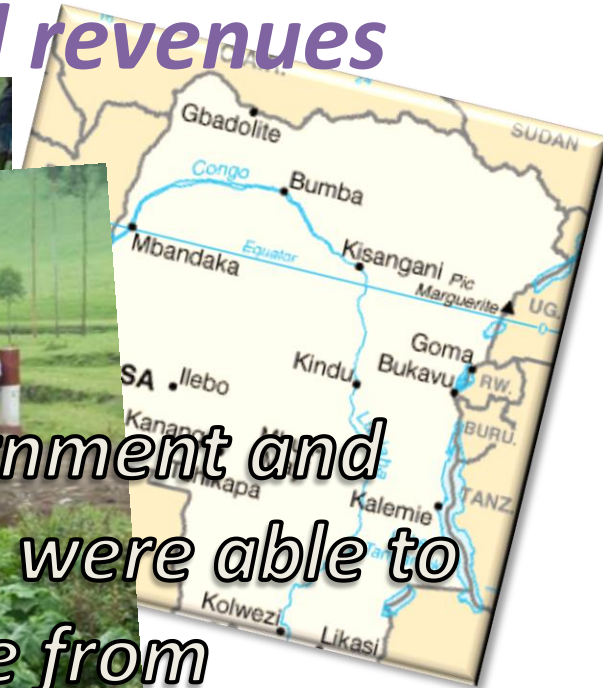


From illegal mining and poor washing methods to safe tunnels and modern washing plant



Stories from the field - DRC

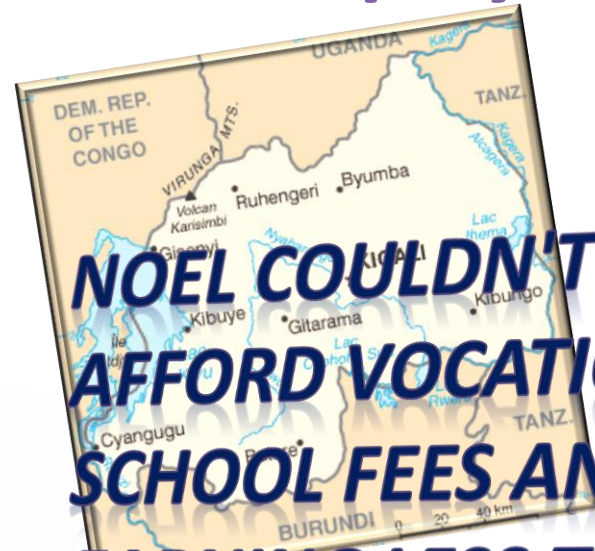
Building bridges from mineral revenues



...local government and communities were able to raise revenue from contributions from mineral exporters...

Stories from the field - Rwanda

From poverty to empowered employer of 20



**NOEL COULDN'T
AFFORD VOCATIONAL
SCHOOL FEES AND WAS
EARNING LESS THAN
US\$3 PER MONTH
BEFORE JOINING THE
MINING SECTOR**

We have already achieved

- Reliable conflict-free supplies of 3T's for buyers
- Access to fair and competitive markets for miners
- Secure and stable circumstances around mining
- Opportunities for investment in improved business climate
- Mineral revenue benefiting communities not armed groups
- Wide integration of due diligence and iTSCi systems
- Extensive capacity building for long term future
- Reduced fraud and illegal activity
- Unique understanding of mines and production



There is enormous potential to build on this success



>80,000 miners plus
~80,000 associated workers
with 5 dependents per worker
= possibly 1 million people benefiting
in-region through the iTSCi joint
industry programme

They don't face threat, force, or abuse

The tin, tantalum and tungsten they
produce does not fund conflict

**WE WILL NOT HAVE ACHIEVED THE
ACCOLADES IF MSC DID NOT
PARTICIPATE AND SUBSCRIBE TO THE
IDEA OF ENGAGEMENT FOR
BETTERMENT.**

***A TIN SUCCESS STORY FOR
MALAYSIA!!!***

Thank You - Q & A

