

On behalf of the Director-General of the Brazilian Mining Agency, we welcome you to the BRAZILIAN FORUM FOR RESPONSIBLE GOLD.

Brazil is one of the countries with the greatest mineral diversity and wealth in the world. Mining plays a central role in the national economy, sustaining the balance of trade, generating jobs, tax revenue, and regional development.

Gold, in particular, occupies a singular position: in addition to being a strategic asset for global markets, it is historically linked to the country's social and economic formation.

Alluvial mining gold (or *garimpo* gold) is of social and economic relevance, but it also brings major challenges, such as environmental impacts, social tensions, and vulnerability to criminal organisations. This makes it urgent to strengthen governance, oversight, and traceability so that alluvial mining (*garimpo*) and mining generally advance towards legality and socio-environmental responsibility.

It is in this scenario that the BRAZILIAN MINING AGENCY (ANM), in partnership with the WORLD GOLD COUNCIL, is promoting this forum—a space for dialogue and the construction of concrete actions that brings together government, the private sector, civil society, and international organisations.

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### David Tait – CEO, World Gold Council

The variety of agencies and government institutions, the diplomatic community, civil society and the private sector present here today is hugely impressive and serves as a model for the set of actors who need to be engaged in the fight against illegal mining and illicit flows. Brazil is building a model of multi-sectoral cooperation that, I believe, will serve as a reference for many other countries. That is why my team and I, from the World Gold Council, are happy to be with you. We want to learn from you and, alongside our colleagues from the Intergovernmental Forum on Mining, share some international perspectives and experiences.

For over 300 years, Brazil has been a prominent gold-producing country. Starting in 1693, Brazil is generally credited with experiencing the beginning of the first and arguably largest and longest gold rush in modern history. Throughout the years, both large-scale and artisanal and small-scale miners have played a role in the country's gold economy. The cultural traditions associated with *garimpeiros* are well-recognised.

But in Brazil, particularly driven by the strong recent trajectory of the gold price, the nature of the small-scale gold sector has taken a more malign direction. At the start of the century, gold was trading at around \$250 per ounce, now, in 2025, I am sure you are aware, it is trading at over \$3,700 per ounce. 25 years ago, small-scale mining was estimated to account for about 4% of newly mined gold production. Today, it is responsible for approximately 1,000 tonnes, which is between 20% and 25% of global production. About 85% of this sector lies outside formal legal structures. This implies an

illicit economy with the potential for well over \$100 billion per year. And make no mistake, this is a crisis for our gold sector.

We need an urgent, coherent and, above all, integrated response that first deals with domestic development, that protects the gold supply chain through the fulfilment of legitimate due diligence expectations, helps national and international authorities to be more effective in combating organised crime, terrorism, corruption and illicit financial flows. Illegal gold mining has direct negative impacts on communities but also opens the way for money laundering from other categories of crime, be it drug trafficking, human trafficking or arms trafficking.

On the international stage, much of the discourse on Artisanal and Small-scale Mining (ASGM) views the sector as being largely a subsistence activity alongside agriculture, for example. Of course, millions of relatively poor people make a living from small-scale mining, perhaps well over 20 million of them.

We are united in the belief that we must support those who want to do the right thing and behave responsibly. We want them to be protected from intimidation and exploitation, to observe higher safety standards and to be better stewards of the environment. We do not want to criminalise them; we need to help them formalise, professionalise and join the formal sector. We also need to help them access legitimate financing and legalised markets.

But we also need to work together to combat the malign effects of organised crime, armed groups, politicians and others, ensuring that law enforcement work is resourced commensurate with the emerging scale of the problem. Many organised crime groups are agile in adapting their business models. Government agencies working with the private sector need to be equally agile.

Here in Brazil, illegal gold mining has affected the Rule of Law and resulted in serious human rights abuses against indigenous groups such as the Yanomami and the Mandaruku peoples. Furthermore, poorly controlled illegal mining often leads to the exploitation of children, forced labour and serious gender-based violence. As we all know, this has led to severe impacts on the Amazon rainforest, leading to mercury pollution of the waterways, soil and air of many remote communities, with serious and long-lasting impacts on children and pregnant women.

Brazil also faces the challenges stemming from the fact that the Amazon basin involves nine distinct countries with highly porous borders, making the oversight of gold flows highly challenging. The agenda of this forum makes the key elements of your new strategy to promote responsible mining very clear. Around this room, I see representatives of the Ministry of Mines and Energy, the ANM, the Environmental Agency, the Central Bank, the Federal Police, these civil society groups, IBRAM and the voices of small-scale miners.

I am also aware that the foreign industry is working hard to update the Palermo Convention on Organised Crime to make it more effective in combating environmental and natural resource-based crimes. You are also pursuing traceability and making

progress in eliminating mercury in gold processing. I know that the elimination of the presumption of good faith in the gold trade was a major step forward in the foreign sector and that progress is being made towards ensuring that gold can be traced back to the concessions it supposedly came from. We will enthusiastically support you in the progress of this work.

The World Gold Council's substantive involvement in the artisanal small-scale mining sector is relatively recent, as we have become increasingly concerned about the capacity of the proceeds of illegal gold mining to destabilise regions and countries and trigger security concerns. In Sudan, for example, both sides of a brutal civil war are essentially financed by illicit gold mining. We see in these trends a major reputational risk for gold and a risk to the stability of the overall gold market. This is why we are in dialogue with a number of G7 and G20 governments, including the British countries, to ensure they take action to tackle the scourge of illegal mining and, particularly, illicit flows.

We are also working with many international organisations, including the World Bank, the OECD, the United Nations Office on Drugs and Crime, the Planet Gold Anti-Mercury Initiative and others, to improve the coherence of the response to illegal mining within and between countries. We sincerely hope that Brazil will be closely involved in this work as we move forward.

I believe there are three key elements to focus on in growing and formalising the sector.

1. First, we believe that it is necessary to implement appropriate traceability technology that registers the journey of the ore from the mine to the processing plant. The legitimate gold market demands to know exactly where the gold came from and how it was extracted. I understand that the federal police and other agencies have been working on some interesting traceability solutions. The WGC (World Gold Council) does not advocate specific technologies, but we have been working with a Swiss company on a technology that uses X-Ray Fluorescence (XRF) scans to ensure that all ore delivered to local centralised processing plants actually comes from the declared mining areas. This approach is relatively inexpensive, generates quick results and, based on the trial results and the traceability data, allows legitimate miners to be paid in a timely manner.
2. Secondly, we see the reform, development and deployment of a widespread gold processing infrastructure as fundamental to progress. The use of mercury in our nation is highly inefficient and has a major impact on the environment and human health. The shift from mercury to alternative technologies, such as the responsible addition of cyanide, can double gold recovery rates, from around 35-40% to around 90-95%. This huge increase in yield and the bonus of receiving global spot prices offered by an official processing entity, perhaps supported by the government, will incentivise and finance the formalisation of miners. It will be very difficult for miners to ignore these incentives; these processing plants can then feed their gold directly into legal and legitimate refineries, and they will be certain that they know the gold was extracted responsibly at source.
3. And thirdly, we believe that the creation of a centralised or official mechanism, perhaps central banks, buying gold from responsible miners can play a key role in



cleaning up the sector. The World Gold Council has been working, for example, with an initial group of seven central banks, extending from the Philippines to Ecuador and including the banks of Brazil and Colombia, in South America. Their objective is to leverage formalisation and good environmental and social practices through programmes to buy gold in local currency, including to increase their gold reserves or buy in local markets and sell in international markets, going through the required *due diligence* processes.

The quantities of gold purchased by the participating banks are growing rapidly under the government leadership of the Bank of Ecuador; I know that the Bank of Brazil plays an active role in the group and has important regulatory powers over aggregators and traders, but I strongly recommend that you consider supplementing your other initiatives by using the bank or another public agency to purchase gold produced responsibly by artisanal and small-scale mining.

Overall, our work to improve the integrity of the gold supply chain in the ASGM sector is not intended to be isolated. In fact, I hope that in a few years, we will see responsibly produced ASGM material beginning to be integrated into other work that we and the LBMA are doing on the Gold Bar Integrity, or the GBI programme. The GBI aims to put all legitimately sourced gold into an immutable *blockchain*-based database, where buyers will be able to clearly see that the investment bar, coin and, when technology allows, jewellery they buy were sourced responsibly, refined reputably and have only passed through the hands of legitimate actors.

I am very confident that the day will soon come when it will be unthinkable to buy gold without first checking its origin and integrity in the GBI database. My goal is that those who are holding gold for nefarious reasons, outside the database, will find that the buyers available for their gold will constantly diminish. The GBI is not only essential for safeguarding the future of the gold investment market, but also has a crucial role to play in helping to strengthen responsible supply chains and, in particular, the integrity of the artisanal and small-scale gold mining sector. Brazil has recognised the seriousness of the challenges associated with illegal mining, and we look forward to working with you in the coming months and years to learn from you and support all your programmes.

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### Mauro Sousa – Director General of the ANM

It is a pleasure to inaugurate this seminar, which is taking place here in Brazil for the first time, in partnership with the World Gold Council and with the support of the IGF, which has already been a firm partner of the Brazilian Mining Agency and has developed very important work alongside governments on the issue of mining, sustainability, and the subject that brings us here is of paramount importance. We only need to recall two years ago when the Yanomami issue erupted, which merely brought to the surface something that is already long-standing in our country.

It is the improper, illegal, and irregular activities of individuals and companies that promote the illegal extraction of gold. Parallel to this, we must also recognise that we have a whole body of legislation relating to small-scale mining – which here in Brazil, we call artisanal mining, or *garimpo* – and which is an economic activity of the utmost importance, especially in certain areas of the country. And it is an activity that not only provides for the livelihood of people but also has a cultural aspect.

We need to respond to this situation, where today the encroachment of irregular activities – not just the mining itself, but the appropriation of the areas designated for this activity – is being taken over by organised crime in particular.

Very recently, the Federal Supreme Court made a decision based on a discussion that was brought to the attention of the Brazilian Supreme Court, stemming precisely from this fact concerning the Yanomami, the invasion of Yanomami lands. This decision initially suspended and subsequently annulled the legislative provision that applied the presumption of good faith upon the first acquisition of gold originating from *garimpo*. And this was an important step.

We, the Brazilian State, have a duty to take the necessary measures to prohibit this activity, along with all illegal activities – not just illegal extraction, but all those that occur in this environment, under the auspices of certain criminal factions. So, as David rightly pointed out, today we have the penetration of drugs, drug trafficking, arms trafficking, human trafficking, sexual violence, and also slave labour. We therefore have a range of illicit acts that occur in those territorial spaces. This is a challenge for the country; indeed, not just for Brazil, as these occurrences are also present in other nations, here in Latin America itself.

And it is not just a single regulation agency or a Ministry of Mines and Energy that has the duty to address this. It is the entire State apparatus, along with organised civil society and other institutions, that need to align forces so that we can improve this climate and the way in which this important economic activity is exploited. As David correctly stated, the figures are important; the activity's growth is exponential, and the prices also stimulate illicit activities, in addition to the activity itself, because they also provide a significant level of profit.

The idea of this seminar is precisely to bring together the people and institutions that can work and those who *a priori* have a solution for complex problems. Therefore, we must pool efforts, combine understandings, reflect, and, more than that—more than just a dialogue—we must move towards effective action that can operate on the various necessary fronts. To this end, we are dealing with a global industry, and since it is global, the solutions must also be as globalised as possible, because we need to guarantee the provenance, gold of proven legality, and take care of the entire production chain.

So, from extraction, processing, commercialisation, and industrialisation, all of this is a challenge for any country. Obviously, we have purely receptive centres, which are those that acquire and consume with much greater emphasis. We are producers; we also consume, but we have several destinations, including to back the positions of countries

with the Central Bank, whether they are central banks or other banks in nations, to serve as financial collateral. It also serves as a financial asset, capital, but also even the jewellery industry itself, and we must take care of this. It is a very broad industry that truly needs a much more critical, even ambitious, outlook.

We have here the representation of Itamaraty, the Ministry of Foreign Affairs, which has been working to organise the execution of the Minamata Convention, of which we are signatories. And we need to undertake the implementation of the Minamata course with much more efficiency and perspicacity, I would say. It does not necessarily advocate the complete banning of the use of mercury in mining activities—mercury is used in the medical field, especially in oral treatment—and the idea is to gradually remove mercury due to the environmental and human damage it causes, as everyone knows, but it is still a form of processing for that gold extraction.

We have this path ahead of us now, briefly in Geneva, precisely in the same week as the IGF meeting, we will also have COP6 and a specific group to deal with the issue of mercury and how Brazil, like other countries, needs to present itself for COP30. What kind of mining do you want? What is the mining of the future? What is the future of mining? More responsible mining from an environmental, human, and social perspective—how it reaches communities and how it looks after communities. We will make this reflection, take decisions, and create basic standards that can lead to a significant improvement in this activity in various parts of the world.

I think the proposed coalition is a very interesting idea that we have created and aims to discuss, create a forum, and have a more globalised treatment for this issue. It is not an issue for one country or another; it is an issue that affects the world due to the historical importance of this chemical substance for society. Therefore, we truly need to create mechanisms, create instruments, and as I said, no one has the solution—no country in isolation, nor one culture within the country in isolation. It is a pooling of efforts, a collective construction, and it will adapt to the various realities, respecting those realities, respecting specificities. But we will seek this intention as much as possible: a level of knowledge, a level of introduction of new techniques, permanent innovation will guarantee traceability in various forms, as Professor Jorge de Tomio, who has studied this and has presented us with important studies, says, so that we can find the most appropriate means.

So, we are going to join all these forces, the knowledge, we are going to produce more knowledge and innovation, and obviously we need to ensure project financing, ensuring that resources are available so that all projects, all ideas, become a reality and transform the reality we live in today. The support of the World Bank is also fundamental; we had a meeting in Paris recently, the World Bank was with us, the IGF coordinating with the World Gold Council. So, we have united in this great journey, this great challenge, which must be fulfilled with the effort of each of us, and I am sure that Brazil is prepared to face it. We have our numerous problems, of various kinds, but we also have a State structure, we have a society that is increasingly organised, which is to ensure that we have safe gold production, whether from industrial production or from what we call here, PLG (Permissão de Lavra Garimpeira), which is orderly, with respect for the environment, with



respect for people, for communities, and which effectively produces the level of economic growth and social development that gold can provide, not only for those who produce but also for those who consume. A conscious consumption and a consumption that knows the origin of this product. And we want to be together in this global coalition so that we can ensure this objective is achieved as quickly as possible.

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### Júlio César Nery – Director of Mining Affairs, Brazilian Mining Institute (IBRAM)

This issue of gold is a very pressing one, because since the first IBRAM event I attended, at the table I was on, there was a presentation by the Federal Police about the Ouro Alvo (Target Gold) project. And from that moment, when Ricardo, who was the agent giving the presentation, delivered it, it impressed me greatly. It remained very strongly in my mind that it was a huge opportunity for credibility—for being able to identify where the gold came from. We know that every deposit is unique and has special characteristics. What remains is for us to find ways to map this and then be able to use this characteristic to our advantage, in favour of traceability that leads to legality.

And from that moment, even at the table, I told Ricardo, "I will support you; if you need IBRAM, you will have it." This must have been in 2020. After that, we continued the conversation; Ricardo is no longer in this area, but Fabio Salvador replaced him. We continued working and should sign an agreement with the Federal Police this year, precisely to help the police create the sample bank, because then we will be able to identify where the gold sample came from. It is a long, difficult, and expensive job, but it needs to start. It has already progressed significantly; we can already know, for example, how to prove that a certain sample did not come from a particular deposit, and that is already a very big progress in forensic terms.

But this was one of the first tasks we undertook, and then we had a very promising year in 2023. We always had the function of technically advising him on this matter, and in the analysis of the presumption of good faith, he was against it from the beginning. When he saw what it was, he opposed it and started working in that direction. The first measure that we considered a victory came from Dr. Mauro's agency: it was the registration of the first account, eliminating paper. The prescribed paper was given, and then, ultimately, it was what was very important for the traceability of the process, in that manner.

After that, the electronic invoice from the Federal Revenue arrived. President Lula went to the Federal Revenue, he went to the Ministry of Finance; he fought very hard in this regard, worked a lot, and even received threats because of it, against the licences that dependents had to buy gold without declaring the conference. This was quite a serious, quite tense matter.

But this year, then, was the year that culminated, later, with the Supreme Court's decision, cited by Dr. Mauro, to suspend the presumption of good faith and then annul that law. This created conditions for greater oversight of the country's production, sales,

and especially commercialisation. This is part of our process. We must always work by doing things within the law, and we must always work to encourage this possibility that we believe is achievable.

The price at which gold is trading today, around three thousand seven hundred and eighty dollars, is equivalent to six hundred and eighty reais per gram. It is a very high price and is a huge lure for unscrupulous people. And it is up to the police power, the government in particular, to curb these illegal actions. And it is up to us, in the sector, to work to encourage those companies that want to operate legally.

We recently made an agreement with USP and NAP for the development of a compliance tool, where we are concerned with the traceability of the process and compliance to show that the operation is legal. We made the agreement; it is still in the testing phase, but we hope to launch it in a maximum of one or two months because the tool is practically ready. It is a tool that will allow, given a certain area—not only PLG, given a mining licence (a PLG), a licensing process for these minerals—that the person can, via the internet, check if that area is compliant in terms of the Brazilian Mining Agency, in terms of the environment, if they paid the CFEM for the area they claim the material was extracted from and, most importantly, check via satellite imagery that work occurred during the reported period.

He knows the process well; he participated from the beginning; he is leading the process. But, I really liked the idea from the start, and fortunately, it is achieving exactly what we expected. So, it is something we want to make public, and in the near future, perhaps even issue certificates of compliance, because that area is legal, has the environmental licensing, and has the mining licensing. This is another tool for the small miner. Large-scale mining has other tools to demonstrate this compliance. But we understand that this will be a very important tool for the small miner, and we intend to make it public in a maximum of two months. Working on this, we mobilised the mining map a short time ago, where you have over 300 operations stating where it is, what it is, and what it mines. We are trying, then, to publicise the operations of mining companies.

I was at the presentation of the Mercury-Free Gold project, a very significant undertaking by UNEP, and I think it deserves more publicity because we have alternatives to mercury. As a technician who works with large projects, we know that cyanide is much more efficient at this and much easier to control. It has its risks, but it is a much more feasible control. And mercury has other much greater complications, such as its longer persistence, for example, in the soil. So, we encourage this in these solutions, even the use of other sources of material that can be used to make this gold recovery, or even the recovery of free gold, through large centrifuges, or more efficient centrifuges. We have hope in this; the disclosure of this project would be very good for us to be able to reach this stage where everyone could have greater recovery, as Dr. Mauro says, greater gold recovery in the mine. As a mining engineer, we always work so that you have greater recovery, so that once you extract a quantity of material from the soil, let's make the best possible use of it before rehabilitating the area. That is what we advocate; that is what IBRAM defends.



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## Ana Paula Lima Vieira Bittencourt – National Secretary for Geology, Mining, and Mineral Transformation/MME

I believe that phrases have been introduced that clearly summarise what we all desire regarding the theme of responsible gold: certain commitments to a responsible gold extraction process, some commitments that our Brazilian government already has initiatives for. We are talking about traceability, we are talking about the reduction and possible elimination of mercury use in the gold extraction process carried out by artisanal and small-scale mining, usually called *garimpo* in Brazil. And we talk about the process of recognising compliance, which is another aspect, another perspective of this phenomenon that is extremely relevant when we are talking about encouraging regular activity.

Our ministry has been very assertive in affirming the importance of mineral activity, of legal, responsible mining, and, above all, one capable of generating results that are recognisable by society and by the communities near the enterprises.

In our National Secretariat for Geology, Mining, and Mineral Transformation, we have placed issues related to gold mining, especially artisanal and small-scale mining, at the centre of our agenda. It could not be otherwise; after all, gold mining and its production chain are of high relevance to the Brazilian economy. This demands comprehensive and relevant actions, highlighting the work done by the ANM and the MME, and it places us before great challenges: adequate reinforcement for the extraction of our mineral resources, involvement in a traceability process capable of ensuring the product's proper origin, and the opening of new domestic and international markets, increasing the value of our gold and expanding the social gains resulting from it.

Respect and incentive for legalised *garimpeiro* activity, especially that mediated by cooperatives, development of state and social capacities that allow the extraction of mineral resources to be carried out in alignment with the best sustainability practices, especially regarding people's health and environmental balance, with the generation of value for communities. In short, there are many challenges, which do not allow us to stand still.

In July, as mentioned here, the Brazilian government and the United Nations Environment Programme met to address relevant topics related to sustainable gold mining and the attraction of resources to finance our National Action Plan for the Reduction, and, if possible and desired, the elimination of mercury use in artisanal and small-scale mining. Also in July of this year, we launched the National Panorama of Artisanal and Small-scale Mining, a deep diagnosis of the theme covering socioeconomic, environmental, and legal issues through it. This panorama is the result of the Mercury-Free Gold project, a task built by many hands over the last few years, with the Institutional Coordination of the Ministry, in conjunction with essential partners: UNEP, the Global Environment Facility (GEF), and the NAP-USP team of consultants.

It must be made clear that we seek to build public policies based on solid evidence and anchored in the Brazilian socioeconomic reality. After all, complex topics require integrated action from public agents and society, focusing on results and legal mandates. An example of a legal mandate is the Minamata Convention. Brazil will comply with what was agreed upon in this convention regarding Gold.

We will seek to build a solid set of public policies that support the *garimpeiro* communities interested in acting legally, interested in the safety of economic activities, and, essentially, in the socio-environmental movements they provide.

The MME understands it is necessary to:

- Foster the formalisation of the sector.
- Stimulate legal activity in permitted areas.
- Support the other agencies in combating illegal activity.
- Promote safe activity without the use of mercury to protect the health of the populations and the environment.
- Support the development of alternative technologies to the use of mercury that are safe.
- Expand the opening of new markets for Brazilian gold production, connecting it with consumers around the world.

The finalisation of the Mercury-Free Gold project heralds new actions and the taking of new flights. The fundraising with the Global Environment Facility can enable the construction of solutions for more responsible mining, with the potential to expand support for strategic actions aimed at reducing mercury use, with the pilot programme to test new technologies and the valorisation of the *garimpeiro* communities.

This is an example of the Planet Gold programme, which can support us in actions to comply with the Minamata Convention, working in partnership with governments, the private sector, and artisanal mining communities to significantly improve the production practices and working environment of artisanal and small-scale miners.

But beyond seeking partnerships, we will do our duty; we are finalising a draft of the national action plan. And this draft will be the subject of a major debate within the government and with representatives of the States of the Federation. Our objective is to approve a robust national plan focused on meeting these needs that we have already identified here. This is a great responsibility for which we will count on partners from the government, civil society, and the international community, and for which environments like this, created by this forum, are indispensable. So that we can mature discussions, be certain of the challenges that have been mapped, and seek the best solutions.