

## **Know Your Client (KYC) KYCC and AML Summary for Sale/Purchase of Gold from Endeavour Capital Ltd**

### **Key Reference:**

[http://www.aletihadgold.com/UserFiles/LBMA%20Responsible%20Gold%20Guidance\(1\).pdf](http://www.aletihadgold.com/UserFiles/LBMA%20Responsible%20Gold%20Guidance(1).pdf)

### **Purpose and Process in General:**

- To fulfil international obligations, we will request and obtain key information as detailed below. This is not to be 'negative'; rather the process will give confidence to legitimate miners, gold beneficial owners and sellers, refineries and banks, plus facilitate repeat contracts where the channels have had prior approval.
- The following is to be read in conjunction with <http://ecap.co.nz/blog/news/updates-on-our-aml-policy/> which appears on our web site [www.ecap.co.nz](http://www.ecap.co.nz)

### **Summary of Our Requirements:**

- Products able to be traced back to original mine or close approximation, with verifiable documentation
- Name of suppliers/mines in the supply chain
- Provide shipping/transportation documentation (e.g., bills of lading, packing slip, waybill, invoice, etc, weight and lot numbers)
- Weights / sales documented with specific lot numbers
- Confirmation to be from non-conflict sources / locations

### **At Mine Level:**

- Government issued mine of origin certificate
- Government issued mining licence; concession information
- Government issued import or export document,
- Mine assay results and weights (not critical – Buyer refinery can do)
- List of directors and beneficial owners and verifying documentation

### **Seller:**

- Certificate of Incorporation



- Articles or Constitution
- List of current directors and identification
- Mining and/or mineral trading permit(s)

A full set of the following documents to be presented prior to delivery – 1 original and 3 copies.

- Proforma Invoices addressed to buyer
- Certificate of Origin
- Certificate of Ownership
- Copy of passport of seller and representatives of seller
- Customs declaration forms (supplied by buyer)
- Original copy of airway bill marked airfreight prepaid with flight details)
- Packing List
- Other documents as required by Buyer as specifically requested, e.g. non-conflict areas and compliance with Dodd-Frank Act
- Custom Declaration documents at destination airport

#### **I) Background Detail to Understand the Above**

II) The refinery must have a mechanism for tracing products back to purchased material sources. Components will include:

a) Receiving Shipping/transportation documentation (e.g., bill of lading, packing slip, waybill, invoice, etc.)

- lot numbers assigned by refinery;
- suppliers identified;
- weights.

b) Sales documented with specific lot numbers;

- Documented list summarising total sales volume.

c) Reconciliation of receipts, inventories, and sales volumes to demonstrate receipts are fully accounted for in a mass balance. The Conflict-Free Sourcing Initiative [www.conflictreesourcinginitiative.org](http://www.conflictreesourcinginitiative.org) | @EICCcoalition | @GeSICconnect An initiative of the Electronic Industry Citizenship Coalition and the Global e-Sustainability Initiative 9



d) Products can be traced back to close approximation to sources. Exact lot-to-lot correspondence may be approximated due to mixing of batches and continuous processes.

III) Gold-bearing materials are appropriately documented (as detailed below) to be from non-conflict sources. All gold bearing materials received for the audit period are included whether direct purchases or part of a tolling or other business agreement.

a) Mining materials i) Level 1 –

a) Government issued mine of origin certificate, if any

b) Government issued import or export document, if any

c) Shipping/transportation documentation (e.g., bill of lading, packing slip, waybill, invoice, etc.)

d) Mine assay results and weights

ii) Level 2A - Review Level 1 information plus the following:

e) On-mine-site trip report(s) with the following information:

1) Verification that mining location agrees with concession, license or other form of government sanction of the operation;

2) Assessment of capabilities - staffing, equipment, transportation routes;

3) Validation of material source, by sampling at mine site or other verification.

4) Confirmation of mine/source capability/delivery plausibility using the previous three years of production for existing mining operations. Plausibility for new mines can be determined using throughput limitations associated with ore mining and processing equipment or as specified in permits.

iii) Level 2B – Review Level 2A information plus the following:

f) Determination of the amount of material coming from a given mine, or estimate for specific area known to be a location of significant artisanal mining, e.g., eastern DRC. The figures obtained will be compared against the mine's production capacity or country capacity in the case of artisanal mining.

g) Implementation of the OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict Affected and High-Risk Areas, including a chain of custody and/or traceability system, coupled with on-the-ground risk assessments. With specific regard to the determination of the origin of minerals, information required under the OECD Guidance. In order to generate the requested information, refiners may rely on a credible conflict free mineral traceability scheme that has been independently verified to conform to the OECD Guidance. For artisanal mine sources this may include The Conflict-Free Sourcing Initiative [www.conflictreesourcinginitiative.org](http://www.conflictreesourcinginitiative.org) | @EICCoalition | @GeSiConnect; an initiative of the Electronic Industry Citizenship Coalition and the Global e-Sustainability Initiative 10 bagging and tagging of mineral ore



as a means to demonstrate due diligence on the original provenance of the ore or a similarly robust and credible system.

A refiner must possess all documentation concerning the in-region sourcing at the refiner's facility. For example if a bagging and tagging traceability scheme is used the refiner must possess the final bag tag and possess the supporting information which indicates mine or area of origin. When the supply originates from an industrial operation, a credible system of tracking and record keeping must be in place and available at the refiner. The date printed on the export documentation will be used to demonstrate compliance with CFSP audit protocol requirements..

iii) Level 3 – Review Level 2B information plus the following:

h) In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas, an on-the-ground risk assessment and documentation of the source(s) of information used to determine whether the mine was under the control of armed groups or mine did not directly or indirectly finance conflict. While making such a determination, the refiner may rely on such sources as the US State Department's Conflict Minerals Map or other recognized equivalent maps, if they exist.