LBMA

Supporting **Responsible Pathways** for ASM

Introduction

The Artisanal and Small-scale Mining (ASM) sector accounts for an estimated 20% of global mined gold[1] and supports millions of livelihoods, yet less than 1% of LBMA Good Delivery List (GDL) Refiner throughput is from ASM sources[2].

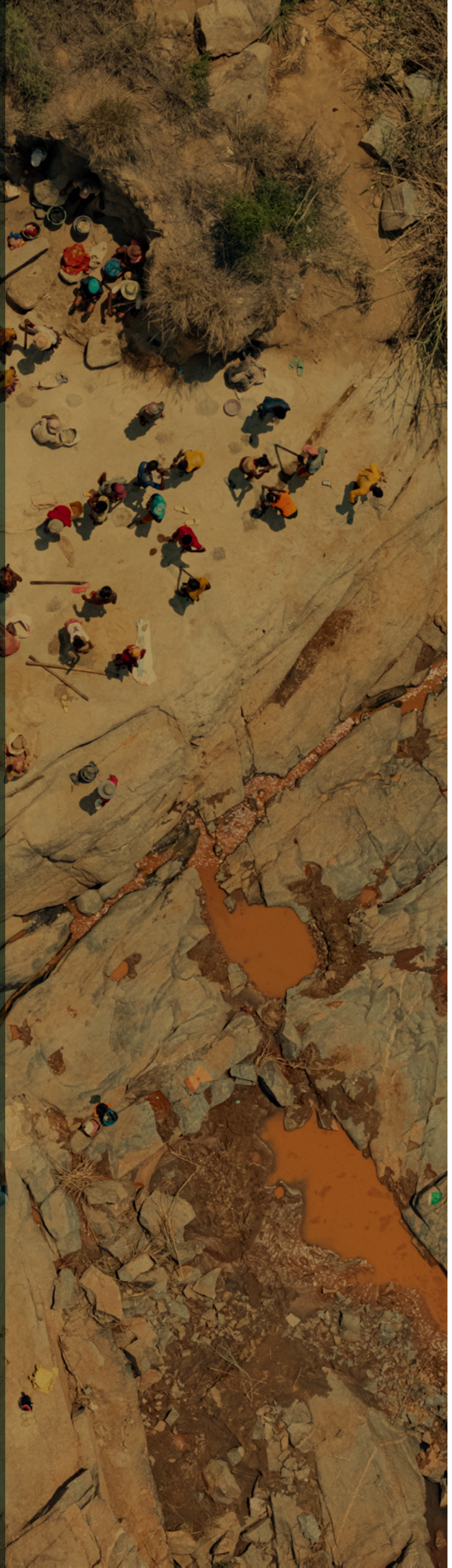
LBMA's ASM Task Force was established in 2022 to examine the longstanding barriers associated with ASM gold sourcing and to support the creation of formalised, responsible pathways for ASM material to enter LBMA Good Delivery supply chains.

This report outlines developments between 2022 and 2025 in building the foundations necessary to support this long-term objective. During the reporting period, LBMA focused on facilitating multi-stakeholder engagement between producers, refiners, standard setters and policy makers to deepen market understanding of associated challenges and opportunities, and on developing practical due diligence tools more conducive to the operational realities of ASM sourcing.

Formalisation within ASM supply chains is inherently long-term and shaped by a range of factors extending beyond the direct influence of any single organisation. This report therefore focuses not on short-term measures, but on sustainable sector transformation through long-term partnerships and tools for more responsible and transparent ASM market participation.

[1] *World Gold Council, Artisanal & Small-Scale Gold Mining (2022), noting that at least 20% of newly mined gold comes from Artisanal and Small-Scale Gold Mining sources.*

[2] *LBMA Country of Origin data indicates that ASM accounted for less than 1% of the combined throughput of Good Delivery List (GDL) Refiners during the reporting period.*



Why ASM Matters

Artisanal and Small-scale Mining (ASM) is too significant to ignore, both in terms of market share and social impact. Studies have shown that ASM accounts for almost a fifth of annual global gold production and directly employs at least 45 million people globally[3].

This gives ASM broader economic and social importance, as it remains a major source of income in many producing countries, while representing a significant potential responsible sourcing opportunity for LBMA Good Delivery List (GDL) Refiners. In a high-price environment, that opportunity becomes more material, but so too does the risk that gold from these sources is drawn into less transparent and illicit channels if credible formal pathways are not available.

Yet a substantial share of global gold production from ASM sources remains outside formal regulated markets where miners and communities may face greater exposure to unsafe, exploitative or illicit trading conditions. Weak traceability, unsafe use of mercury and other hazardous chemicals, limited regulatory oversight, illicit trade and other financial crime risks all adversely affect mining communities, the environment and supply chain integrity.

The question is no longer whether ASM matters, but whether formal markets are willing to create credible routes for responsible supply.

From Avoidance to Engagement

A central question for LBMA's ASM Initiative has been why formal market actors have historically avoided ASM, and what conditions are needed for more structured engagement. At the heart of this is a practical challenge: how can formal markets engage responsibly with a sector often shaped by informality, limited oversight and elevated sourcing risk?

For many refiners and other formal market participants, these barriers remain real: often weak or absent legal frameworks; gaps in licensing; logistical difficulties in aggregating or transporting material; limited capacity to meet existing compliance frameworks and develop traceability systems; and lack of financial inclusion for official payments or investments. Together, these challenges continue to perpetuate ASM's marginalisation from supply chains of GDL Refiners.

But avoidance has limits. Disengagement may reduce direct exposure to some risks, but it can also entrench a counterproductive status quo: responsible miners remain excluded from formal markets, while weaker controls in higher-risk trading hubs continue to create reputational and sourcing risks elsewhere in the supply chain. Against that backdrop, LBMA commissioned an independent ASM feasibility study in 2022 to assess the barriers preventing ASM gold from entering GDL supply chains and to examine how greater volumes of responsibly sourced ASM gold might enter GDL supply chains over time. Based on desk-based research and interviews with national regulators, refiners, industry members, NGOs and technical experts, the findings informed LBMA's long-term objective to integrate greater volumes of responsibly mined ASM into global supply chains within a credible but attainable due diligence framework. The underlying premise is clear: where workable opportunities exist, responsible sourcing cannot stop at avoidance; it must also create credible pathways for engagement.

[3] *World Gold Council, Artisanal & Small-Scale Gold Mining (2022); World Bank, A new era of renewal in artisanal mining (2025); and World Bank, Achieving Sustainable and Inclusive ASM (2024).*

Building the Foundations

Bringing ASM gold into responsible supply chains with a credible route to market is complex and gradual, and needs to be shaped by local regulation, governance, financing, infrastructure and market incentives.

Building those foundations has required more than a single intervention. It has involved tools, structured collaboration with market participants and governments, and closer testing of how responsible sourcing pathways can function across different contexts.

Following the feasibility study, LBMA established the ASM Task Force, a multi-disciplinary group of experts and impacted stakeholders, to advise on the development of the broader ASM Initiative and to help shape its strategic direction. Bringing together market insight, technical expertise and strategic input from across the supply chain, the Task Force informed LBMA's response to the study's recommendations, including the development of key implementation tools.

ASM Toolkit – Due Diligence Framework

One of the initiative's most important outputs has been the ASM Toolkit. Launched in 2024, it provides a practical and sector-specific due diligence framework for GDL Refiners to engage with ASM supply chains. The ASM Toolkit outlines minimum standards as well as progressive improvement measures, covering licensing, governance, safety, environmental impacts, and mercury management, among other requirements. The ASM Toolkit does not certify ASM gold; rather, it is designed to help refiners assess risk and support structured improvement over time.

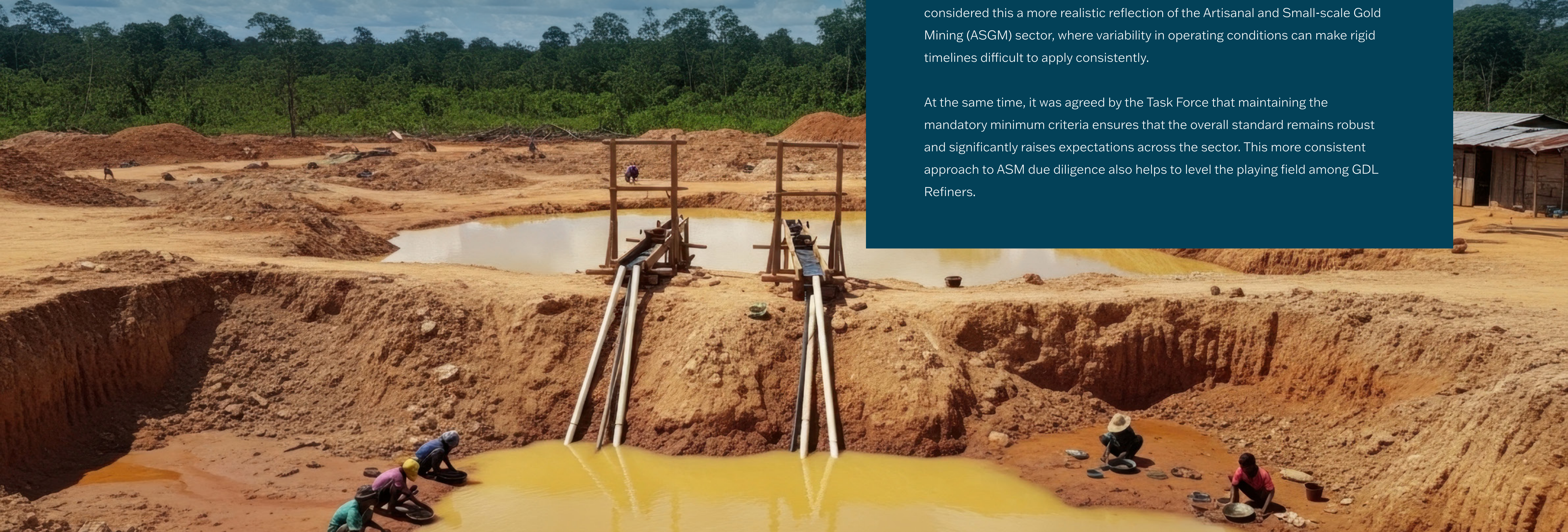
Measuring Progressive Improvement

While the concept of progressive improvement is embedded in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, LBMA is one of the first industry schemes to incorporate it directly into sourcing requirements for ASM engagement. The next question was how to measure these progressive improvement elements in practice.

Drawing on theexperience and the sourcing model specifically developed by the Swiss Better Gold Association (SBG) for intermediate refineries and the CRAFT Code developed by the Alliance for Responsible Mining (ARM), the Task Force agreed that while suppliers would be required to evidence the minimum criteria from the outset, most progressive improvement criteria should not be tied to fixed timetables. Instead, GDL Refiners and their suppliers should be expected to demonstrate, through scheme certification and/or LBMA's annual third-party assurance process, that credible efforts and measurable progress are being made over time against documented risk assessments and improvement plans.

This approach is intended to preserve flexibility and avoid turning the ASM Toolkit into an overly onerous compliance mechanism that could create unintended barriers to responsible ASM sourcing. Task Force members considered this a more realistic reflection of the Artisanal and Small-scale Gold Mining (ASGM) sector, where variability in operating conditions can make rigid timelines difficult to apply consistently.

At the same time, it was agreed by the Task Force that maintaining the mandatory minimum criteria ensures that the overall standard remains robust and significantly raises expectations across the sector. This more consistent approach to ASM due diligence also helps to level the playing field among GDL Refiners.



Country Engagement

Country-level work has been especially valuable in testing how these issues play out in practice. It has shown how regulation, infrastructure, state capacity, financing and market incentives determine whether responsible ASM supply can reach formal markets.

The independent ASM feasibility study identified a group of target countries that appeared to offer stronger regulatory and market infrastructure potential for responsible ASM sourcing. Factors considered for the target countries included economic and political stability, favourable regulatory conditions, significant ASM volumes, and the presence of supply chain actors capable of supporting formal market participation.

During the reporting period, LBMA prioritised engagement in Ghana, Peru, the Philippines and Mongolia, while LBMA Good Delivery Refiners continued to work with ASM suppliers more broadly across different jurisdictions.

Ghana

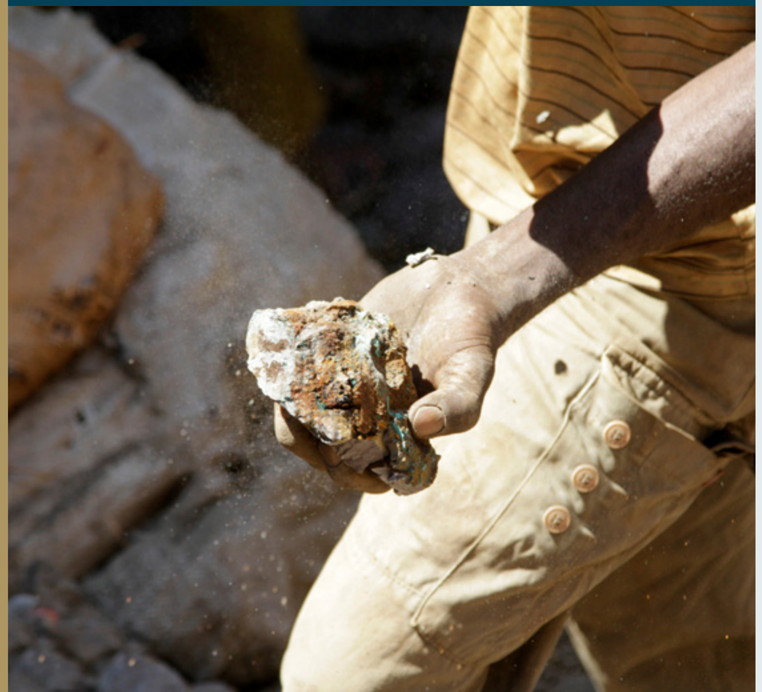
Context and risks

Ghana is Africa's biggest gold producer. More than half of Ghana's gold output is produced by ASM and much of it currently remains outside the GDL ecosystem. It is government policy to have a GDL Refiner in the country. This creates a significant opportunity to increase the volume of responsibly sourced and regulated gold entering the global precious metals trade.

In 2025, the Ghana Gold Board was established to centralise the sourcing of all legal ASM exports. In 2025 the Gold Board sourced twice the amount of ASM material compared to the previous year, suggesting a positive increase in material passing through legal channels. While this is encouraging, concerns remain that supply chain due diligence needs to be strengthened if risks to the Gold Board, participating refiners, and the purchasing counterparties are to be reduced.

At a glance

- Key programme: Engagement with Ghanaian government, traditional leadership and GDL suppliers
- Coverage: National (export and supply chain focus)
- Partners: Gold Board, Central Bank of Ghana, Rand Refinery, Gold Coast Refinery
- Outcomes: Increased formal ASGM flows; new refinery collaboration to enable local responsible refining



Engagement and outcomes

Through ongoing engagement with the Gold Board and Ghana Chamber of Mines, LBMA is exploring ways to support greater ASM integration into GDL Refiner supply chains. This includes engagement at events hosted by the Ashanti King and the Ghanaian government, and through dialogue with GDL Refiners that see scope for continued engagement with the country's ASM sector.

LBMA has engaged with the Gold Board on the value of progressively strengthening its responsible sourcing approach, and the Gold Board has responded by issuing a tender for a digital platform intended to improve supply chain traceability. This reform will take time to implement. In the meantime, LBMA is discussing with the Gold Board possible options for GDL Refiners seeking to source from identified ASM mines that can meet responsible sourcing expectations.

A collaboration announced in February 2026 between South Africa's Rand Refinery and Ghana's Gold Coast Refinery marks a potentially important step for responsible sourcing in West Africa, enabling local refining of ASM gold with technical, operational and commercial support from an LBMA GDL Refiner. Rand Refinery will provide technical, operational and commercial support to Gold Coast Refinery towards a potential GDL application and, ultimately, possible supply into the London market.

The Philippines

Context and risks

The Philippines is unique: around 80% of the country's gold production comes from the ASM sector, which employs an estimated 500,000 people. This makes the Philippines one of the world's most ASM-dependent gold economies.

The Bangko Sentral ng Pilipinas (BSP), the country's central bank, also refines gold, and is the only central bank that is a GDL member. The BSP has a legal monopoly on ASM gold purchasing, so its approach materially defines formal market access for ASM producers.

At a glance

- Key programme: BSP ASM gold buying programme; PJLI implementation of the ASM Toolkit
- Coverage: National via BSP buying stations and PJLI pawnbroker network
- Partners: BSP; PJLI group of companies
- Outcomes: Expanded due diligence reach and market access; potential legal finance model for ASM supply chains

Engagement and outcomes

In June 2025, LBMA visited the BSP to deliver training on the due diligence requirements of the ASM Toolkit and to assess their ASM gold buying programme.

Encouraged by the progressive improvement elements of the ASM Toolkit, the BSP is exploring sourcing from miners on LSM concessions and widening access through a partnership with a national gold buying company. BSP accredits Auro Resources Trading, a company established by the PJLI group, to participate in its gold buying programme as an accredited trader, helping extend access to formal gold buying channels beyond BSP's five buying stations.

PJLI has committed to implementing LBMA's ASM Toolkit with its suppliers and assisting mines in its supply chains with implementation, helping extend both supply and due diligence reach. PJLI is also positioning itself to provide short-term financing for mines in these supply chains at lower rates than illegal finance sources, which could offer a potentially replicable model for other jurisdictions.

Recognising that proactive engagement with gold sector actors is essential in the context of the country's strict mining and environmental laws, the BSP is exploring how use of the ASM Toolkit could support increased gold offtake while maintaining responsible sourcing expectations.

Capacity Building and Training

Feedback from stakeholders following LBMA's ASM Toolkit training points to the value of targeted capacity building in strengthening responsible ASM sourcing in the Philippines.

The training helped clarify how the ASM Toolkit's progressive improvement approach can be applied in practice within domestic gold buying systems, supporting a shift from a predominantly compliance-led model towards a more risk-based and proportionate approach to ASM engagement. It also strengthened understanding of how risk identification can inform appropriate responses, ranging from disengagement to continued sourcing supported by structured improvement plans, enabling more consistent and informed decision-making. Stakeholders further noted that the training helped identify practical opportunities for deeper engagement across ASM supply chains and supported the integration of progressive improvement principles into operational procedures, contributing to more harmonised and transparent practices across gold buying stations in a market where ASM represents a significant share of domestic production.

Peru

Context and risks

Peru is the sixth largest gold producer in the world, with an estimated output of 125 tonnes per year. Conservative estimates attribute a third of that production—approximately 39 tonnes—to the ASM sector.

Peru has been identified as a country with strong responsible ASM potential, in part because of its REINFO ASM formalisation system. REINFO allows ASM miners, under certain conditions, to work on others' permit-holders' land, including industrial concessions. It also enables processing plants to purchase ASM material legally and process the gold without mercury, helping to mitigate sourcing risks for GDL Refiners that offtake from these supply chains.

At a glance

- Key programme: Peru due diligence engagement; processing-plant standard derived from the ASM Toolkit
- Coverage: Key mining areas and processing/refining nodes supplying the GDL system
- Partners: Government stakeholders; SBG; Orex; MTP; Soleil; Amplaben; GDL Refiners
- Outcomes: Strengthened supplier pipeline; country-specific standard to mitigate risks and support replication

Engagement and outcomes

In October 2024, LBMA visited Peru to meet with government officials, industry stakeholders and ASM suppliers (miners, aggregators and intermediate refiners) to assess the jurisdiction's potential to meet LBMA's due diligence and sourcing requirements.

LBMA visited mines associated with the Swiss Better Gold Association (SBG) and several local refiners already supplying GDL Refiners: Orex, Dynacor and Minera Titan del Peru (MTP). LBMA also met with Soleil (supplying two GDL Refiners) and Amplaben (the trade association representing domestic processors). The intention of the visits was to assess whether the ASM Toolkit requirements were fit for purpose for the local context.

SBG has translated the ASM Toolkit into Spanish and is implementing its requirements in selected ASM and Medium-scale Mining (MSM) mines and processing plants sourcing from artisanal miners on their permits.

LBMA is now developing a Peruvian Processing Plant guideline based on the ASM Toolkit to mitigate Peru-specific supply chain risks. A similar approach to adapting the ASM Toolkit for other target countries will be followed where appropriate.

Mongolia

Context and risks

Mongolia has significant gold reserves, a large ASM workforce, and a government that has taken meaningful steps to formalise artisanal mining. The ASM sector directly employs up to 200,000 miners (mostly in small-scale mines), supports hundreds of thousands more, and contributes an estimated 10% of national mining revenue. Climate pressures—particularly harsher winters—have pushed many herding families into artisanal mining, amplifying ASM's social importance.

Structural challenges remain, including limited licensed processing capacity. Mongolia has only two fully licensed processing plants, while many others operate informally because of high permitting costs and lengthy approval timelines, creating bottlenecks for the responsible integration of supply chains.

At a glance

- Key programme: Bank of Mongolia responsible sourcing commitment; Memorandum of Understanding with Argor Heraeus and SBG
- Coverage: National (ASM gold buying; permitting oversight)
- Partners: Bank of Mongolia; NFASM; Argor Heraeus; SBG
- Outcomes: Improved formalisation and transparency; pathway to raise standards amid processing-capacity constraints

Engagement and outcomes

The legal environment is evolving. Resolution 296 (August 2022) integrated the National Federation of Artisanal and Small-scale Miners (NFASM) into the permitting process, establishing clearer oversight mechanisms, supply chain transparency requirements, and mandatory training for ASM partnerships seeking land agreements—marking a shift from earlier restrictive policies that froze new land allocations (Resolution 355) amid environmental concerns.

The Bank of Mongolia (BoM) is the sole legal buyer of domestically produced ASM gold. It has signalled a commitment to responsible sourcing by signing the World Gold Council's London Principles and entering a tripartite Memorandum of Understanding (MoU) with Argor Heraeus and the Swiss Better Gold Association (SBG) to help raise standards among small-scale mines. Overall, Mongolia appears to align well with LBMA's criteria for priority engagement: a peaceful context, significant reserves, an active ASM sector and demonstrated political will to bring mining into the legal and more responsible sphere.

Progress and Challenges

Alongside these developments, multi-stakeholder engagement has remained central to the wider initiative. During the reporting period, LBMA worked with refiners, central banks, governments, industry associations, assurance providers and civil society organisations to deepen understanding of context, risk and sourcing opportunities across different markets. This included workshops, stakeholder consultations, field visits and targeted discussions on responsible sourcing expectations, governance challenges and implementation realities.

Taken together, this work has shown that responsible ASM sourcing depends on sustained collaboration and realistic implementation pathways, rather than a one-size-fits-all model.

ASM volumes through GDL Refiner supply chains remain limited, but progress in responsible ASM sourcing cannot be judged by volume alone. The foundations are stronger. The initiative has helped build the conditions for future progress: better market understanding, more informed stakeholder dialogue and tools to support more credible responsible sourcing over time.

It has also shown that formalisation is shaped by factors well beyond the control of any single organisation, including regulation, state capacity, infrastructure, financing and market conditions.

Against this backdrop, key areas of progress during the reporting period included:

- The establishment of the ASM Task Force;
- Development and launch of the ASM Toolkit;
- Four country-level regulatory and operational assessments;
- Increased engagement with refiners and supply chain stakeholders;
- Expanded dialogue with governments and central banks;
- Continued capacity building and market engagement activities.

Setting robust KPIs

To support more consistent measurement of progress, the ASM Task Force agreed a set of Key Performance Indicators (KPIs) in 2025. The most important and objective indicator of success remains an increase in direct ASM sourcing by GDL Refiners. At the same time, the Task Force agreed that the KPI framework should focus on actions and interventions over which LBMA, GDL Refiners or Task Force members have a meaningful degree of influence.

The resulting approach combines outcome-based indicators, such as growth in ASM throughput, with implementation indicators, including direct sourcing relationships, uptake of the ASM Toolkit, progressive improvement plans, logistical support, financing availability and wider partnerships that can help strengthen formal market access for ASM suppliers. LBMA has also launched a baseline ASM survey to improve visibility over sourcing relationships, ASM Toolkit uptake and supplier improvement activity, helping to track market developments more consistently over time.

Looking Ahead

LBMA's ASM Initiative advances into implementation in 2026, building on the groundwork established to date. A central priority will be the integration of relevant ASM Toolkit requirements into Responsible Gold Guidance version 10 (RGG10), including provision for progressive improvement.

Country engagement will continue in Ghana, Peru, the Philippines and Mongolia as well as across the remaining target countries—Colombia, Côte d'Ivoire, Senegal and Tanzania, with a focus on deepening engagement with central banks, governments and supply chain actors working to formalise ASM and strengthen responsible sourcing frameworks. Another priority will be to identify credible third-party ASM schemes whose demonstrated levels of governance and due diligence could be recognised by LBMA as meeting the ASM Toolkit requirements, opening the door to GDL Refiners to conduct their own due diligence and risk assessments.

LBMA will also continue its role in the Global Coalition for Action on ASGM, reinforcing broader collaboration with the World Bank, Intergovernmental Forum on Mining, Minerals and Metals and Sustainable Development (IGF) and the World Gold Council in support of more coordinated and effective market action.

LBMA recognises that ASM formalisation is a long-term process shaped by economic, regulatory and governance realities beyond the control of any single actor. But the direction of travel is clear: a more active role is needed by all in creating credible pathways for responsible ASM supply while preserving the integrity of the Good Delivery system.

2026 and Beyond

Scale proven models
Expand successful approaches to bring more countries and supply chains into responsible ASM sourcing.

Recognise credible ASM schemes
Increase market confidence by recognising schemes with strong governance and due diligence frameworks.

Increase Refiner participation
Encourage more Good Delivery Refiners to engage in responsible ASM sourcing.

Improve data and transparency
Strengthen data collection, classification and reporting across ASM supply chains.

Strengthen partnerships
Deepen multi-stakeholder collaboration to support systemic, long-term change.

Integrate ASM Toolkit into RGG v10
Embed relevant ASM Toolkit requirements into LBMA's core sourcing standard, including progressive improvement where appropriate.

Further Reading

LBMA's ASM Initiative

LBMA's Sustainability and Responsible Sourcing Report 2025

LBMA's Responsible Sourcing Programme

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